Views of social work managers on the transformation management of non-profit social welfare organisations
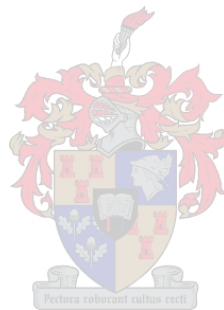
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ABSTRACT

Transformation management is an essential competency that is required by social work managers for the effective transformation of non-profit social welfare organisations. Given the harsh socio-economic environment in which these organisations exist, particularly with the decline of the global economy, transformation management is critical for sustainability and survival. Moreover, the altruistic need in dealing with the decay of the moral and social fabric of society compounds the necessity for these benevolent organisations to survive. To this end, the landscape of effective social welfare service delivery in South Africa will immensely regress without their survival.

In this regard, the transformation of the non-profit social welfare sector in this country has been characterised by being slow and underdeveloped. Despite the inception of democracy and the subsequent promulgation of a myriad of laws, policies and protocols, the malaise within the non-profit social welfare sector continues unabated. The burgeoning growth of social welfare dependants increases daily, crime and violence in the country is at an all time high and the levels of unemployment still escalates. What exacerbates these challenges even further is that social demands are particularly prevalent in historically disadvantaged communities throughout South Africa where poverty levels have continued to remain unchanged. The dire need to revitalise and renovate the social welfare sector by government is thus an urgency that cannot be ignored.

Ultimately, it is the responsibility of the state to fulfil its social mandate of ensuring that the embedded human rights contained within the Bill of Rights and Constitution of South Africa is upheld. It is thus incumbent of this government to demonstrate the necessary political will in expediting beneficent social transformation in fulfilment of its mandated obligation. Transformation and development of the social welfare sector can no longer be seen as an ideal. Instead, it must be driven as an intentional and compelling priority by the state in order to accelerate the transformation of the ailing social welfare sector.

It is within this context that the views of social work managers on transformation management of non-profit social welfare organisations become the primary focus of this investigation. A qualitative exploratory-descriptive design was chosen to explore the following objectives: to conceptualise transformation management; examine transformative management processes, dynamics and models; analyse transformative laws, policies and protocols; study transformed governance, management and operations and to empirically investigate the views of social work managers on transformation management of non-profit social welfare organisations.

Research methods included conducting in-depth interviews with twenty social work managers followed by a focus group meeting with four more social work managers. Themes emerging from the data were then delineated into further sub-themes and categories providing rich contextual data which deepened insight and meaning of the topic being empirically investigated.

As a result, the research findings provided evidence of the ailing social welfare sector and the compelling need for an integrated approach to be developed in accelerating the transformation of the non-profit social welfare sector. Based on these research findings, some of the core recommendations are: that the government provides the necessary leadership and political will to accelerate the transformation of the social welfare sector by reviewing pertinent funding policies, programmes and protocols; that non-profit social welfare organisations develop rigorous sustainable strategies such as the development of social entrepreneurship programmes, social media networks and websites to generate sustainable income and that a curriculum for transformation management practice be developed and included in the training of future social workers. The research confirms that transformation management is an essential competency that is required by social work managers for the effective transformation of non-profit social welfare organisations. Consequently, through the application of effective transformation management practice, the sustainability and indeed the survival of non-profit social welfare organisations in South Africa will undoubtedly improve.

OPSOMMING

Transformasiebestuur is 'n noodsaaklike bevoegdheid vir maatskaplikewerk-bestuurders om die doeltreffende transformasie van maatskaplikewelsyns-organisasies sonder winsbejag te verseker. In die lig van die strawwe sosio-ekonomiese omgewing waarin hierdie organisasies funksioneer, veral die agteruitgang van die wêreldekonomie, is transformasiebestuur deurslaggewend vir volhoubaarheid en oorlewing. Daarbenewens maak die behoefte aan altruïsme in die herstel van die morele en maatskaplike weefsel van die samelewing dit al hoe belangriker dat hierdie maatskaplike organisasies oorleef. Trouens, dit sal 'n reuse terugslag vir die Suid-Afrikaanse landskap van doeltreffende dienslewering op maatskaplikewelsynsgebied wees as dié organisasies nié sou oorleef nie.

Die transformasie van die Suid-Afrikaanse maatskaplikewelsynsektor sonder winsbejag is kenmerkend stadig en onderontwikkeld. Ondanks die aanvang van demokrasie en die daaropvolgende uitvaardiging van 'n magdom wette, beleide en protokolle, duur die teruggang in die maatskaplikewelsynsektor sonder winsbejag voort. Die sterk groei in die getal afhanklikes van maatskaplike welsyn neem daagliks toe, misdaad en geweld in die land is hoër as ooit vantevore, en werkloosheidsvlakke styg steeds. Wat hierdie uitdagings verder vererger, is dat die maatskaplike nood besonder hoog is in histories benadeelde gemeenskappe deur die hele land, waar armoedevlakke onveranderd gebly het. Die ernstige behoefte dat die regering nuwe lewe in die maatskaplikewelsynsektor blaas en dit vernuwe, is dus 'n noodsaaklikheid wat nie ignoreer kan word nie.

Uiteindelik is die staat verantwoordelik om sy maatskaplike mandaat uit te voer en te verseker dat die verskanste menseregte in die Handves van Regte en die Grondwet van Suid-Afrika gehandhaaf word. Ter nakoming van sy plig teenoor die samelewing, moet die regering dus die nodige politieke wil toon om maatskaplike transformasie te bespoedig. Die transformasie en ontwikkeling van die kwynende maatskaplikewelsynsektor kan nie meer as 'n ideaal beskou word nie. Die staat moet dit eerder as 'n doelbewuste en dringende prioriteit bestuur.

Teen hierdie agtergrond val die hoofklem in hierdie ondersoek op maatskaplikewerk-bestuurders se sienings oor transformasiebestuur in maatskaplikewelsyns-organisasies sonder winsbejag. 'n Kwalitatiewe verkennende-beskrywende studieontwerp is gekies om transformasiebestuur te konseptualiseer; transformasie-gerigte bestuursprosesse, -dinamiek en -modelle te ondersoek; transformasiegerigte wette, beleide en protokolle te ontleed; getransformeerde beheer, bestuur en bedrywighede te bestudeer, en maatskaplikewerkbestuurders se sienings oor transformasiebestuur in maatskaplikewelsynsorganisasies sonder winsbejag em-piries te ondersoek.

Navorsingsmetodes het diepgaande onderhoude met twintig maatskaplikewerk-bestuurders ingesluit, waarna 'n fokusgroep met nog vier maatskaplikewerk-bestuurders gehou is. Temas wat uit die data na vore gekom het, is daarna in verdere subtemas en kategorieë ingedeel, wat ryk kontekstuele data gebied het om insig in, en die betekenis van, die onderwerp van empiriese ondersoek te verdiep.

Die navorsingsbevindinge lewer bewys van die kwynende maatskaplikewelsynsektor en die dringende behoefte aan 'n geïntegreerde benadering tot die transformasie van die maatskaplikewelsynsektor sonder winsbejag. Van die belangrikste aanbevelings in hierdie verband is dat die regering die nodige leierskap en politieke wil aan die dag moet lê om die transformasie van die maatskaplikewelsynsektor te bespoedig deur tersaaklike finansieringsbeleide, -programme en -protokolle te hersien en dat maatskaplikewelsynsorganisasies sonder winsbejag lewenskragtige, volhoubare strategieë soos maatskaplike entrepreneurskapsprogramme, sosialemedianetwerke en webtuistes moet ontwikkel om 'n volhoubare inkomste te skep. Dit word verder ook aanbeveel dat 'n kurrikulum vir transformasie ontwikkel word en ingesluit word by die opleiding van toekomstige maatskaplike werkers. Die navorsing bevestig dat transformasiebestuur 'n noodsaaklike bevoegdheid is vir maatskaplikewelsynsbestuurders om die doeltreffende transformasie van maatskaplikewelsynsorganisasies sonder winsbejag teweeg te bring. Deur die toepassing van doeltreffende transformasiebestuurspraktyke sal die volhoubaarheid en gevolglik ook die oorlewingskrag van maatskaplikewelsynsorganisasies sonder winsbejag in Suid-Afrika beslis verbeter.

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DESCRIPTION OF THE STUDY

1.1 INTRODUCTION

Since the advent of democracy in South Africa in 1994, the country is still in the process of experiencing transformation. The transition to a democratic government brought about significant changes in the socio-political and economic environments of South Africa, having a major impact on the management structures of organisations. These changes were enacted by a myriad of laws and policies promulgated to transform the country. This was done initially by repealing discriminatory apartheid laws in favour of a new legislative framework aimed at the reconstruction and development of a unified South African civil society (Letsebe, 1997; Magubane, 2002; Patel, 2005:98, 99). Yet, on its own legislation does not necessarily bring about effective change and transformation. Transition and change to new systems of governance and management are complex and dynamic processes which are significantly not easily and readily accepted by civil society (Davidson, 1996; Jeavons, cited in Ott, 2001:108,109; Lessem & Schieffer, 2009; Taylor, 2005).

