Responding and adapting to changing needs: A study of AAI's ability to remain

competitive and relevant in community

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ABSTRACT

Key words: resources, capabilities, organizational structure, competitive advantage, innovation, change models, culture and resistance to change.

The study examines the importance of competitive advantage and change in a dynamic environment. The purpose of the study is to explore how AAI could remain relevant and competitive in the market and examines how regularly changing its approaches to programme delivery could be used to meet needs of the community.

The study also focused on the impact of AAI's pace of change and how the pace impacted on the organization's effectiveness and quality of programmed delivery.

AAI relied on its past successful programmes to address the need of communities in many new countries. However, previously successful programmes did not prove popular when rolled in new markets. AAI programmes are suffering substantial withdrawals from beneficiaries. Beneficiaries are withdrawing from AAI programmes, complaining that the programme delivery approaches were not competitive and innovative.

Many new organizations being formed are competing not just for beneficiary markets, but for financial resources (funding), skills and new ideas of delivering programmes. Traditional government type donors are being overtaken by a new crop of donors that is in favour of funding competitive and innovative organizations. Traditional aid organizations are losing market share to smaller agencies.

The organizational structure of AAI appears not to support effective and efficient delivery of programmes. With no senior manager at the helm of the department, coordinating activities, sustaining competitive advantage and managing change within the programme department remained a challenge for the organization. A frastruated staff compliments exacerbated the situation. Employee turnover at the key and tactical levels resulted in the department operating without adequate staff and key personnel. This made coordination and cooperation amongst units very difficult.

Various programme units operated in silos and mixed messages were sent to community resulting in the community being unhappy with AAI. Community felt that AAI did not consult with them when deciding on how to meet their needs. Community members felt that AAI was taking unilateral decisions and did not care about their feedback and the quality of the programmes delivered.

This study further examines how AAI has suffered due to its inability to respond to the needs of community and its failure to adapt to the changing business environment. It reveals how innovation and adaptability is critical for retaining competitive advantage. It reveals how capabilities once built can be eroded by competition through copying. It concludes by revealing the importance of dynamic capabilities in sustaining competitive advantage as well as the need to change in response to the market.

GLOSSARY OF ACRONYMS

AAI   ACTIONAID INTERNATIONAL

AIDS   ACQUIRED IMMUNO-DEFICIENCY SYNDROME

CEO   CHIEF EXECUTIVE OFFICER

HIV   HUMAN IMMUNO-DEFICIENCY

MMS   MIDDLE MANAGEMENT SERVICE

NMS   NON MANAGERIAL SERVICE

PEST   POLITICAL, ECONOMIC, SOCIAL AND TECHNOLOGICAL

PD   PROGRAMMES DEPARTMENT

SMS   SENIOR MANAGEMENT SERVICE

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Introduction

Action Aid International (AAI) is a not-for-profit organization operating in South Africa and 43 other countries of the world covering four continents namely Africa, America, Asia and Europe. The majority of its operations are in Africa where operations are in twenty-five countries. AAI is an international not-for-profit organization whose objective is to fight poverty. The organization has a Secretariat located in Johannesburg. AAI is a federation of members who go through various stages of affiliation to achieve full autonomy in the federation. The organization started as a British charity with operations funded primarily by the British government. As one of the major British aid agencies, funding at inception was rather guaranteed, it didn't need to solicit or compete for funding. As funding began to increase more and more, its work also began to expand. In its early years, worldwide expansion was easy because of its reputation as a British organization, its simple programming, its massive financial resources and the relatively low levels of competition in the industry. The industry was dominated by few players and the market (communities needing programme interventions) was wide. In many countries where AAI had presence, AAI enjoyed relative monopoly. Communities had little or no choice, what was offered by AAI was all they could have. Programme planning and delivery was simple, quality of intervention was never an issue and innovation was never a subject matter.

However, in recent years AAI programming has been lagging behind, the environment has been changing dramatically. Competition has been getting intense, communities getting more educated and able to make informed choices. Today's beneficiaries, are aware of their rights more than ever before and are better able to fight for their rights, articulate their points of view and present challenging views points. AAI has been caught napping from many fronts. How can the organization pull itself up and position itself so as to better meet the challenges confronting it today? How will AAI respond to the dynamically changing business environment and how will it keep abreast of the emerging competition?

1.1   Problem in context

The stakeholders of (AAI) are often disillusioned by the program delivery processes. They often wonder who really is involved in programme planning, approval and delivery processes. They often raise questions about who determines the content, quality and type of programmes delivered. These questions arise because programme design and delivery does not mirror their expectations. Many beneficiaries of programmes perceive AAI as unconcerned with their views, when and what is delivered to them. For the past number of years, communities have been losing interest in getting involved in AAI programmes. Many have been wondering whether AAI understands their priorities and what programmes they are interested in. Some accuse community leaders of failing to present things correctly to AAI during planning processes. While others argue that programme delivery should be centred on the needs of the community and that communities should determine what

programmes are needed to development communities. Many beneficiaries in the community are disappointed that programmes are not delivered on time; many programmes are delivered late and are of poor quality. They ask "why is takes so long to get programmes delivered?"

AAI has built a huge infrastructure that has for many years sustained its ability to deliver standard and basic programmes. Aided by good relations with governments, AAI has been able to secure massive financial resources to run programmes in communities. This has enabled AAI, in the past, to reach many communities and deliver basic services. However, in recent years government based donations have been dwindling and its competitors have been raising more funding from wealth individuals, corporations and trust. Many small not-for-profit organizations have emerged on the market thus increasing the number of players in the industry and competition. The emergency of a new group of donors has resulted in a totally new criterion of approving, applying for funding as well as measuring performance and programme impact. Whereas government funded programmes were concerned with such things as being visible in the community, the new group of donors emphasized new ideas. These new rules for receiving funding totally changed the business environment in which AAI was operating in and resulted in a demand for new skills.

AAI programmes department is a key component of AAI, tasked with helping the organization achieve its mission of fighting poverty and siding with the poor and excluded communities. The department has not had a senior manager providing guidance to its activities. However other functions within the organization have always had a responsible director. Programme work for many years has been organized into thematic areas which are headed by a Theme Head. Each of these heads report to the Chief Executive Officer, although Theme Heads do not form part of Senior Management Team (SMT).Thus Thematic Heads do not attend meetings of directors. The five Themes Heads submit their unit report to the CEO who then takes their reports to the senior management meetings. This structure of reporting has been in place for many years.

Each Theme (section of Programming department) which could either be women's rights, education, HIV and AIDS, Emergency or policy and governance annually prepares a plan of activities to address programme needs pertinent to their respective themes. Each section focuses their attention on their area of programme work and where possible seeks to collaborate with other Themes Heads. Each unit head would hold meetings with communities in order to assess how best they could design programmes with focus on their thematic area. The annual consolidation of the various thematic plans made up organisation's programme plan.

Similarly, staff from each programme section (theme) would focus on delivering programmes that fall within their theme and collaborate with others where convenient. This approach has led to a disgruntled and divided staff. Staff turnover has in recent years been well recorded; many skilled employees have left the organization for other new and competitive organizations where their skills are well valued. The high staff turnover has taken a toll on team work and cohesion and many suggestions for change put forward by various Theme

Heads have fallen into cracks due to lack of a team leader, a Director at senior management level. This has made it difficult for the department to put forward a coordinated strategy for the department. Many good and innovative programme ideas have not been able to reach senior management and as a result many employees have been frustrated by their inability to implement new ideas and this has resulted in them leaving AAI. Those who decided to stay and watch competent colleagues leaving have not been motivated either. Instead, they became indifferent and disengaged. Many have witnessed new organizations forming, attracting more non-government type funding and their programmes overtaking AAI's programme in terms of programme quality.

In recent years, the simplification of the process of registering non-profit organizations in many jurisdictions across the world has allowed entry by huge numbers of players on the market. Any organization can now register to carry out community work in any part of the world with minimum restrictions. This has resulted in many organizations being allowed to work locally, regionally and internationally. AAI operations tend to spread across the whole country and this has resulted in fierce competition for territory in many parts of the world. Many of the communities AAI is working with are experiencing duplication of effort in the provision of programmes. Communities are now able to choose which programmes they want to be a part of. Many smaller organizations are rising and witnessing growth and support for their work. This has resulted in the AAI brand being indistinct. Communities members have forgotten that many of the programmes modified by new and smaller community based organizations were originally pioneered by AAI.

1.2   Problem review

A number of emerging themes have been identified and these are:

a)   Poor stakeholder consultation and poor program implementation

It appears that the community leadership is not well informed of the consultation process used by AAI, resulting in community members being unable to follow through in all the stages of decision-making processes. Communities are complaining perhaps because they feel that they are not involved in all the stages of deciding programmes and how the programmes should be rolled out, improved, coordinated and communicated. Poor stakeholder involvement may be manifesting itself by way of stakeholder resistance and growing disinterest toward working with AAI. This state of affairs may be working in favour of new and upcoming organizations, looking for niche markets to serve.

b)   The competitive nature of the not-for-profit industry

AAI was formed when the not-for-profit sector was largely made up of few organizations, which enjoyed relative monopoly in several jurisdictions they served. The business environment was relatively static and predictable. Demand for programme intervention was huge, while organizations providing programme interventions were very few. Thus organizations providing aid had more power to determine the type of programmes, the

content, quality, and the extent of community involvement and consultations processes. However, as competition grew with more organizations entering the sector, AAI has not been able to move with time. The organization's pace of change has been slower than its external environment. The business environment has seen the emergence of a different type of donor namely wealthy individuals and corporations as opposed to governments which rely on rolling programmes through well-known or traditional aid agencies.

c)   Staff issues

AAI has a number of staff related issues including a staff compliment that is de-motivated, high staff turnover and the lack of a senior manager overseeing programme work. The appointment of a director of programmes would help to coordinate and unite the work of a programmes department. Staff within the programmes department does not have a coordinated approach in designing and implementing programmes and the lack of coordination frustrates the work and efforts of others. Employees are aware of the challenges facing the programmes department but they lack senior representation at strategic level to articulate their views. Frustrated employees leave and are replaced by new one's that also take their place and encounter the same problem and in turn also leave. This high staff turnover affects continuity, programme quality, consultation processes and coordination with community.

d)   The ability of the organization to respond and adapt to a changing environment

From inception, the growth of AAI has been driven by government related funding and with that background it was easy to meet the needs of one major donor. This assured the organization of growth and continuity. However, as the external environment began to change, AAI continued to rely on its past successes and took comfort from its reliance on government funding for future growth.AAI continued to draw comfort from the relative lack of competition at the time. With time government related funding began to fall, AAI began to come under pressure to review its approaches to programme design, consultations processes, speed and quality of delivery. AAI continued to trail behind change and change became more and more overwhelmingly faster than it could cope with. This resulted in AAI following change and trailing after changes in the environment.

1.3 Problem statement

In light of the research problem discussed above, the research problem for the dissertation is as follows:

AAI is currently struggling to adequately respond and adapt to changes in its internal and external environment and this is manifesting itself through poor programme quality.

1.4 Research Objectives

a) To establish why AAI programmes are falling out of favour with the communities and yet for many years communities have relied on some of the programmes.

b) To establish the internal constraints AAI is facing and how the constraints are impacting on delivery

c) To determine whether the competitive forces in the industry have a direct impact on the current performance of AAI.

d) To determine the sources of competitive advantage needed to survive in the industry and how best to deal with change.

1.5 Delineation of the study

The researcher will conduct a study of the nature of competition in the not-for-profit sector, including the possible impact of competition. The study will examine how changes in the business environment have impacted on AAI and then examine how AAI is responding to changes in the environment. It will analyze the organization's view to change, review the sources of competitive advantage needed to survive in the industry and how prepared AAI is to deal with change. The study will review the attitude of management and staff to change and examine whether AAI is responding reactively or proactively, how the nature of change in the environment is manifesting itself in the way programmes are designed and implemented. The study will examine how staff issues impact on the programmes design and delivery.

The study will also examine the consultation process used by AAI in soliciting community involvement as well as in deciding and designing the type of programmes to be delivered. During the study the researcher will seek to identify the different stages of community involvement and their power to determine programme design and development and their perception of what should be the role of AAI in their development. The study will also include an examination of whether or not AAI programmes meet the needs of beneficiaries and what beneficiaries think about the programmes offered by AAI as well as other aid agencies. The study will also seek to confirm the views of beneficiaries by comparing them with those of employees.

1.5.1 Limitations

The study is based on the responses provided by a number of respondents who participated in the study and their responses may not correctly mirror the true state of affairs of how well AAI conducts consultations processes, design and implements programmes. Their views on AAI programmes may be biased due to some other reasons and this may make it difficult to obtain honest and balanced opinions. The findings of the research will be based on a limited sample of respondents from staff and community members who are beneficiaries of AAI programmes. And because of this, it may be difficult to obtain a balanced, free and fair view from beneficiaries. Beneficiaries may fear that giving negative comments toward AAI programmes may result in AAI removing them from the beneficiary list. Similarly, employees may feel that giving out their views in a research may result in loss of employment or withdrawal of donors.

The information used in the research was primarily obtained from respondents through responses to a questionnaires and the quality of the responses given is also an indication of how well they understood the questions being asked. The responses were from people in 43 countries and the way they responded were affected by their culture, their inclination toward speaking the truth as well as their understanding of the role of AAI.

During the briefing of participants, beneficiaries who could not be contacted personally or telephonically had to travel to a local AAI office in the country of their residence. This impacted on the number of participants who could take part in the survey. And for others whose first language is not English, the briefing had to be translated (so was the questionnaire) into their local language.

1.6   Importance of the study

The purpose of this study is to examine how AAI is responding and adapting to changes in the internal and external environment. The study will help to establish how best to respond and analyze how management is coping with changes in the environment. It will establish whether AAI is prepared, reacting or being proactive. The research will seek to inform and advice the management of AAI in how to respond to the environment, including stakeholders. The study will help management to establish the cause of some internal challenges including staff turnover, a de-motivated staff and planning and coordination issues amongst others. It will assist the organization in ensuring that community consultation processes, programme design and implementation meet the needs and expectations of the community. It will help foster good communication between AAI and the community thereby resulting in better understanding of community expectations.

The study will discuss sources of competitive advantage that will enable AAI to remain relevant and responsive to the needs of community in a changing environment. It will examine how AAI is dealing with change in the environment and how best the organization can prepare as well as manage change. It will deal with the impact of competition and how competition brings about change and options available for AAI in managing change.

1.7   Summary

The objective of chapter 1 is to identify the broad issues affecting AAI and the broad issues arising from the community. Its purpose was to examine AAI's microenvironment as well as the competitive issues emanating from the macroeconomic environment. The chapter provides an insight into the research process to be used and highlights the research problem, the research question and research constraints. This chapter attempts to give an overview of the dissertation and prepares the reader for chapter 2.The purpose of chapter 2 is to provide further perspectives on AAI, delving deep into the issues within its internal and external environment and issues affecting AAI's ability to respond and adapt to changes in the environment.

Chapter 2: PROBLEM ANALYSIS

Introduction

In today's competitive environment, the ability of an organization to respond and adapt to its business environment is crucial for its survival. Although an organization can change at its own will and determine change in a planned way in order to achieve efficiency and effectiveness, resistance to change and complacency can be a serious impediment. Speed, effectiveness and quality of delivery has become key performance measures used by donors to award funding. Non-traditional donors (wealth individuals, trusts and corporations) are revolutionizing the way in which performance in the not-for-profit sector is being assessed, monitored and evaluated. They are demanding more dynamic and competitive performance, new ideas and laying new rules for awarding funds. The new funding rules span from assessing capacity of the implementing agency (in terms of staff skills and competency), reviewing of the accounting systems, governance structures and the quality and competitiveness of approaches used in delivery.

The community in which programmes are being delivered has changed; many people are now literate, informed of their rights and aware of alternatives available from other aid agencies. Communities are now much better in evaluating, selecting programmes, assessing how programmes should be delivered, the timing as well as the quality of delivery. The many entrants in the industry, has brought about changes in the environment and more choices for beneficiary communities. The improvement in communication as a result of mobile phones and road network has given rural communities speed and alternative communication channels, helped them to make faster decisions, and mobilize others to oppose programmes that they feel do not assist them. This development has put pressure on AAI and has stretched the organizations processes and governance structures. It has meant more thorough consultation processes are required in designing and implementing of community programmes. It has resulted in a shift of some power from AAI to the community. The shift in the balance of power has also meant that AAI needs to manage relations with communities well in order to ensure sustainable funding, acceptance by community as well as approval of its programmes.

The internal environment of AAI is made up of a diverse staff complement, old and new employees, of different cultural backgrounds, a bureaucratic management style (Mhande, 2011), a heavily departmentalized organization and a fragmented programmes department with programme work divided into themes, largely working in silos (Mhande, 2011).

This chapter will therefore reveal the complexities of AAI's internal and external environment and discuss the ability of AAI to respond and adapt to a changing business environment. AAI's environment can be is analyzed briefly as follows:

AAI's Organizational Boundaries
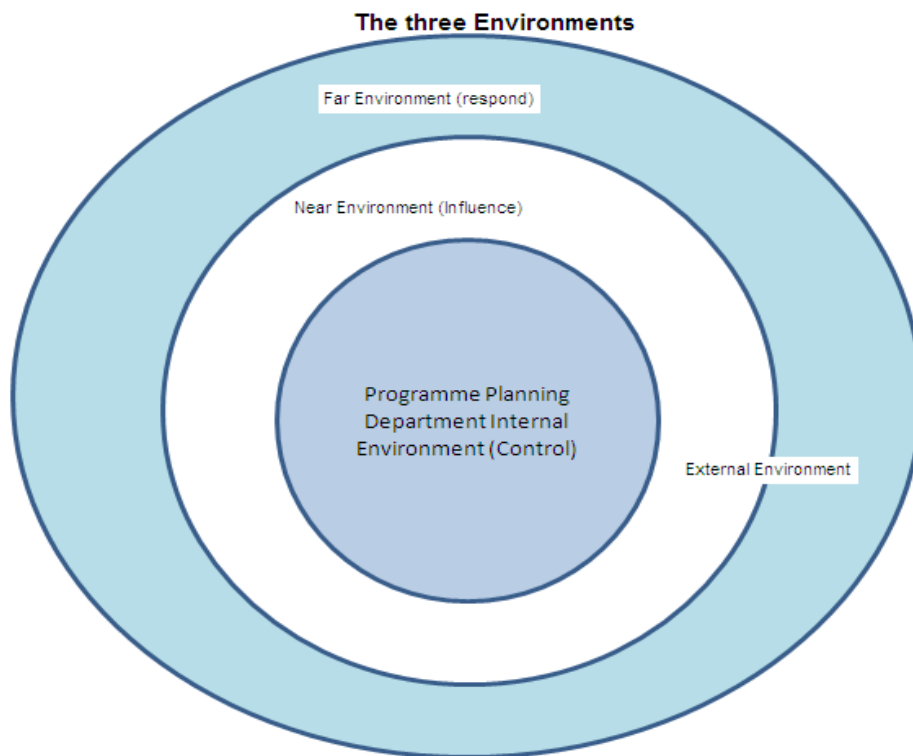
Figure 1: The three environments (Stapleton, 2007:85)

The programmes department is part of a large and complex network of beneficiaries (customers), suppliers, competitors and regulators. The relationship between the department and its external environment can be simplified diagrammatically as follows:

a) The *Internal environment*- this is made of up staff, resources and facilities within the organization. It is this environment which management can exercise control.

b) The *near environment* of the department is largely made up of customers (beneficiaries), clients, contractors, suppliers and competitors. It is this environment that the Programme planning department has no control over but has the ability to exert influence.

c) The *far environment*- is the environment in which the organization has neither control nor influence from within the organization. This environment is normally made up of PESTLE factors (namely Political, Economic, social, technological, Legal and Environmental).

2.1   The external Environment

The framework and analysis of the external environment is based on Porter's five forces Model as shown in the figure below:
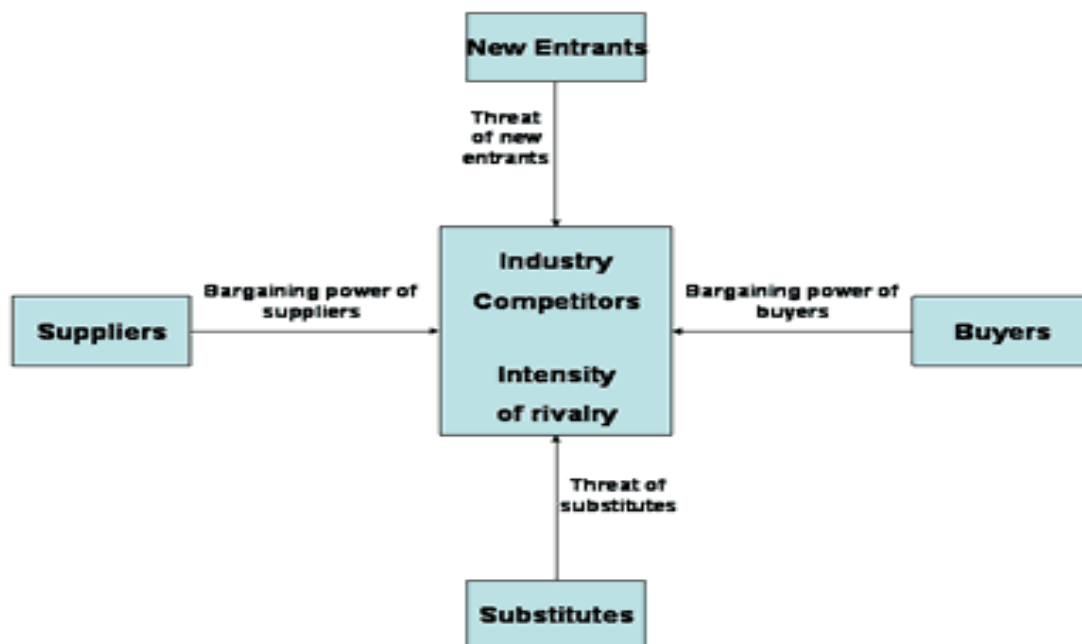
Figure 2: Porter' Five Forces Model (Grant, 2008:72)

The theory helps to analyze the competitive forces around the Programme Planning department. The external environment of the department is made up of competitors who are either buyers or beneficiaries of programmes, suppliers, competitive rivalry, substitute interventions and new entrants to the not-for-profit sector. The model actually assesses the attractiveness of the not-for-profit sector in which AAI is a part of.

2.1.1 Threats of new entrants

The department operates in a dynamic environment in which threats of new entrants are forever increasing. Market stability has been replaced by inherent instability and change. The threats of new entrants in the not-for profit industry has become very real. Many new and young organizations are being registered everyday and these are running programmes which are more superior to those of AAI. The emergence of new entrants has presented many challenges such as those of differentiating AAI programmes from competition. The relaxing of legislation over the years by many governments has resulted in a flood of new entrants and has allowed new entrants to set up operations in any location where communities have needs. Community is failing to differentiate AAI products from all other agencies and the need for AAI to brand itself and its services has become greater than before. New entrants are creating competition for new locations to deliver programmes, and are improving on ideas of AAI and increasing competition for financial and human resources. AAI has yet strategically to prepare itself to respond and adapt to the challenges presented by new entrants.

2.1.2 The threat of substitutes programmes

The existence of substitute programmes from other aid organizations comparable to those being offered to communities by AAI creates opportunities for beneficiaries of AAI programmes to switch between alternatives easily. AAI runs the risk of failing to find communities to serve, as communities switch from its programmes easily in favour of substitute programmes, with little or no switching costs. The availability of substitute programmes exposes the weakness of AAI programmes. It is exposing how old fashioned AAI programmes are and how the programmes are faring in the market. Competition is revealing the reality of how communities feel about AAI programmes. This emerging change in the environment certainly surprised the once mighty aid agency.

2.1.3 The bargaining power of beneficiaries

The beneficiaries of AAI programmes are the community. Communities are acquiring more power by acting together as a group to demand speedy, quality, transparency and accountability in aid administration. Such coordinated actions are putting pressure on the programmes department to ensure that programme delivery is customized to the needs of communities. This pressure is creating realization of the significance of involving communities in decision making. In some rural areas where AAI is operating, united community actions have already forced some aid organizations to be banned by communities, citing various reasons including poor communication, poor consultation processes, programme delivery and lack of a proper community development plan. The results of these community mass actions have changed the balance of power between development Agencies and communities. Not-for-profit organizations are becoming more careful when dealing with community. They have gained the realization that working with community is no longer the same as it was ten years ago. One realization is that the Programmes department no longer wilds more power in designing programmes than before. The community is gradually interested in determining how they should be assisted, what programmes they need and how they should be delivered.

2.1.4 The bargaining power of supplier

The Programme department makes use of various service providers to deliver programmes in rural communities. These service providers include transport and logistics companies which deliver programme materials, internet service providers who makes sure that stories of change are properly uploaded on the AAI website, journalists who participate on the department's campaigns, most of who are from the independent media, recruitment agencies, suppliers of special stationery and printing companies, that does layouts and editing of all Programme Reports. The latter and many others have a potential to exert a lot of influence on the quality of delivery of the department's output. The impact of the independent media and journalist can be so great that they can make or break the department. The department depends on external printers for its regular newsletters to donors. These newsletters must reach donors at carefully agreed dates and must be printed according to very strict colour codes and layouts. Any negative reactions from these suppliers can have an impact on the department and can potentially cause loss of donors or sponsors.

2.1.5   The intensity of competitive rivalry

Competitive rivalry in the industry is increasing due to declining funding in the industry. The growing nature of poverty across the world has resulted in an ever increasing demand for assistance. The nature of assistance needed has also been changing and so has been the need to tailor that assistance to the changing environment. The face of the once relatively stable industry has been changed by competition. Organizations now compete for virtually everything. This has resulted in an increase in pressure on resources and geographical locations. Organizations are competing for new locations, beneficiaries as well as brand differentiation.

2.2   PEST

Downey (2007) described another way of analyzing the external environment by means of the PEST Model.

