CHAPTER 2: REVIEW OF THE RELATED LITERATURE

2.0   Introduction

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

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

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

2.1   A Survey of Emerging Economies

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

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

2.1.1 Political Structure

The literature reviewed highlights the political features summarized below.

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

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

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

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

Examples are in Liberia {conflict between Taylor and Johnson}, Angola {between Union for the Total Liberation of Angola (UNITA) and the Popular Movement for the Liberation of Angola (MPLA)}, Mozambique {between the National Resistance Movement of Mozambique (RENAMO)} and the Freedom for the Liberation of Mozambique (FRELIMO)}, South Africa

{between Inkatha and the African National Congress (ANC)}, and Zimbabwe {between the Zimbabwe African People's Union (ZAPU) and the Zimbabwe African National Union (ZANU)}.

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

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

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

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

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

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

For example, by the beginning of the 1990's, those countries that had adopted African

socialism abandoned this political positioning. Whereas African leaders blamed western aid donors or hostile international economic environments, Avittey (1999) argues that internal factors contributed more to the crisis in Africa than external factors.

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

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

2.1.2   Economic Structure

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

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

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

By the beginning of the 1980's, Africa was moving from one crisis to another. African leaders

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1.3   National Culture

Literature on African culture is quite revealing.

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

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

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

Exhibit 2.1: The Hierarchy of African Spirits

Source: Mbigi 1997:49

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

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

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

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

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

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

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

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

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

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

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

2.1.4   Technological Structure

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

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

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

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

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

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

by media monopolies present for cultural autonomy and diversity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1.5   Generalised descriptions of emerging and developed economies

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

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

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

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

Sources: Various informants & literature evidence.

2.2 A Survey of Change Theories

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

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

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

(a) Through what process do organisations emerge?

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

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

2.2.1   How organisations emerge

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

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

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

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

Under reproducer organisations falls those organisations started from an established population whose routines and competencies vary only minimally, if at all, from those

of existing organisations. On the other hand, innovator organisations are started by entrepreneurs whose routines and competencies vary significantly from those of existing organisations (Aldrich, 1999).

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

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

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

2.2.2 How organisations change

Transformation refers to 'periodic, discontinuous, metamorphic, or frame-braking changes in organisations to overcome inertia or stagnation and to enable better alignment with the environment' (Ferreira, 1997). Ferreira's definition implies that to qualify as transformations,

changes have to include a qualitative break with routines and a shift to new kinds of competencies that challenge existing organisational knowledge.

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

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

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

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

2.2.2.1   Aldrich's contribution

Aldrich (1999) argues that many empirical studies like McKelvey & Baum 1999, Weick 1969, McKelvey 1982, March 1981, and Campbell 1994 have contributed towards the evolutionary perspective. Aldrich (1999:21) singles out Campbell as the greatest influencer of his own

thinking since Campbell was the first to note that "evolution results from the operation of four generic processes: variation, selection, retention and diffusion, and the struggle over scarce resources".

Exhibit 2.2: Evolutionary Processes

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

Source: Aldrich 1999:22

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

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

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

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

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

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

Source: Aldrich 1999:44

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

Exhibit 2.4: **Six Perspectives: Contributions to understanding organisational evolution**