Despite these changes within a new statutory framework enacted to enable the transition and reconstruction of civil society in South Africa, it cannot be assumed that state organs and structures would transform into what the laws and policies require of them to be. Moreover, South Africans are well aware of how the oppressive laws and policies implemented by the previous regime led to mass revolt and rebellion (Patel, 2005:91-95). To nurture a new democratic dispensation in South Africa therefore needs for sectors and organs of the State to transform with laws and policies that reconstruct and develop people in an accepted and meaningful way in order for South African civil society to participate and experience any desired change.

Yet, laws that were previously based along racial lines in South Africa, only favoured the white minority of South Africans and henceforth were repealed in favour of promoting the social well-being for all South African citizens based on human rights, democratic principles within a just and equitable social welfare system (Grant, 2011; Midgley, 1995:25; Taylor, 2005). In addition, some of these laws and policies called for the economic development and active participation of people instead of the traditional social welfare services which viewed people as dependant recipients of welfare services without developing their capacities to becoming economically self-sustainable (Midgley & Tang, 2001; Weyers, 2011:13; Zastrow 2014:6). This radical transformation in approaches from having a residual approach where social welfare is not seen as a right but as a "gift" however meant that non-profit social welfare organisations had to make a significant paradigm shift in order to implement a social development approach to delivering social welfare services accessible to the majority of South African citizens (Republic of South Africa, 1997c).

To this end, Midgley's (1995:25) definition of social development as "…a process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development" underpinned the social development approach to social welfare in South Africa. However, a social development approach is merely focussed on social intervention rather than management of organisations (Midgley & Conley, 2010:48). As such, social development interventions also need to be managed. The management of non-profit social welfare organisations is critical to the success of the organisations requiring managers to adapt to the external environments in which these organisations function. Management structures within non-profit social welfare organisations should thus transform from its traditional structures and operations to new requirements and criteria, in order to fit new challenges within a social development paradigm that the statutory laws and policies require (Jaros, 2010; Judge, 2011, Schmidt, 2010). Failing to become compliant would result in non-profit social welfare organisations not receiving financial awards from the government (Department of Social Development, 2010a).

Consequently, to facilitate the transition and transformation of implementing a social development approach in delivering social welfare to the majority of South African

citizens, specific laws and policies were promulgated as previously stated. One of the most significant policies to spearhead the transformation of the non-profit sector is considered to be the White Paper for Social Welfare (RSA, 1997c). Calling for a change to employing a social development approach to delivering social welfare services, the White Paper for Social Welfare (RSA, 1997c) broadens the framework of social service delivery to include an economic development component of social service delivery with the intention of individuals, groups and communities to becoming self-reliant and with the prioritization of social services to the poorest of the poor based on democratic principles, human rights and social justice.

In addition, a law that impacted significantly on social welfare services rendering by the non-profit sector was the inception of the Non-profit Organisation Act No. 71 of 1997. Under the auspices of the National Department of Social Development, the Non-Profit Directorate was then established to regulate the non-profit sector. One of the first directives of the newly established Non-Profit Directorate was for all non-profit organisations to reregister in terms of the Non-Profit Organisations Act (RSA, 1997b). In order to reregister however, it was incumbent on all social welfare organisations to become compliant (Worth, 2012:93, 94). This meant that traditional non-profit social welfare organisations had to transform their governance and management structures to become compliant or face the risk of not receiving State funding and subsequently even the risk of closure.

Furthermore another law was passed to accelerate transformation of management structures. The Broad Based Black Economic Empowerment (BBBEE) is part of the government's political transformation agenda and a means to ensure that existing governance and management structures of organisations transform, to include the participation of black South African citizens in their structures throughout the private and public organisations (RSA, 2003). In terms of the BBBEE Act, all private and public organisations, including non-profit organisations are now required to submit BBBEE certificates in order to tender for all government contracts.

Yet, the social development paradigm that authors such as Estes (1998:8-11) and Midgley (1995:20) refer to does not exclude any sector of people from participating in a country's socio-development agenda, least of all the white citizens who have

favourably acquired skills and expertise. In fact employing a social-development approach requires just the opposite – an intentional agenda to seek social justice for **all South Africans** through active social and economic participation. To this end the transformation process in South Africa may be problematic in attaining its anticipated outcome of increasing previously disenfranchised citizens into management structures (RSA, 2003).

Furthermore it can be argued that the transformation laws and policies seem to be adversely affecting social cohesion and nation building, and more importantly social welfare service delivery. Despite this, the Minister of Social Development calls for the transformation of governance, management, funding and human resources of the non-profit sector (Department of Social Development, 2012a). Moreover, there seems to be a politically driven ideological intention to enforce the transformation of non-profit social welfare organisations. Consequently, the ailing sector is currently seeing a "brain-drain" of qualified social workers leaving the country. Compounded by a significant decline in donor funding experienced by non-profit social welfare organisations due to the global declining economy, marginalised and vulnerable communities throughout South Africa are being adversely affected.

1.2   PROBLEM STATEMENT AND FOCUS

In order for non-profit social welfare organisations to function optimally, good governance and management structures need to be established along with adequate financial and human resources. The transformation of a democratic South African society in 1994 heralded changes in laws, policies and protocols affecting the non-profit social welfare culture impacting significantly on changes in governance, management, funding and human resources compliances. These changes are also required of traditional social welfare organisations to transform and become compliant in order to receive government funding.

Yet, the transformation of their governance and management structures may arguably be less effective; as for example, many traditional social welfare organisations were previously spearheaded by white, employed South African citizens, who were able to volunteer their time and expertise to govern and manage non-profit social welfare

organisations. Given the high levels of poverty particularly in historically marginalised communities, many black people may not necessarily be able to volunteer their time, skills and competencies to assist in governing non-profit social welfare organisations. This means that the changes made to the board may be considered to be cosmetic rather than based on the altruistic and benevolent spirit needed to further the causes of volunteerism that non-profit social welfare organisations have become world-wide renowned for.

Moreover, with these new laws calling for representivity and diversity, the skills and competencies that were developed over many years by white South African counterparts are at risk, as the transformation of the non-profit social welfare organisations' governance and management structures has now become a prerequisite for receiving government funding. What may be politically desirous for the government, may in fact not necessarily be practically achievable.

What exacerbates the problem even further is that the global economy is declining making it extremely difficult for the non-profit social welfare sector to attract international donor funding. Consequently, the non-profit social welfare sector is at risk as many social welfare organisations are embarking on staff retrenchments even facing possible closure (Parliament Monitoring Group, 2013a, 2013b). The focus of this study is thus to gain an in-depth understanding of the views of current social welfare managers on transformation management of the non-profit social welfare sector to improve sustainability and the delivery of social welfare services to many deserving vulnerable communities throughout South Africa.

1.3 RESEARCH QUESTIONS

The following research questions emanates from the previous discussion:
- What is the correlation between *transformation* and *transformation management* within the context of non-profit social welfare organisations?
- What can we learn from national and local transformation management processes, models and dynamics pertaining to non-profit social welfare organisations?
- How practical is the current policies, laws and protocols spearheading the

transformation of non-profit social welfare organisations in South Africa from a social development perspective?

- How are the governance, management and operations of non-profit social welfare organisations affected by the changes made in the aforementioned laws, policies and protocols?

- What are the views of social work managers of non-profit social welfare organisations in terms of the challenges, issues, and experiences of the transformation management within their respective organisations?

1.4 AIMS AND OBJECTIVES OF THE STUDY

1.4.1 The aim of the study

The aim of the study is to gain an understanding of the views of social work managers on transformation management in non-profit social welfare organisations within the South African social development paradigm.

1.4.2 The objectives of the study are:

- To examine the relationship between *transformation* and *transformation management* within the context of non-profit social welfare organisations;

- To determine the processes, models and dynamics of transformation management of non-profit social welfare organisations from national and local perspectives;

- To analyse current laws, policies and protocols that are pertinent to the transformation management of non-profit social welfare organisations in South Africa;

- To contextualise transformation of the governance, management functions and operations of non-profit social welfare organisations in a social development paradigm and

- To empirically investigate transformation management from the views of social work managers of non-profit social welfare organisations.

1.5   CLARIFICATION OF KEY CONCEPTS

1.5.1   Social work managers

Within the context of this study, social work managers can broadly be defined as managers who manage social workers in non-profit social welfare organisations (Lewis, Packard & Lewis, 2012; Packard, 2013; Pretorius, 2014). These managers are contracted as paid employees of social welfare organisations. In smaller non-profit organisations, directors or managers are usually appointed to head these organisations. These managers are not necessarily social workers but are employed to manage the social workers in their organisations. Within the context of this study, the participants are all employed to manage social workers rendering social work services in their respective social welfare organisations. Not all of them are necessarily registered professional social workers but are all duly contracted as social work managers by their respective registered non-profit social welfare organisations.