The department's external environment can be analyzed by the use of PEST factors (namely political, economic, social, technological factors). By means of these factors (Downey, 2007) recognized that the organization is part of a wider macro-economic environment in which forces outside the organization's external environment dictate largely how things should be done. In such instances the department will have to comply and thus exercise no control over what happens. At best the department will make an effort to respond in a way that mitigates the potential negative impact from the macro-economic environment. The figure below analyses further the macroeconomic environment:
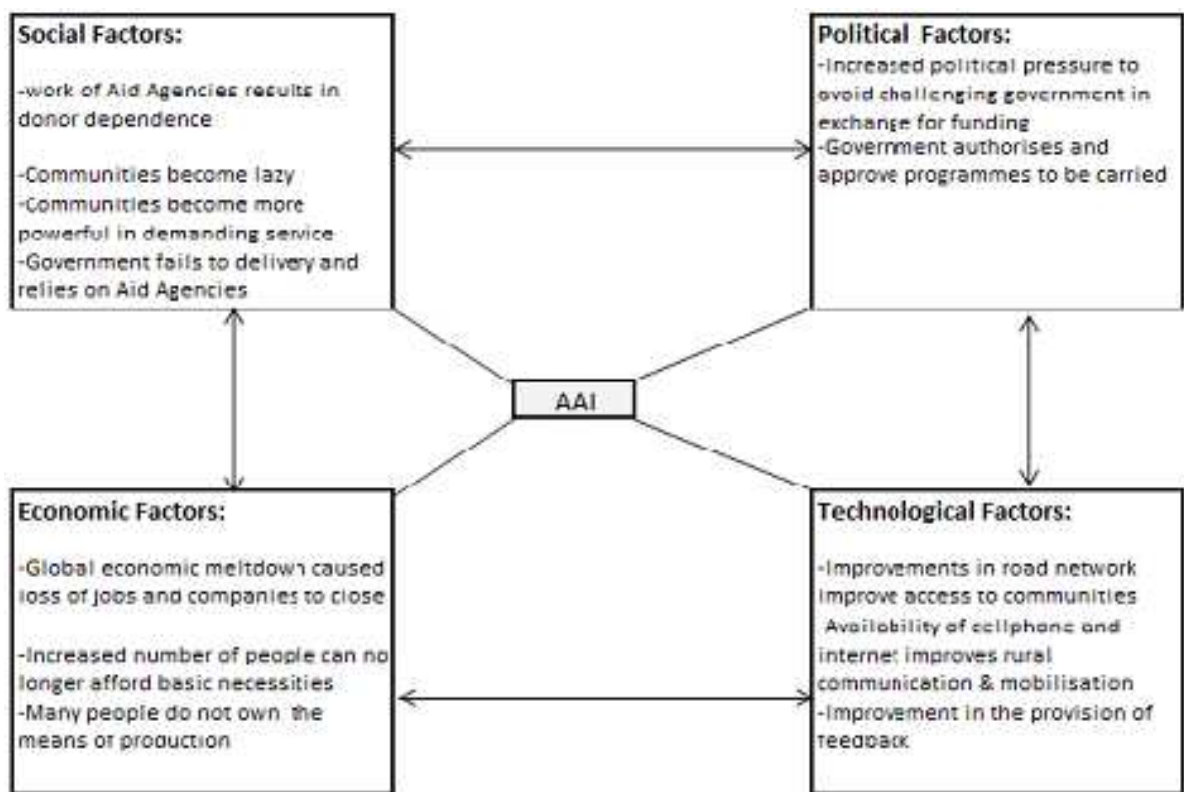
Figure 3: Analysis of AAI PEST Model (Downey: 2007)

2.2.1 Political Factors

The Programme Planning Department serves 43 countries whose political environments are totally different. AAI operates in areas where the level of poverty is appalling and poverty is believed to be partly caused by poor governance systems resulting in unequal distribution of resources among people. The political environments in which AAI operates in imposes various restrictions on the work of the department, the nature and type of programmes which can be offered and the extent to which programmes can be offered. For example, programmes involving food distribution have to be authorized by the government and the distribution of the food has to be monitored by government officials especially in an election year. In Limpopo (South Africa), campaigning against mining companies (some of which the government is a shareholder) have put AAI in direct confrontation with the government as well as the agencies funded by the government. This has mean that AAI can no longer apply for funding from government (South Africa) because of its support for communities affected by mining in Limpopo province. The work of AAI is beginning to causing controversy in some government circles and other big corporations like Anglo- American Corporation.

2.2.2 Economic Factors

The Programme Department operates under various levels of economic growth, interest rates, inflation exchange rates and unemployment. These economic indicators influence the type and level of program intervention required in particular areas. The Programme Department makes use of these indicators when identifying communities to target and the nature of the interventions. Economic indicators are used by the programme planning department to decide which communities to target and then market the areas needing assistance to donors. The level of poverty determines the potential of attracting funding to the community. For example in Eastern Cape, South Africa the level of income of the poor is directly linked to the HIV & AIDS infection rates and hence influences the level of funding on AIDS related programmes. The impact of the economic factors on a province determines whether or not AAI work in that province or not and the design of the programme. Economic factors determine whether communities qualify to receive assistance and the nature of the assistance required.

2.2.3 Social Factors

AAI operates in many provinces where values, beliefs and perceptions are very different and these differences result in completely different cultures and perceptions. These differences are driven by among other things differences in people's social backgrounds. Social backgrounds affect the way communities perceive aid; some view it as causing laziness among the youth and killing initiative in people. Worse still, some view it as causing dependence of communities on handouts and hence communities no longer find it necessary to work hard to eke a living but rather wait for some aid Agency to come up with a programme to support them. Whatever the community's view, many people have benefited from the programmes aid organizations are offering. The demographic of a province or a region of a country affect the type of programming for example in Limpopo province, South Africa women are more vulnerable to HIV/AIDS than man because of a strong cultural background that put the balance of power more in favour of man than women. Traditionally, men wild more power than women and as a result AAI's programmes tend to focus on mitigating women's issues than men.

2.2.4 Technological Factors

The organization operates in a variety of technological environments. With some countries slight underdeveloped than others, many rural communities' especially in poor countries experience difficulties receiving radio and television signals. This technological barrier creates challenges in delivering programmes, slowing programmes delivery in many poor communities. Programme managers find it difficult to make use of technology in supporting efficient and effective delivery of programmes in many poor countries. In many instances delivery procedures have to be tailored to suit existing technological constraints. In such instances, technology dictates what is possible and what is not possible. For example, in many developing countries the use of internet facilities is still largely underdeveloped and a relatively small proportion of the people have access to internet.

2.2.5   Legal Environment

Many governments have simplified legal requirements for registering not-for-profit organizations although the legislative requirements restricting the distribution of imported foods are still strict .Restriction by many governments on what aid organizations can do and cannot do are still difficult to navigate. This makes it difficult for the programmes department to advance issues that are a priority in some countries. This legal environment of South Africa has such a powerful influence on the ability of the department to fight poverty. Even if nations agree to fight poverty legislations have the power to dictate how aid organizations must work by imposing restrictions on access to certain aspects of programming and deciding what material may or may not be used for programming. In Zambia and Zimbabwe, genetically modified foods are largely not allowed to import or be used for human consumption.

2.2.6 Environmental Factors

The department works with communities and today these communities have concerns about water pollution, droughts, floods and environmental degradation amongst others. However, resources are limited and the impact of these factors differs from one community to another. What may be of concern to management may not be the priority of the community and these priorities differ from community to community. These challenges present complex problems for management on how to set prioritizes of communities.

However, programmes involving campaigning for the protection of the environment have put AAI on a warring path with big corporations such as Volvo, the Swedish motor manufacturer, Anglo-American corporation, the big multi-national mining conglomerate as well as the government. This has meant loss of favour for AAI as the institutions consider AAI a threat to their industries.

2.2.7   Summary

The not-for-profit sector is full of competitors, who are able to challenge programmes AAI is offering to community. Community now wild more power in determining what should be offered and how it should be offered. Communities are more involved in programme planning and design than before and their power resides in their united action to demand programme delivery, to demand attention and to remove unresponsive aid organizations from their communities. The increase in number of aid organizations in many countries have led to various opinions about the value of their service. Some communities accuse them of causing laziness, stifling initiative and causing a dependence syndrome.

Some community work is heavily regulated by governments either national or provincial government because of political reasons although health and legal issues may also come into play. The distribution of food items in many developing countries is heavily regulated. This is despite the level of unemployment and the number of households that are without access to food.

AAI's work involve running campaigns against big corporations and quasi-governments bodies in many countries is resulting in the organization being unable to solicit funding from

the same institutions. As a result this has opened up more opportunities for new entrants to receive donor funds from the institutions AAI is campaigning against. New and better resourced aid organizations funded by big corporations as well as the governments, are emerging to challenge the power of traditional aid organizations. The new competitors are not simply competing for financial resources but for new areas to launch programmes and the support and approval of communities. They are making every effort to exploit the slow pace of change at AAI and improve upon AAI's programmes, supported by a relatively thin governance structure, new and emerging organization are better able to capture the attention of communities by their innovative ideas.

2.3   The internal environment

2.3.1   ActionAid International Systems Map

The systems map depicted below shows how AAI sets boundaries between the internal and external environments. It shows how work is distributed, what activities are carried outside the organization and some work carried out within AAI's boundaries. For example AAI Research and Documentation department makes use of consultants in many aspects of its work whereas most programme planning work is done through internal staff.
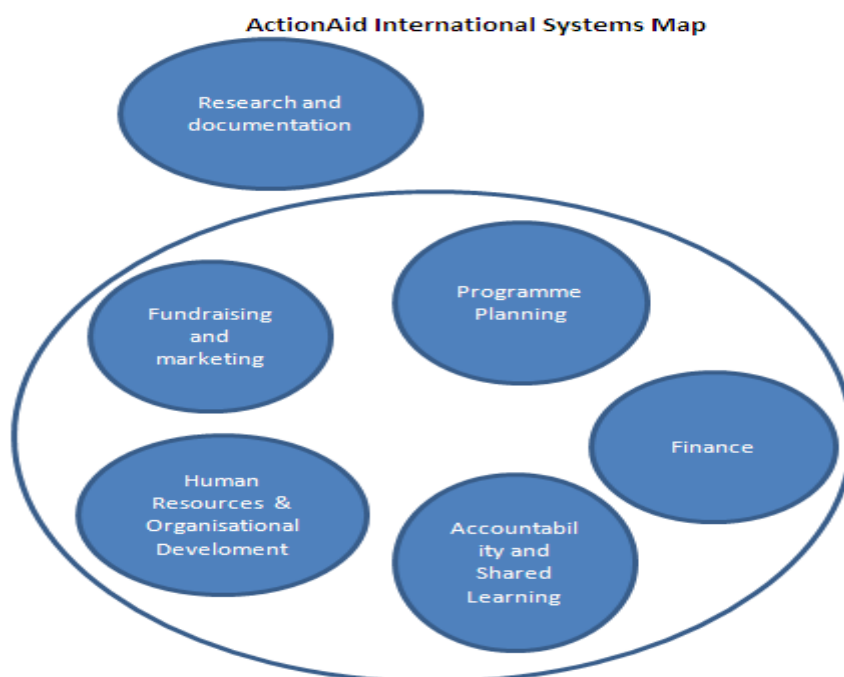
Figure 4: AAI Systems map (Stapleton, 2007)

2.3.2   Resources and Capabilities

a)   Department's Resource Audit

A resource audit is necessary for AAI and the programmes department in particular. This will permit the department to identify and evaluate resources and the capabilities of the department. It will help the department understand its capabilities much better, for example where it should concentrate its programmes, what aspects of the programmes should be outsourced and what programmes the department is not capable of handling. The Department's resources comprise of tangible, intangible as well as human resources. The value of a resource is not simply equated to its intrinsic financial worth but is an estimate of its contribution to the economic advantage.
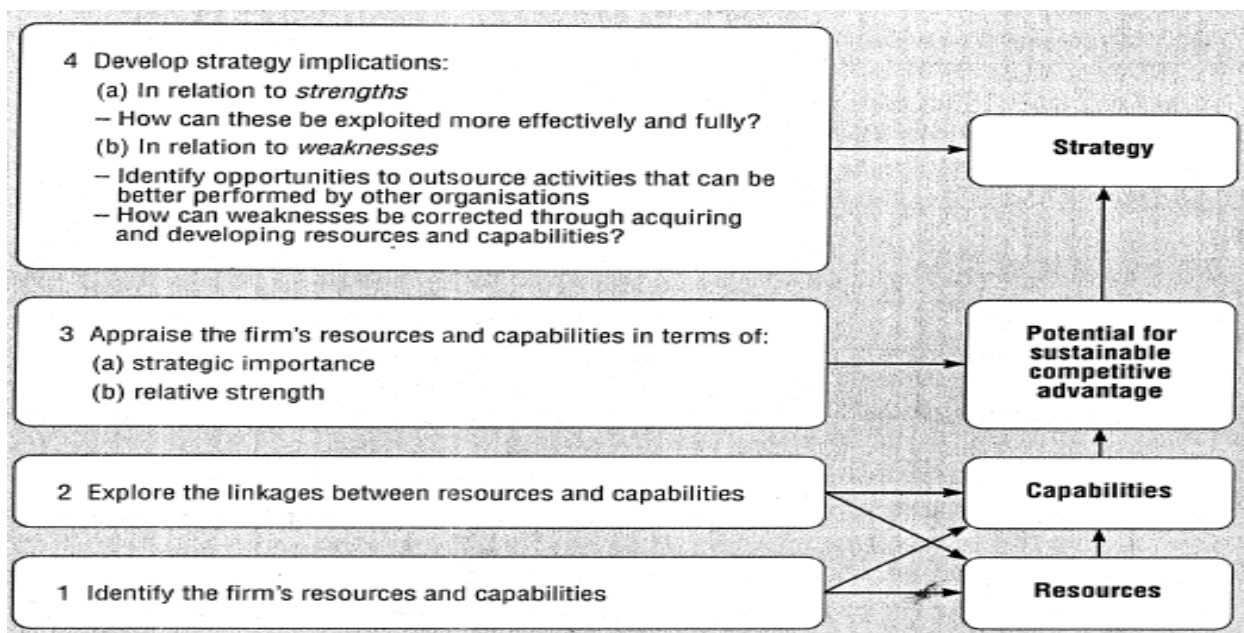
Figure 5: A framework for Analyzing resources and capabilities (Grants: 2002, p175)

The department's resources can generally be summarized as follows:

Classifying the resources of the Department (Grant, 2002)		
Tangible	**Intangible**	**Human**
Financial	Technology	Skills/know how
Physical	Brand/reputation	Capacity for communication and collaboration
	Culture	motivation

Table 1: Resource Classification (Grant, 2002)

b)   Tangible resources

These include field offices, and programme equipment. The Department's resources should not only be considered in financial terms i.e. at book value, since that on its own cannot provide good indication of the potential of those resources to contribute to the department's competitive advantage. The world-wide presence of the department should enable the organization to provide holistic programmes as well as and wider and robust coverage in its interventions. However, the department has been failing to capitalize on this aspect.

c)   Intangible resources

This includes resources such as the department's reputation in the sector, the intranet, its website, community to serve and departmental structure. In the past, the department relied on its size and reputation to secure funding from donors; however the reputation of the programmes with donors has deteriorated. Donors are withdrawing financial support to some of AAI's programmes department. Many donors complain about the slow pace of delivery, lack of innovation and the slow pace of change in the quality of programmes.

d)   Human Resources

The Department attracts highly qualified and skilled employees. Many of the skilled people have the potential to improve processes in the department and have been hired by the department because of their special skills. However, staff turnover for the past five years has been well documented in departmental meetings. Skilled Staff has been leaving because of frustration. The frustration emanate from department's inability to accept new ideas from experienced people in favour of tried and tested methods, and this approach has driven fresh minds out of the department. Senior management has opted to maintain or introduce change gradually. New staff has been accused of bring a new culture, new ideas based on untested ideas and this has and divided staff between old and new staff.

2.3.3   Value chain analysis
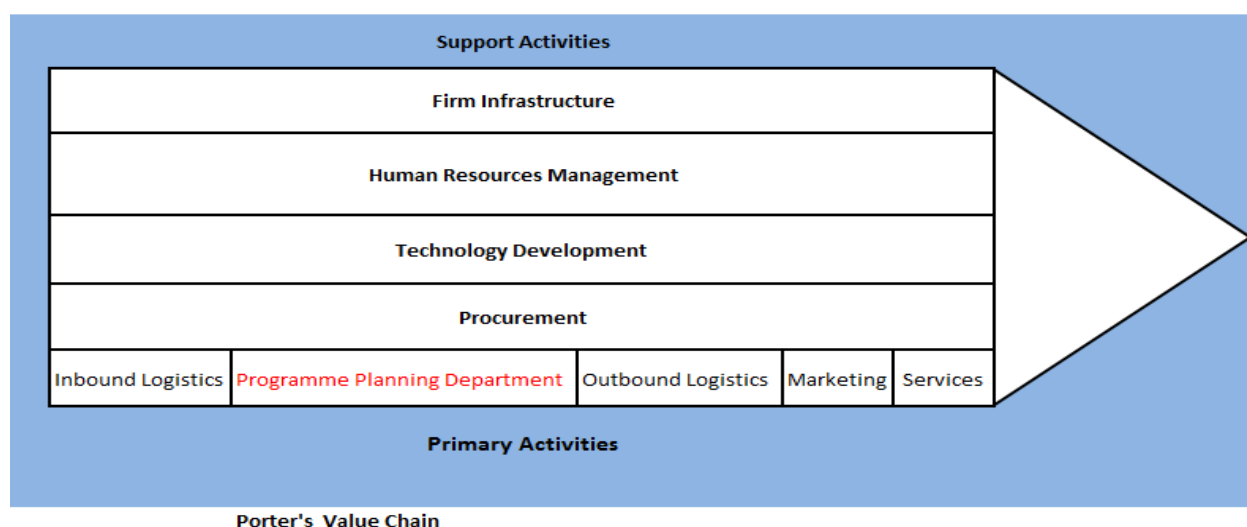
Figure 6: Value chain Analysis (Adopted from Bakhru and Gleadle, 2003)

The above value chain analysis shows primary and support activities, within the programme planning department representing the operations department in the value chain. The value chain analysis clearly indicates how critical and key the department is to the delivery of the mission of the organization. This department forms the reason why the organization was formed, i.e. to fight poverty. The programme department is tasked with designing and delivery of all interventions to communities in the most effective way. The programmes department directly interfaces with the community and its performance is judged according to its ability to respond and adapt to the changing environment of the community it serves.

The above value chain analysis also helps to identify organizational capabilities in relation to each of the functional areas. It allows consideration of functional activities and how they add value or are suppose to added value relative to others, as well as identification of which activities are considered core. In AAI, the programmes department is core to the organization.

2.3.4 Appraising Resources and capabilities

The number and quality of programmes the department can generate from its resources and capabilities largely depends on three; factors namely the ability to establish competitive advantage, sustain competitive advantage and appropriate the return to competitive advantage:

a) **The ability to establish a competitive advantage**

The department is capable of sustaining competitive advantage from resources that are scarce and it has the relevant potential. Resources especially skilled labour that the department attracts because of its size, past reputation and its global nature has the potential to bring not only new ideas into the department, but new skills and a wealth of diverse approaches to programme delivery. When used properly, this would enable the department to carry out more meaningful interventions at lower cost, achieving greater impact in many communities. Its global presence would have created a positive image with donors. The use of the organization's website can gather useful feedback to donors across the world as information is shared and documented. However, this has not been the case, donor reports are often delayed for long periods, programme launches are often delayed due to many reasons and the reputation of the department has been deteriorating with donors. The organisation's website is never used to interact with donors and other shareholders for feedback.

b) **Sustaining competitive advantage**

It is difficult to sustain competitive advantage in the not-for-profit sector as new ideas are easily copied and skills are easily transferred from one organization to another. New skills and ideas can be copied and replicated elsewhere by other organizations easily. However it is still possible to sustain competitive advantage through continuous improvement of ideas, improving the speed of response and the

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coordination of interventions. Achieving this requires the department to embraces change and be ready to accept and try new ideas from skilled and experienced managers. There is still ambiguity surrounding how past capabilities were developed and this cast doubts as to how new capabilities will be developed and how to recognize their new sources.

One of the greatest impediments to sustaining competitive advantage within the department has been the department's unwillingness to welcome new ideas and as a result it has not changed its approaches of dealing with poverty issues in a longtime. For example the department believes that poverty can be ended by teaching beneficiaries their rights so that right-holders can go and demand services (their rights) from people in power (governments). While this approach works for beneficiaries in rich nations, this has had limited success in many poor nations, where violence and repressions is used by governments to suppress any signs of dissent. In many poor countries, citizens are not able hold their governments to account and many developing countries are yet to embrace democracy.

c) **Appropriating the returns to competitive advantage**

Many of the capabilities have been developed internally by staff through substantial training especially in handling beneficiary queries and drafting project proposals for soliciting funds as well as collecting data needed to substantiate project proposals. The department has been managing to attract highly qualified and skilled individuals, although retaining competent staff has been very difficult. Most skilled employees leave within two years. It is these employees that the department is suppose to rely on in developing new interventions and improving the quality of existing interventions, in order to attract funding from donors and counter constant threats from competitors.

2.3.5 Knowledge Based view

Spender (1996) in Bakhru and Gleadle (2003) argue that resources alone at the disposal of the department are not enough to sustain competitive advantage and in actual fact the competitive advantage should stem from knowledge. Knowledge is increasingly viewed as the primary source of value in an organization and is the most valuable asset. This view means that the true source of advantage for the department should be knowledge that underlies the capabilities. If this view was shared within AAI, this view would means that individual's employees would be assumed to be the ultimate source of all knowledge. This view would have compelled the department to treasure skilled and experience staff both old and new. It would have impelled the department to be willing to accept new ideas and test them in order to sustain competitive advantage. The department should have realized that competitive advantage is not about maintaining previously successful, but the continuous use of new skills and knowledge to improve and generate new ideas. This view compels the department to retain staff and accept that new employees are capable of bringing the much needed change and improvement.

2.3.6 Knowledge management

At a time when other departments are worried about knowledge management, AAI has not yet realized fully how to effectively design information systems to capture, store and ultimately transfer knowledge within the department. Some organizations have gone to great lengths to develop internal systems and procedures for storing and reproducing knowledge and making explicit such implicit knowledge. This would involve updating continuously manuals to disseminate best practices department wide. The department on the contrary prefers documentation and maintaining the status of the intervention unchanged for as long as possible. Although one of the principal ideas of documenting knowledge is to enable the department to replicate and standardize interventions as much as possible, failure to improve existing programmes has been working against the department. Documentation should be used as a means of storing knowledge and not a means of preventing change. The aim of documenting knowledge should be to create a store of memory for the department's learning to-date that can be used as a basis for future improvements.

2.3.7 Dynamic Capabilities

Capabilities are dynamic if they could be modified to respond to the changing environment. Failure of an organization to develop dynamic capabilities can result in serious consequences:

i)   The environment around the department has been changing and the department has been faced with the need to create dynamic capabilities in order to gain strategic flexibility, neccessary to respond to the environment, technologically and competitively. Dynamic capabilities are a necessary means of achieving strategic flexibility. The development of dynamic capabilities stresses the importance of history and path dependence while attempting to address capability development within a dynamic environment.

ii)   The implication for AAI is that programmes are losing support of communities and this is paving the way for competitors, who are able to gain competitive advantage in a turbulent environment, gain popularity by being able to create dynamic capabilities. For example the department's preference for stable tried and tested approaches to programming means that it is not able to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. It is holding fast to old and outdated approaches to serving communities. The lack of clear dynamic competences is also reflected in the department's inability to achieve new and innovative forms of competitive advantage given path dependencies and market positions.

iii)   The options available for the department in developing dynamic capabilities is through allowing skilled staff to develop new programmes for new and existing areas, improvement its strategic decision making especially in relation to the design and implementation of programmes in new areas as well as working in alliances with other departments as opposed to working independently (Eisenhardt and Martin, 2000: in Bakhru and Gleadle, 2003). The department could collaborate with departments of other agencies in the sector. Currently, the department heavily relies on capabilities build in the past; however the benefit of working in alliance with departments of other agencies is in overcoming weak

internal capability development by making use of external capability development such as outsourcing. It allows sharing of risks with other departments while gaining mileage from the capabilities of others through collaboration.

2.3.8 Departmental structure

Mintzberg describes two essential elements that make up the structure of an organization called the six basic parts of the organization namely the strategic apex, the techno-structure, middle line, support staff, ideology and operating core and the sixth coordinating mechanisms link the basic parts together such as direct supervision. This forms the glue that joins together the roles and tasks of every employee or team in getting the work done. The structure of the department was designed to helps divide work amongst various units so that units can be steered toward achieving goals and objectives of the department. Like Mintzberg highlighted, the department's structure is centralized as decision making rest at a single point in the organization. It makes possible the application of management principles and the creation of a framework of order and command through which activities of the department can be planned, organized and directed, Mullin (1993): in Cameron (2003).