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

Source: Aldrich, 1999:73

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

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

Exhibit 2.5: Variation-Selection-Retention Mode

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

Source: Aldrich, 1999:171

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

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

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

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

2.2.2.2   Greiner's Contribution

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

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

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

Exhibit 2.6: How Organisations Grow
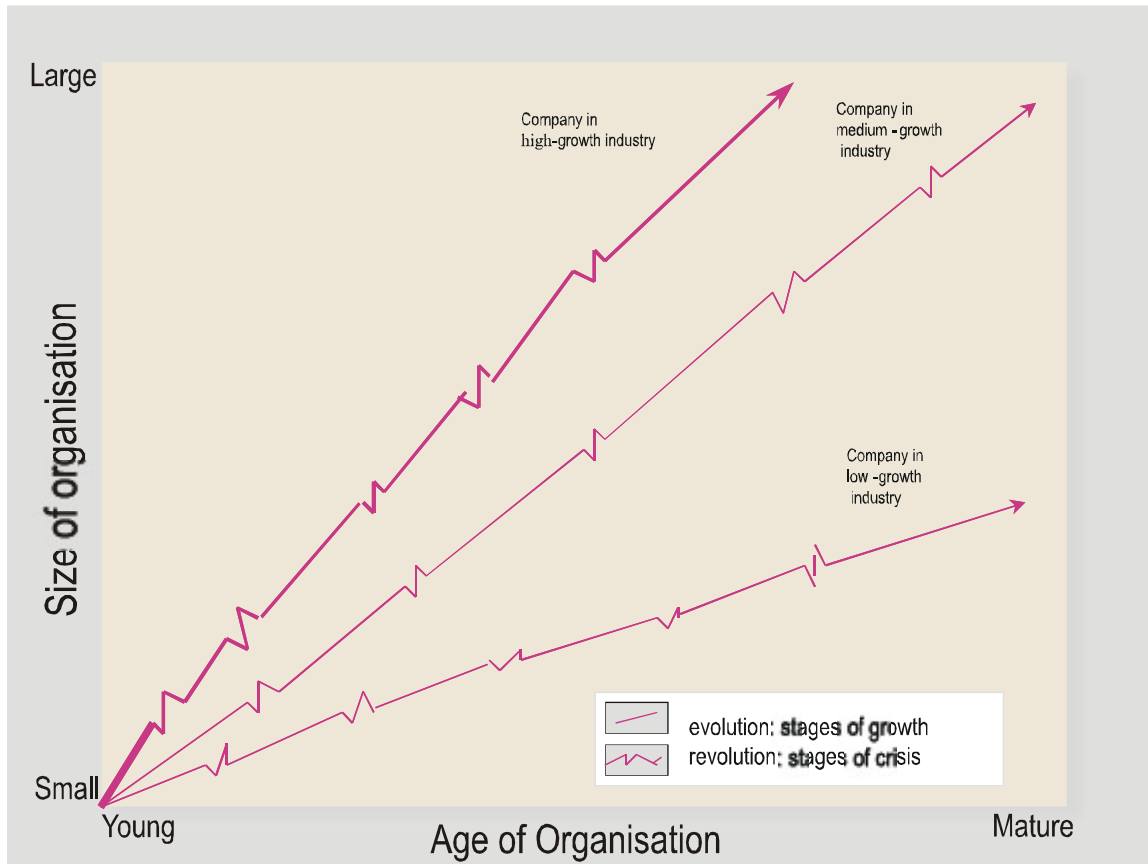
Source: Greiner 1998:56