1.5.2   Transformation management

Within the context of non-profit social welfare organisations, transformation management can simply be defined as the management aspect that is applied to managing transformation in organisations (Judge, 2011; Nelson & Quick, 2005:391; Schermerhorn, Hunt & Osborne, 2005:361). Given that the pace of transformation within the non-profit social welfare sector in South Africa is yet an ongoing contentious debate, the concept and context of *transformation* has not been thoroughly defined, nor does it have an "absolute" definition. However, drawing from two separate terms of transformation and management may present a workable definition. Firstly, the term "transformation" as it is commonly understood as being the *change* experienced within the organisation and secondly the term "management" as being the management processes which includes planning, leading, organising and control. The first objective of the study attempts to examine the correlation of *transformation* and *transformation management* as it applies to non-profit social welfare organisations in South Africa.

1.5.3   Non-profit social welfare organisations

Non-profit social welfare organisations in South Africa are welfare organisations in South Africa, registered in terms of the Non-Profit Act 71 of 1997, that have been constituted in terms of the aforementioned Act to render social services to vulnerable groupings including children and families, the aged, young people, destitute people and the poor particularly in historically marginalised communities throughout South Africa.

Previously known as Non-Governmental Organisations (NGOs), these not-for profit organisations include Faith Based Organisations (FBOs), Community Based Organisations (CBOs) and Voluntary Organisations (VOs) which all need to register as not-for profit organisations in terms of the aforementioned NPO Act. The traditional social welfare organisations (that have been previously registered as social welfare organisations prior to the promulgation of the NPO Act) as well as the emerging non-profit organisations (that have been grassroots organisations not previously been registered) are all expected to be compliant and register with the NPO Act in order to provide social welfare services to communities throughout South Africa. In this regard a Non-Profit Directorate was established under the auspices of the National Department of Social Development mandated to regulate the non-profit sector in South Africa and ensure that compliances of the social welfare non-profit organisations are achieved and maintained.

1.6   RESEARCH DESIGN AND METHODS

The research design and methods are described as follows and reflected upon more comprehensively in Chapter 5.

1.6.1   Research design

In order to research the transformation management of non-profit organisations within a social development paradigm, an exploratory and descriptive research design was deemed appropriate to the study. Neuman (1997:19) firstly confirms that exploratory studies are undertaken when new interests are researched. Babbie and Mouton (2002:79,80) secondly reaffirm that exploratory and descriptive research designs are appropriate when a subject being studied is relatively new, such as the transformation of management of non-profit social welfare organisations within a social development

paradigm. Furthermore, this research design was embarked upon as it provided the researcher with the opportunity to gain an in-depth understanding on a particular subject (transformation management) from the views and perspectives of social work managers of non-profit social welfare organisations (twenty four) which is the primary focus of this research study (Cresswell, 2013; Denzin & Lincoln, 2005).

1.6.2   Research methods

Given that qualitative research is naturalistic where groups of people are studied in natural settings involving interpretation of a particular phenomenon, the researcher located the research study within a qualitative paradigm (Denzin & Lincoln, 2005). This study was qualitative as the views of social work managers (group of people) on transformation management (phenomenon) in non-profit social welfare organisations had to be analysed and interpreted through conducting in-depth interviews. In this regard, Mouton (2002) explains that insiders' perspectives or emic views can be obtained if personal experiences, challenges and highlights on a topic provide direct or first-hand information. To this end, the interviews conducted with social work managers provided "rich" data or "thick" descriptions of their experiences on transformation management. It was thus evident that this study was appropriately located within the qualitative research paradigm, using an exploratory-descriptive qualitative study design as previously stated.

1.6.2.1   Literature review

To gain an understanding and insight of the nature of the research problem De Vos, Strydom, Fouché and Delport (2011:96) suggest that a literature review essentially provides a foundation for theoretical knowledge. In this regard the researcher firstly conducted research on the transformation management of non-profit social welfare organisations by reviewing relevant journal articles on the internet as well as a plethora of journals and books from local and international sources at J.G. Gericke Library at the University of Stellenbosch.

As a result, this literature study comprises of three chapters. Chapter 2 analyses various processes, models and dynamics of transformation management. Chapter 3 examines laws, policies and protocols pertaining to transformation of the social welfare

sector. The literature review concludes with Chapter 4 in which the governance, management and operational functions of non-profit social welfare organisations are investigated. In addition to exploring and discovering knowledge on the topic of interest from articles, journals and books from the library, the internet provided a rich source of relevant articles on related subject matter which added to the richness of the discourse. Actual laws and policies were used from government gazettes as a primary source of reference for the narrative, particularly in Chapter 3.

The literature review presented in Chapters 2, 3 and 4 provided a theoretical framework for further development of questions for the interviewing schedule of the empirical study that was conducted with the social work managers of non-profit social welfare organisations as discussed in Chapter 5 of the research methodology.

1.6.2.2   *Population and sampling*

The population of this study was demarcated to social work managers of social welfare non-profit organisations in the Western Cape Province as the total set of individuals for which the study is chosen as purported by De Vos *et al.* (2011:223). A purposive sampling method was used to select the respondents for the research. This non-probability sampling method is appropriate for the study as the participants (social work managers) were not sampled randomly, but purposively selected based on their knowledge and their availability to volunteer as participants in the research investigation (Babbie, 2007:184).

The criteria for selection of the participants were:
- That the participants are current managers/directors of social welfare non-profit organisations with knowledge and or experience of management of social welfare organisations for more than three years;
- That the participants represented a demographical range of urban, peri-urban and rural social welfare service delivery;
- That the participants agree to being interviewed voluntarily and
- That the participants represented different sizes of social welfare non-profit organisations in terms of their staff compliment.

1.6.2.3   Sample size

There are 56 organisations registered as social welfare non-profit organisations in the Western Cape Province (Department of Social Development, Western Cape Province, 2012). Twenty four managers were selected from the managers of non-profit social welfare organisations based on the criteria of selection and who were available to participate voluntarily in the study. Consent to conduct the interviews were firstly obtained based on their availability to participate in the study (Annexure A).

1.6.3   Methods of collecting the data

In any research study the method of data collection is significant as it has a direct bearing on the validity of the research findings. According to Greeff (cited in De Vos *et al.,* 2007:292) qualitative interviews is a useful information collection method of collecting data which the researcher deemed appropriate for the empirical investigation of this study. The development for a semi-structured questionnaire as a research instrument became significant for the purpose of the interviewing process and was designed specifically for this study.

1.6.3.1   Research instrument

Logistical arrangements were then made to interview the participants. The planning process was arduous and required an immense amount of negotiation. This is because social work managers have extremely busy schedules and are usually inundated with requests to conduct research. After consent was obtained, face-to face, semi-structured interviews were used to gain perceptions and accounts of the experiences of the managers. Semi-structured interviews were used having the advantage of being flexible (Greeff in De Vos *et al.,* 2007:296). A semi-structured interview schedule containing open ended questions was used as a research instrument to collect qualitative data (Annexure B1).

The questions for the semi-structured interview schedule were developed primarily accordant with the literature study to guide the research interviews and to illicit the individual verbatim responses from the participants (Babbie & Mouton, 2002:275-276; Strydom & Delport in De Vos *et al.,* 2007:314). Conducting interviews serves the

purpose of obtaining first hand experiences of participants, providing an insider's perspectives (emic views) of the research topic.

1.6.3.2 Pilot study

Before the questions were administered to the entire group of the respondents, a pilot study was firstly conducted to test the measurement instrument (Strydom in De Vos *et al.*, 2007:209). The value of the pilot study was that the researcher was able to establish the suitability of the questions contained in the interview schedule and make the necessary adjustments before interviewing the entire group of respondents.

1.6.3.3 Focus Group

In order to gain further insight and understanding of the topic the researcher embarked on conducting a focus group meeting. According to Babbie and Mouton (2002:291,292) themes that emerged from conducting primary interviews can further be explored, having the advantage of obtaining a variety of insights on a topic within a focus group setting. In this regard a semi-structured questionnaire was developed based on emergent themes that emanated from the primary interviews (Annexure B2). This is discussed in more detail in Section 6.4. of the study.

1.6.4 Analysis and interpretation of the data

After gathering the data, the next stage in the research process was to analyse and interpret the data (De Vos *et al.*, 2007:334-335). Structure and meaning were brought to the data by a process of critical reflection, making linkages, seeking explanations and contemplating reasons for actions and behaviours. When analysing the data, various themes and patterns emerged (Babbie, 2007:378-379). The data was then recorded in a coherent and systematic way. The data needed to be read and reread to make comparisons based on logic and judgement (Neuman, 1997:439). New insights and deeper understanding developed as the analysis and interpretation of the data unfolded. Themes and patterns emerged as well as the identification of categories and sub-categories.