2.3.9 Mintzberg's Six Basic parts of the organization
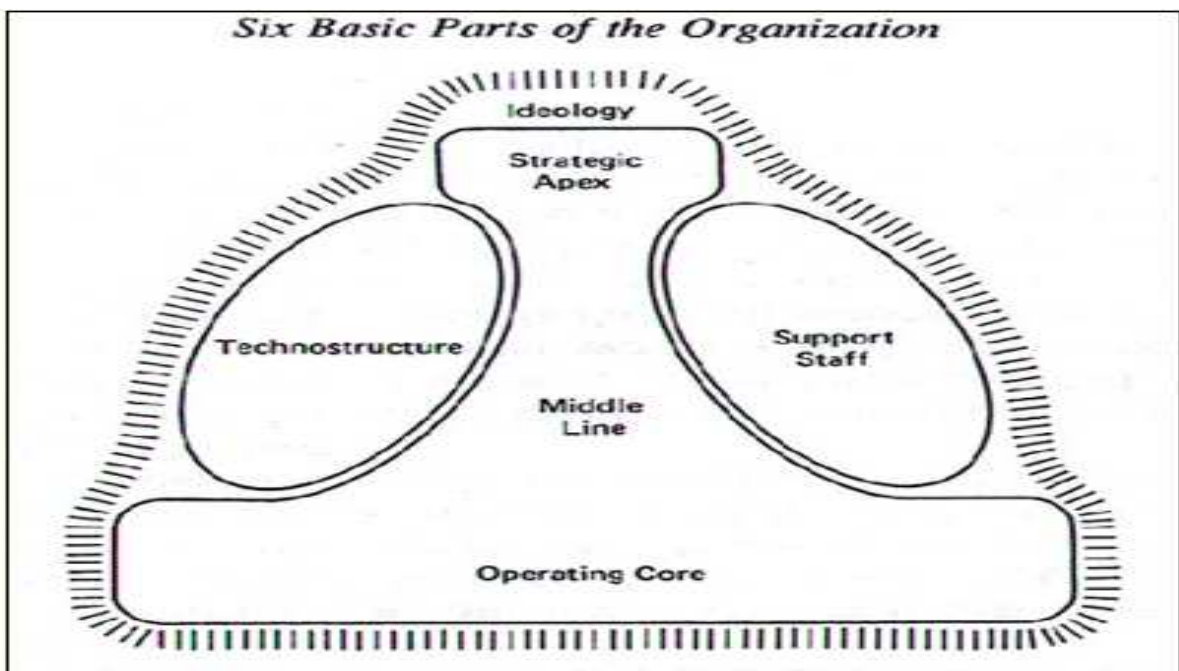
Figure 7: Mintzberg's Six Basic parts of the organization (Segal-Horn, 2004)

The Programme Planning Department resembles parts of Mintzberg's professional bureaucracy (although not perfectly), in which the roles and relationships of employees and departments are clearly defined. As part of a bureaucracy, the department has various levels of management with legitimate authority. The organization of the department is rationally designed to achieve its goals. It uses legal means in that authority is exercised via a system

of rules and procedures through the office an individual holds. Official roles are formally defined in writing for each manager. Each office or unit of the department is part of a clear hierarchy with a single reporting line as shown in a traditional organizational chart. Units are headed by professional managers with specialist expertise within their own units. The emphasis of the departmental arrangement is on the office rather than the person as well as on the formally specified roles and procedures. Decisions are not taken on personal whim or on tradition but considerations are given to speed, precision, clarity, knowledge, continuity, discretion, unity, strict subordination and reduction of friction within the department.

2.3.10 Achieving integration

As much as the structure of the department accommodates different activities of various Theme Heads, it was designed to ensure integration and coordination. This was critical due to the degree of specialization of Theme Heads. It called for greater and open communication throughout the department and hence the necessity of setting standards of communication to achieve wide reception. It placed emphasis on who should receive what communication and where communication should be posted and how to access it.

The structure of the department is rigid, it was designed many years ago and little has changed ever since. However, the department is operating in a turbulent environment in which more dynamic and responsive structures are needed. This will enable the department to outperform rival organizations through responding more effectively to the continuously changing demands of the competitive and technological environment. Today, a dynamic structure is more important as it allows continuous transformation that results in:

1. new opportunities for innovation in programme design,

2. introduction to new competition,

3. initiating and driving new types of interaction and linkages,

4. creating the need for new capabilities to manage the flow of information

5. Knowledge between departments and even markets where beneficiaries are.

2.3.11 Industry structure and competition

i)   The principal structural features of an industry are determined by analyzing the type of competitive behavior of firms in the industry as well as the profitability. The differences in the number and size of organizations determine the size and level of competition. The general rule is that the greater the number of organizations (e.g. in perfect competition), the greater the level of competition. The diagram below shows different industry structures.

Industry Structures			
	Perfect competition	**Oligopoly**	**Monopoly**
Concentration	Many firms	A few firms	One firm
Exit and entry barriers	No barriers	Significant barriers	High barriers
Product differentiation	Homogenous Product	Potential for product differentiation	
Information	Perfect information flow	Imperfectly available information	

Table 2: Industry Structures: Grants, 2002

ii)   The not-for-profit sector is dominated by many players, some of which are much larger than AAI. There are also many small organizations competing to serve communities in their local areas. Some organizations are provincial, some national and some like AAI are international. In general the industry has relatively few larger organizations and many small organizations. Barriers to entry are relatively low and product differentiation relatively homogenous although not perfectly. Information availability in this industry is not freely available. This description of the industry mirrors an oligopolistic situation, although it is not perfectly oligopoly.

iii)   Ordinarily, industry structures do not necessarily fit well into perfect competition, Oligopoly or monopoly as shown above. Hirschmann and Herfindahl (Michela &Vena, 2012), proposed the use of an indicator of the level of competition to measure the degree of concentration in an industry. The index shows the degree of industrial concentration, which measures the extent to which an industry is dominated by a few large organizations. A lower index represents a more competitive market. The impact of this is that AAI is but just one of the many organizations in the sector and cannot dictate the way for the industry, although it is rated amongst the large organizations.

2.3.12 Industry Life-cycles

It is also important to consider the stage of maturity of the not-for-profit industry, apart from assessing the industry structure and the degree of concentration. The industry life-cycle highlights the patterns of entry and exit of organizations within the industry. The pattern of the industry life-cycle has over time been shaped by factors such as technology, economies of scale and demand. The diagram below shows the general pattern of industry life cycle.
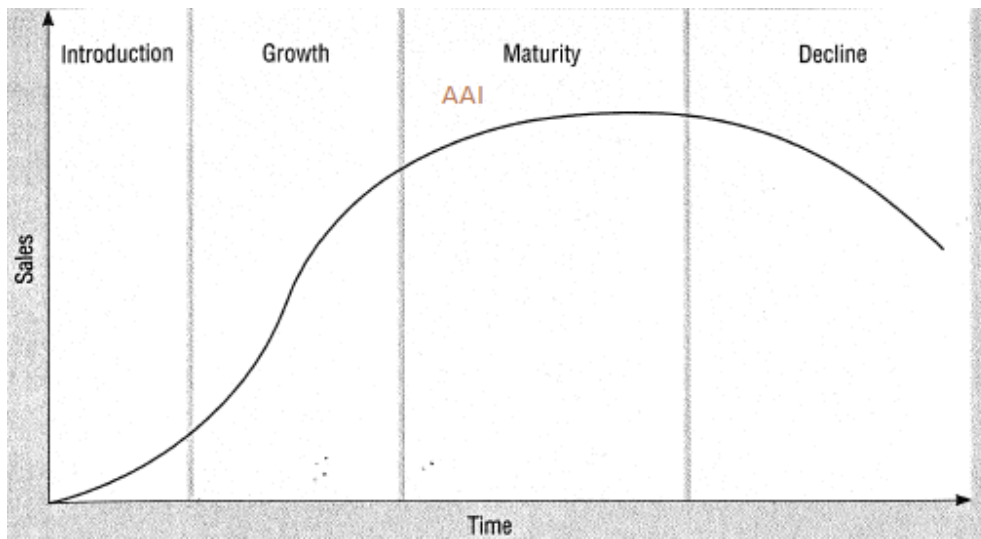
Figure 8: The life-cycle curve (Grant, 2008:265)

a) Introduction

Demand at this stage is dominated by early adopters, entrants are few and competition is not very high. Many small community based organizations operating regionally make up a majority of the new entrants in many countries.

b) Growth

At this stage demand is growing and the number of firms entering exceeds the number of firms exiting the industry. At this stage competition for programme delivery by not-for-profit organizations has intensified as the nature of programmes, methods of delivery and quality can propel an organization to attract more beneficiaries. Demand at this stage generally exceeds supply.

c) Maturity

The interventions being offered to communities becomes standardized in design and new innovations in programmes design give way to process innovation as organizations become concerned with cost efficiencies. At this stage an organization   realizes that it is not just competing in delivering programmes fast but also competing on efficiency. This aspect of the business environment should have created the need for AAI to realize that the Programmes department of AAI is part of a large worldwide sector. It would have impelled a sense of wanting to collaborate with others and instead of being individualistic.

d) Decline

This stage in the industry is characterized by declining demand due to competition from substitute interventions and organizations will be exiting more than entering. Many firms will be running at excess capacity. The not-for-profit sector has not yet reached this stage,

because of the growing levels of poverty evidenced across in many countries across the world.

2.4 How organizations change -respond and adapt to the environment

Kotter (1996) identified that organizational change can be stressful, but depending on the kind of change, stress can be managed. Sudden and drastic change can be very stressful and is likely to generate a lot of resistance to change as opposed to gradual and programmed change. Lanning (2001) pointed out that organizational change can be continuous or radical, with continuous change being deliberate, controlled or managed.

2.5 Planned Change models and other approaches

The choice of approach for delivering change is usually driven by the desire to change, the scale of change, speed and direction of the proposed change including other factors specific to the context. Mabey (2007) adds that change models are constructed around four overarching approaches such as goal attainment, contingency, stakeholder and multiple accountability models.

Mabey (2007) pointed out that without an overall framework, attempts to change in a desired direction can result in unsatisfactory outcomes such as nothing happening, and a cosmetic change without the underlying situation changing and soon reverting to what was before and anticipated negative consequences outweighing the benefits. Mabey perceives that the planned change model is the best.

2.5.1 Contingency Model

Grant (2008:275) pointed that for organizational adaptation and change to be successful, the organization's strategies and structures need to align with their industry environment i.e. fit for the environment. The concept of fit has its origin is contingency approaches. Mabey (2007) highlights that the contingent approaches reject a single approach to organizational adaptation and change, but rather strategies should best fit the context and circumstances at hand. The success of proposed adaptation and changes depends on the closeness of the fit to the context.

2.5.2 Evolutionary Theory-organizational adaptation and change

According to Grants (2008) evolutionary theories draw heavily upon biological theories of evolution. They liken organizations to organisms that adapt to the external environment through variation, selection and retention

2.5.3 Goal attainment model

The models (Mabey: 2007) assumes that given a particular problem, a solution can be identified from meticulous and careful data analysis, and that these solutions are self evident if pursued carefully by all involved.

2.5.4 Multiple accountability models

Mabey (2007) pointed out that these models assume that stakeholder's differences cannot be reconciled but aspects of accountability are required and brought into focus rather than remaining intractable. Mabey perceives that the reasons for multiple accountabilities are expectations that somehow the organization is accountable for its actions to more than one interest group.

2.6 Planned change and phase models

In order to successfully manage the change process, it is important to "identifying the need for change, selecting the intervention technique, gaining top management support, plan the change process, overcoming resistance to change and evaluating the change process" (Linstead, Fullop & Lilley, and 2009:641).

Planned change can be deliberate (Lanning, 2001), it can be slow or fast but it may affect all elements of the organization or only a few (French and Bell, 1999).Planned changes represents the intention to systematically improve the operational effectiveness of the organizations.

Some prefer planned change to be incremental in order to allow them to fine tune, fix problems, adjust and modify processes but not necessarily result in fundamental changes in the organization (Lanning, 2001). Radical change results in robust and fundamental change, also called revolution, refocus, transformation, reorientation or turnaround (Buhanist, 2000). Planned changes originate in a decision to make a deliberate effort to improve the system.

There are various notions of planned change and this has led to different kinds of models for carrying out the planning itself and the action following it. The similarity of the models is that they all contain a sequence of phases (stages) to be carried out (Lanning, 2000) hence the name phase models.

2.6.1 Lewin's Three Step Model

Lewin's three steps (Burnes, 2004) model perceives change to be consisting of three steps and these are critical for the change process to be successful.

- Unfreezing

The importance of this stage is to recognize the need to change and therefore facilitate the actions required to unfreeze current attitudes and behaviours necessary to support employees and thereby reducing resistance to change (Linstead et al, 2009).

- Changing

Unfreezing will not result in change itself, but it should create motivation to learn although it will not predict the direction of change. Driving the organization to the desired state involves actual implementation of new systems of operation. This may involve experimentation,

modification of systems or patterns of behavior, technology or systems may also be where people need to leave or new people join the organization as the full nature of transition emerges (Linstead et al, 2009). As soon as the desired change is achieved, it is time to refreeze.

- Refreezing

The stage enables a positive reinforcement of desired outcomes to promote a shift to new attitudes and behaviours. An appraisal of the change programme becomes necessary to make sure that the new approach to adapt becomes an acceptable routine.

Lewin's model has been criticized as oversimplifying the change process and confining it to a process of merely three steps (Lanning, 2001).

2.6.2 Kotter's eight step model

Kotter (1995) proposed an eight step model that summaries how change can be initiated and managed, identifying the following steps:

- Increase urgency by inspiring people to change and set new objectives

- Build a guiding team by getting the right people in place with the right attitude toward change and the right mix of skills.

- Set a vision that can direct the team and focus on emotional and creative aspects necessary to drive service and efficiency.

- Good communication is necessary for buy-in- this will involve as many people as possible, communicate the essentials simply and respond to people's needs.

- Empower action by removing obstacles, enabling constructive feedback and provide support to tactical management. Make use of technology where necessary.

- Create short term wins by setting aims easy to achieve

- Do not let up-foster and encourage determination and persistence as well as encouraging ongoing progress reporting.

- Reinforce change through recruitment, promotion and use of leaders.

Mabey (2007) proposed a slightly improved approach to the change process by streamling and simplifying the change model, resulting in a six step model to change.

2.6.3 The Six Step model
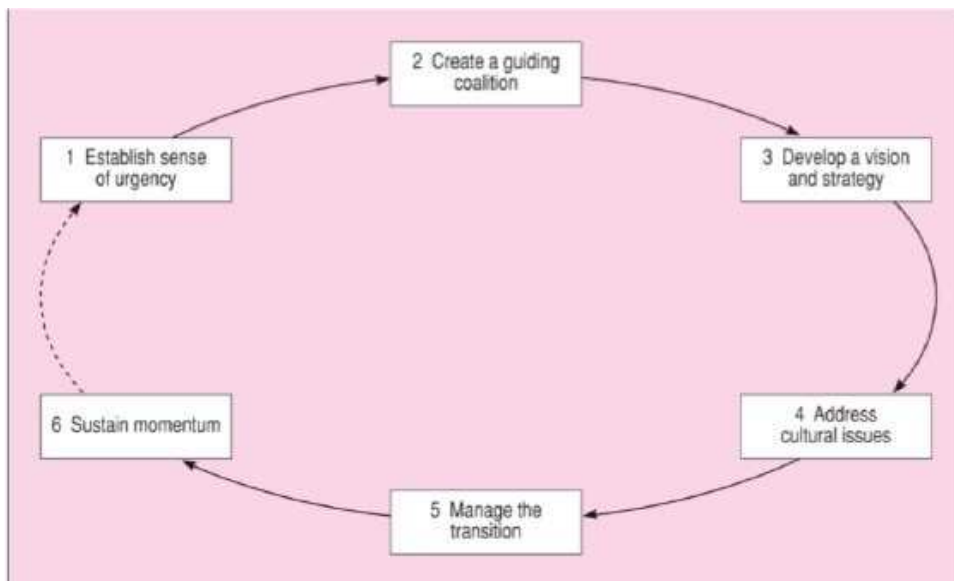
Figure 9: The six step model of change: Mabey (2007)

The six step model is a refinement of Kotter's model (Mabey, 2007) and this resulted in reduction of the steps to six. Mabey (2007) noted that the reduction of the change management into six steps oversimplifies the process and likely risks falling into the trap of seeing change as a linear unfolding process with a clearly identifiable inception and end.

The steps are summarized as follows:

- Establish change urgency-the driving force behind the need to change is often overshadowed by complacency (Mabey, 2007). At this stage potential threats are identified and "scenarios showing what could happen in future, examines opportunities that could be exploited, starts honest discussions and give honest and convincing reasons to get people talking and thinking, request support from customers, outside stakeholders and industry people to strengthen change management", (Mabey, 2007).

- Create a guiding coalition-convince people that change is necessary (Mabey, 2007). Establish a visible support from key people within the organization, who will champion the cause for change in their sections (Mabey, 2007). "Identify true leaders in an organization, asking for emotional commitment from these key people , working on team building within the change coalition, checking the team for weak areas, and ensure that there is a good mix of people from different departments and different levels within the organization", (Mabey, 2007:23).

- Develop a vision and strategy-the vision articulates the organization's purpose, identifying where the organization wants to go and "what it wants to achieve via

consensus building", (Mabey, 2007:25). The statement should set values that are meaningful and energizing for the staff concerned.

- Address cultural issues-(Mabey, 2007) identifies that many change interventions fail at the first three stages, especially if insufficient effort is given to the prevailing attitudes and culture. The change process may fail also if insufficient time is given to the special arrangements required by the change process (Mabey, 2007).

- Manage transition-the difficult part of the change process lies in the implementation, managing and consolidation of the actual change process (Mabey, 2007), since transition processes are characterized by many problems. During implementation, this is where confusion about roles manifests itself, responsibilities and decision making channels are disrupted." Some people cope with ambiguity better than others, although the setting up of communication feedback mechanism, periodic cross-functional meetings and temporary task teams help.

- Sustain momentum-during the implementation process it is necessary to gather the impact of the various initiatives, because feedback outcomes are an important aspect of sustaining momentum to the change programme. Gathering early success stories to help foster expectancy among those yet to participate or be affected by the change effort, Mabey (2007).

Mabey (2007) highlights the needs to continuously inform the change sponsor, as this will enable background lobbying and from the sponsor, which is necessary for "ensuring projects enjoys high visibility and adequate resourcing".

A number of authors have written about a number of phase change models for carrying out change within an organization and some of these phase models are summarized. All these models highlight different perspectives and approaches to change and these perspectives bring different dimensions to the research problem under considerations.

Table 3: Summary of different phase models representing a variety or decades and schools of thought: Lanning (2001:14) and Mabey (2007:15)

Lewin 1951	Lippitt et al. 1958	Frohman et al. 1976	Ackerman 1982	Burke 1982	Bullock and Batten 1985	Beer et al. 1990a	McCalman and Paton 1992	Burke 1994	Walton 1995	Kotter 1995	Mabey 2007
• Unfreezing	• Developing need • Establish change relationship • Diagnosing problems • Planning	• Scouting • Entry	• Awareness of the need and opportunities for change • Assessing the environment and organization	• Entry • Contracting	• Exploration	• Mobilizing energy	• Problem / system specification • Formulation of success criteria • Identification of performance indicators	• Generating need	• Diagnosis	• Establishing a sense of urgency • Forming a powerful guiding coalition	• Creating a guiding coalition
	• Examining Alternative routes and goals • Establishing Intentions of actions	• Data collection • Data feedback • Diagnosis • Planning	• Designing the future state • Defining what needs to be changed • Planning and organizing for implementation	• Diagnosis • Feedback • Planning	• Planning	• Developing a task aligned vision • Fostering consensus, competence and cohesion	• Generation of options and solutions • Selection of evaluation techniques and option editing • Option evaluation	• Determining future state • Addressing organizational power and political dynamics	• Clarifying and coalition building	• Creating a vision • Communicating the vision	• Creating a vision and strategy • Addressing cultural issues
• Moving	• Actual change efforts	• Action • Evaluation	• Implementing new state • Evaluation and fine-tuning	• Intervention • Evaluation	• Action	• Spreading revitalisation	• Development of implementation strategies	• Disengaging from past • Organizing transition teams • Involving people • Using multiple levers • Providing feedback • Creating symbols and language	• Sustaining	• Empowering others to act on the vision • Planning for and creating short term wins • Consolidating improvements and producing still more change	• Manage transition • Sustain momentum
• Refreezing	• Stabilising change • Terminating relationship		• Formalizing the new state		• Integration	• Consolidating changes • Continually monitoring and strategising	• Consolidation	• Utilizing reward system • Deploying guardians of the new way		• Institutionalizing new approaches	• Sustain momentum

2.7 Summary

The bureaucratic reporting structure of the organization makes achieving efficiency of programme delivery and the proper functioning of the feedback loop difficult. Resources alone do not guarantee future success of the organization but organizations have to combines resources and knowledge to produce capabilities. Capabilities when established confer to an organization competitive advantage, which sets the organization apart from other organizations in the industry. Capabilities allow the organization to respond and adapt to the needs of its customers, even if the environment changes dynamically. In homogenous industries, capabilities tend to be copied by competitors. However, for capabilities to confer significant competitive advantage they would need to be difficult to imitate and replicate.

AAI is an industry that has little or no barriers to entry and thus a number of entrants join the industry at community level, national level and international level. Competition among organizations is for new territory, financial resources as well as human resources. AAI is a global competitor, previously funded mainly from government donations. However, the donor environment has changed and a new group of donors is emerging. Communities are changing and becoming more informed and educated, their needs, tastes and preferences are changing. Their lobbying mechanisms are becoming much stronger. AAI will need to adapt and respond to changes in the environment differently.

The following chapter will provide a review of literature by various writers on how AAI can build and maintain its competitive advantage in the industry. It will cover how competitive advantage can be sustained and how dynamic capabilities can help an organization respond and adapt to changes in its environment. It will reveal how management can deal with the consequence of change in an organization that is lagging behind the industry.

Chapter 3: Literature Review

3.1   Introduction: Pressures to remain competitive and relevant

The pressure to respond and adapt to the environment has been driven by both internal and external pressures. External pressures have largely been evidenced by rapid technological developments changing the way in which beneficiaries and donors agencies interact. In addition, the growth of the organization as a whole has generated internal pressure for change. Even if the department's management evaluate risks, uncertain consequences of change are always difficult to predicts or estimate with accuracy.

This chapter unravels the complexity of responding and adapting the organization to changes in the environment. It highlights the importance of anticipating and embracing change in the environment and the significance of adapting the organization to the environment in order to sustain the organization's competitive advantage. Grants (2008) pointed out that change alone without sustaining competitive advantage get the organization nowhere.

3.2   Competitive and corporate strategy

3.2.1   Competitive advantage

Although competitive advantage lacks a clear and consistent definition (Rumelt, 2003).Competitive advantage can be defined as having an edge over rivals in attracting customers and defending against competitive forces (Thompson and Strickland, 1995). It can result in implementing a value-creating strategy not simultaneously being implemented by a current competitor and competitors are not able to duplicate the benefits of this strategy (Bharadwaj, Varadarajan and Fahy, 1993). According to Amit and Schoemaker (1993), the challenge facing an organization is in identifying a set of strategic assets (a set of firm specific resources and capabilities), as a basis for establishing the firm's competitive advantage and thereby generating organizational rents.

Gleadle (2007) highlighted the significance of establishing a competitive strategy in any industry since organizations are always competing for many things. Competitive strategy is concerned with 'how the firm competes within a particular industry (Grant, 2002, p24). Bourgeois (1986) referred this as 'domain navigation' because competitive advantage is about how you navigate your domain (selected industry)'. Bourgeois (1986) sees corporate strategy as domain selection, because it is about the issues an organization has to take into account in deciding which domain to select. However, there must be a relationship between competitive strategy and corporate strategy which will enable the organization to respond to changes in its environment (Viney and Gleadle, 2007). Competitive strategy will help the organization to respond to the environment.

3.2.2   Links among Resources, capabilities and competitive advantage

Resources are the productive assets owned by the firm (Grants, 2005) and these include human, physical and financial assets, both tangible and intangible, with the potential of contributing to the production process of a firm. Resources individually do not confer a competitive advantage but when combined in a particular way allows the organization to create capabilities. Competencies are accumulated through firm specific knowledge patterns and once competencies are developed, they affect the resources from which they are developed by transforming the resources into something different from what the firm bought originally. The terms capabilities and competencies are used interchangeably. Grants (2005) notes that the relationship amongst resources, capabilities and competitive advantage can be depicted as in the figure below:

Links among Resources, Capabilities and Competitive Advantage
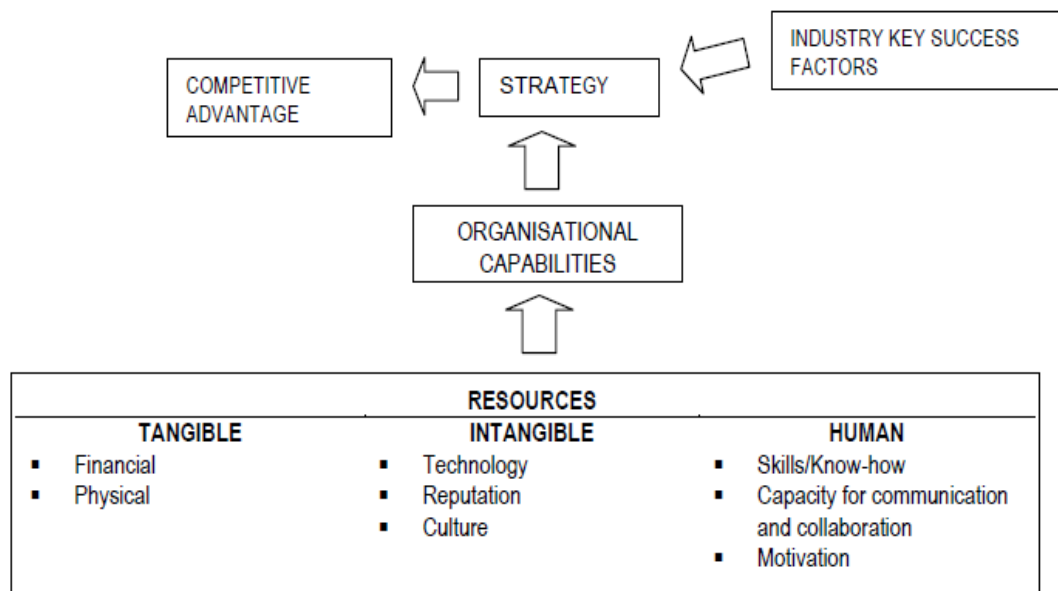
Figure 10: Grant (2005, p 139)

The figure shows that resources on their own are not productive unless brought together to perform a particular productive activity, termed organizational capability. Organizational capabilities form the basis of competitive advantage and for a resource or capability to establish competitive advantage it must meet two things namely it must be scarce and it must be relevant. Similarly, resources and capabilities must be relevant to key success factors within the market. Resources and capabilities have value if they are critical to success within that type of industry, enabling the firm to create value for its customers and survive competition (Grant, 2005). Organizational capabilities represent a firm's ability to purposefully utilize a set of resources in order to achieve a desired end by means of a strategy.

Advocates of the competencies and resources framework highlight the importance of a dynamic strategy in today's business environment. They stress that a strategy based on a jostling for positions in industry works only when markets, products and

customers needs are well defined and durable. However, today, markets are becoming more fragmented, products life cycles short and owning any particular markets is becoming more difficult and less valuable.