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

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

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

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

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

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

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

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

Exhibit 2.7: The Five Phases of Growth
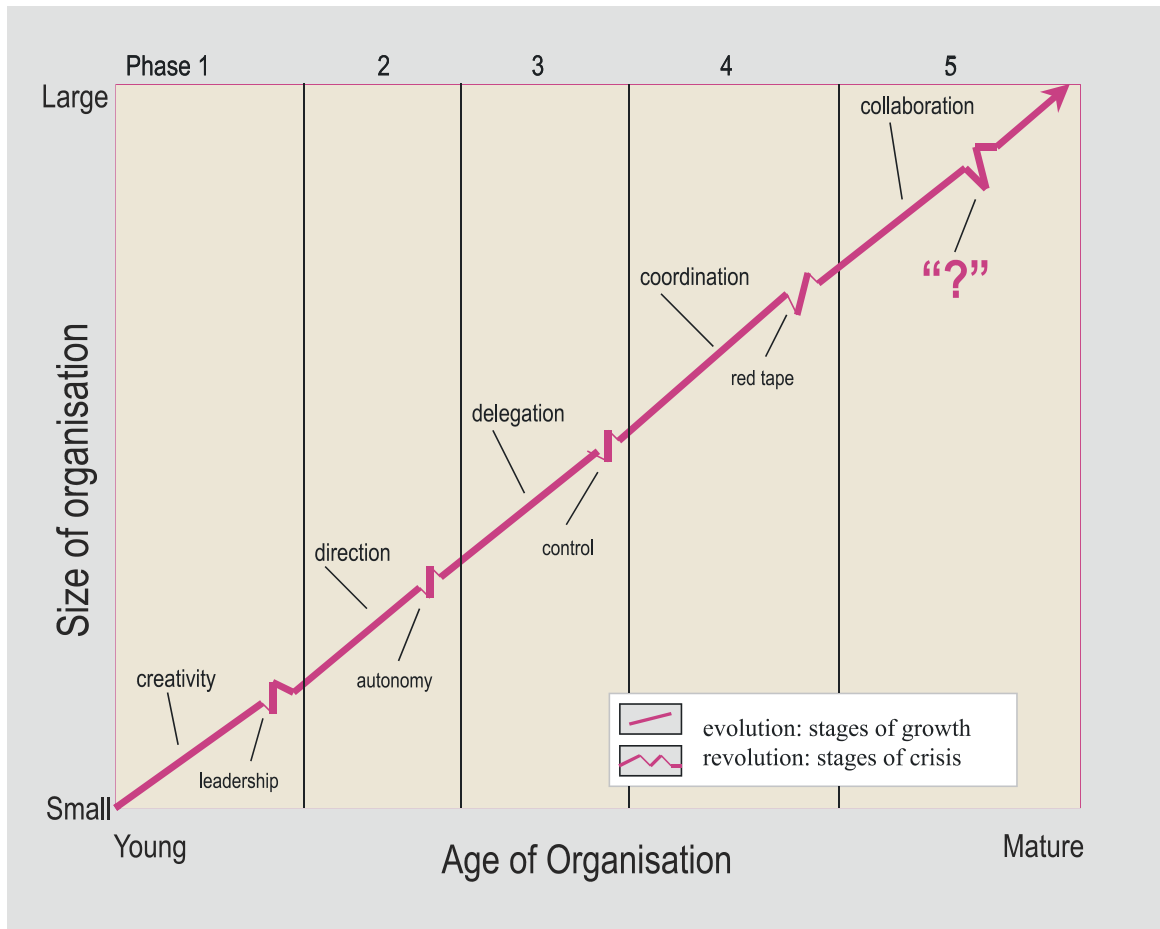
Source: Greiner 1998:58

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

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

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

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

Exhibit 2.8: Organisational Practices in the Five Phases of Growth

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

Source: Greiner 1998:66

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

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

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

2.2.2.3   Change theory implementation strategies

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

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

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

Exhibit 2.9: A Comparison of Theories of Change

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

Source: Beer & Nohria 2000:137

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

The exhibit also reflects how the two may be combined.