Du Toit (as cited in De Vos *et al.*, 2007:314), defines data analysis as the process whereby order and structure is given to the data which has been collected. Using the steps described by Marshall and Rossman (1995:13), the data was organised and structured to give meaning in a coherent and succinct way accordant to the literature. Generating patterns and themes that emanated from the interviews and integrated with the theoretical framework provided by the literature review, provided explanations that simultaneously illuminated possible alternatives. The data is presented with figures and tables in Chapter 6 supported by direct verbatim references made in the qualitative interviews. As purported by De Vos *et al.* (2011:172) the data was verified against the literature and then further embedded in larger perspectives and paradigms, for example as metatheory (World 3, described by Mouton (2002:48).

In order to arrive at the episteme (truthfulness) and validity of the data, the data need to be authentic, accurate and be measured empirically (De Vos *et al.*, 2011:172). This means that the data must be reliable in the sense that should the same measurement test the same thing twice, it would yield the exact same results. In addition to data being verified for reliability and validity, qualitative studies have the significance of ensuring that the data is able to meet the standards of credibility, conformability, transferability and dependability.

- **Credibility**

The credibility of the data concerns the way in which the scientific inquiry was conducted to ensure that the subjects were accurately identified and described (De Vos *et al.*, 2007:346). In this regard the subjects (social work managers) were purposively sampled and appropriately designed questions were asked according to prescribed qualitative methods pertinent to qualitative research methodology. An in-depth description was attained as a result of an empirical study which contributed to the credibility and therefore the validity of the results of the research findings.

- **Conformability**

Another aspect of the validity of the data is the ability that it has to ensure that the researcher remained objective in the research process and that the data could be confirmed by another. During the interviews conformability was achieved as the data

was recorded in a manner where the subjects were able to express their experiences freely as previously mentioned without any interruption or evaluation provided (De Vos *et al.*, 2007:347).

- **Transferability**

De Vos *et al.* (2007:346) explain transferability as a key aspect of validity. The data has to be able to be generalised to other contexts. Transferability was achieved as the researcher provided adequate detail of the description of the study and used prescribed methodology with an appropriately recommended design. The findings are then able to be transferred to different settings but within the same context in which the research study was conducted.

- **Dependability**

Another key aspect regarding the validity of the data is its dependability. De Vos *et al.* (2011:420,421) discuss dependability as a means of ensuring that the research process and indeed the findings have followed through appropriate and logical, well-documented and audited processes. Dependability was achieved through the references of the contexts from both local and international authors supported by arguments presented from credible advocates on related subject matters sourced from articles on the internet. The internal auditing process from the University of Stellenbosch and the supervision sessions provided guidance on the content and contexts of the coherence and logical exposition of the thesis. In addition, external supervisors were appointed to provide an independent audit of the thesis, increasing the dependability of the research.

1.7   RELEVATISM AND REFLEXIVITY

According to De Vos (as cited in De Vos *et al.*, 2007:362), the concept of relevatism in research is the "ability to perceive the world from more than one frame of reference or paradigm". In this regard the researcher recognises his role as being previously employed as a director of a non-profit social welfare organisation. The subject is particularly relevant, as the process of transformation management transpired whilst the researcher was employed and sparked the curiosity and interest to conduct the research. Being acutely aware of subjectivity and bias that may affect the research,

particular regard was given to remaining objective and detached from the subjects throughout the research process.

The concept of reflexivity is further explained by De Vos *et al.* (2007) as "having the ability to formulate and integrate understanding of one's own cognitive world". As a qualified social worker and a previous director of a non-profit social welfare organisation, the researcher shares many of the views reflected both in the literature and by some of the participants but was ethically not allowed sharing his own views with the participants. The researcher however could be truly empathic throughout the process. Remaining congruent was essential for the researcher as he was aware of the duality of remaining an ethical researcher whilst simultaneously embracing the cognition of being a professional social worker.

In this regard, engaging consistently in personal reflection and having regular supervision sessions, the researcher was able to reflect on his own emotions and feelings in the study so as not to prejudice the study in any way. Moreover, the researcher was afforded the opportunity to share openly his feelings and emotions with his supervisor regarding the research, in meetings and telephonically, which afforded him the opportunity to remain congruent throughout the research process (see Annexure E).

1.8   ETHICAL CONSIDERATIONS

The researcher is a registered social worker (Registration no. 102409) and ascribes to the professional code of conduct of the social work profession. Permission was obtained from the Departmental Ethical Screening Committee (DESC) of the University of Stellenbosch before the study commenced (Annexure F). A pilot study was conducted to test the questions contained in the semi-structured interview schedule. This was done to ensure that the participants did not experience any level of discomfort or sensitivity when questions were asked: minimal-risk as defined in the standard operating procedure of the Stellenbosch University Research Ethics Committee (Human Research: Humanities).

Furthermore the following ethical considerations were implemented:

1. All participants participated voluntarily at a time, place and venue that they agreed upon;

2. Consent forms were given in the form of signed agreements for participation in the study;

3. Participants were thoroughly briefed as to the purpose of the research, the nature of the interviews and that they were free to disengage from the interview at any time;

4. All participants were given a copy of the research proposal as well as the semi-structured questionnaire so as to familiarise themselves with the research study before hand;

5. Confidentiality and anonymity was maintained throughout the research process and

6. Information regarding the participants still remains locked in a cabinet to deter improper access of documents.

1.9   LIMITATIONS OF THE STUDY

In any research study it is imperative that the researcher recognises and presents the limitations to the study up front, so that the generalisations of the findings and recommendations made in the study is reflected in a meaningful way (De Vos *et al*., 2012).

In this study of the views of social work managers on transformation management of non-profit social welfare organisations, the researcher recognises the limitations. With the dearth of available local research on transformation management as a significant limitation, international authors and journals provided additional contexts which the research draws upon. Drawing from relevant additional sources from other contexts provided a rich and in-depth source base and provides the research with a broader framework of theoretical inferences.

Another limitation was that only twenty four social work managers participated in the study. This meant that the study was limited to the experiences and perspectives on transformation management of the participants employed at non-profit social welfare organisations. Furthermore, the study is thus limited to a marginal amount of twenty

four non-profit organisations – no generalisations or extrapolations of the study can be made to the universal cohort of non-profit social welfare organisations in South Africa. However, non-profit social welfare organisations throughout the country may draw from the learnings and recommendations made in the study which may be deemed applicable to their respective situations and circumstances regarding transformation management of their respective organisations.

1.10   STRUCTURE OF THE STUDY

Chapter 1 provides a description of the study detailing the background, problem focus, aims and objects as well as the structure of the study.

Chapter 2 essentially examines the processes, models and dynamics of transformation management in non-profit social welfare organisations. The chapter firstly explores what is meant by transformation management within the context of non-profit social welfare organisations and then secondly explores learnings from international and local transformation management models, dynamics, and challenges pertaining to non-profit social welfare organisations.

In Chapter 3, the laws, policies and protocols affecting transformation management of the non-profit social welfare organisations are investigated within the context of a social development paradigm. Critique is provided of the practical implications that the changes within laws, policies and protocols has on the transformation management of non-profit social welfare organisations.

Chapter 4 follows with an examination of how the governance, management and operations of non-profit social welfare organisations are transformed by the changes in laws, policies and protocols.

Chapter 5 provides the methodology that is used in the empirical study to determine the necessary rigour needed for scientific empiricism. In this regard qualitative views of social work managers formed the basis of the investigation.

Chapter 6 is an empirical study of the views of social work managers of non-profit social welfare organisations in respect of the challenges, issues, and experiences of the transformation management of their organisations.

The study concludes with Chapter 7 in which a summary of the study is made with derivative conclusions and recommendations emanating from the empirical investigation through integration and synthesis.

CHAPTER 2

CONCEPTUAL UNDERSTANDING OF TRANSFORMATION MANAGEMENT: PROCESSES, MODELS AND DYNAMICS

2.1   INTRODUCTION

The context of transformation management of non-profit social welfare organisations in South Africa is determined inter alia by the processes, models and dynamics to effect meaningful organisational change (Davidson, 1996; Mbigi & Maree, 2005:51-60; Lessem & Schieffer, 2009; Taylor, 2005). Despite the advent of democracy nearly two decades ago, the country's transformation of the social welfare non-profit sector is still underdeveloped, coupled with what proponents of social development believe to be tardy with very insignificant transformative changes being made (Gray, 1998; Lombard, 2008a; Patel & Hochfeld, 2008). So much so that on 31 June 2012, of the 85 039 non-profit organisations that were registered, 23 034 were deregistered by the Non-Profit Organisations Directorate due to non-compliance (Department of Social Development, 2012a; De V.Smit, 2014:109). This meant than more than 28% of non-profit organisations in South Africa were deregistered, plummeting the entire social welfare non-profit sector into a national crisis. Consequently, a compelling urgency to address the transformation of the social welfare non-profit sector in South Africa emerged.

In order to address the emergent crisis facing the underdeveloped social welfare non-profit sector, the National Department of Social Development in South Africa, hosted a much needed national conference on the transformation of the ailing social welfare non-profit sector in August 2012. Attended by a broad representation of stakeholders including government officials, academics, civil society organisations as well as a large contingency of non-profit social welfare organisations, the conference focused on the challenges and issues pertaining to the transformation of the social welfare non-profit sector.