3.2.3 Processes, positions and Paths

Many dimensions have to be understood if one is to grasp the firm-level distinctive competencies/capabilities. The essence of competencies and capabilities is embedded in organizational processes of one kind or another. However, the content of these processes and the opportunities they afford for developing competitive advantage at any point in time are shaped significantly by the assets the firm possesses (internal and market) and by the evolutionary path it has inherited or adopted. Thus organizational processes, shaped by the firm's asset positions and molded by its evolutionary and co-evolutionary paths explain the essence of the firm's dynamic capabilities and its competitive advantage Segal-Horn (2004).

Managerial and organizational processes refer to the way things are done in the firm or routines or patterns of current practice and learning. Organizational processes have three roles namely coordination or integration, learning and re-configuration.

Coordination

The notion that competence or capability is embedded in distinct ways of coordinating and combining resources helps to explain how and why seemingly minor technological changes can have devastating impacts on incumbent firms' abilities to compete in a market. Put differently, organizational processes often display high levels of coherence, and when they do, replication may be difficult because it requires systemic changes throughout the organization and also among inter-organizational linkages, which may be hard to effectuate.

Learning

Learning is a critical process for AAI as it is necessary for producing repetition and experimentation which enables tasks to be performed better and quicker. It will help new programme opportunities to be identified. Learning requires common codes of communication and coordinated search procedures. The organizational knowledge generated by such learning must resides in new activity, new routines or new logic of organization. Dynamic capabilities as a coordinative management process open the door to the potential of inter-organisational learning.

Position refer to "its current specific endowments of technology, intellectual property complementary assets, customer base and its external relations with suppliers and complementors" Segal-Horn (2004). Path refers to "strategic alternatives available to the firm, and the presence or absence of increasing returns and attendant path dependency".

Reconfiguration and Transformation

In a rapidly changing environment, there is value in the ability to sense the need to re-configure the firm's assets structure and to accomplish the necessary internal and external transformation (Armit and Schoemaker, 1993). It requires constant surveillance of the market and technologies and the willingness to adopt best practices. In this regard benchmarking will be of considerable value as an organized process for accomplishing such ends. The capacity to reconfigure and transform is itself a learned organizational skill and the more it is frequently practiced the easier accomplished Segal-Horn (2004).

3.2.4 Replicability and imitability of organizational processes and positions

Competencies and capabilities (and hence competitive advantage) of an organization rests principally on processes, shaped by positions and paths. Competencies can provide competitive advantage and generate rents only if they are based on "a collection of routines, skills and complementary assets that are difficult to imitate", Segal Horn (2004). A set of routines can lose their value if they support a competence which no longer matters in the market place or if they are readily replicated or emulated by competitors. Imitation occurs when organizations discover or simply copy an organization's way of achieving the same functionality.

3.3 Strategic competitive Bahaviour

Olson, Slater & Hult (2005) noted that activities orientated to the creation of competitive advantage fall within the domain of strategic behavior. They noted that there are at least four sets of behaviours that could lead to a position of competitive advantage namely customer orientated behaviors, competitor orientated behavior, innovation orientated and internal costs orientated behaviours. They noted that it is common for firms to have a dominant behavioural orientation. A firm has to choose its own structures and behaviours, which will inform what Olson et al (2005) called organization archetypes. There are basically four archetypes namely:

- Archetype 1 as management dominant firms-firms in the group relies on management to make most decisions and to determine the specific actions workers undertake.

- Archetype 2 firms are customer centric innovators-in this group firms have informal environments and are populated with a proportionately high number of specialist whose primary behavioral foci is on understanding customer and developing innovative solutions to address their needs.

- Archetype 3 firms are competitor centric cost controllers-these firms place the highest emphasis on monitoring competitior's action and making sure that costs are kept under control. Their consistent position with regards to structural issues of formalization, centralization and specialization suggests a balanced approach between senior and middle management with regards to critical task decisions.

- Archetype 4 firms seem to have no distinctive characteristic-reffered to as middle ground firms.

The four organizational archetypes are summarized below:

Organisational archetypes

	Formalisation	Centralisation	specialisation	customer orientation	Competitor Orientation	innovation orientation	Internal/cost orientation
Management dominant	High	High	Low	Low	Low	Low	Low
customer-centric innovators	Low	Low	High	High	moderate	high	Moderate
Competitor-centric cost controller	Moderate	Moderate	Moderate	Moderate	High	Moderate	high
middle ground	Low	moderate	Low	Moderate	moderate	Moderate	Moderate

Table 4: Organizational Archetypes (Olson, Slater and Hult: 2005)

Porter (1985) emphasized the basis of competitive advantage than the organizational archetypes. Porter highlighted the importance of a basis upon which the organization competes, which either could be broadly or narrowly. Differentiation allows an organization to select attributes that beneficiaries in the industry perceive as important and positions itself to meet those needs fully. By focusing, the organization may pursue advantages from cost leadership or differentiation. Porter viewed cost leadership and differentiation to be mutually exclusive, pointing out that a firm that attempts to pursue both will be stuck in the middle (Grant, 2008).

3.4 Competitive advantage from responsiveness to change

Grant (2008) pointed out that for an organization to remain competitive in a dynamic external environment, it will depend on how well the organization response to changes in its environment and that in turn depends on managements' ability to identify and respond to opportunities. Grant (2008) pointed out that the speed of response is critical to exploiting business opportunity. Responsiveness also involves anticipating change as a basis of competitive advantage.

Mabey (2007) points out that responsiveness to the opportunities provided by external change requires one key resource namely information capability and flexibility.

3.5 Competitive advantage through innovation

An innovation is an idea (Freeman, 1982). Responsiveness to the environment could originate internally from innovation (Mabey, 2007). Grant (2008) pointed out that "innovation not only creates competitive advantage, "it provides a basis for overturning the competitive advantage of other organizations". Sage (2008) stated that 'accomplishing this requires continuous learning, a reasonable tolerance for errors, and experimental processes to accomplish both the needed learning and the needed change'. Innovation includes new approaches to doing business-strategic innovation. It can be evolutionary or incremental in nature. Banbury and Mitchell (1995) concluded that incremental innovation is crucial to business survival and performance. It most commonly involves creating customers from novel experiences, products, product delivery or bundling.

Grant (2008) stated that competitive advantage through innovation alone is not sufficient but rather sustainable competitive advantage. A Christensen (2001) added that "every competitive advantage is predicated upon a particular set of conditions that exist at a particular point in time for particular reasons". Christensen perceives competitive advantage to be temporary rather than sustainable and this results in an impetus for competition through innovations as well.

3.6 Sustainability of innovation

Once established, competitive advantage achieved through responsiveness can be eroded by competition. The speed with which competitive advantage is undermined depends on the ability of competitor organizations to challenge either by imitation or innovation. An organization will be imitated by competition over time thereby eroding the advantage it has. Organizations have two choices either to keep ahead of completion through preventing imitation or leading in responsiveness. Grant (2008) pointed out that the environment in which an organization is will always be in a state of constant change and the greatest challenge for management is, to ensure that adaptation of the enterprise matches the changes within the business environment.

3.7   Competitive advantage through Organizational Adaptation and change

Grant (2008) perceives that for organizations to be successful, their strategies and organizational structures need to be aligned with their industry environment. The organization will need to adapt to changes throughout the industry life cycle and these changes may be largely unpredictable at different stages of the life cycle and this requires the development of new capabilities. Secondly, the ability of an organization to adapt technologically will depend to a greater extent on the implications of the new technology. Some new technology may enhance an existing company.

Advocates of the adaptation perspective highlight the possibility that management has the option to adapt to a changing environment and that it rests upon management to achieve a good fit between the organization and the environment (Donaldson, 1988). Thus survival of the firm will depend on the organization's ability to interpret the environment and determine its course of action.

Hamel and Prahalad (1994) argued that the organization has the power to reshape its environment and create the future, and not merely adapt to its surrounding environment, but can influence its own environment by changing it to fit with the firm.

In order for an organization to respond and adapt well to the change process, the organization has to select an approach to the change process.

3.8 Competitive advantage through developing strategic Alliances

3.8.1 Strategic Alliances

Strategic alliances are defined as "cooperative arrangements between two or more firms used to improve their competitive position and performance by sharing resources (Ireland,

Kuratko and Covin, 2003). AAI will need to share both tangible and intangible resources with other aid agencies in order to minimize transaction costs and technological costs as well as market uncertainities of doing business. These provide ways of facilitating the organization's efforts to improve their competitive position and performance. Segal-Horn argue that strategic alliances provide organizations with many benefits such as access to new knowledge, complementary resources, new markets and new technology that in turn enhance the organization's ability to learn , exploit economies of scale and scope, share risk and outsource various activities along the value chain. Indeed strategic alliances as a cooperative strategy are being used (Dyer, Kale & Singh (1998), Gulati (1998), Hitt, Ireland & Hoskisson (2003) on a global basis.

Strategic alliances are often preferred growth alternatives when entering new markets. Thus instead of AAI going it alone to start up new operations in totally new markets, AAI could work with a partner already known in the foreign market and share the risks of new product development. This will help AAI reduce the waiting period before programme delivery. Moreover, mutual interdependence between alliance partners, which often manifests itself in a delicate tension between cooperation and competition, means that each party is dependent and vulnerable to the other.

Although strategic alliances are likely to create value as partners work together , managing and integrating intangible assets while engaged in alliances increases likelihood of tension as both parties attempt to protect their critical assets from inappropriate and unwanted amounts of appropriation. Rue (1999:13) highlighted that deriving value from strategic alliances requires organizations to:

1. select the right partner

2. Develop a suitable alliance, design, adapt relationship as needed and manage the endgame successfully.

3.8.2   Resource Configuration, optimization and Exploitation

The rapidly changing technology and increased global competition is making it difficult for organizations to have the amount and array of resources needed to compete successfully, particularly in fast cycle markets. It follows therefore that the principal benefit of strategic alliances is gaining access to valuable resources and expertise from one's partner and jointly creating new resources (new capabilities) through the alliance. Combining and leveraging unique valuable resources combinations is a prime objective of strategic alliances, indicating that configuring, optimizing and exploiting those resources is a key component of successfully managing strategic alliances.

Value creation

Whatever method the strategic alliance is formed, the partnership should create value with positive effects on various outcome measures including firm survival, growth and innovation. The degree to which any of these outcome measures is reached is a function of the sustainability of the firm's competitive advantages, including those based on development

and management of strategic alliances (Ireland et al, 2003). Strategic alliance will help AAI create value at least in 3 ways:

- Building and enhancing resources and capabilities-AAI can gain legitimacy in a new territory based on its partner's reputation when its alliance satisfies various stakeholder needs. In other words building social capital enhances the firm's resource inventory and set of capabilities.

- Facilitating learning –Tacit knowledge is more difficult for competitors to understand and imitate and hence it is more valuable and more likely than explicit knowledge to lead to sustainable competitive advantage. Inimitability is further increased when knowledge is complex and combined with other types of knowledge in an unclear fashion i.e. causal ambiguity.

- Enlarging strategic network- as the visibility and reputation of a strategic network expands; the size of the strategic network enlarges as well.

3.9   Competitive advantage through globalization

There are substantial benefits of AAI being an international aid agency. This means it can operate globally and influence the market to a great extend. However, in many instances reconciling conflicting forces for global efficiency and national differentiation represents one of the greatest strategic challenges facing international aid agencies. It requires AAI to achieve 'global localization', which involves standardizing programme features and organizational activities where scale economies are substantial (HIV/AIDS programmes) and differentiating where national preferences are strongest (such as in food rights programmes) and where achieving them is not over-costly.

Grant (2008) highlighted the benefits of a global strategy ie a global strategy is one that views the world as a single, if segmented, market. The superiority of global strategies rests on two assumptions namely:

Globalization of customer preferences

AAI can take advantage of the fast disappearing of national and regional programme preferences, in the face of the homogenizing forces of technology, communication and travel. Homogenizing forces are making "everywhere everything gets more and more like everything else as the world's preference structure is relentlessly homogenized" Grant (2008).

Scale economies

Grant (2008) pointed out that there are five major benefits from strategy namely:

1) cost benefits-through scale economies and replication

2) exploiting national resources efficiently

3) Serving global customers

4) Learning benefits

5) Competing strategically

3.10 Managing Change and approaches to change

Some scholars take the view that change can be planned. Robbins (1998:629) defines planned change as "change activities that are intentional and goal oriented". He identified that change results in things being made different. French and Bell (1992:2) highlighted that change means "the new state of things is different from the old state of things". These views suggest that change is the outcome of careful, objective analysis and planning by management, Bakhru and Gleadle (2007:9).

Change can also be emergent (Lanning, 2001). It requires management to systematically examine strategic positions and deliberately formulating new strategies or change plans necessary for the department to operate differently. For example, the decision to write concept notes for project proposals in advance required management to proactively think and anticipate the needs of donors. It required careful planning of how AAI would make available the concept notes to donors, how the concepts notes would be marketed and how expression of interest would be feedback to the department.

Evolutionary theories suggest that organizations and the environment evolve together and are interdependent. The evolutionary process is the joint outcome of managerial intentions, environmental selection and institutional effects (Lewin and Volberda, 1999). They point out that change is not a result of either environmental selection mechanisms or adaptations made by management, but a joint outcome of both processes.

Ford and Ford (1995:543) described change as the "difference between two successive conditions, states or moments of time". Change has also been defined as an event that is frozen, unfrozen and refrozen (Lewin, 1995)

3.11 Why an organizations need to respond and adapt to change

An organization needs to transform in order to respond and adapt to the environment around it (Lanning, 2001). An organization cannot survive if it is static but should rather be dynamic (Bakhru, 2007:58). The factors that drive organizations to change are usually not just one but a combined web of forces of change" (Lanning, 2001). Advocates of organizations as open systems (Bakhru, 2007), states that 'organizations are open systems which interact with the environment and can be constrained by the environment around them'. According to Burnes (2004:1984), the open system school of thought perceives organizations as composed of a number of interconnected subsystems. It follows that any change to one part of the organization will have an impact on other parts of the organization and in turn, on the overall performance of the organization (Scott, 1987).

According to Burnes (2004), an open system is not just static organizations in isolation but open systems in two respects namely:

1) They are open to and interact with the external environment

2) They are open internally i.e. the various subsystems interact with each other.

Burnes (2004) perceives the lack of change in one area of the organization as affecting the whole organization and in turn as being impacted by the external environment. Burnes (2004) further explores two schools of thought that have an impact on the organization's ability to respond and adapt to changes; namely that organizations transform in order to respond and adapt to the external and internal environment. The internal pressures of change affect the organization's performance from within its boundaries (Kotter, 1996) and these factors tend to be largely within the control of the organization(Stapleton, 2007:85).External factors are those that are outside the control of the organization (Stapleton, 2007:85).

Weiss (1996:378) points to catalysts that triggers change and these are responsible for raising questions that interrogate the wider organizational situation such as what is the organization's vision, who does the organization serve, its core competences and what is the organization's product. Lanning (2001) highlighted external factors to include regulators, competitors, customers (beneficiaries) and technology while internal pressures may come from obsolete services , new opportunities, new strategic directions, low performance, low satisfaction, new mission and new leadership, conflict and other increasingly diverse workforce.

Mabey (2007) argue that the external forces of change not only emanate from the business environment but also from the general environment. External factors from the general environment could be social, cultural, demographic, political, economic and technological.

Sturges (2007) identified that change can be structural and as a result changes in strategy, size, technology, environment and power can be a source of structural change. Sturges (2007) further identified external factors influencing change as globalization, new technology, power of the market, financial deregulation, changing political landscape and women in power.

Business today can no longer ignore the need to change as the environment has become highly unstable and the survival of the business is dependent on its performance (Sturges, 2007). Burnes pointed out that businesses can either submit or initiate change, but either way change must happen.

3.12 CULTURE CHANGE

Boojihawon (2007:58) defined organizational culture as referring to and reflecting the manager's values, interpretations and preferred way of doing things", it reflects the dominant orientation and mirrors its sense of identify, what the organization is about. "it includes the organization's informal work rules and practices that over time become part of its unquestioned ways of doing things around here", Boojihawon (2007:58).

Culture is seen as reflecting a system of collectively held values. Culture shapes the behavior and attitudes of people which means that every culture is distinct in terms of intensity (its depth) and integration (its breath) (wheelen and Hunger, 2002:89).

Culture has the effect of drawing organizational members together, creating a sense of cohesion (French and Bell, 1999). "Culture formation is neither a random event nor an action dependent solely on the personalities of founders or current leaders, but it is to a significant degree, an internal reaction to internal imperatives", Schraeder and Self (2003:512).Further more, change in the environment may necessitate a change in the culture and these changes, which include new learning can also involve the need for new people (Johnson & Scholes, 1999).

Boojihowan (2007) pointed out that managers handling the change process need an awareness of the overall strategic direction of the organization as well as deep knowledge of its operational activities at individual level. This capability of handling change is itself perceived as a potential source of competitive advantage and a highly valued managerial competence in its own right (Pettigrew and Whipp: 1999).

The cultural Web of the Department (Boojihawon, 2003)
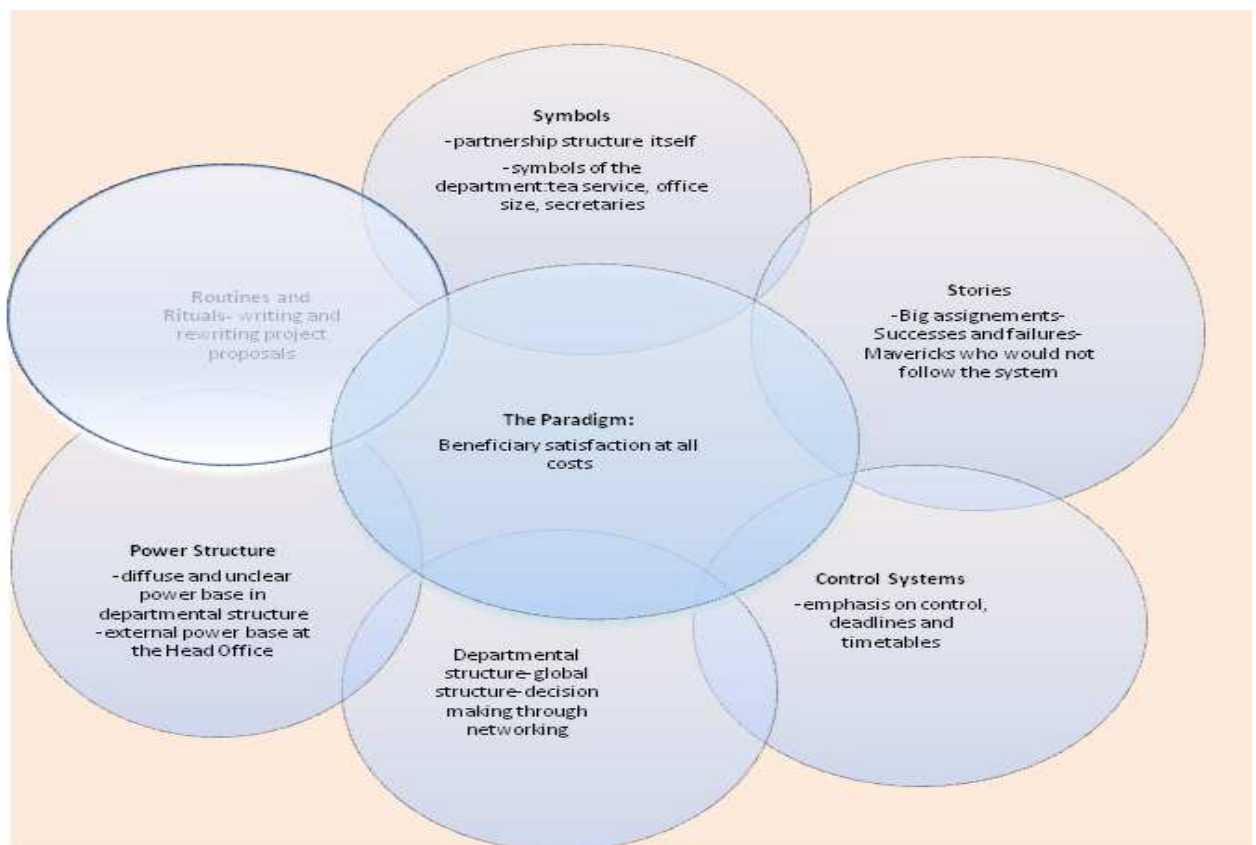
Figure 11: The Cultural web of an organization (adapted from Johnson & Scholes, 1999)

This model helps to understand the complexity of culture, Boojihowan (2007). The paradigm in the centre is the set of core beliefs which results from the multiplicity of conversations and which maintain the unity of the culture. The petals are the manifestations of culture which result from the influence of the paradigm. Boojihowan (2007) perceives an organization as an embedment of "cultural web of stories and myths, rituals and routines, symbols, power

structures and control systems and organizational structures and all these together shape a paradigm".

Linstead, Fullop & Lilley (2009) views a paradigm as a formula for what the organization is and what it does and what the people in the organization think are the recipes for its success or otherwise.

The cultural web has six interrelated elements making up the paradigm-the pattern or model of the six elements are:

The paradigm

Paradigm represents the set of assumptions about the department which is held common by staff and often taken for granted by the staff. For example, the satisfaction of the needs of the beneficiary community which the department serves should be critical to whatever staff does. This has affected the urgency with which projects are implemented. Staff believe that beneficiaries really need them in order for programmes to be carried out i.e. they are indispensible.

1) Power structures

This reflects the power structure and highlights key internal relationships and emphasizes what is important in the organization Boojihowan (2007). This includes both formal structures and informal systems and norms.

2) Cultural symbols

These are symbolic aspects of the organization such as logos, offices, cars, parking space Boojihowan, (2007). Trice and Beyer, (1984) in Cameron, (2003) divided the symbols into four namely practices, communications, physical forms and a common language.

3) Routines

Routines are ways in which members of the organization behave towards each other and they link different parts of the organization, Boojihowan (2007).They spell out the way things are done around a particular firm, for example some firms ban memos which are more than one page.

4) Rituals

Rituals of "organizational life reinforce the way we do things round here and consist of special occasions and events that signal what is especially valued", Boojihowan (2007). They include collecting money for presents when a member of the organization has a new baby.

5) Stories

These take the form of stories, myths, legends, folk tales, symbols and slogans that are circulated within the organization. Boojihowan (2007). These stories are told by organization members as a form of oral history, communicates and reinforces core elements of culture,

including leadership styles, characteristics and how things used to be, Palmer, Dunford and Akin (2009:139).

6)   Control systems

Relates to ways in which the organization is controlled including financial systems, quality systems, and rewards as well as-their measurement and distribution within the organization Boojihowan (2007).

Boojihowan noted that in order for cultural change to take place, all the six elements that are intertwined need to change simultaneously.

3.13 THE FORCE FIELD ANALYSIS
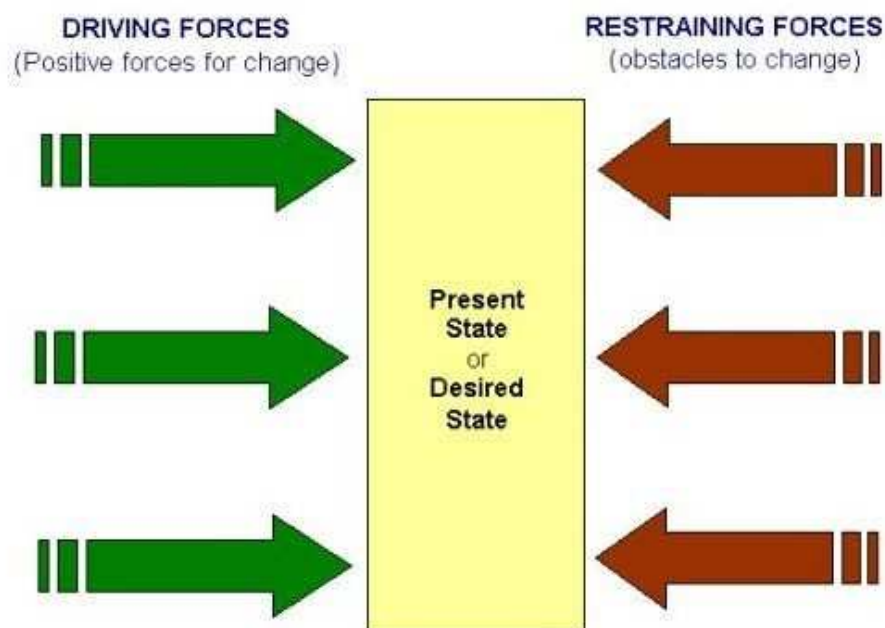
Figure 12: The force field diagram (Lewin, 1958)

The force field analysis is a diagnostic technique which highlights the importance of spotting and working with the forces at play. The forces pushing for change are driving forces while those working against change are called restraining forces (Linstead, Fulop & Lilley: 2009). The force field analysis believes that the stability of human behaviuor was based on a quasi-stationary equilibrium supported by complex driving forces and restraining forces. Thus there are always two forces in operation-those driving the change and those attempting to maintain the status quo. If these forces are in equilibrium, in order to bring about change, an organization needs to either increase the strength of the driving forces, or decrease the strength of resisting forces or ideally work on both simultaneously (Linstead, Fullop &Lilley, 2009: 641).

3.14 Empirical evidence of the use of change models

Boojihawon (2007) argues that in reality there is little empirical support for either the incremental or the revolutionary views of change. Models of change are equally valid and can apply to different organizations at different stages of their life cycles. Hope and Hailey (2004) points that continuous change models usually apply to organizations experiencing continuous and rapid change in products, markets and technology. Other supporters of change argue that it is possible to implement radical transformations incrementally through time, resulting in the same outcome as would a revolutionary change, but in a less disruptive fashion.

3.15 Impediments to change processes

Boojihawon (2007) highlights that the speed of change and the pattern by which change occurs give rise to different kinds of internal and external difficulties and constraints that acts as resistances to change. The table below summarizes some of the causes of resistance to change:

Resistance to Change		
Internal resistance	**External Resistance**	
Individual Level	**Organizational Level**	
Fear of failure	Beneficiaries	Donors
Ignorance	Culture	Suppliers
Loss of jobs or career status	Structure	Collaborators
Inertia	Sunk costs	Regulators
Uncertain consequences	Limited resources	Media
Reduction in personal roles and influence	Contractual agreement	Politics
	Beliefs and recipes	

Table 5: Resistance to change (Boojihawon, 2007)

The key sources of resistance to change are from employees primarily because employees believe that changes in the department will result in loss of jobs. It is important to understand the source of resistance and to determine strategies to manage the resistance.