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

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

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

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

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

2.3   A Survey of Transformation Models

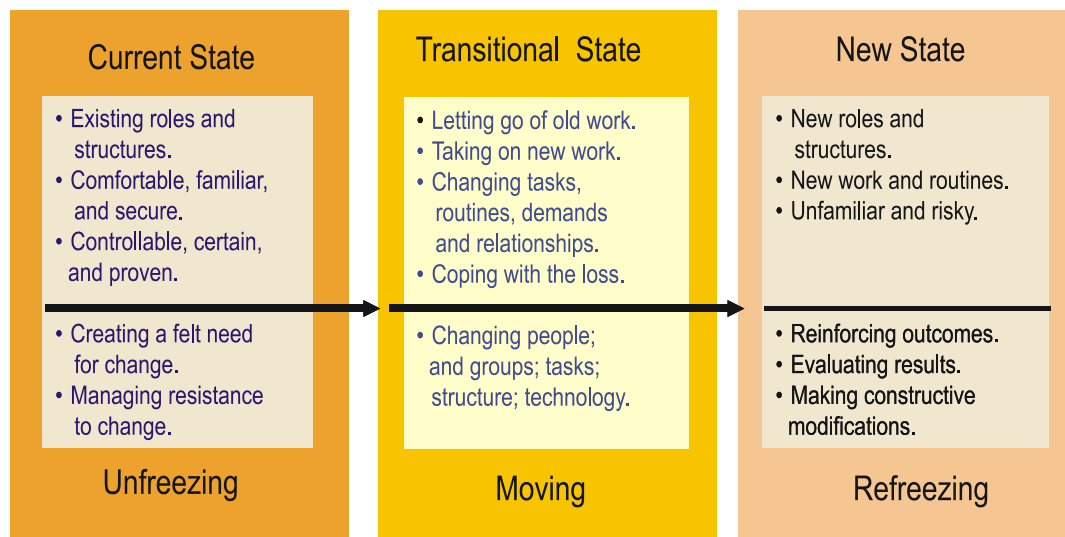For the purposes of this study, six transformational models have been selected. These are hereunder referred to as: The Kurt Lewin Model of Change, The Tichy & Sherman Model of Change, The Kotter Model of Change, The Spector Model of Change, The Secretan Values-Centred Model of Change, and the Mbigi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

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

2.3.1   The Kurt Lewin-based Models

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

Exhibit 2.10: The Kurt Lewin Model of Change

Current State	Transitional State	New State
• Existing roles and structures. • Comfortable, familiar, and secure. • Controllable, certain, and proven.	• Letting go of old work. • Taking on new work. • Changing tasks, routines, demands and relationships. • Coping with the loss.	• New roles and structures. • New work and routines. • Unfamiliar and risky.
• Creating a felt need for change. • Managing resistance to change.	• Changing people; and groups; tasks; structure; technology.	• Reinforcing outcomes. • Evaluating results. • Making constructive modifications.
Unfreezing	Moving	Refreezing