One of the main challenges identified at the conference that has a direct bearing on the closures of non-profit social welfare organisations was the issue of compliance. In this regard, the implications of non-profit social welfare organisations not being compliant were devastating and far reaching. Most significantly is the fact that non-compliance meant that traditional non-profit social welfare organisations would be deregistered despite their years of services, experience and skills acquired over many years of social service delivery. For emerging non-profit social welfare organisations it would be equally devastating impinging on their legitimacy to attain credibility within the non-profit social welfare sector. More importantly, was the fact that only compliant non-profit organisations would be eligible for funding by all spheres of government, namely, national, provincial and local government in the future (Department of Social Development, 2011).

Compliance thus became a critical criterion for non-profit social welfare organisations to receive government funding. Conversely, non-compliance would contribute to deregistration and the imminent closure of many non-profit social welfare organisations with adversarial impacts on the landscape of the entire social welfare non-profit sector and indeed mostly affect the social welfare service delivery of people in impoverished communities throughout South Africa. Moreover, the notorious gap between rich and poor for which South Africa has become world-renowned, in fact would be substantially increased (Terreblanche, 2012:124,125). This flies in the face of the government's social development mandate of addressing and alleviating the abject poverty that still exists within a democratic South Africa. As a result, the urgency to address transformation of the social welfare sector in South Africa even becomes more compelling.

The aim of Chapter 2 is to firstly clarify and distinguish between the concepts of *transformation* and *transformation management* of non-profit social welfare organisations in South Africa. This is significant as it provides clarity on the subject being examined. Transformation management processes are secondly discussed highlighting the intricacies and complexities of transformative organisational change and development. Included in the discourse is a candid discussion on *why* people are resistant to or more acceptable of change. Thirdly, in support of transformation processes, the applications of various management models are examined. Providing

an integrated framework of various management models is necessary to present best practice scenarios that non-profit social welfare organisations can use for efficacious transformation management.

Chapter 2 lastly concludes with the dynamics that emerges during the transformation management of non-profit social welfare organisations. This aspect of the literature study attempts to address critical dynamics such as leadership, organisational stress, conflict and diversity in order to ensure that managing the transformation process is appropriate and more importantly implemented as effectively as possible.

2.2 THE CONCEPTS OF TRANSFORMATION AND TRANS-FORMATION MANAGEMENT

Transformation of non-profit social welfare organisations in South Africa occurs on two distinctive levels. Firstly at a national level, where laws, policies and protocols determine the way in which non-profit social welfare organisations are established (discussed in detail in Chapter 3) as well as secondly, at an organisational level, impacting on the way in which social non-profit organisations are governed, managed and operationalised (discussed in detail in Chapter 4). There is a direct correlation between transformation that occurs at a national level and the significant impact that it has on the transformation management of non-profit social welfare organisations at an organisational level. In order to conceptualise transformation management it is necessary to firstly provide a contextual reference for *transformation* and *transformation management* at these two distinctive levels.

2.2.1 Transformation at a national level

There is still a huge debate as to whether the post-apartheid transformation in South Africa was good or bad and whether the process of managing the socio-political transformation was efficacious. In this regard, Terreblanche (2012:124) questions the impact that democracy had on addressing poverty in South Africa, citing a salient argument for the country's failure in addressing the legacy of abject poverty, high unemployment and increasing socio-economic inequality amongst the rich and the poor. Given the fact that Mandela passed away in December 2013, sustaining and developing the country becomes more pronounced as South Africa has still not

created a socially just people-centred society that Mandela envisaged in May 1994, nor has the country succeeded in creating an equitable "rainbow nation" that Archbishop Desmond Tutu envisaged according the candid view of Terreblanche (2012) contextualising the country as becoming "lost in transformation".

In addition to these aforementioned, world-renowned South African leaders cited by Terreblanche, proponents of social development (Gray, 2008; Lombard, 2008; Midgley, 2005; Patel, 2005) concur with this view, questioning whether social transformation in South Africa has indeed successfully been achieved. In fact, Weyers (2013:433) for example expands on this view, questioning whether South Africa still employs a developmental social development approach to delivering social welfare services. The alarming reality is that the very ideological concept of *transformation* is problematic and needs to be addressed succinctly at a national level in order for it to make sense of what the government and civil society conceptually understand *transformation* to be in order to consequently effect any meaningful social transformative changes with South African civil society (Lombard, 2008).

Despite the fact that South Africa has developed a comprehensive statutory framework to spearhead transformative changes in a democratic society, the laws on its own does not necessarily translate into effective social transformation. Instead statutory laws, policies and protocols are meaningless unless there is any visible evidence of social transformation demonstrated within civil society (Green, 2008; Lombard, 2008). Achieving successful social transformation for example could arguably be one of the desired outcomes by which a democratic society can be measured. Other evidentiary results could be seeing a significant decrease in the gap between rich and poor; a deceleration in unemployment; equal access to social services and economic opportunities as well as a citizenship where peace and harmony prevails.

Yet, the opposite is quite evident. South Africa still has one of the world's largest divides amongst rich and poor as previously stated, unemployment has escalated despite the institution of policies and protocols to encourage black empowerment, gangsterism and crime is at an all time high and job opportunities have been arguably been excluded for many white people. Seemingly, the concept of transformation in South Africa seemed to be plagued by an idyllic vision of what should be best for the

democratic South Africa juxtaposed against a fragmented framework and a distortion of practical implications of achieving *true* social transformation in the country.

It is within this state of flux that a compelling new found answer, the National Development Plan, 2030 has been tabled in Parliament by the Minister in the Presidency, Trevor Manuel on 15 August 2012, to once more forge South Africa's development in an attempt to "eliminate poverty and reduce inequality" by 2030 (National Planning Commission, 2012:24). Once more it seems that the government has successfully initiated plans, similar to the Reconstruction and Development Plan (RDP) and Growth, Employment and Redistribution (GEAR) strategy to address poverty alleviation which has still not seen any significant impact (Du Plessis, 2013; Laubscher, 2013).

2.2.2 Transformation at an organisational level

Whilst there is still a huge debate about the effects of transformation at a national level, non-profit social welfare organisations in South Africa continue to play a critical role in delivering social welfare services (Department of Social Development, 2013). The impact that the underdevelopment of the transformation of the social welfare sector at national level has had on non-profit social welfare organisations is adversarial. For example, despite the NPO Act of 77 of 1997 being established to support and encourage the sector to flourish, non-profit social welfare organisations are experiencing quite the opposite. What exacerbates the issue further is the decline in the global economy which has seen a significant reduction of much needed international donor funding. In fact it can be argued that since the advent of democracy, international donor aid to South African non-profit organisations has substantially decreased. Subsequently, the need to attain financial support from government has become critical for the sustainability of non-profit social welfare organisations throughout South Africa.

Although there is a dire need for transformative changes to be made at organisational level, non-profit social welfare organisations need to have a clear understanding of the concept and context of *transformation* and more importantly the processes, models and dynamics of *managing* the transforming of their organisations. On the one hand

there is a wealth of information on what an ideal non-profit social welfare organisation in South Africa ought to be, on the other hand, the way in which to achieve this has been fraught with many misconceptions and impracticalities (Binza, 2006; Letsebe, 1997; Magubane, 2002). The stark reality is thus that unless more practical ways of achieving *transformation* of non-profit social welfare organisations are clearly articulated, the sustainability of the entire social welfare sector is under threat. In this regard a conceptual clarification of transformation is necessary to gain insight and understanding of the subject being examined.

2.2.3   Definition of transformation management

Given that transformative changes managed in any organisation are extremely complex in nature, a conceptual understanding of the context, content and processes is needed in order for it to be effective (Burke, 2011; Lewis, 2007:210; Packard, 2013; Schmid, 2010). The notion of transformation management is made up of two conceptual constructs. The first construct "*transformation"* relates to an incremental or radical change in the status quo of a circumstance, situation or environment (Judge, 2011; Nelson & Quick, 2005:391; Schermerhorn, Hunt & Osborne, 2005:361). The second construct of *management* can broadly be defined as the process of getting things done effectively and efficiently through the assistance of other people through planning, leading, organising and controlling (Hellriegel*,* 2012:7; Packard, 2013; Robins & De Cenzo, 2008:7).

The concept of *transformation management* can thus broadly be defined as the process whereby the environment of an organisation is intentionally changed to become more effective, efficient and responsive through the management of planning, organising, leading and controlling. Yet the processes involving transformation management are significant contributing immensely to effective transformative change as purported by proponents of transformation management (Davidson, 1996; Mbigi & Maree, 2005:51-60; Lessem & Schieffer, 2009; Taylor, 2005). Similarly, does the application of appropriate management models support effective transformative changes in organisations (Nelson & Quick, 2005:120,127,131). In this regard, the systems model, the motivational model and the social learning model, discussed in more detail later in Chapter 2.4, are useful to stimulate effective organisational change. Another key aspect of effective transformation management is addressing the

dynamics which organisations experience during transformation, such as leadership, organisational conflict, stress and diversity (Hellriegel*,* 2012:323-325; Robbins & De Cenzo, 2008:150).