3.16 Overcoming resistance to change

From the study of strategy, Speculand (2006) observed that people respond to change in three different ways namely, "indifference, resistance or support". He identified that generally people affected by change can be grouped into three different categories namely saboteurs, groupies and mavericks. Groupies are those who react passively even if the change

presents them an opportunity and this group is the backbone of the organization as it is comprised of those who carry out the day-to-day work. Saboteurs are out there to sabotage the implementation process while maverick willingly support the change process.

Speculand (2006) identified ten points necessary for ensuring that the change process is successfully carried out and these are as follows:

- gaining the support and action of saboteurs and encourage groupies

- communicating the change

- overcoming resistance from staff and community

- Gaining the support of senior management

- Aligning programme delivery process with the needs of the community

- Tracking successes of the implementation

- Acquiring beneficiary or community feedback

- Acquiring the budget to carry out the change

Management's role is to turn all the people from resisting change to supporting change and thereby shifting the minding of the people. Speculand (2009) observed that in reality people do not resist change but are "open to change when it is communicated in the right way", Speculand (2009). However, even if the change process has successfully been completed, complacency may creep in.

3.17 Risk of strategic drift and strategic Fit

Johnson (1992) pointed out that strategic drift may happen when an organization become complacent of its past achievements and begin to loose strategic focus resulting in appropriate strategies not being implemented and opportunities missed. Strategic drift is finally noticed when feedback is received from the external environment indicating that there is a dramatic deterioration in performance, especially expressions of unsatisfactory programme delivery from community.

For AAI to be successful, its strategy must remain consistent with the external environment as well as its internal environment. Its goals and values, resources and capabilities, structure and systems must be consistent with each other. Any lack of consistency with either the internal or external environment may result in organizational failure. Put simply, "strategy must be designed to meet the circumstances of the firm's competitive environment and its resources and capabilities" Grant (2008).

3.18 Complexity of changing culture

Culture in the department is seen as an accumulation and unconscious learning of what has worked over the years. Some of it has become very detrimental to the department, relics to

be removed. The following problems can be encountered in trying to engage with departmental culture:

3.18.1 Resilience of the existing departmental culture- while outsiders may see the need for change, the department and its employees often does not. The department's personality and culture often appear as given and staff views criticism of the department as a sign of fault on the part of the critic or lack of understanding of issues. This force of culture has power to ward off critics. Despite all apparent rational for change, the department employees are often driven by emotion when certain aspect of their rituals are questioned, especially when the amount of time consumed by those rites is scrutinized, even a reasonable analysis of cost benefit is not viewed favorably. The emotional benefit of the ritual is seen as the overriding reason for performing it.

3.18.2 Complexity of culture change-the department's culture consists of a complex web of interrelated factors which often vary even within sections of the Programmes department. The informal processes, rituals, power structures and behaviors cannot be changed by dictate or in isolation to each other.

3.19 Summary

The objective of chapter 3 was to provide a detailed literature review on the subject of competing in an industry, sources of competitive advantage, the relationship between planning and competitive advantage and how culture can be a critical force for or against change. It discussed the critical link among resources, capabilities and competitive advantage. The main point highlighted was that competitive advantage is built as a result of the way resources are combined to produce capabilities and the capabilities become sources of competitive advantage. Various writers reveal that competitive advantage once built has to be sustained through other means. The literature review also discussed possible ways of sustaining competitive advantage such as innovation, strategic alliances, outsourcing and globalization.

The literature review discussed various perspectives to change and change approaches. It revealed that there is no one suitable method of instituting change but the method chosen at a particular time should be contingent of the circumstances of the time. The literature review also discussed issues relating to change such as resistance to change and its impact thereof. It highlighted the importance of avoiding strategic drift due to complacency but that the organization must always ensure fit between the strategy and the competitive environment.

CHAPTER 4: RESEARCH DESIGN

4.1 INTRODUCTION

This dissertation is based on research undertaken on social and economic issues of the world and is theoretical in nature and it makes use of a number of qualitative aspects. The researcher makes use of a survey of a descriptive nature. In this chapter, the research design and methodology will be discussed in details. The chapter covers the limitations of the research, target population, survey design as well as the type of sampling method selected.

Babbie & Mouton (2003) pointed out that a research design is a blue print of how the research is to be conducted, it provides details of how the strategy and plan of how the end goal of the research is to be achieved. It answers the questions "what type of research is it, what type of data is to be collected and how it is going to be collected, from whom, how it is going to be analyzed and reported?"

Generally, descriptive surveys are used in business to ascertain attitudes toward an organization's products, e.g. in ascertaining attitudes toward an organization's products (Bearden *et al.,* 1993) or attitudes toward an organization's workforce (Hartley & Barling, 1998). Such surveys may be undertaken, for example, in assessing job satisfaction; motivation; moral and stress; employee grievances and the satisfactoriness of the means of dealing with them; and reaction to possible changes in working arrangements (Gill & Johnson, 2010).

Coldwell and Herbst (2004) pointed out that a cross sectional study is a study that is conducted once and reveals a snapshot of one point in time. The cross sectional design is usually called social survey design and is closely connected with questionnaires and structured questions. The latter define a cross sectional design as a process of collecting data at a single point in time in order to collect a body of quantitative or qualitative data in connection with two or more variables, which are often examined to detect patterns of association.

4.2 LIMITATIONS OF THE RESEARCH SURVEY

Internal validity is concerned with the question of whether a conclusion that incorporates a casual relationship between two variables holds water (Bryman & Bell, 2007).
The research survey was adversely impacted upon by the following aspects:

- ✓ The research was limited to 86 employees and beneficiaries from different provinces in all the 43 countries. This limitation was due to the fact that AAI has operations in 43 countries and it was difficult to administer questionnaire to all beneficiaries and stakeholders in all the countries in which AAI has operations.

- ✓ Sampling frame of 86 beneficiaries and employees does not adequately represent the target population. Like Coldwell and Herbst (2004: 47) pointed out that "it is difficult to access the proper number and type of people who are needed for a representative sample of the target population".
- ✓ Some questions related to the ability of management to respond and adapt to changes within the business environment. This made some employees uncomfortable to respond properly for fear of victimisation. In most cases respondent

preferred to give favourable answers that gave the impression that management was doing everything possible in order to keep abreast with changes.

✓ The sample had a higher proportion of women; hence the results are expected to have heavy female bias although this is not expected to distort overall results.

✓ A number of people did not participate in the survey or decided to drop out even if they had shown interest in participating earlier on. In anticipation of this possible situation, the researcher had earlier on arranged individual skype teleconferences with participants, assuring them of the confidentiality of the information and the purpose for which the information was going to be used.

4.3 The target population

Zikmund, (2003) defines a population as a collection of all observations of a random variable under study and about which the researcher is trying to draw conclusions. In practice a population must be defined in very specific terms to include only those units with characteristics that are relevant to the problem (Zikmund, 2003). The population under study was made up of staff in programmes departments in all the countries as well as beneficiaries from communities in those countries (for a list of the countries see Appendix F). A questionnaire was administered to these individuals drawing 43 responses from 25 questions. The population of beneficiaries was randomly selected in the 43 countries based on availability and willingness to participate in the survey. The sample of employees was drawn from all employees in the programming departments in all the 43 countries.

4.4 The sample size

As this was not a quantitative study, the researcher chose a sample of 180 participants. The size was manageable for the researcher. The sample size was made of:
- 43 beneficiaries from countries AAI has operations
- 137 employees from different programme departments in the 43 countries

A small percentage of the employees did not respond and the non-response did not impact significantly on the findings of the study. This will be discussed further in chapter 5 under results and findings.

4.5 The choice of sampling method

According to Watkins (2006: 47), a "sample is made up of members of a population (the target population), the latter referring to a body of people or to any other collection of items under consideration for the purpose of the research. A sampling frame, in turn refers to 'a list or any other record of the population from which all the sampling units are drawn', for example, in a large company, one can have a list of all the employees and this list forms the sampling frame from which one can take a sample". Zikmund (2003) defines a sampling frame as a list or any other record of the population from which the sampling frame units are drawn. The sampling frame in this research refers to a list of all programme staff as well as the list of beneficiairies in all the countries.

There are two main categories of sampling namely probability sampling, in which the researcher can determine in advance that each segment of the population will be represented in the (sample), and 'non-probability sampling' (where the researcher has no way of forecasting or guaranteeing that each element of the population will be represented in the sample).

Zikmund (2003) identified three of the more popular methods of probability sampling which can be used to select a sample namely random sampling, systematic sampling and stratified sampling. According to Watkins (2006: 48), stratified sampling is "best suited to a relatively small sample where there is a strong measure of diversity amongst the population elements". The systematic sampling technique was the one used in this research. This method ensures no members of the population are under or over-represented (Watkins, 2006).The systematic random sampling technique was used, which involved choosing the sample randomly from the existing employee population list or frame in all population groupings (Zikmund, 2003). According to Zikmund (2003), systematic sampling procedure is one in which an initial starting point is selected by a random process and every nth number on the list is selected. In this instance, at list one name of programme employee staff would stand a chance to be selected to represent the country.

In order to generalise from a random sample and avoid sampling errors or biases, a random samples needed to be of adequate size (Gill & Johnsons, 2010). Various articles indicate methods of calculating the sample size. Gill and Johnsons (2010) tabulated population size and sample sizes based on different desired degrees of accuracy. For example, for a population of 750, a confidence level of 95% and margin of error of 5; Gill and Johnsons (2010) suggest a sample size of about 240 employees. For this research, a sample of 86 employees was used due to practicality constraints. The research limitations pertaining to this sampling are:

- ✓ Employees forming the sample frame are programme staff and AAI beneficiaries
.

4.6   Measurement Scales

The survey made use the qualitative research techniques in which the respondents were required to respond to each of the statements or questionnaires by choosing a range of choices that suits their responses best (Parasuraman, 1991). The Likert scales was then used which allowed respondents to the Likert questionnaire item, to specify their level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements. Thus, the range captures the intensity of their feelings for a given item. The Likert scales have the following advantages:

- Quick and easy to construct

- Each item meets an empirical test for discriminating ability

- The likert scale is reliable

- The likert scale is also treated as an interval scale

For Questions on section 5, the researcher made use of a semantic scale and the data was coded. The scale makes use of extensive words (Coldwell & Herbst, 2004) instead of numbers and allows respondents to air their feelings or opinions about their work or environment. This allowed respondents to air their feelings about AAI programmes.

4.7 Survey Design

A number of aspects were taken into considerations when finalizing the questions (Coldwell &Herbst, 2004) namely:

- A lot of effort was made to avoid double barreled questions and statements

- Statements with double-negative questions and statements

- Prestige bias was avoided.

- Leading questions and statements were avoided

- Assumption of prior knowledge was avoided

The survey was descriptive as the researcher could ascertain how many members of a particular population had a particular characteristic. Hussey & Hussey (1997) defined a survey as a sample of subjects being drawn from a population and studied to make an inference about the population. Thus the survey was used to collect primary data through the use of a questionnaire to conduct interviews. The researcher made use of a questionnaire with both closed and open ended questions in order to maximize the benefits of both types of questions.

4.8   Pilot Study

A pilot study was conducted in order to test the research design with a sub-sample of respondents who had characteristics similar to those identifiable in the main sample being surveyed. Coldwell &Herbst (2004) pointed out that piloting is necessary in order to predict how respondents would interpret and react to questions. The pilot test assisted the researcher in determining if they were flows, limitations or other weaknesses within the interview design and will allow the researcher to make the necessary revisions prior to the implementation of the study, (Turner, 2010). Creswell (2007) suggested the importance of securing participants who are willing to openly and honestly share information. Therefore, carrying out a pilot study would help identify any potential problems related to the questionnaire or the design or layout of the questions. In order to enhance the comfort of respondents, the pilot was conducted at AAI offices or in the community depending on what was comfortable to the respondent.

The sub-sample selected to test-run the study was composed of both employees and beneficiaries in order to ensure that both issues needing clarification were viewed from different perspectives, namely internally and externally.

4.8.1   Logistical issues revealed by the pilot study

The pilot study addressed a number of logistical issues. As part of the research strategy the following factors were resolved prior to the main study:

a) Checked that the instructions given to investigators (e.g. randomisation procedures) are comprehensible.
b) Checked that investigators are sufficiently skilled in the procedures.
c) Checked the reliability and validity of results.

d) Detected a floor or ceiling effect (e.g. if a question is too difficult or too easy there will be skewed results)
e) Assessed whether a certain level of intervention is appropriate (e.g. in filling in the questionnaire)
f) Identify adverse effects (fear of being removed from beneficiary list and fear of management) caused by the procedure, and the effectiveness of actions to reduce them (e.g. anonymity of respondents).

4.8.2 Advantages of conducting pilot study

The pilot study helped to work out some of the procedural bugs that the researcher may have missed if it wasn't conducted and below are some the benefits of the pilot study:

1. It permitted preliminary testing of the questionnaire to real audience of the research and it led to some changes to the questionnaire and approaches to distributing the questionnaire.

2. It provided the researcher with ideas, approaches, and clues that may not have been foreseen before conducting the pilot study. Such ideas and clues increased the chances of getting clearer findings in the main study.

3. It permitted a thorough check of the planned statistical and analytical procedures, giving a chance to evaluate the usefulness of data to be collected. It enabled alterations in the data collection methods, and allowed data to be analyzed in the main study more efficiently.

4. It greatly reduced the number of unanticipated problems because it provided an opportunity to redesign parts of the study to overcome difficulties that the pilot study revealed.

5. To a large extent, the pilot study provided enough data for the researcher to decide whether to go ahead with the main study or not.

4.9 Briefing of Respondents

a. Prior to conducting the interviews with the respondents, the researcher provided each respondent with information pertaining to how responsiveness and adaptability to changes in the business environment influence AAI's competitive advantage. The questions were piloted prior to the research to ensure that they were clear to the respondents and that there is no ambiguity. The briefing also covered the purposes and objectives of the dissertation to ensure that respondents are clear of what their responses would be used for and that a common view or understanding was shared with respondents of what the researcher was trying to achieve. The briefing was meant to give respondents an opportunity to ask the researcher questions if they needed to.

b. However, the briefing was conducted telephonically for all respondents who were outside South Africa. Respondents who were beneficiaries of AAI programmes

had to come to the office of AAI in their respective country of residence and had the briefing interpreted for them in their local language by an AAI employee in that country. The briefing covered all the countries one after another until all the countries were finished of programme.

4.10 Survey Questions

The questions were posed to AAI employees in the programmes departments in the 43 countries as well as randomly selected beneficiaries in the various countries. Some questions proved more difficult than other for beneficiaries and vice versa for employees. The list of questions is provided in Appendix D.

4.11 Data collection Methods

In this study, data was collected from respondents by means of respondents answering both structured and open questions. Questions were presented to respondents through a questionnaire. Data was also collected by means of document reviews and interviews.

The use of a descriptive approach in collecting data provided an advantage which allowed greater attention to innuendos, nuances, complexities, idiosyncrasies and context found in the data.

4.11.1 Questionnaires

Questionnaires provide a systematic way of collecting data in a consistent and reliable manner, by ensuring that the same questions were asked to employees and beneficiaries. The approach has the benefit of obtaining information without making employees and beneficiaries feel threatened. The major disadvantage of this method is that employees and beneficiaries are unwilling to commit their thoughts and feelings in writing perhaps because of fear of being traced and victimized.

The questionnaire was designed and personally administered in many of the instances and a covering letter (see appendix B) was sent along with the questionnaire to each potential respondent detailing the purpose of the research as well as the confidentiality issues.

The questionnaire was constructed as follows:

SECTION A: Was designed for respondents to provide general and personal information about their age, gender and their location or country

Section B: Examines issues of responsiveness and adaptability to change in the business environment.

Section C: concerns perceptions and attitudes of employees towards their contribution to AAI.

4.11.2 Document Review

The researcher made use of a fair amount of data that had already been collected within the organization for other purposes i.e. secondary data (Zikmund, 2003). This data was

collected and analyzed. There was huge amount of secondary data to sift from, and locating relevant and useful data was not easy, although the research was able to extract valuable information.

- The research reviewed a number of organizational documents including amongst them various community budgets and plan submissions, programme plans, strategy documents, Group and country Annual reports, community newsletters, community complaints letters, AAI community complaints channels, minutes of programmes meetings, minutes of community meetings and minutes of management meetings. These documents provided a basis of triangulation (Zikmund, 2003) needed by the researcher when verifying facts and figures. The documents also helped to give more insight into the information already gained. The advantage of documentary reviews is that it contains already prepared data, statistics, names, locations and events already summarized for use.

4.11. 3 Interviews

Interviews involved orally questioning of respondents, either individually who had problems with completing the questionnaire. Data collection was through semi-structured one-on-one interviews with some open-ended questions. The responses were recorded immediately during the interview. Protecting the confidentiality and anonymity of respondents was a priority, in order to put to rest the fears of respondents.

Interviews were used in order to gather information about the perception of beneficiaries and employees on the programmes of AAI. An interview guide was used and provided a general plan of enquiry on how each interview could follow the same basic lines (Patton, 2002) and yet accommodating flexibility to explore issues as they were discussed. The plan of enquiry was sent to selected experts for review, and advice was obtained before finalizing appointments with respondents. The plan of enquiry was then sent to respondents before the interview in order to allow more time to the respondents to familiarizes themselves with the questions that will be asked and prepare to respond properly (Turner, 2010).The general plan of enquiry was sent to respondents prior to the interview to allow the respondents to search for information relating to the rationalization of things. The researcher took note of McNamara's (2009) recommendations for implementing interview namely:

- Ask one question at a time

- Attempt to remain as neutral as possible (i.e. don't show emotional reaction to responses given).

- Encourage responses with occasional nods of the head

- Be careful about the appearance when note taking (for example don't jump to take note as it might appear you are surprised or very please about the answer)

- Provide transition between major topics

- Don't loose control of the interview

The interviews were conversational and situational and Appendices D and E respectively show the interview schedule and verbatim responses to interview questions.

4.12 Response Rate

The response rate is generally affected by the type of sampling used and the need to acquire sampling probability within the population. In this study, quota sampling was used. Quota sampling is a type of purposive sampling (Coldwell & Herbst, 2004) in which relevant characteristics are used to stratify the sample in an attempt to improve the representativeness of the sample. The logic of using this sampling method was to enable the capturing of certain relevant characteristics describing the dimensions of the population (Cooper & Schindler, 2001). The quota sample improved the representation of employees and beneficiaries within the population, as well as ensuring that these strata are not over-represented.

The research did not have a pre-determined response rate. Fowler (2002) gave indication that a response rate of 75% could be acceptable. Fowler also pointed out that the effect of non-response on results creates a serious hazard for social research as he perceives non-respondents to be potentially different from those that do not take part in the survey. Furthermore, people who are particularly interested in the subject under investigation are most likely to engage and provide adequate responses and return the questionnaire. This creates a potential for non-respondents bias. As a result if fore-knowledge were to exist about those within the sample who fail to respond, it would be helpful to present their characteristics. This study did not enquire this information.

4.13   Data Analysis

Subsequent to data collection and preparation, a lot of effort was made to ensure that the data was accurate and that it was converted into appropriate analysis and interpretation (Coldwell & Herbst, 2004). Care was taken to ensure accuracy, consistency, uniform and arrangement. Data coding is a technique in which data is categorised or grouped into a number of classes. This allows grouping a large number of responses into categories that contain critical information to enable efficient analysis (Coldwell & Herbst, 2004). The researcher made use of appropriateness together with the exhaustiveness criteria. These two criteria enabled data to be grouped according to age group, location or country as well as the respondents' relationship with AAI.

Descriptive statistical analysis was used (Coldwell & Herbst, 2004:92). Descriptive statistic indicates measures of tendency (such as percentages, frequencies and medians) and measure of variations.

Data was presented in the form of pie charts, graphs and tables in order to enhance interpretation of the distribution of responses within each category with percentages and number used to compare across categories.

4.14 Validity

One of the threats to the study arises from the questions of both internal and external validity (Coldwell & Herbst, 2004). The ability of AAI to respond and adapt to changes in the business environment which is under investigation could change, resulting in the distortion of the reliability of the conclusion. The threats to internal validity could arise from the impending re-organization process AAI is about to embark on as well as the new organizational strategy that will soon to be adopted by the board. Other validity issues to be taken into consideration are maturation, testing effect, selection and mortality (Coldwell & Herbst, 2004).

External validity refers to the quality of being able to generalize beyond the data of the experiment to other situations (Coldwell & Herbst, 2004). The threat to external validity could arise from the research being wrong in making specific generalization, for example critics could argue that the results of the study are due to the unusual type of people who were in the study, and for example employees and beneficiaries are two different types of people whose views on programmes could be diametrically opposite.

4.15   Reliability

Reliability is to do with the quality of the measurement. It refers to the consistency or repeatability of measures. Consistency is the hallmark of reliability (Coldwell and Herbst, 2004 17). A measure is considered reliable if it would give the same result over and over again, assuming that what is being measured isn't changing (Trochim, 2006).The research is of a social nature and the findings are largely qualitative, and as a result the findings are subjective in that different researchers may repeat the study and come up with different conclusions (Gill& Johnson, 2010). The threats to reliability that may potentially emanate from survey design are measurement errors, non-response rate, sampling frame errors and reactivity (Coldwell &Herbst, 2004).

4.16   Ethical consideration

The research upheld ethical standards throughout the duration of the study, paying particular attention to objectivity, integrity, sensitivity, anonymity and confidentiality of the information gathered (Gill& Johnson, 2010).The questionnaire was independently reviewed by colleagues as well as by the Tutor.

4.17 Summary

The purpose of this chapter was to outline the research survey design and methodology. The chapter highlights the target population, the choice of the sampling method and details about respondent's briefing. Key data analysis was considered, validity of the data used as well as its reliability and threats to both validity and reliability. The next chapter summarizes all findings.

Chapter 5: Results and Discussions

5.1   Introduction

In this chapter, the researcher analyzed the data obtained from the survey, interpreted and given meaning to the findings. The chapter provides a summary of the findings from the responses received.

5.2   Analysis of Data

5.2.1 Responses and Response Rate

The sample was drawn from a population of 300 programme staff employees and thousands of AAI beneficiaries. A total of 180 questionnaires were distributed by email and 126 questionnaires were successfully returned, a response rate of 70%. Some writers like Fowler (2002) suggest that a common minimum response rate should be about 75%, although there appears to be no generally agreed minimum (Gill & Johnson, 2010). The acceptability of any response rate is contingent upon the sample under investigation. The researcher perceives that the response rate of 70% is acceptable given geographical dispersion of respondents and the fear of the unknown in employees and beneficiaries. The distribution of the questionnaire is tabulated below:

Relationship with AAI	Result:
Employee	76%
Beneficiaries	24%
Total	100%

Table 6: Summarized Distribution of Questionnaire

5.2.2 Sample Demographics

The respondents were demographically categorized by gender, country of residence, age group and relationship with AAI (employee or beneficiary).Section A of the questions provides information about the demographics of the population.

5.2.2.1 Gender distribution
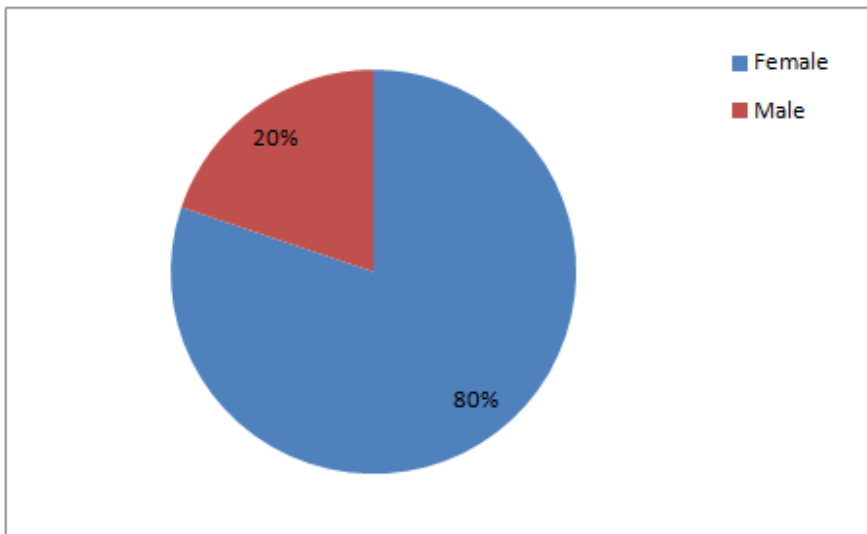
Figure 13: Distribution of respondents by Gender

The pie chart above shows that 80% or 101 of respondents were female while 20% or 25 of the respondents were male. The higher number of female respondents is commensurate with the high proportion of female staff employed by AAI, when compared to male employees. This is also true of women beneficiaries. Many of AAI programmes target primarily women. These factors push the balance of gender in favour of women.