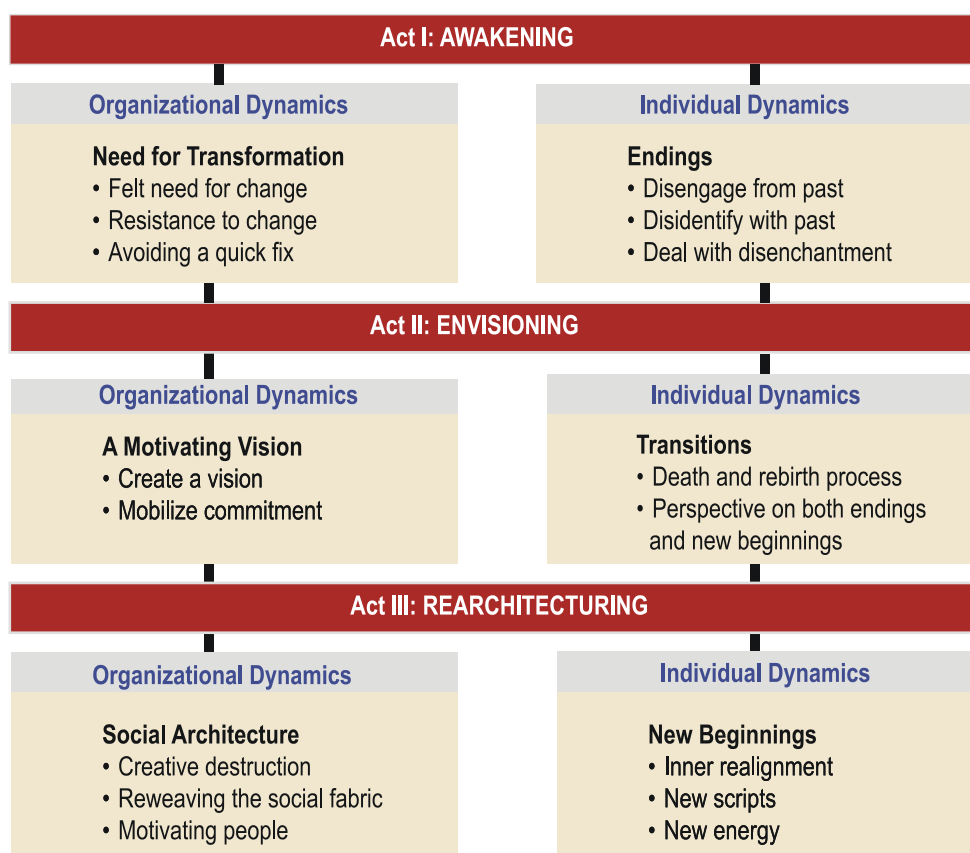Source: Cook, Hunsaker & Coffey 1997:542

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

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

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

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

Exhibit 2.11: Tichy & Sherman's Model of Change

Act I: AWAKENING	
Organizational Dynamics	**Individual Dynamics**
Need for Transformation • Felt need for change • Resistance to change • Avoiding a quick fix	**Endings** • Disengage from past • Disidentify with past • Deal with disenchantment

Act II: ENVISIONING	
Organizational Dynamics	**Individual Dynamics**
A Motivating Vision • Create a vision • Mobilize commitment	**Transitions** • Death and rebirth process • Perspective on both endings and new beginnings

Act III: REARCHITECTURING	
Organizational Dynamics	**Individual Dynamics**
Social Architecture • Creative destruction • Reweaving the social fabric • Motivating people	**New Beginnings** • Inner realignment • New scripts • New energy

Source: Tichy & Sherman 1993:305

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

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

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

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

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

Exhibit 2.12: The Kotter Model of Change

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

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

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

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

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

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

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

8. ANCHORING NEW APPROACHES IN THE NEW CULTURE
   - Creating better performance through customer- and productivity-oriented behaviour, more and better leadership, and more effective management;
   - Articulating the connections between new behaviours and organisational success;
   - Developing means to ensure leadership development and succession.
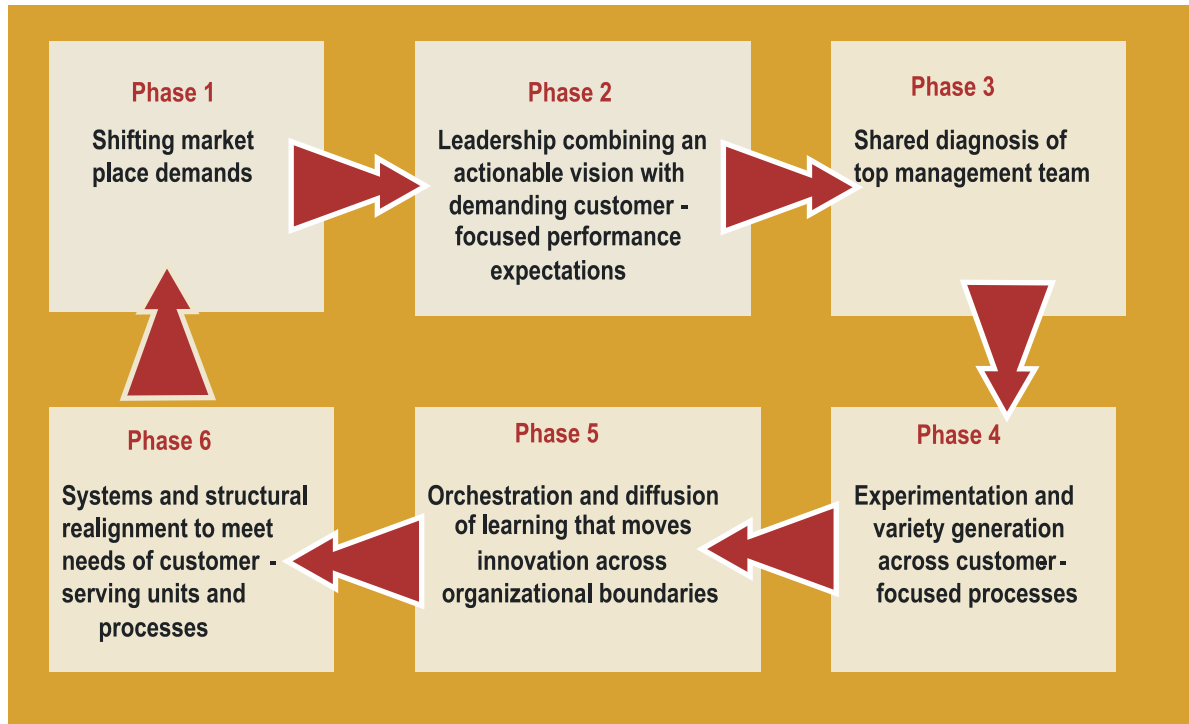
Source: Kotter 1996:21