From the above discussion it can be deduced that transformation management within a non-profit social welfare organisational context can more succinctly be defined as the management processes, models and dynamics that are applied to bring about effective transformative changes and sustainable development in non-profit social welfare organisations.

2.3   PROCESSES OF TRANSFORMATION MANAGEMENT

In order to bring about effective organisational change, transformation processes need to be managed and implemented that yield efficacious results. In this regard, efforts to manage and implement change in an organisation are more successful if the management firstly understands *why* people accept or resist change (Ford & Ford, 2009; Lamm & Grodin, 2010; Schermerhorn *et al.*, 2005:367,368; Yukl, 2010:297). It is more likely that people would resist than accept change. To this end, managing transformation in organisations requires having a clear understanding of the attitudes and behaviour that fuel unwillingness to change as well as the reasons *why* people are more acceptable of change (Holt, Armenakis, Field & Harris, 2007; Nelson & Quick, 2005:393,394). Having an understanding *why* people resist change is significant as it provides management with effective strategies in planning the appropriate transformative changes needed by taking into account the various perspectives, behaviours and attitudes of people most affected by the changes anticipated within the organisation (Jaskyte, 2003; Judge & Douglas, 2009).

2.3.1   Resistance to transformative change within an organisation

The social welfare non-profit sector in South Africa is mainly subsidised by government grants. Changes made in statutory measures of compliance and policy decisions affecting financial awards made to non-profit organisations have a great impact on the acceptance and resistance to financial policy changes made at organisational level (Ford & Ford, 2009; Lamm & Grodin, 2010). Moreover if these policies are deemed to

be impractical and unfair by a large majority of the stakeholders the implementation will be met with much resistance.

In this regard, several authors provide substantive reasons why people resist change within an organisation (Lamm & Grodin, 2010; Jaros, 2010; Nelson & Quick 2005:393,394; Robins & De Cenzo, 2008:7; Schermerhorn *et al.*, 2005:367,368; Yukl, 2010:297,298). Firstly, people resist change itself; have a fear of the unknown and develop distrust in the management that proposed change (Schermerhorn *et al.,* 2005:367). In this regard it is critical that management provide documentation obtained from the relevant government departments regarding new measures of compliance (laws, polices and protocols) to the staff to endorse the proposed changes and maintain their trust.

Secondly, Nelson and Quick (2005:394) argue that the fear of personal failure or losing status and power may be experienced by those anticipating to be retrenched, demoted or replaced as a result of the proposed changes. It is thus critical for management to embark on a consultative process with the staff to seek alternative ways of repositioning staff and provide options through an inclusive consultative process before embarking on the restructure of the organisation.

Thirdly, Robins and De Cenzo (2008:202) assert that the proposed changes could also be seen to clash with the personal values, behaviours and attitudes of the staff members. They could deem some of these changes as conflicting and manipulative. So much so, that the anticipated changes may be met with resentment and hostility. It is therefore significant that management has an understanding of the philosophies and underlying values that underpin the proposed changes so that those affected are clear as to whether they uphold or negate the values underpinning the transformative changes.

Lastly and most importantly is the economic threat that the proposed changes will have in the organisation, especially regarding staff cut backs. Loss of income or job security may be compromised as a result of these proposed changes. Management will have to provide financial evidence of how the proposed changes will be beneficial to the organisation. In this regard for example, the cost of severance packages as a result of

staff cuts may far outweigh the repositioning of staff. It is thus critical that consultants and financial experts be engaged to provide different scenarios of how the organisation will financially be affected by the proposed staff changes. Staff members who are affected will have to be assured that the management explored all options and act in their best interest to mitigate the impact on their personal livelihoods (Jaros, 2010; Lamm & Grodin, 2010).

2.3.2   Acceptance of transformative change within an organisation

Whereas resistance to transformative changes within an organisation is a more common response, there are different reasons why people are more willing to accept change. Perhaps the most profound reason to accept change is the legitimacy of the proposed changes (Ford & Ford, 2009; Lamm & Grodin, 2010). Key considerations to establish legitimacy is underpinned by providing evidence of the statutory compliances needed by the organisation to be registered as a non-profit social welfare organisation. In this regard statutory documents and policies can be used to provide legitimacy. For example, the Non-Profit Organisations Act 77 of 1997 and the Department of Social Development's policy documents on financial awards (Department of Social Development, 2012b) are key documents that can be discussed at all organisational levels with all staff members as references for the anticipation of proposed transformative changes that need to be undertaken in order for the organisation to remain registered and be in a position of receiving government funding.

Commitment and acceptance of the proposed changes are better received when people trust that the management will act in their best interest. Broad consultation and inclusive decision making processes enables people to participate in the transformative changes which subsequently becomes more acceptable to the proposed changes made within the organisation (Ford & Ford, 2009; Lamm & Grodin, 2010).

2.3.3   Strategic planning for organisational transformation

Effective strategic planning is not only developing a plan, instead it should focus on processes and strategic ways of implementing a plan of action (Hellriegel, 2012:7; Theron, 2008:76; Worth, 2013:168). One of the first processes that the organisation has to conduct within the transformation management process is to conduct a strategic planning session whereby a clear pathway is developed for the processes that needs to be undertaken and the ways in which the plan will be accomplished with clear sets of objectives, timeframes and anticipated outcomes.

Within the organisational transformational plan, a strategic planning session begins with a situation analysis by examining *where the organisation is at*, defines and determines where the organisation *wants to be* followed by the development of an action plan of *how to get there* (Judge & Douglas, 2009; Proehl, 2001; Worth, 2013:175). Moreover, in non-profit social welfare organisations, funders regard strategic planning as an essential planning tool for a well-managed organisation. In this regard the Department of Social Development requires a transformation plan to be submitted by non-profit social welfare organisations that provides clear pathways of obtaining compliance (Department of Social Development, 2011).

2.3.3.1   Reviewing the vision

Visioning is about organisations moving towards a new collective reality to which all members aspire (Mowles, 2011:137; Parish, Cadwaller, & Busch, 2008; Worth, 2013:174). In this regard, non-profit social welfare organisations are usually established by volunteers in pursuit of a common identified benevolent cause. In order to be a registered, non-profit social welfare organisation in South Africa, one of the requirements is that a constitution of the organisation is submitted wherein the vision (or vision statement) is clearly stated as the main purpose for establishing the organisation. The vision provides an aspirant view of the plight or cause that the organisation attempts to address. Within the context of transformational management, it is equally critical to review the organisation's vision and articulate the vision, mission and values of the organisation succinctly as it has an added advantage of attracting future and potential funders and donors that share the same vision or cause.

2.3.3.2   Restating the mission

Whereas the vision of an organisation provides an aspirant view, the mission statement reflects a clear focus of the organisation's intentions and key strategies in pursuit of its vision. Earlier authors such Lackey, Lackey, Napier and Robinson (1995:107); Kottler and Andreasen (cited in Ott, 2001:143,144); Schermerhorn *et al.* (2005:381) assert that organisations start out with a mission. Mission statements address the questions: Who is the organisation? What is the main purpose of the organisation? Who do we serve? What are the key focus areas and activities of the organisation? More recent authors of management, such as Hellriegel (2012:7); Packard, (2013) and Worth (2013:172) present an operant view of a mission statement citing it as the very reason why an organisation exists and the tool which forms the basis of planning the organisation's operations and strategies. According to the latter mentioned authors, mission statements determine the purpose and journey that an organisation undertakes to pursue its purpose and vision. This however does not mean that mission statements are cast in stone. Nor does it mandate board members to approve programmes outside the mission statement. Instead, mission statements provide a broad framework of the main purpose for the organisation to exist along with appropriate strategies in pursuit of its common cause(s).

To this end Grobman (2008) and Yukl (2010:308) link the mission statement to the vision of the organisation as a core ingredient. For non-profit social welfare organisations the vision and mission statements of their organisation are critical references used in the future planning of non-profit social welfare organisations. As such, it is thus critical that these aforementioned statements be reviewed periodically to assess their currency and relevance. As environmental conditions (political, technological, socio-economic) in which the organisations exist change, the affects and impact on the organisation is imminent (Sowa, Selden, & Sandfort, 2004; Walker, Armenakis & Berneth, 2007; Mowles, 2011:136). The vision and mission of organisations are also the building blocks of strategic planning. Changes made to the vision and mission of an organisation have far reaching implications. As a result of the effective management of non-profit social welfare organisations, social and organisational transformations are achievable outcomes that can be realised (Austin & Claassen, 2008; Glisson, 2007; Lessem & Schieffer, 2009).

2.3.3.3   Conducting a situation analysis

Worth (2013:175) and Yukl (2010:192,193) propose that a situational analysis be conducted to assess how the organisation is affected by the impact of dynamic external environments. A case in point is the changes made in statutory laws and policies made by the Department of Social Development, where non-profit social welfare organisation need to review their vision and mission statements as a first port of call to remain current and more importantly compliant.