5.2.2.2 Distribution of duration within the organization-Employees
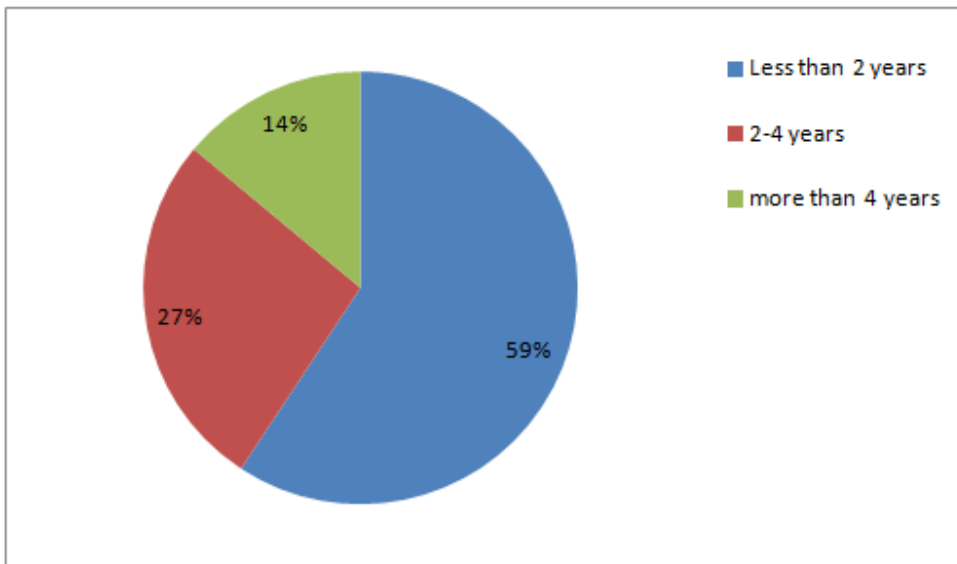
Figure 14: Employees Distribution by duration of service to AAI

The majority of respondents have had a relationship with the organization as employees or beneficiaries for a period less than 2 years. At least 59% or 51 of the employees who responded had joined the organization within less than 2 years, 27% of the employees had been with the organization for a period more than two years but less than 4years and the

figure declined to 14% in the category of employees who had been with AAI for more than 4 years. From the statistics the majority of the employees are relatively new and a handful of employees had been with the organization for more than 4 years.
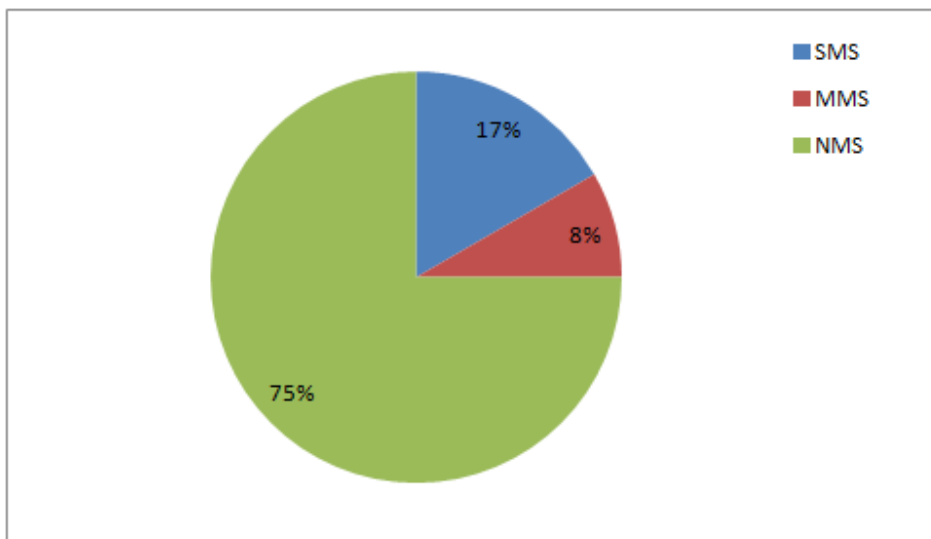
Figure 15: distribution of long serving employees by seniority

A further analysis of employees who have been with the organization for more than 4 years reveals that 75% of long serving employees are in the Non-Managerial services (NMS), while 17% or 2 of long serving employees were in senior management services (SMS) and a paltry 8% of long serving employees (tactical management) were in senor managerial service (SMS). Long serving employees are mainly made up of levels of employees who are not involved in decision making, but programme implementing staff located in the field. This group merely implements programme interventions as designed by middle and strategic management. The tactical management level (MMS) has relatively new employees.

5.2.2.3 Duration of beneficiaries on the AAI register.
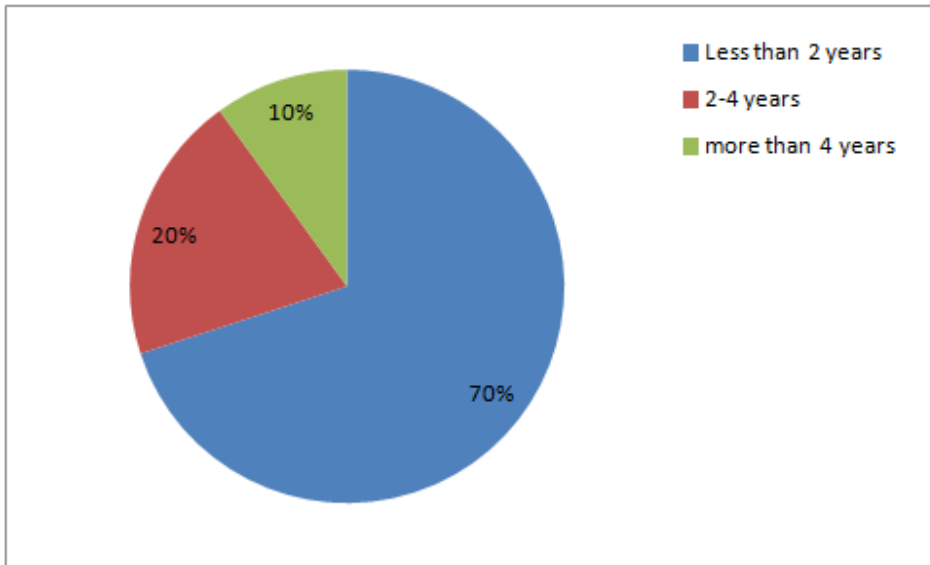
Figure 16: Distribution of beneficiaries name on AAI beneficiary list

The majority of beneficiaries receiving assistance from AAI have been on the beneficiary list for less than 2 years, while 20% of beneficiaries have been receiving assistance for a period ranging from 2 years to 4 years and a small number consisting of 4 or beneficiaries have 10% been on the list for more than 4 years. AAI ordinarily provides development initiatives to communities lasting for five year periods, using pre-determined criteria to select qualifying beneficiaries. Many beneficiaries registered to receive development assistance drop out before the end of the five year period. The statistic indicate that as many as 50% of registered beneficiaries drop out of the beneficiary list after 2 years of being on the list.

5.2.2.4 Age group distribution

The respondents were made up of largely the "between 35 and 50" age group as well as those "between 25 and 35" age group, this translates to 50% and 22% of the respondents respectively. The "less than 25 years" age group constituted 13% of the respondents or 17 respondents. The 'over 50 years' age group constituted 14% or 18 of the respondents. About 50% or 63 respondents (those between 35 and 50) can be further divided into 29% employees and 21% beneficiaries. The majority of beneficiaries (68%) are in the "between 35 and 50" category and this is consistent with the age group of adult population found in most rural communities where AAI works.

Section B: Responsiveness and adaptability to changes in the business environment

The analysis of the data in this section was guided by the questions and the responses from the respondents. The analysis was as follows:

1. **Are the programmes of AAI correctly tailored to the needs of the community?**

The table below shows the distribution of responses to the above question.

	Total No. of Respondents	Percentage	Employees	Beneficiaries
Yes	56	44%	42%	35%
No	70	56%	58%	65%
Total	**126**	**100%**	**100%**	**100%**

Table 7: Table of responses to whether programmes are correctly tailored to community needs.

The outcome of the survey to this question shows that 44% of the respondents believe that AAI programmes correctly meet the needs of the community while 56% believe otherwise.

A further analysis reveal that a high percentage of employees believe that AAI programme do not meet the needs of the community and this is further confirmed by 65% of beneficiaries who feel that the programmes do not really meet the needs of the people. This outcome raises further questions why community members still register to benefit from AAI programmes even if the majority of beneficiaries do not find them to be meeting their needs correctly. There could be other reasons why beneficiaries still find it worthwhile to register for assistance for AAI.

2. **If given a choice, would you choose AAI programmes as your first choice?**

The table shows the distribution of whether respondents feel that they would choose AAI programmes as their first choice, if given an option to select. As many as 83% of the respondents felt that they would not choose AAI's programmes as their first choice. This number was confirmed by 77% of the beneficiaries who feel that they would choose competitors programmes instead of AAI programmes as their first choice. This outcome clearly shows that while beneficiaries register to participate in AAI programmes, they do so for other reasons or perhaps lack of much choice.

	Total Number of Respondents	% Respondents	% Employee Respondents	% Beneficiary Respondents
Yes	21	17%	15%	23%
No	105	83%	85%	77%
Total	**126**	**100%**	**100%**	**100%**

Table 8: Table of responses to whether AAI programmes are their first choice

On the other hand, a high percentage of employees, who should be proud of AAI programmes to the community, do not believe in their programmes as evidenced by the percentage of employees who would not choice AAI programmes as their first choose. This clearly indicates that employees are not happy with what they are delivering to the community? It raises many other questions such as why are the employees still working for the department? Is this just about earning a living?

3. Are AAI programmes and interventions regularly reviewed and adapted to respond to the needs of the community?

The table below shows the distribution of respondents' feelings toward the frequency of review of AAI programmes. The majority of the people (65) concur that programmes are regularly reviewed and adapted to meet the needs of the people. However, sharp differences occur between the views of employees and that of beneficiaries. 93% of the employees believe that programmes are regularly reviewed while 95% of beneficiaries do not agree. This indicates clearly a difference in opinion on what is meant by 'reviewed and adapted to meet the needs of community'. It also shows differences in what community termed 'their needs". This perhaps further account for why communities do not choose AAI programmes as their first choice programmes.

	Total Number of Respondents	% Respondents	% Employee Respondents	% Beneficiary Respondents
Yes	21	65%	93%	95%
No	105	33%	7%	5%
Total	**126**	**100%**	**100%**	**100%**

Table 9: Table of respondents who feel programmes are regularly reviewed

Perhaps community members view their needs in a different way to the way AAI define them and if not why the sharp differences between these two groups?

4. Are you satisfied with programmes AAI is delivering to the community?

The Table below shows the distribution of respondents who are satisfied with what programmes AAI is offering.

	Total Number of Respondents	% All Respondents	% Employee Respondents	% Beneficiary Respondents
Happy	21	29%	39%	44%
Not Happy	105	71%	61%	56%
Total	**126**	**100%**	**100%**	**100%**

Table 10: Table of satisfied respondents
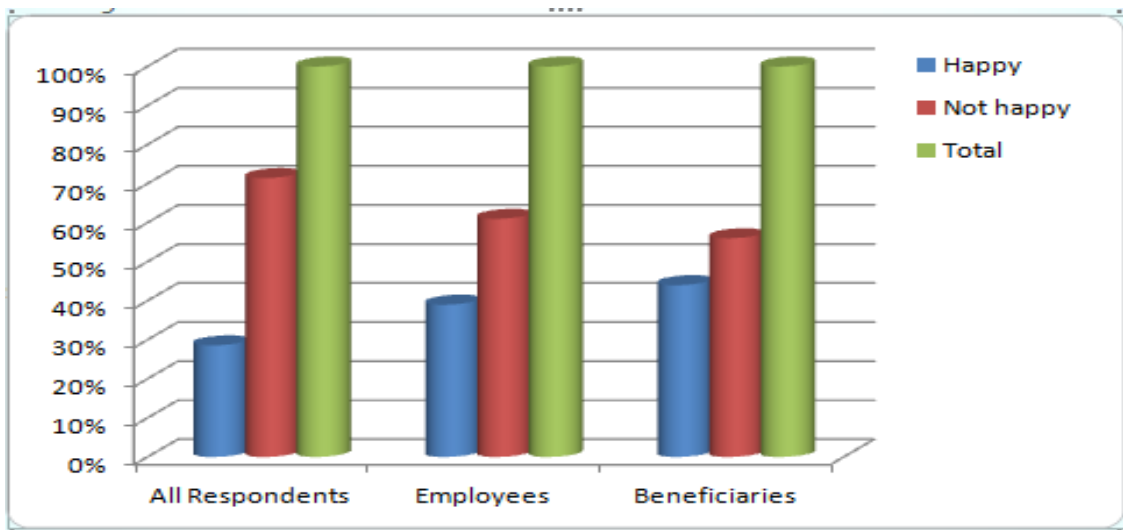
Figures 17: Distribution of respondents enjoying different satisfaction levels on AAI programmes

A higher percentage of the respondents are not satisfied with AAI programmes, with 71% of respondents disapproving the programmes AAI is delivering to the community. Both categories of respondents are not satisfied with what AAI is offering. This is particularly intriguing because employees are confirming beneficiaries' views. Why? One would expect employees who deliver the programmes to be happy since they advise management and make suggestions to management. Similarly, it raises questions on the consultation process of AAI. To what extent does AAI incorporate the views of community in designing programmes?

5. **If beneficiaries had an option, would they maintain the manner, content or quality of programmes delivered by AAI?**

The graph below depicts that a higher percentage would opt to change the manner, content and quality of the programmes offered by AAI. 67% of respondents would change something to do with the delivery, designed and content. This clearly indicates that there is something beneficiaries are not happy with in the design, delivery and content of the programmes.
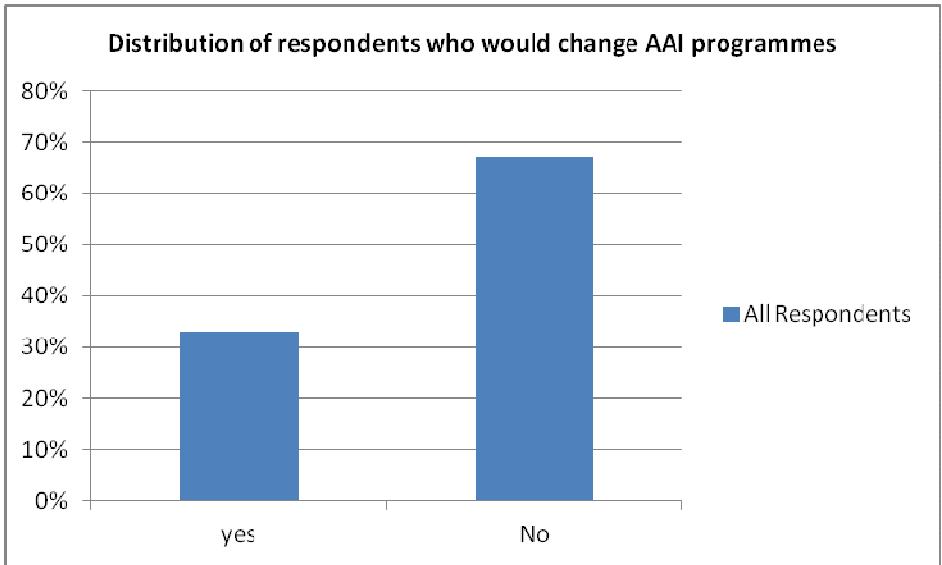
Figure 18: Distribution of respondents who would prefer to maintain the content of programmes

6. Are you unhappy with AAI working with communities?

	% Total Respondents
Happy	98%
Unhappy	2%
Total	100%

Table 11: Table of % respondents unhappy with AAI working with communities

Figure 19: % Distribution of respondents happy and unhappy with AAI programmes

At least 98% of respondents indicated that they are happy with AAI working with community. This clearly indicates that respondents do not have problem with AAI as an organization and its desire to work with the community. From question 5, the researcher could infer that respondents have issues with what is being offered, in terms of the quality, the manner, and the content.

7. Does community feel that they are adequately involved in programme planning; design and delivery before new programmes are introduced?

	Total Number of Respondents	% All Respondents	% Employee Respondents	% Beneficiary Respondents
Yes	21	38%	35%	30%
No	105	72%	65%	70%
Total	**126**	**100%**	**100%**	**100%**

Table 12: Table of respondents who feel involved in design of AAI programmes
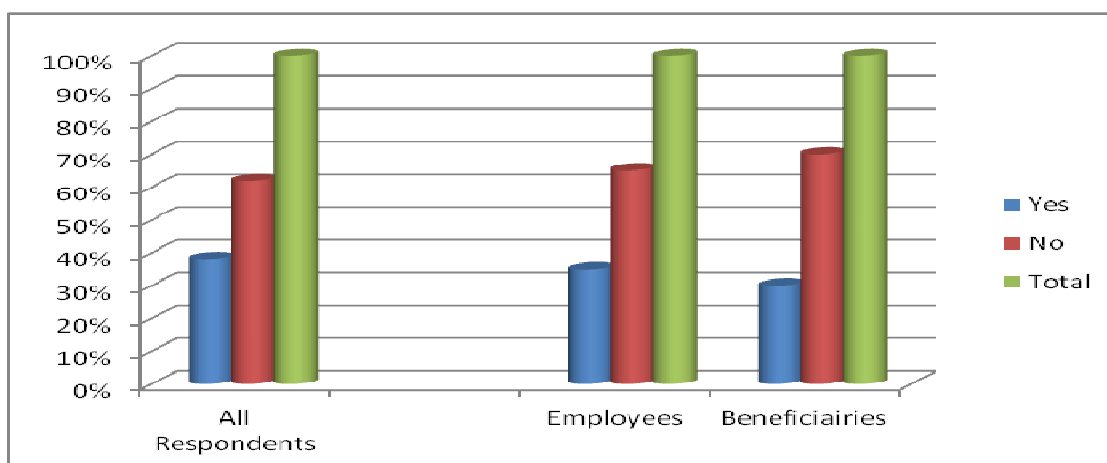
Figure 20: % Distribution respondents who feel involved in the design of AAI programmes.

The community does not feel that AAI involves them in the processes of programme planning, designing and delivery. The majority of them (70%) feel that AAI does not carry them through; it is possible that somehow the community gets lost during the process and as a result they feel left out along the way. This possibly is a result in poor information flow between AAI and the community. Employees (65%) concur that AAI does not carry community through the processes, why? Where does AAI get it wrong? Perhaps community gets lost during the consolidation and approval process of plans for each country and then the whole group. It is also possible that AAI is taking unilateral decisions in order to cut costs or expedite the programme delivery process and then in the process community members feel unhappy with that.

8. Are programmes offered by AAI exhibiting the best level of innovation?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	0	6	4	44	72
Percentage	0%	5%	3%	35%	57%

Table 13: Table of respondents who find innovation in AAI programmes

With 57% of respondents strongly disagreeing with the level of intervention exhibited by AAI and another 35% disagreeing with the level of innovation being exhibited by AAI, it becomes clear that both beneficiaries and employees of AAI concur that AAI is not being innovative in designing and implementing programmes. This means beneficiaries register to participate in AAI programmes for other reasons other than satisfaction and innovativeness. It is possible that beneficiaries hope for any improvement of AAI programmes through their participation and contribution to the design and implementation.

9. Is Community consultation on programme design and development wide and excellent?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	11	46	25	44	0
Percentage	9%	36%	20%	35%	0%

Table 14: Table of respondents who find wide consultation in programme design by AAI

The results of the level of consultation on programme design and development shows that 46 respondents or (36%) agree and (9%) strongly agree that community consultations on programme design and development is wide and excellent, although as many as 20% remained neutral. A substantial percentage (35%) disagrees with the consultation process. The huge percentage of respondents who preferred to remain neutral on such a critical question could have had the potential of swaying the result in any direction, should they have chosen to take a position. It is difficult to be confident with this result given that beneficiaries may be afraid of stating their mind clearly, for fear of being removed from the beneficiary list. Similarly, employees may be unwilling to come out clear for fear of victimization by their sectional heads.

10. Community decides fully the content and location of programmes delivered by AAI?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	1	13	3	98	11
Percentage	1%	10%	2%	78%	9%

Table 15: Table of respondents who feel communities are content with the delivery of programmes.

78% of respondents disagree and 9% strongly disagree that the community's involvement is determining and deciding the content and location of programmes. So who decides the content? The community feels that AAI decides the programme content and location of where the programmes will be carried, they also concurred that consultations were made but the final decision rested with AAI.

11. **Does consultation with communities lead to meaningful improvements in programmes?**

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	5	32	0	68	21
Percentage	4%	25%	0%	54%	17%

Table 16: Respondents who feel consultation leads to meaningful improvement

The majority of respondents feel that community consultations do not necessarily translate into programme improvement in the way they expected to see programmes improving. Whatever the difference between AAI and beneficiaries in terms of what improvements they want to see, there appears to be a huge difference between the expectation of the community and what AAI programmes are delivering. This difference in expectation is resulting in community needs being unmet. Communities feel that their needs are not fulfilled by what AAI is delivering. Community feels that their contributions and their views are never taken into account in making improvements in programmes.

12. **A r e   b e n e f i c i a r i e s withdrawing from AAI programmes in favour of programmes of competitors?**

The majority of respondents believe that beneficiaries are switching from programmes offered by AAI in preference to programmes offered by competitors. This outcome strengthens the responses of participants to question 8, indicating that programmes offered by AAI do not display the best level of innovativeness. The response to question 5 above indicate that, if given a choice most beneficiaries would change something to do with the manner, content or quality of the way AAI interventions are delivered, designed and presented. The outcome to question 12 simply confirms reasons why some beneficiaries are switching or withdrawing from programmes offered by AAI. It appears beneficiaries are not happy with the programme content, quality of delivery or design.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	76	34	10	44	0
Percentage	60%	27%	8%	35%	0%

Table 17: Table of withdrawals by beneficiaries
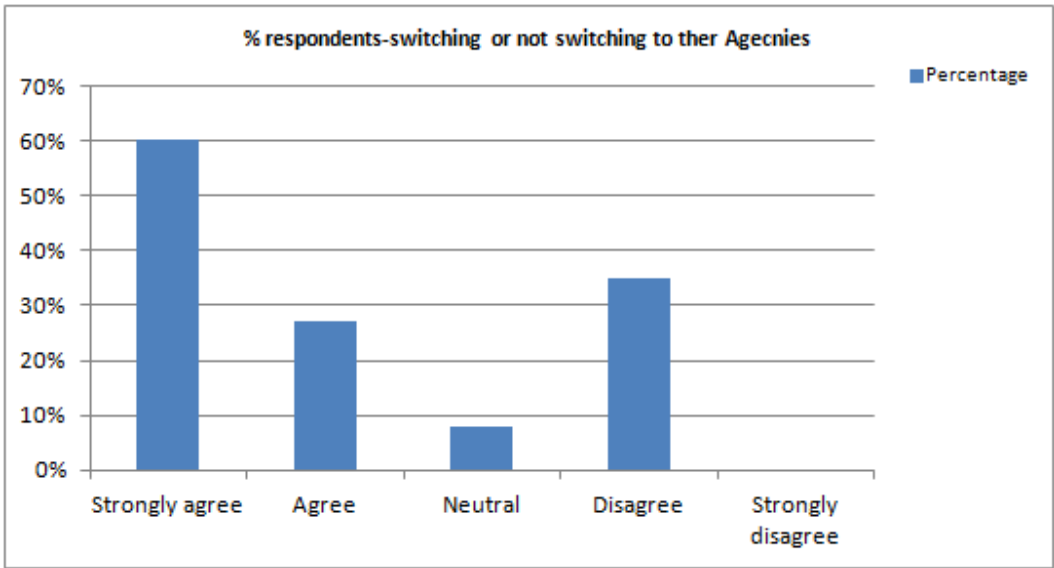
Figure 21: Graphic summary of respondents who would switch to other Agency programmes

SECTION C: PERCEPTION AND ATTITUDE TOWARD AAI –EMPLOYEES ONLY

1. AAI is managing very well to adapt and respond to changes in the needs of the community.
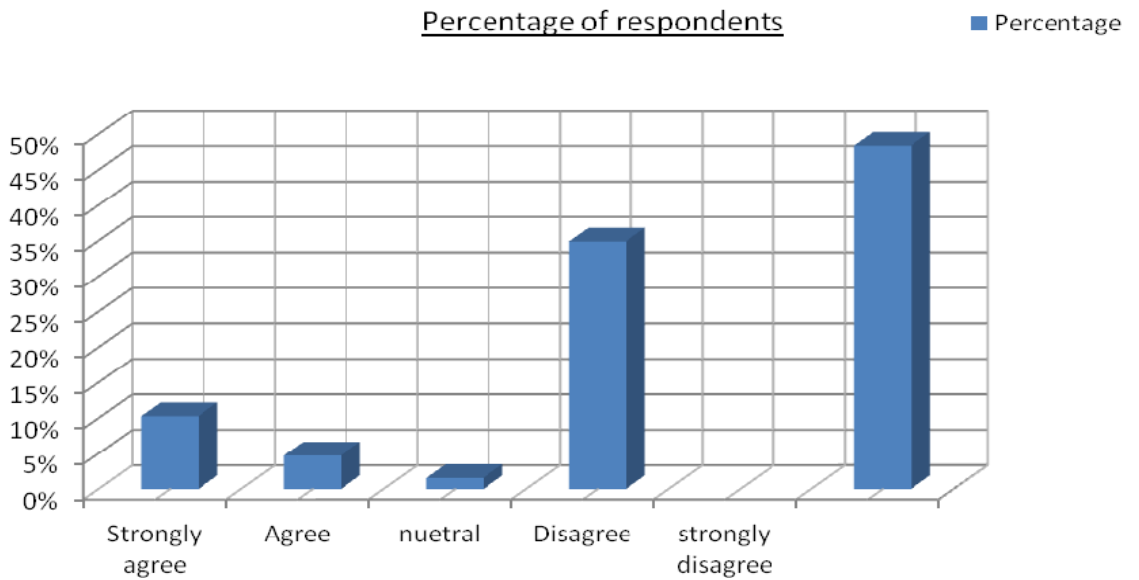
Figure 22: % distribution of respondents who believe in AAI's response to community needs.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	13	6	2	44	61
Percentage	10%	5%	2%	35%	48%

Table 18: Responses on whether AAI's programmes are adapting and responding well to community needs.

The table shows a higher percentage of respondents (48) strongly disagree that AAI is managing to adapt to changes in the needs of the community. This outcome clarifies the reasons why beneficiaries do not like AAI programmes as programmes of first choice. It confirms why beneficiaries are happy to work with AAI in developing communities and yet they would not choose AAI programmes as their first choice.