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

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

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

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

Exhibit 2.13: The Spector Model of Transformation

Phase 1
Shifting market place demands

Phase 2
Leadership combining an actionable vision with demanding customer - focused performance expectations

Phase 3
Shared diagnosis of top management team

Phase 6
Systems and structural realignment to meet needs of customer - serving units and processes

Phase 5
Orchestration and diffusion of learning that moves innovation across organizational boundaries

Phase 4
Experimentation and variety generation across customer - focused processes

Source: Spector 1995:382-389

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

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

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

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

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

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

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

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

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

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

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

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

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

2.3.2   The Soul/Spirit-based Models

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

Exhibit 2.14: The Secretan Values-Centred Model of Change
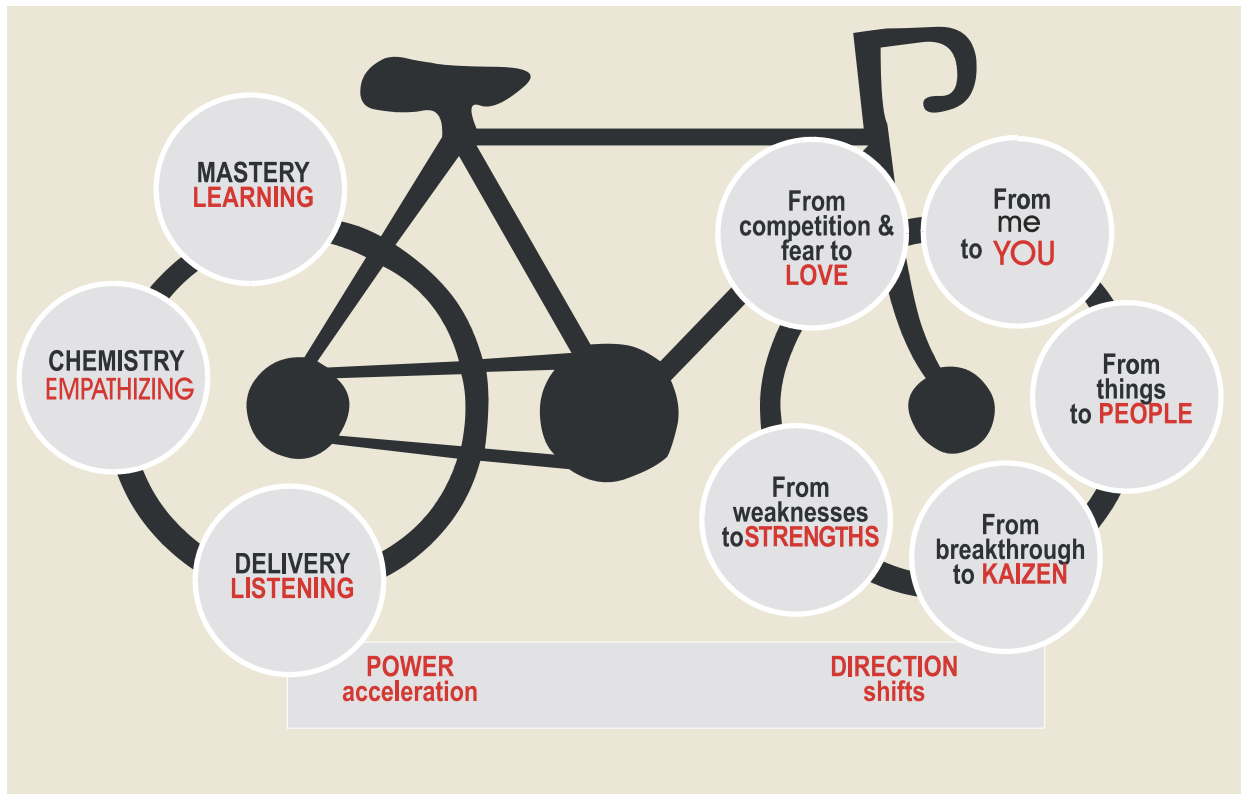
Source: Secretan 1997:45