Transformative changes proposed by legislative requirements are significant as these changes affect future funding of the organisation and impact on its very existence. A situational assessment includes conducting a SWOT analysis by determining the organisations strengths(S) and weaknesses (W), examining the opportunities (O) that exist whilst taking into accounts the threats (T). Threats to welfare non-profit organisations include demographic trends, changes in politics, change in government funding policies and social trends. Before embarking on changes in the implementation strategy of social service delivery, it is necessary to assess and analyse the situation, identify key strategic issues, develop goals and then write up a strategic plan which incorporates the anticipated transformative changes, depicted as follows in Figure 2.1:
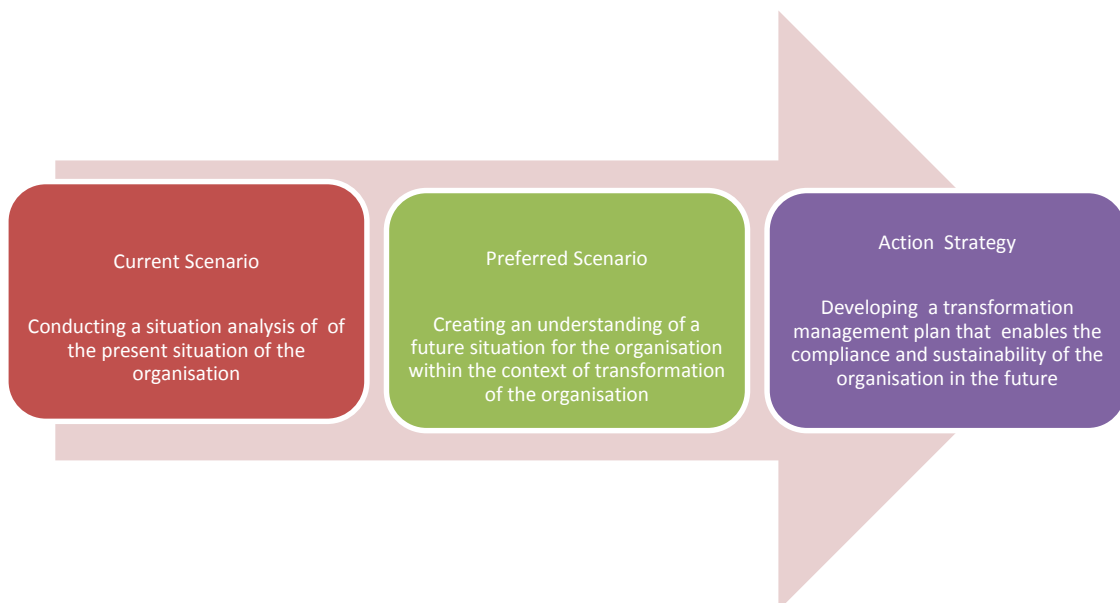
Current Scenario

Conducting a situation analysis of of the present situation of the organisation

Preferred Scenario

Creating an understanding of a future situation for the organisation within the context of transformation of the organisation

Action Strategy

Developing a transformation management plan that enables the compliance and sustainability of the organisation in the future

2.4   APPLYING MANAGEMENT MODELS FOR ORGANISATIONAL CHANGE

In order to effect organisational change, various management models are proposed such as the systems model, motivational model, behavioural model and learning model to be instituted as an integrated framework for organisational transformation. These models of management are based on theories that have been tried and tested over long periods of time and forms part of scientific research that has contributed to a body of knowledge (World1) referred to by Mouton (2002:48), useful for consumption in everyday practise and consequently the effective transformation of non-profit social welfare organisations.
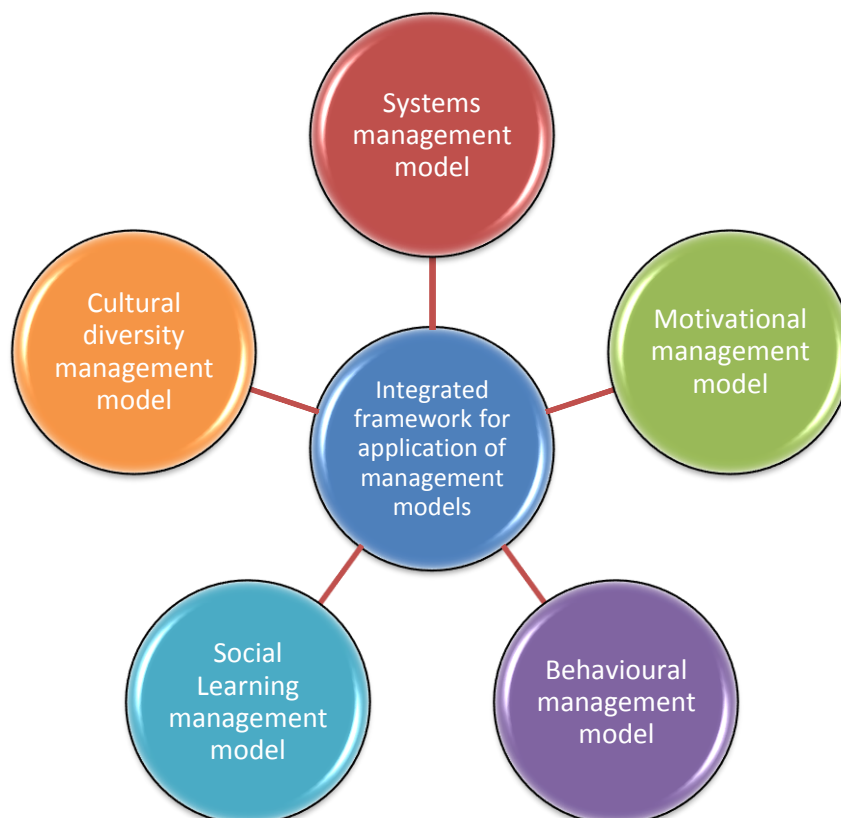
**Figure 2.2: Integrated framework for the application of various
models for effective organisational transformation**
(Adapted from Nelson & Quick, 2005:6; Schermerhorn *et al.*, 2005:383; Worth, 2013:59)

2.4.1 Systems management model

According to Mowles (2011:5) a systems management model can be used as part of organisational development based on the premise that organisations evolve continuously into new states of greater harmony as result of new environments. Other authors depict a system management model as managing organisations in a systemic way as an association of interrelated and interdependent parts much like the human body functioning with various body parts and blood, nervous and digestive systems (Hellriegel, 2012:117). Organisations are constituted of various levels of staff members functioning within systems of operations, management, finances, human resources and delivery; all interdependent and interrelated to the functioning of each other. System models function as open or closed systems. Whereas closed systems are entirely self-sufficient and impervious to external influences from its environments, open systems are significantly influenced by the environments in which they operate. In this regard Nelson and Quick (2005:6); Schermerhorn *et al.* (2005:383) and Worth (2013:59) characterise non-profit organisations as having open systems where people, tasks, technology and structure all interact as elements within an organisational environment.

Furthermore, Yukl (2010:302) refers to the application of a diagnostic approach as a first step of a systems model whereby management assesses what is "wrong" with the organisation **before** employing strategies of improvement. This is significant for non-profit social welfare organisations as the systems model determines all levels of deficiencies that the organisation has, for example with the new legislative requirements. In order to attain compliance and re-adjust its systems of operations, the service delivery may be identified as a critical deficiency that may be the cause of the organisation not receiving future funding from the government. Through the interrogation of the systems and structures within the organisations (board representivity, financial policies, and staff structures) the organisation is able to adapt in order to become compliant and thus eligble to receive government funding.

Within the transformation management process, Worth (2012:61) asserts that within the whole notion of open systems, the organisational environment dictates the norms, values and beliefs by which it exists known as isomorphism. For non-profit social

welfare organisations this is significant as these organisations have a huge base of volunteers which have come together with common values, norms and beliefs in pursuit of a common cause. The way in which transformative changes are instituted in social welfare organisations is critical to the people within the organisations as well as the people or cause that they serve (Austin & Claassen, 2008; Glisson, 2007).

Three distinctive types of isomorphism are depicted. Firstly there is *coercive isomorphism* whereby force is exerted on the organisation to change. This for example is evident in the statutory laws that have been promulgated for non-profit social welfare organisations to become compliant with the Non-Profit Act 77 of 1997. Attaining compliance has become a compelling absolute for non-profit organisations to exist in South Africa or face being deregistered and possibly closure. Secondly, *mimetic isomorphism* refers to the tendency whereby organisations mimic each other. Within a social welfare non-profit sector, organisations follow the best practice and benchmarking of successful non-profit organisations in ways to become compliant, seek donor funding and adopt successful strategies to attain sustainability. Lastly, *normative isomorphism* arises when organisations are influenced by the same standards of professional practice. In this regard social welfare organisations are for example guided by the Codes of Best Practice for Non-Profit Organisations, a policy document developed by the National Department of Social Development to improve norms and standards of the social welfare industry (Department of Social Development. 2010b).