2. As employees, we see communities receiving our programmes with a lot of zeal

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	0	4	17	60	5
Percentage	0%	3%	13%	48%	4%
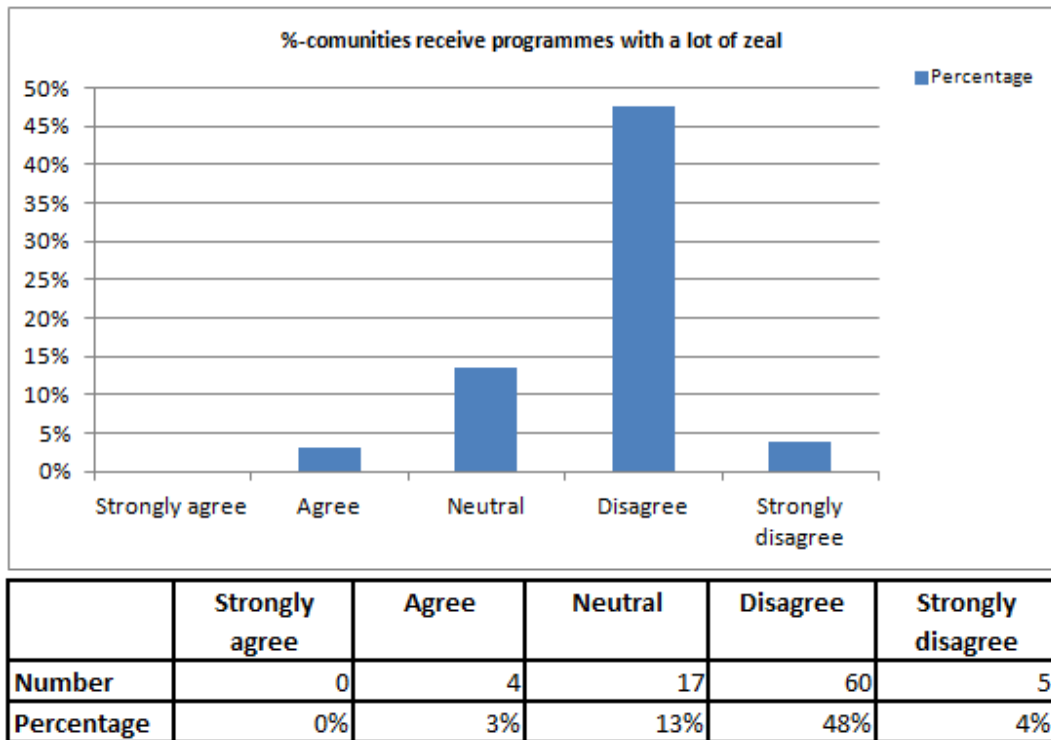
Figure 23: Distribution employees who receive AAI Programmes with a lot of zeal

The majority of employees both in number and in percentage terms believe that communities do not receive AAI programme with a lot of zeal, as previously indicated by the respondents, those who would prefer to change something about the manner, the content and quality of AAI programmes. The response of employees confirms the inability of AAI to present beneficiaries with competitive programmes that would meet their needs, despite AAI's elaborate consultation processes with community.

3. Employees are very proud to be identified with AAI's programmes in the community

%-staff level of pride in AAI programmes

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	5	13	5	40	13
Percentage	4%	10%	4%	32%	10%
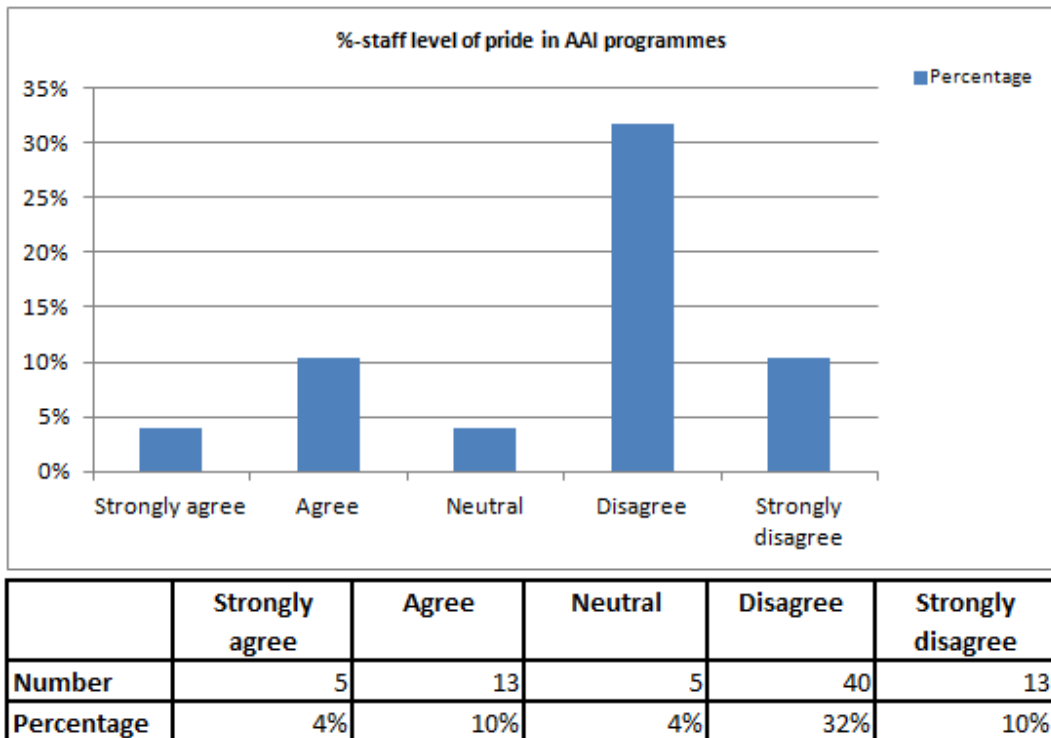
Figure 24: staff level of pride in AAI programmes

Employees do not show sufficient level of pride in AAI programmes and yet they are on the forefront of working with community. This is a disturbing result that indicates deeper problems within AAI. Employees who deliver programmes should be confident of what benefits programmes have on the community. Employees represent the organization and should carry and amplify the mission of the organization to community with confidence and zeal. They should be proud of what they are delivering to communities, as something of value. They should sell the organization by their pride in AAI's programmes.

4. **I would probably keep working with AAI even if I am no longer an employee.**

%-staff level of pride in AAI programmes

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	0	5	29	35	1
Percentage	0%	4%	23%	28%	1%
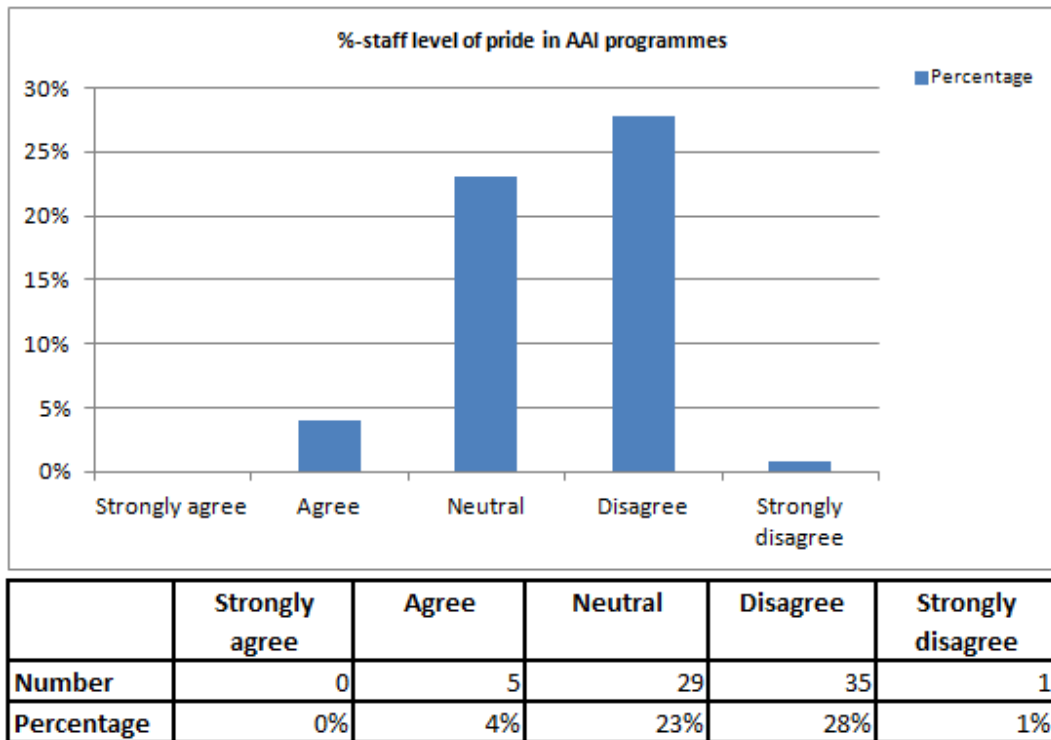
Figure 25: Distribution of people who would work with AAI even if they are no longer employees

Although the majority of employees (28%) seem to disagree to working with AAI even if they are no longer employees, a substantial number of employees remained neutral (23%), preferring not to make their views clear. This is probably because of fear of victimization as this question has a human resources implication, which could affect their performance appraisal. Programme employees, (who are the front line staff) seem to echo the feeling that they do not have confidence in programmes that AAI is offering.

5. I am extremely glad that I chose to work for AAI over my previous employer.

%-staff who would choose AAI over their previous employer

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	1	2	60	18	5
Percentage	1%	2%	48%	14%	4%
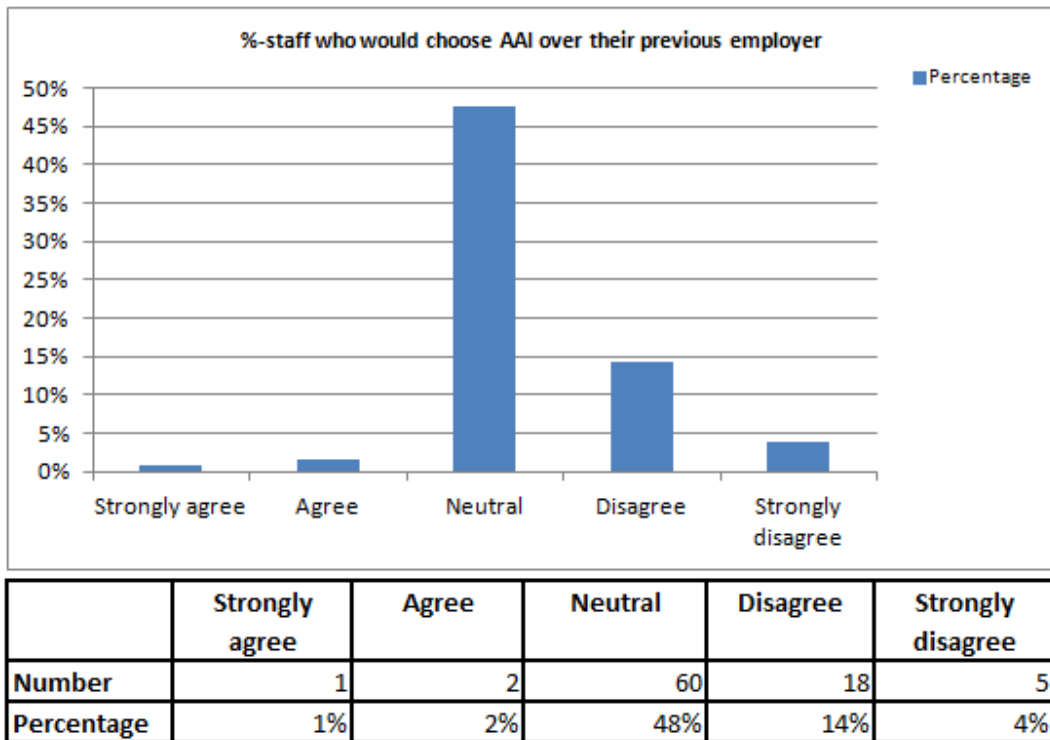
Figure 26: Employees who would choose AAI over their previous employer

A substantial number of staff (48%) preferred to remain neutral on this question, perhaps because of fear of management despite the previous assurance given to them that this information would be used purely for research purposes. A paltry 3% of the staff would choose to work with AAI as opposed to their previous employers. More employees disagreed with how AAI works when compared with their previous employers. This confirms their response to the question requiring them to state whether they did not like AAI working with community. The majority stated that they would like working with community but it appears that employees do not like how AAI works with community i.e. programme content, quality etc.

6. **The coordination and collaborative effort within programmes department really inspires the very best in me, in the way of my job performance.**

% collaborative efforts within AAI

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	16	2	7	43	5
Percentage	13%	2%	6%	34%	4%
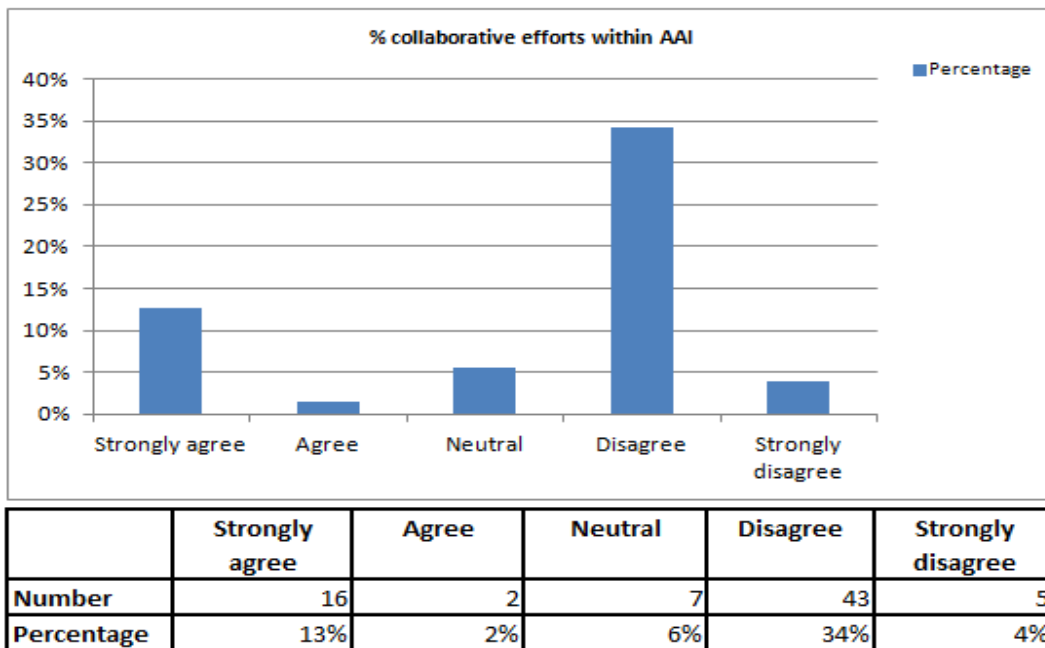
Figure 27: % Distribution of views on collaborative efforts within the programmes department

34% of employees disagree that collaborative efforts within the department inspire them to give out their best. This clearly indicates coordination problems within the various units of programmes department and it is possibly the reason why many employees would not choose working with AAI when compared to the previous employers.

7. Employees are happy with the way the department is structured

The table below shows varying views on the structure of the department. Most employees preferred to stay neutral (35) on this point, while 10% disagreed and 12% strongly disagreed with the way the department is structured. The number of employees who disagreed indicate how employees feel about the challenges the organization is facing. This points to the fact that the root cause of AAI's problem emanetes from the top, i.e. the way the organization is structured to deliver programmes and the employees' perception of that structure is filtering its ways into how they deliver, how programs are designed, planned and implemented in terms of quality, content and delivery. The figure below demonstrates the views of employees on this matter.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Number	6	9	44	12	15
Percentage	5%	7%	35%	10%	12%
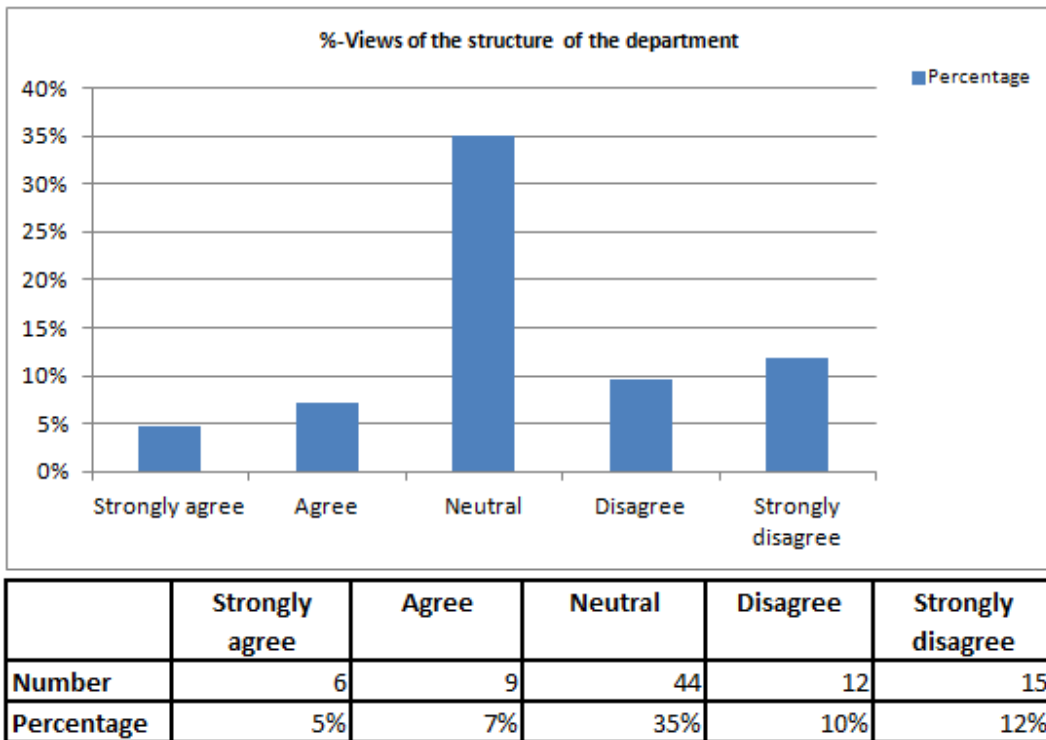
Figure 28: views on the structure of the department

8. What problems are you experiencing within the department and in the delivery of programmes?

There was a wide range of problems highlighted by respondents according to their own view of the nature of the problem faced by AAI (programmes department) and organization wide and these are:

8 (a) Structural and leadership issues

- Lack of a departmental head at the strategic level

Most employees who responded cited that the programmes department was fragmented because it did not posses a Director who would advise management, set standards and take the lead in directing the work of the entire department. However, the department was structured into five themes, with each theme having a head that was not part of strategic management. This made it difficult to plan, organize work effectively and convince management of programme priorities. The fact that Theme Heads report directly to the CEO was very ineffective and created competition for attention among Theme Heads.

- Lack of coordination

Respondents cited that often Theme Heads worked in silos; each one did not want to work with others. Each one preferred to be independently organizing their own activities. This resulted in an uncoordinated consultation with communities and lack of effective collaboration with other teams within the department.

- High staff turnover within the department

Respondents pointed out that staff turnover was high and they pointed out that

programme managers often plan and design programmes, and leave the organization before implementing the programmes. The remaining team members would have to do their best to implement the programme after a manager has left.

8(b) Organization wide challenges

- Poor community consultation process

Employees pointed out that AAI consults with communities before programme design and implementation; however the final decision of what gets implemented rests with AAI and not the community. This results in the community unwilling to own programmes. Often programmes are changed due to cost considerations and communities are not involved and communities end up feeling alienated from the decision making process.

- Lack of innovation and competitiveness

AAI lacks innovation and competitiveness and its competitors are capitalizing on that. The organization has maintained previously successful programmes unchanged for a longtime and these have become outdated. AAI has not realized that adapting its programmes to the needs of communities today is what makes its programmes responsive to community needs.

- Increased competition from other not-for-profit organizations

The number of not-for-profit organizations working in communities where AAI also has operations has increased. This has resulted in increased competition for funding, skilled staff, territory and increased demand for quality programmes. No longer will organization rely on previously successful programmes for future success. The shelf life of competitive programmes has been reduced significantly. Many new organizations entering this industry are copying programmes of traditional organizations and adapting them to respond to the changed needs of communities. This is what AAI has failed to realize.

- Improvements in education, transportation and communication

AAI still relies on traditional methods of delivering basic and simple programmes that have worked well many years in the past. However, times have changed. Communities are now better educated and able to compare and demand more accountability and their rights. This is putting AAI more upto scrutiny from communities; especially in terms of who is deciding what programmes to be delivered, where, the content, the quality and the timing. AAI has not been able to adapt to the challenge that communities are better connected and can easily contact other communities and compare what programmes are being offered by similar organizations and demand the same programmes quality being offered elsewhere or simply withdrawal from AAI programmes in preference to those offered elsewhere. With communication costs lowering communities can travel at a fraction of the costs to receive programmes that they feel benefit them without much switching costs.

- Decline donor income

The rise of a new group of donor such as wealthy individuals, trusts and corporations has presented other sources of donor funding which AAI did not anticipate to surpass official funding. This new category of donors differs from official donors, lays new conditions for giving funds, new criteria of monitoring and evaluating performance. AAI has continued to rely on its traditional sources of funding which are declining resulting in management being unable to effectively adapt programmes to meet the needs of communities

5.3   Summary

In summary, the analysis reflected an organization lagging behind in terms of adapting its programmes in order to respond effectively to a changed business environment.AAI is still holding on to the past successful programmes that have since been outdated by time and circumstances. The research reveals a not-for-profit industry that is competitive and competition in the industry is increasing choice. The research reveals a community much better able to define their needs, committed to its development and actively involved in finding solutions. It further reveals a competitive industry in which AAI is at the risk of being overtaken by competition as beneficiaries would rather choose programmes of competitors as first choice instead of AAI's programmes. It reveals a community that feels unhappy with AAI's way of dealing with programme improvement.

Internally, the staff has many grievances with management that include lack of representation of the department at senior leadership, poor coordination and collaboration as well as staff turnover. Staff exhibit a lot of fear for management and many appear to work for the organization because they have no where else to go and are ready to leave should an opportunity present itself. Employees are not proud to identify with the organization they are working for and the organization's programme. They feel that AAI programmes are not competitive.

5.4   Conclusion

In chapter 5, research data was analyzed and elaborated upon and in chapter 6 the research will bring the analysis to a conclusion and recommendations will be made.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1   INTRODUCTION

This chapter ties the research together by providing a summary of the research findings and ends by giving recommendations of how AAI can deal with the challenges it is facing. The research closes by making recommendations to AAI based on the information obtained from respondents to the survey as well as information obtained from document reviews in the form of letters of complaint, minutes of community meetings as well and minutes of the management meetings. In order to get the correct understanding of the situation, in many instances the researcher had to collaborate the facts based on answers provided by management or community members in other forums. This was necessary to ensure that the researcher understands the community's perspective on matter correctly.

6.2   THE RESEARCH AND DATA COLLECTION DESIGN AND METHODOLOGY

The research was based on issues arising in a social world and as is customary in surveys, the research made use of piloting the questionnaire with a group of people to ensure that there is no ambiguity regarding questions or statements. The survey also made use of multiple data collection methods namely interviews, questionnaire and document review. The analysis and interpretation helped to get a better understanding of certain aspects of AAI, namely the impact of the failure to adapt programmes in order to respond effectively to community needs.

6.3   THE RESEARCH PROBLEM–REVIEW

 The problem statement for the dissertation reads as follows:

Responding and adapting to changing needs: a study of AAI's ability to remain competitive and relevant in community.

The main reasons (see 6.4) why AAI programmes have been losing popularity with beneficiaries have been highlighted earlier as follows:

- Poor consultations processes with community- lack of meaningful community involvement throughout the programme design and development process.

- Lack of competitiveness on the part of AAI due to lack of innovative ideas, declining funding, lack of strategic partnership and slow adaptability to change.

- Staff issues-poor industrial relations at AAI resulting in high staff turnover, loss of institutional memory and a de-motivated staff.

- The organization's inability to quickly adapt and respond appropriately to change, resulting in the organization trailing behind change and reacting to change in a disorganized way.

 Had top management prioritized addressing senior management at the top, the situation would have been different; perhaps programme issues would have been better managed, coordinated and articulated with senior management of AAI. Staff moral is low for many reasons while community feel AAI wants to remain in the past, delivering age old

programmes to new generations of beneficiaries. Communities think AAI takes them for granted, they make suggestions for programme improvement and these are never taken into account and as a result nothing changes. Communities respond by withdrawing from AAI programmes in favour of better alternatives from competitor organizations. AAI old model programmes don't inspire the new type of donor, traditional government type donations are declining and so are the donations to AAI while a new type of donor has emerged on the market. AAI has not been able to adapt and respond to community needs of beneficiaries in competitive and innovative ways, thus lagging behind the market.

6.4   Summary of Findings

The summary of findings of the study will be discussed according to the sub-problems identified:

The general observation of the researcher is that the findings indicate a lot of agreement between the views of employees and those of communities that are benefiting from the programmes. Although they were some differences in perception between the responses of employees and those of the beneficiaries, the two groups of respondents concurred on many aspects of how AAI delivers programmes. What was intriguing was that many of AAI's employees shared the feelings of beneficiaries, in terms of how they viewed programmes quality.

6.4.1 Community consultations and poor programme implementation

- *The relevance of the results of community consultations*- AAI does not use Community consultation as a primary source of information for deciding when and what programmes should be implemented. However, the views of the community are used as a basis of identifying community needs and the lack of continuous community involvement in all stages of discussion and deliberations about what exactly has been agreed by senior leadership of AAI, leads to the exclusion of the community in the decision making and programme ownership. The power to make the final decisions on programmes and priorities, resides with senior management.

  While this practice appear prudent for expediency purposes, (in terms of getting things done quickly and limiting the time for making decision), this approach has created a negative impression of the organization. The approach means the community does not own the final decision or share the priorities reached.

- *Increasing withdrawal rates*-Community beneficiaries registers indicate a high rate of withdrawals due to increasing lack of interest in AAI programmes and informal follow up indicate that most withdrawals move to register with a competing organization. Beneficiaries withdraw out of frustration that interventions are not bringing the expected benefits. This is confirmed by the fact that some beneficiaries withdraw and register with other aid agencies offering slightly improved programmes. From the researcher's analysis, although AAI is managing to attract other new beneficiaries to replace withdrawals, this means that it is not easily possible to track the impact of the programmes on the lives of beneficiaries and identify change as a result of receiving

assistance from AAI. This is so because the programme is always having new members on its list who do not remain members until the expiry or termination of the programme.

- *Poor programme design and implementation*-often AAI programme focuses on assisting communities with their very basic needs. However, because final decisions about quality are done by management with little consultation, the delivery is usually poor with many programmes being actually delivered latter than most beneficiaries expect. Many parts of programme design needs regular consultation with community and the taking in of local context into account. AAI falls many times into the trap of trying to standardize programmes across countries. This is because the strength of standardization is that programmes previously carried out in other countries can be replicated with less difficult in another country and with little paper work.

The pitfall of this approach is that the success of any programme depends on how much AAI has taken local context into account in designing and rollingout similar programmes in another country. Many respondents pointed out that AAI does not see priorities according to their context and thus what may be important when rolling out programmes in Asia may be less important in Africa. The outcome of management led programme resembles programme interventions out of touch with community needs and local context.