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit 2.15: The Mbigi Ubuntu Transformation Model
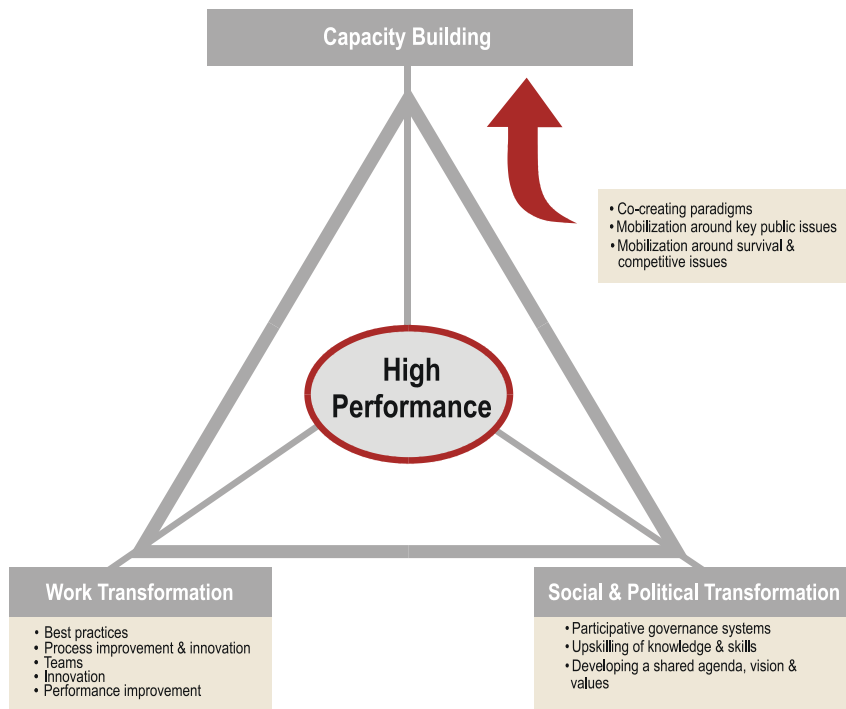
Source: Mbigi 1997:115

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

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

Capacity building aims at increasing the capability of a worker to understand survival

challenges at five levels: the global perspective, the national perspective, the industry perspective, the organisation perspective, and the personal perspective. This process emphasizes the shifting of mindsets around governance and public accountability through participative co-creation of new paradigms.

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

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

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

2.5   A Survey of Transformation Techniques

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

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

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

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

Exhibit 2.16: Evolution of Layers of Competitive Advantage

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

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

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

This definition reflects that JIT requires a broad reorganisation of operations to evolve a vital transformation system embodying the notions of value and waste control throughout

its design, structure and maintenance. The full implementation of JIT produces a complex and interlinked web of activities emphasizing continuous improvement.

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

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

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

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

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

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

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

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

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

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

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

2.6   A Review of Organisational Cases

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

Figure 2.3: A Summary of Organisational Cases

CASE	NEED	INTERVENTION	THEORY	LESSON/OUTCOME

GE	• A strong balance sheet,
	• Slow-moving bureaucracy,
	• Annual productivity improvements of 1% to 2%,
	• Non-global businesses,
	• Modest technology.
		• Hard issues dealt with,
		• Soft issues worked on later.
			• E followed by O	• Boundaryless engagement,
				• Best practice benchmarking in and outside company,
				• Human resource practice integration,
				• Stretch goals,
				• Tichy & Sherman model,
				• Five commandments:
				  - know the business engine,
				  - understand human connection,
				  - have a performance bias,
				  - be candid & forthcoming,
				  - and never be a bully.

MOUNT CARMEL	• Soul care and sacredness, • Efficient operation.	• Higher Ground leadership, and • Soulful Six Sigma.	• Heavy O and E .	• Integration of Kurt Lewin- & Soul-based models into Soulful Six Sigma, • Quality health service delivery, • Mount Carmel profitability.
EHTE	• Company turn-around	• Ubuntu.	• Heavy O and light E.	• Transformation is a spiritual, emotional, social & intellectual journey, • Social capital mobilization requires the artistic creation of relevant rituals, • EHTE turn-around, • Consistent use of various multi-level & cross-functional teams of facilitators & change champions.
SAPO	• Diversity and inclusion	• Ubuntu-based Strategic Diversity Transformation (SDT).	• Heavy O and light E.	• Integration of Kurt Lewin- & Spirit-based models, • Survival agenda for minority groups, • Survival agenda for majority groups, • Celebration of both similarities and differences, • Consistent use of various multi-level & cross-functional teams of facilitators & change champions.

2.6.1　　　The General Electric (GE) Case

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

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

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

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

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

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

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

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

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

After wringing out redundancies and achieving a more positive bottom line profitability, Welch adopted an O strategy in 1985 in the form of a series of organisational initiatives

to change GE's culture. Beer & Nohria's concept of such sequenced change (from applying Theory E to Theory O) is consistent with Tichy & Sherman's (1993) presentation on two other GE ideas: the political and cultural.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.6.2 The Mount Carmel Health System Case

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.6.3   The Eastern Highlands Tea Estates Case

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

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

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

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

The thrust of EHTE transformation included a focus on a new being of the organisation covering application of best operating practices, change of mindsets and creation of a new

atmosphere. The key activities were around creating a new collective community worldview, an organisational and enterprising community spirit based on inspiring collective business rituals, songs, symbols, dances, drumming, myths, heroes (mediums) and story-telling.

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

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

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

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

EHTE was affiliated to the African Tea Foundation based in Malawi. The scientific findings of the Malawi organisation were used to pioneer EHTE's best operating practices. For example, the Malawi findings urged EHTE to embark on coffee growing. The successful

implementation of this idea provided a solution to one of the key business problems around capacity utilisation when tea is out of season.

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

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

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

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

EHTE is currently performing well.

2.6.4   The South African Post Office (SAPO) Case

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

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

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

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

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

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

The 'Managing our heritage and the past' module was run towards the end of the day. The intention of the module was to create discomfort with the past. It was used to leave the white participants with a complete state of disgust of their past and black participants very

angry about their past. The night would allow participants to reflect on their emotions and let go of their past and come ready to travel into the future the next day. The approach used is consistent with the 'Unfreezing' concept in the Lewin-based models discussed above.

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

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

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

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

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

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

Chapter Summary

From the literature search, there are four broad revelations:

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

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

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

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

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

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

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