6.4.2 The competitive nature of the not-for-profit industry

- *The changing approach to programme delivery*-The industry has many new entrants made up of many young organizations without much track record but whose ideas are as radically different as the changing demographics of the new type of community they now serve. Their radically different approaches enjoy the support of community. Many new entrants in the industry prefer to give the community much more than the basic programmes- they go beyond satisfying basic human needs. Community needs are getting globalised, in that what was not a need in Africa years back is becoming a need today, and communities will not be able to do without addressing certain things first or at times concurrently. For example during armed conflicts in the past, aid agencies used to concern themselves with providing food and medicines but today communities want aid organization to also prioritize protection of human rights and make sure that any violation of rights is documented and offenders brought to justice at the earliest opportunity. Similarly, communities served by AAI do not just want programmes that target individual needs but programmes that target a group of needs at once.

- *The balance of power and increasing ideological differences*-The traditional organizations like AAI, primarily used the top down approach in product design and delivery. Many new entrants develop programmes from the needs of communities. The new aid organizations see their role as facilitators rather than the principals. The new organizations help communities brainstorm their needs, make choices and help them achieve their goals. Whereas traditional organizations like AAI consults

community only in identifying what programmes are needed, but make the rest of the decisions.

The traditional approach has worked well for AAI in the past, but with communities becoming more informed of their rights, more and more people able to read and write, communities are beginning to realize the power of speaking with one voice. Communities are forcing some aid organization out of some countries by protesting against them and sometimes calling on their governments to remove or ban them from their communities.

- *The decline in government funding*-Funding of community programmes from national governments is declining while most national governments now prefer to support programmes designed and implemented by locally registered community based organizations as opposed to international aid organizations.

The global financial crisis has forced many governments to cut back on spending in order to sustain the ever increasing cost of providing services to citizens. The most common area where national governments have been targeting for cutting expenditure has been on foreign and local aid. The decline in official aid, which has been the backbone of AAI funding, has meant that a number of cuts had to be implemented downstream as well. Alternative, another source of funding has had to be found to cover the shortfall. AAI has not been able to cope with this change and its response has been impromptu.

- *The rise of a new type of donor*-The emergency of a new category of donors, wealth individuals, trusts and corporations has replaced declining funding from national governments. This new source of funding is demanding more transparency, accountability, performance, innovativeness and quality of delivery much higher than traditional demanded for programmes funded by national governments. The new category of donors has laid new rules for funding programmes very unfamiliar to AAI.

6.4.3 Staff issues

- *Fear and suspicion*- between employees and management provides an atmosphere unfavourable for free flow of information upwards or downwards. Most employees, who have been in their positions for long, are afraid of being victimized by management and they believe that if they challenge management they could loose their jobs. The source of this fear has not been substantiated by the research and the researcher has not been able to identify specific indicators of this fear. It is probably imaginary than real.

This is an area of further research; it would have been helpful to establish why employees have a fear for management. If this could be established, it could help to explain the reasons why employees allege poor industrial relations in the department. The researcher would have wanted to establish the following in further researches:
✓ How many employees have been dismissed yearly as well as the reasons for dismissal?

- ✓ Carry out further research on the working conditions of field staff in AAI
- ✓ Interview and employees who have left and obtain their side of the story-on fear and perhaps follow up on the list of employees who had agreed to participate in the research but backed out in the last minute. It would be helpful to analyze their reason for refusing to participate in the survey.

- *Programme Staff work largely in silos*- each theme or unit does its work without consideration of what the other is doing and this is exacerbated by the lack of communication between units or themes.

- *Departmental structure*-the department does not does not have senior representation at the senior management level and hence the department's planning and coordination frustrates employees as they find it difficult to make suggestion for improvement, raise concerns and provide key support to senior management on programmes structure.

- *De-motivated staff- employees have* so many unresolved human resources issues. The organization does not belong to a trade union and the employees do not have a workers union or any other similar forum in which they could discuss their grievances and approach management with a common position. Many employees allege that they work with AAI because they cannot find another job. Thus they work primarily for money and would leave the organization at the earliest opportunity.

- *High staff turnover* coupled by the difficulty of finding a suitable replacement for key positions. This challenge has meant that a manager could design a programme that they will not live to see its implementation. This presents many challenges to field staff that may need a fuller understanding of how to roll out such programmes.

- *Loss of talent and institutional memory* needed to design competitive programmes has manifested itself through poorly designed programmes and the poor interest in participating as well as the rate of withdrawal by participants gives testimony of the waning interest by community. Withdrawals from the beneficiary list and registration with competing aid organizations are common.

   Key personnel instrumental in the development of existing capabilities is no longer with the organisation. It is these personnel that designed and set up successful programmes and system in the past and no-one within the organisation can track how existing capabilities and competences were developed. Some of the positions within the programmes department remain vacant for long and this has resulted in lack of handover processes.

6.4.4 The ability of the organization to quickly adapt to change

- *Lack of dynamic Capabilities*-AAI has outdated capabilities that have worked very well in delivering the core programmes in the past and this has sustained the organization for many years. In the past, it was sufficient to deliver simply the core

programmes in a standard manner and often governments assisted in designing what had to be delivered to the community and with time this assistance has not been available. AAI has not prioritized need to development competitive and dynamic capabilities.

- *Anticipating change*-the organization has failed to anticipate change proactively. In most instances change has been necessitated by community complains or the need to respond to changed circumstances such as means of transport, communication technique, etc. The reactive approach to product improvement has had it challenges in that it has led the organization down a path of a 'change follower'.

6.5   Recommendations

A number of recommendations have been made below based on the key findings identified above. Other recommendations will be based on inferences made as a result of comments passed by respondents and the researcher's interpretation of the situation or information gathered during the research.

6.5.1 Community consultation and poor programme implementation

Customer orientation

a) AAI needs to view the community as its customers with needs to be satisfied. Thus programme design should follow the needs of beneficiaries and not merely what is cost effective. Programme design and implementation should be driven by the needs of community and the local context.

Participatory decision making Proceeses

b) AAI has to improve its participatory approaches to decision-making in order to allow beneficiaries to drive what programmes are required. It is possible that a single programme or a combination of programmes is required to deliver the needs of community. This will be clearer if the community is fully involved in programme design from start to finish. Community must own the programme and they must view it with a lot of anticipation. To achieve this AAI must seek to improve its consultative processes by setting up community task teams which should help:

- to identify the needs of community,

- to identify the territory where the programmes should be delivered

- to identify who within the community should benefit from the programmes

- to facilitate the provision of feedback from community

- to foster good communication and interaction between AAI and community

Communication

c) Communication between AAI and the community should be improved by regularly holding feedback sessions. Communication should be two way and not just one way and senior leadership of AAI should regularly find time to discuss directly with community and make sure that they feel respected, recognized and valued.

Facilitator versus Decision maker

d) In order to ensure community participation in programme implementation, community should be informed of what funds are available and then allowed to decide their programme priorities. They should be helped to plan and budget what is achievable and what is not achievable with the resources available. AAI should not prioritize covering a wide territory with a poorly designed programme in order to report a huge number of beneficiaries, but concern should be primarily of delivering quality programmes that alleviate the suffering of communities, even if the territory covered is small.

Marketing the AAI brand

e) The community should be taught the role of AAI in community, its purposes and objectives. They should learn that AAI is there to assist them and that there should be no reason why communities antagonize AAI. They must be taught to share the vision and mission of AAI. They should be the best ambassadors of AAI to other communities. This investment is necessary for AAI because of the long-term relationship that is established with communities. So AAI will need to win the support of community for future success in its work.

6.5.2 The competitive nature of the not-for-profit industry

It is evident that AAI cannot do everything on its own because of fierce competition and the growing challenges witnessed in this industry. AAI would do well to implement a number of suggestions.

Strategic Partnership

a) AAI is relying on internal capacity to develop and launch new ideas that meet the needs of community and relying on internal capacity has its own limitations in that it restricts fresh and new ideas reaching the organization. One of the fastest ways of building new competencies is through working with other aid agencies as strategic partners. This will allow synergies to take place as well as the interchange of ideas and new knowledge. AAI could identify a strategic partner and jointly work with that partner to develop programmes that meet the needs of community. This enables AAI not only to learn new ideas but also to share the risk and rewards of developing new programmes.

Outsourcing

b) Outsourcing is becoming a popular method of doing business and many organizations are making use of this avenue to excel in areas where internal

capacity is weak. By outsourcing the best service can be made available to as many organizations as are willing to make use of it. Programme development, documentation, fundraising, monitoring and evaluation are some of the areas AAI can outsource permanently of temporarily while developing in-house capacity.

Basis of competition

c) It is important that AAI selects a basis upon which it competes within the industry, which could either be broadly or narrowly. Differentiation allows AAI to select attributes that beneficiaries in the industry perceive as important and position itself to meet those needs fully. By focusing, AAI can pursue advantages of cost leadership or differentiation. Cost leadership and differentiation are mutually exclusive, and AAI should not pursue both. It is recommended that AAI chooses a single basis of competing, either cost leadership or differentiation. AAI is spreading itself thin by trying to compete in both ways, and that is not sustainable.

6.5.3 Industrial relations Climate

Staff turnover

a. Staff turnover is really a critical issue for the organization if it is to survive. Reducing staff turnover requires a thorough study of the reasons why staff are leaving and perhaps address the issues by:

- Reviewing the job content and scope and addressing any anomalies associated with the job.

- Reviewing the entire working conditions of staff

- Identify ways of retaining skilled staff by offering non-monetary benefits.

- Improve communication between employees and management in order to improve trust and harmony.

b. *Leadership*

It is apparent that AAI is facing leadership challenges in the programmes department. The Programmes department is critical to the delivery of mission objectives of the organization and therefore requires a senior manager to oversee the work of the department. The senior manager will unify the work of various departments which are operating largely in silos and this includes planning, coordinating and organizing the delivery of the departmental strategy. The senior manager will also take the agenda of the department to senior leadership meetings and articulate the views of community as well as the department.

Staff motivation

c. Management involves doing work through others, and ensuring that the work is done requires other to be motivated. AAI needs every support of employees and this can be ensured by:

- Rewarding and recognizing outstanding performance

- Provide employee performance feedback and commend good work

- Provide incentives to foster hard work, initiative and innovative ideas.

- Provide space to try new ideas that improve programmes

6.5.4 Ability of the organization to adapt to changes

AAI is struggling to keep up with changes in the business environment and in many instances it is driven by changes. AAI need to address this and ensure that the organization can strategically adapt to changes in the environment.

Regularly scanning the environment and acting on market intelligence

i. One of the most important ways AAI can gather critical business intelligence from the environment is through its field staff. It has been identified that field staff relay changing market conditions up the corporate ladder but that intelligence is never acted upon. AAI should regularly hold staff meeting (weekly or monthly) with field personnel in order to gather important intelligence and act upon the action of competitors. This will help AAI to respond timely to threats and opportunities arising in the environment.

Change as a continuous process

ii. AAI should not take for granted regular internal feedback from field staff. Field staff is closer to the community than management, and hence regular comments and feedback on how programmes are faring with communities is important for adapting and responding to community needs correctly. That feedback should management to adjust their approach or programme mix or simply target the categories of communities where their aid will make the greatest impact. AAI can view change as an incremental process.

Approach to programme improvement and change

iii. Programme improvement should not always be suggested with senior management but very good suggestions could come from field staff and even from community members. AAI should not be rigid on deciding how programmes can be improved but it must be willing to try different things that enhance the quality of programmes. Even peer organizations can be a very creative source of information if AAI works collaboratively work with

them. For example, AAI could engage peer organizations in identifying community needs, designing programmes and joint fundraising initiatives.

iv.   It is also important for AAI to avoid making change an event, that has a start and an end. In a dynamically changing business environment change is a continuous process, it cannot be initiated by formally planning for it (planned change) but it can also emerge from the environment and circumstances around the community. AAI should be flexibility to accept change and even expect it. Change should be contingent upon the circumstances of the community and the environment.

v.   AAI should move away from being the recipient of change from the environment all the time. The organization has huge financial resources, a good reputation and an illustrious track record. It has the power to influence change in many respects through strategic planning as well as lobbying for change through the communities it services. Being an international aid agency, AAI's work has the power to influence policies of governments and some of the causes of poverty. To achieve this AAI has to strategically position itself as an agent of change and ensure that it does not only change the mindsets of the people it works with but change how governments view the work of aid agencies.

Organizational structure and Strategy

vi.   An organizational structure should not be developed to serve the organization to time immemorial but should be developed to help deliver a particular strategy ('to fight poverty'). It is important that the organizational structure follow the strategy of the organization in order to ensure that the organizational structure becomes a tool for achieving the strategy. AAI needs to revise the organizational structure and align it with the existing strategy, so that strategic objectives are achieved.

6.6   Conclusion

The research concludes that indeed AAI is lagging behind the market and it is facing the risk of losing its relevance if it continues on the path of complacency over past achievement. The organization has a great potential to become a market leader in the industry but the slow pace of change has left the organization struggling to keep up with the ever changing business environment. A few reasons have contributed to this namely complacency over past achievements is causing reliance on previous built capabilities, lack of meaningful engagement with community which would have allowed AAI to quickly notice trends in programming, lack of a clear competitive strategy resulting in AAI trying to achieve everything there to achieve and as a resulting spreading its resources thin on the ground and achieving less impact. A disgruntled workforce divided from within meant that even if the strategy was good, delivery would not be easily possible as each team continues to operate in silos. The lack of top management guidance at strategic level

made harmonizing and uniting programme work an exhausting process for the limited staff.

However, AAI has not totally lost sight of its corporate objectives. The organization still has many advantages which need to be harnessed as soon as possible. AAI is an international aid organization, with huge physical and financial resources that has enabled it to earn a splendid reputation with many national governments and it has delivered many valuable programmes in the past and it can build on that basis to influence policy makers. The organization's track record is an asset that can be used to influence change in the industry both at national government level as well as international level given its expansive operations. Its activities if well coordinated can be a source for change, its power can help direct change rather than be a recipient of change.

AAI can still reclaim this esteemed position in the industry if it addresses the challenges identified particularly its participatory process in programme development, (by enhancing community involvement), review its approach to allow community to direct its programme, work with other organizations as strategic partners or service providers. In areas where it has weak internal capacity, its capacity can be strengthened by working collaboratively with others. This will also allow risks to be shared, especially when entering new market (new jurisdictions). AAI cannot be a self contained entity which does not learn from other organizations and the example of AAI show how individualism can have positive result to some extend beyond which an organization will need to share and learn from others.

A number of recommendations were made based on the researcher's understanding of the key issues involved in AAI as well as the survey carried out. These should assist management to carry out an introspection of how community feels about how AAI handles programme matters, deal with relationship issues and how the AAI can tide the situation to its favour again.

A number of limitations were earlier acknowledged, especially the non-participation of some of the employees in the survey, meant that a wide pool of responses could not be obtained due time constraints. The wide geographical dispersion of respondents meant that only a limited number could participate in the survey with a number of questions being translated to make them clearer to respondents.

6.7   Suggestions for further Research

6.7.1   *Identifying the source of fear in staff*

A few areas needed further research as the researcher did not find sufficient causal relationship between employee resentment of management and staff turnover. Further research would help to uncover the industrial relations climate in AAI. This is necessary to enhance understanding of what influenced employees to respond on many questions the way they did. It would help to understand why some employees felt unsafe participating in the survey and identify whether their response would have been different

if they had participated. What additional information they would have shared with the researcher if they had participated as well as what was unique about their views especially on how they perceived the work of AAI.

6.7.2 *Assessing community needs and evaluating programme impact*

Another area which would have been of interest to the research is on how community prioritizes things and how AAI decides on community priorities given the vastly different geographies, cultures, demographics and political landscapes. Community seems to indicate that AAI does not pay attention to their "needs". Further research would help identify what is meant by community needs and how AAI can fulfill those needs. Communities talk of "needs" and researcher could not get a single agreed definition of needs from the different perspectives of people who allege that AAI is not delivering their needs. It would also be helpful to identify how other international aid organizations deal with various definitions of "needs" in different geographies with different levels of economic development. Identifying this would help to understand the effectiveness of AAI's approach to delivering the needs of community and perhaps compare with approaches used by peer aid organizations working internationally.

The research would conclude by assessing the impact of AAI programmes on the lives of beneficiaries. The results of this survey would help to collaborate or exonerate the beneficiaries' criticism of AAI programmes. For example, it would answer critics of AAI programme assistance on whether any of them has been positively impacted by participating in the programmes and how the impact differs from that of beneficiaries of other aid agencies.

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APPENDICES:

APPENDIX A:

CEO

Intl Head Of Food Rights
- Team Admin & Comms Assistant
- Food Rights Regional Coordinator x 2
- IFSN Comms Officer
- IFSN Coordinator
- IFSN Finance Analyst
- IFSN Advisor
- Global Food Coordinator
- Finance Officer

Intl Head Of Education
- Intl Project Coordinator
- Reflect ESOL Trainer / Researcher
- International Project Manager
- Coordinator Prog Support & Education Rights
- Intl. Project Manager , Violence & Woman
- Education Campaigns & Policy Coordinator
- IE Team Ops . Manager
- Senior Policy Analyst
- Reflect ESOL Coordinator
- Int . Education Project Accountant
- Reflect ESOL Coordinator

Intl Head Of Women 's Rights
- Women's Rights Technical Advisor
- Women's Rights Campaigns And Policy Coordinator
- WR Technical Expert
- WR & The Macro Economy Temp
- WR access & control over natural resources
- Vacancy Communications & Support Intern
- WR and Land

Campaigns Manager
- Intl Campaigner
- Project Based Campaigns Staff

Advocacy Manager
- Policy Project Manager
- Advocacy Support Officer

Policy Manager
- Research & Capacity Building Officer
- Team Administrator
- Climate Justice Coordinator
  - Carbon Footprint Advisor

Regional Programme Coordinators x 5 +

HIV/Aids x 2

HRBA x 2

Reporting to Regional IDs

Appendix B: Cover Letter to the Questionnaire

Dear Sir/Madam

Ref: A Study of AAI responsiveness and adaptability to changes in the environment

I would like to invite you to a study of how AAI is dealing with the effects of change on its ability to respond and adapt the changing business environment. This study is conducted as part of a research project, which will be submitted in fulfillment for the Degree of Masters of Business Administration from UNISA Graduate School of Business Leadership. It is conducted under the expert guidance of my tutor, Mrs. Loryane Dweke

The survey instrument for the study is a questionnaire comprising three sections:

SECTION A: asks about personal details

SECTION B: examines competitive advantage, change management and employee and beneficiary involvement

SECTION C: concerns perception and attitude of employees towards AAI programmes, their job and work in general.

Responding honestly and accurately to these questions is useful to help AAI examine itself and improve its programmes and perhaps compete successfully in the rapid changing business environment.

Your response to questions in Section B and C should reflect the perceptions, attitude and true beliefs you have about your work environment, therefore there is no right or wrong answers. Secondly, I recommended to that you respond in a spontaneous manner. Thirdly, because the focus of this study is on personality and attitude of individual employees and beneficiaries, respondents are advised not to seek assistance from their colleagues when responding to the questionnaire, if necessary.

I would like to thank you in advance for completing this questionnaire. The information you provide through the questionnaire will be kept confidential and shall only be used for the purpose of this academic research. If you have any questions, please email me at ernestmhande@yahoo.com

Please do not be afraid of completing this questionnaire, it is purely for academic purposes and no individual will be victimized. For this reason, do not write your name or any other personal details on the questionnaire forms. After completing the questionnaire, please drop it into the box provided at your nearest ActionAid office in your country of residence.

Yours Sincerely

Ernest Mhande

APPENDIX C:

The Head of Department
AAI Programmes Department
18 Cradock Avenue
Rosebank, 2041
Johannesburg

23 December 2011

Dear Ms A Jellema

Ref: Request for permission to use the department for an academic research entitled: Responding and adapting to changing needs: A study of AAI's ability to remain competitive and relevant in community.

Permission is sought for the use of the programmes department as an entity and information in the development of an academic research for a Masters Degree in Business Administration (MBA).

I am an employee in the department of international Finance pursuing studies for MBA with the University of South Africa, Graduate School of Business Leadership. This research will involve the review and use of the organization information and administration of questionnaires.

I would like to state that the information obtained from the organization in the course of this research will not be used for anything else other than for academic purposes. The outcome of the research will be shared with you and the department and you are welcome to study and adopt the results of the report as a basis for improving your performance.

Yours Sincerely

Ernest Mhande

APPENDIX D: QUESTIONNAIRE

SECTION A: PERSONAL AND GENERAL INFORMATION

Please put an **X** in the appropriate block.

Please indicate your relationship with AAI in the box below:

AAI Employee	Programme Department	
Beneficiary	Community Name	

1. What is your gender?

Male	
Female	

2. Indicate which age group you fall in

Under 25 years	
Between 25 and 35	
Between 35 and 50	
Over 50 years	

3. What continent are you responding from? See attached list

Africa	
America	
Asia	
Europe	

4. How long have you been benefiting from AAI or working for AAI?

Between 1 and 3 years	
Between 3 and 8 years	
More than 8 years	

5. How long do you intend to work for AAI or benefit from AAI programmes?

Less than 2 year	
Between 2 to 5 years	
Between 5 to 10 years	
For life	

SECTION B: RESPONSIVESS AND ADAPTABILITY OF PROGRAMME INTERVENTIONS TO CHANGE

1. Are AAI programmes perfectly tailored to the needs of the community?

Yes	
No	

2. If given a choice, would they choose AAI programmes as interventions of first choice?

Yes	
No	

3. Are AAI programmes and interventions regularly reviewed and adapted to respond to the needs of the community?

Yes	
No	

4. Are you satisfied with programmes AAI is delivering to the community?

Yes	
No	

5. If beneficiaries had an option, would you change the manner, content or quality of the way AAI interventions are delivered designed and presented?

Yes	
No	

6. Are you unhappy with AAI working with communities?

Yes	
No	

7. Does AAI involve community in every stage of decision making when introducing new programmes?

Yes	
No	

Please consider the following statements and indicate to what degree you agree or disagree with each, circling the corresponding number.

1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, 5 = strongly disagree.

8. The programmes offered by AAI exhibit the best level of innovation

1	2	3	4	5

9. Is community consultation on programme design and development wide and excellent?

1	2	3	4	5

10. Community decide fully the content of AAI's programmes

1	2	3	4	5

11. Does AAI's consultation with communities lead to meaningful improvements in programmes?

1	2	3	4	5

12. A r e communities withdrawing from AAI programmes in favour of programmes of competitor Agencies?

1	2	3	4	5

SECTION C: **PERCEPTIONS AND ATTITUDES TOWARD AAI –EMPLOYEES ONLY**

Please consider the following statements and indicate to what degree you agree or disagree with each, circling the corresponding number.

1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, 5 = strongly disagree.

1. AAI is managing very well to adapt and respond to changes in the needs of the community.

1	2	3	4	5

2. As Staff, we see communities receiving our programmes with a lot of zeal

1	2	3	4	5

3. Employees are very proud to be identified with AAI's programmes in the community

1	2	3	4	5

4. I would probably keep working with AAI even if I am no longer an employee.

1	2	3	4	5

5. I am extremely glad that I chose this organization to work for, over the other places I was at the time I joined.

1	2	3	4	5

6. The coordination and collaborative effort within programmes department really inspires the very best in me in the way of job performance.

1	2	3	4	5

7. Employees are happy with way the department is structured

1	2	3	4	5

8. What problems are you experiencing within the department and in the delivery of programmes to communities?

APPENDIX E: VERBATIM RESPONSES AND INTERVIEW SCHEDULE

INTERVIEW SCHEDULE

REGION	COUNTRIES	DATE
East and Southern Africa	Ethiopia, Somaliland, Kenya and Uganda	05 March 2012
East and Southern Africa	Tanzania, Malawi, Zambia and Mozambique	07 March 2012
East and southern Africa	Zimbabwe, South Africa and Lesotho	09 March 2012
West and Central Africa	Senegal, sierra Leone, Nigeria , Liberia and Ghana	12 March 2012
West and Central Africa	Burundi, Rwanda, The Gambia, DR Congo	14 March 2012
Asia	Afganistan, Cambodia, Bangladesh and Myanmar	16 March 2012
Asia	Australia	16 March 2012
Asia	China, India, Pakistan, Nepal Thailand vietnam	19 March 2012
America	Brazil, Guatemala and Haiti	22 March 2012
America	USA	23 March 2012
Europe	United kingdom, Netherlands, Spain, Italy and Ireland	26 March 2012
Europe	Sweden, Denmark, France and Greece	27 March 2012

Verbatim responses

Below is a summary of verbatim responses from employees regarding question 8 (Appendix D, section C) and some additional view shared by employees:

- The department is short staffed and it is taking long for staff to be replaced.

- Top management is autocratic, they don't listen to suggestions and concerns of field staff and there is confusion at the top.

- Management does not allow us to use our ideas to improve programmes and processes in community, and this is frustrating.

- Management rewards those who do not oppose or deviate from policy of the organization, not initiative.

- Many organizations have pouched our ideas and improved upon them

- Management does not allow us to work with other organizations or attend joint consultative meetings with other aid agencies.

- Programmes are loosing beneficiaries to other aid agencies

- The organization is not taking advantage of learning from others organization to improve programmes but it is working independently.

- The working conditions are poor and hence many employees are leaving and being offered many times their salary elsewhere.

APPENDIX F : LOCATION OF AAI OPERATIONS

The ActionAid federation currently spans 43 countries

Affiliates & Associates

- Australia
- Bangladesh
- Brazil
- Denmark (MS)
- France (PSO)
- Ghana
- Greece (Hellas)
- Guatemala
- India
- Ireland
- Italy
- Kenya
- Malawi
- Nepal
- Netherlands (NIZA)
- Nigeria
- Sierra Leone
- Sweden
- Tanzania
- Thailand
- The Gambia
- Uganda
- UK
- USA

Country Programmes

- Afghanistan
- Burundi
- Cambodia
- China
- Congo DRC
- Ethiopia
- Haiti
- Lesotho
- Liberia
- Mozambique
- Myanmar
- Pakistan
- Rwanda
- Senegal
- Somaliland
- South Africa
- Vietnam
- Zambia
- Zimbabwe