From the above mentioned discussion it is clear that within the notion of non-profit social welfare organisations operating as open systems, isomorphism creates a tendency for organisations to become more alike, with raised norms and standards and an increased level of organisational system of service delivery. It is thus clear that applying the systems model of organisational development to transformation management of non-profit social welfare organisations becomes more efficacious.

2.4.2 Motivational management model

Another model that is essential for transformative changes in an organisation is based on the expectancy theory postulated by Vroom (Nelson & Quick, 2005:120; Schermerhorn *et al.*, 2005:127). According to the authors, Vroom posits that a

person's motivation for work is determined by the individual's belief that the effort they put forth will translate into an expectant achievement gained in accomplishing a task. This is significant during a transformative process as the levels of motivation of workers will decrease as they contemplate the impact that the anticipated changes will have on their tasks as well as their levels of achievement.

According to Nelson and Quick (2005:123) the expectancy theory predicts that people work to maximise their personal outcomes. It is most crucial that management develop a motivational model during the process of organisational change as a process to stimulate and motivate staff members. To this end, the aforementioned authors propose that motivational talks, staff training, skills development programmes and task assignments become critical components of the transformation process (Cummings & Worley, 2009; Jaros, 2010; Judge, 2011; Palmer, Dunford & Akin, 2009). In mitigating the impact of insecurity and the unknown which ignites resistance to change as previously mentioned, by applying a motivational model the organisation will develop with a motivated staff and not dwell on the negativity of the transformative changes. The application of a motivational model is critical during the transformation process of non-profit social welfare organisations as non-profit social welfare organisations have to continue delivering qualitative service delivery even whilst undergoing transformative changes.

2.4.3 Behavioural management model

Managers cannot predict how people will behave during the transformation of the organisation. Nor can they determine what the impact would have on behaviour (Cohen & Hyde, 2014; Connor, Lake & Stackman, 2003; Jaros, 2010; Judge, 2011). Behavioural change is perhaps one of the most complicated and complex changes within the context of transformation management. In this regard, organisational behaviour modification incorporates aspects of various theories including notions of classical conditioning (Pavlov and Vygotski), operant conditioning and reinforcement as ways impacting on individual behavioural change (Banduras) as part of the broader context of organisational change (Jaros, 2010; Schermerhorn *et al.*, 2005:121).

Classical conditioning, based on the work of Skinner, premises that a conditioned stimulus affects the behaviour of people. Through constant manipulation of the stimulus predictive behaviour can be acquired. Within an organisational context for example, staff members are more likely to be happy on pay day than any other day of the month merely because their salaries have been paid regularly and consistently over a long period of time. As a result their disposition and attitude on pay day can be predicatively determined. Similarly, so can the irregularity of receiving a pay check as a result of transformative changes be predicted. Bearing the behaviour of staff members affected by the transformative changes in mind, strategies then need to be developed specifically based on individual perspectives and concerns.

Stemming from classical conditioning, Skinner's operant conditioning theory premises that behaviour is a result of its consequences (Robins & De Cenzo, 2008:233). People learn to behave so that they can get something or avoid something that they don't want. In the case of transformation management of non-profit organisations, where staff cuts are proposed, staff members who will most be affected by staff structural changes will behave very differently to those less affected. According to Schermerhorn *et al.* (2005:131), positive reinforcement as advocated by Skinner should be applied, where members are consistently reminded of the positive consequences of the changes. Staff members who will be most affected could be repurposed in other positions for example. Others could be up skilled, retrained or may even opt for early retirement, depending on their various circumstances.

These positive reinforcement strategies can assist the *shaping of positive behaviour* Robins and De Cenzo (2008:234). This means that instead of highlighting the negatives of the transformation process, reinforcing positive behaviour amongst staff members will contribute to a much more positive ambience during the process. Furthermore because people are more productive when they feel positively motivated, applying the behavioural model has the increased advantage of sustaining quality service delivery during this challenging process.

2.4.4   Social learning management model

Robins and De Cenzo (2008:233) posit that the social learning theory is an extension of the operant condition model but also acknowledges the existence of observation

learning and the importance of perceptions of learning. Central to this model is that people respond to the way that they perceive and define consequences themselves, not the objective consequences stated as a result of the changes. This is significant during a transformation process where management for example address individual perceptions and attitudes through a clarification process. Social learning theory advocated by Banduras posits that people can learn from observation and through direct experience.

Staff members who have left the organisation and have gone on to forge successful careers can be used as role models for those who may need to leave the organisation. From personal observation where others who have left the organisation, staff members may have learned that they may share a similar experience and go on to greener pastures as their previous colleagues have done. Similarly if the staff members have experienced a positive transformation management process, remaining staff will feel less insecure and threatened and their behaviour would reflect their attitudes, perceptions and feelings in a much more positive way. Applying a social learning model for organisational change is thus critical as it impacts on the perception and attitudes of staff members most affected by the transformative changes in a much more positive way.

2.4.5 Cultural diversity management model

Proponents of transformation management models in Africa base their cultural diversity on the concept of **Ubuntu,** holding the cardinal belief that "*a person can only be a person through others*" (Mbigi & Maree, 2005:2). The key values of Ubuntu include group solidarity, conformity, compassion, respect, human dignity and collective unity. The aforementioned authors assert that unless transformative development structures, strategies and processes can harness Ubuntu values into transformative changes for reconstruction and development of organisations, failure will be almost certain. The following aspects of cultural diversity are key aspects of the cultural diversity management model.

2.4.5.1 Group solidarity

Transformation management models based on Western, Eastern and African philosophies have merit when considering the transformation management of non-profit social welfare organisations in South Africa (Binza, 2006; Letsebe, 1997; Magubane, 2002). The African philosophy which emphasises the need to have increased participation of the stakeholders with negotiated outcomes will ensure that the people experiencing transformation are included (Mbigi & Maree, 2005:12). This implies that social work managers who are the custodians of the transformation management of their respective organisations should allow for a reflective process of engaging management, staff and stakeholders at grassroots level to raise their concerns and issues relating to the transformative changes anticipated by the organisation.

2.4.5.2   Human dignity

When organisations transform, staff retrenchments and staff repositioning are likely to be considered as part of the transformation plan. This process affects the livelihoods of the staff members and their families significantly. Moreover the loss of employment and family income affects human dignity. The process of how the transformation of any organisation is conducted has to take into account of how human dignity is eroded in the process. Within the spirit of Ubuntu, human dignity becomes a key consideration when embarking on the transformation process (Mbigi & Maree, 2005:2; Mkhize, 2009:67).

Whereas the private sector does not have volunteers, non-profit social welfare organisations are characterised by having a large contingency of volunteer staff members who contribute to the operationalisation of the organisation. Furthermore all the board members of non-profit social welfare organisations are volunteers as prescribed by the Non-Profit Act 77 of 1997. This in effect means that the governance structure of all social non-profit organisations is constituted of volunteers who avail their time, expertise and skills for the benefit of a cause. This of course excludes the chief operating officer (CEO) who acts in an ex officio-capacity.

Many board members sacrifice time away from their families for many years to offer the organisation assistance in pursuit of a benevolent cause. Although they are not remunerated financially, the time that they have spent at the organisation fulfils an intimate space in their lives. The transformation of boards should also value the incredible contribution that they have made and consider their replacement in a dignified manner. In this regard the spirit of Ubuntu is not a racial concept favouring black people; instead it is a human development concept which upholds human dignity as a key element no matter the colour of their skin.

2.4.5.3   Conformity

Within any organisation, conformity is achieved through the application of policies and standard operating procedures (Grobman, 2008; Judge, 2011). This holds for the transformation management plans of non-profit social welfare organisations as well. When non-profit social welfare organisations embark on transformation plans, policies need to be reviewed, adapted and adopted to ensure that conformity is achieved through policies. This is significant because without policy changes for example management can be accused of favouritism and the use of subjective views when applying staff retrenchment. In this regard, transformation plans should include the developing of policies on the retrenchment of staff members and volunteers prior to embarking on the transformation process. Conformity is achieved if the transformation process is done in a fair manner and staff members are assured that favouritism is not applied (Jaros, 2010; Judge, 2011).

2.4.5.4   Collective unity

Another key consideration highlighted as a key value of Ubuntu is the concept of collective unity. This refers to the process of dialogue and participation within the organisation resulting in consultation with the intention on reaching consensual agreements. This is significant as it provides the opportunity for volunteers and staff members to participate in decision-making using a co-operative approach as opposed to employing a confrontational approach where management decides on behalf of the staff. Finding joint solutions is thus essential within transformation management as it narrows the gap between the volunteers, staff members and the management. A key

result of an inclusive participative decision-making process is having collective unity (Mbigi & Maree, 2005:2; Mkhize, 2009:67).

2.4.5.5 Compassion

Whereas Western transformation management models apply scientific approaches to management practise focussing on profit-making yields, the benevolent nature of social welfare non-profits has a more compassionate view of transformation management (Letsebe, 1997; Landman, 2004; Mbigi & Maree, 2005:27). Within the spirit of Ubuntu having a compassionate perspective includes an empathic understanding of the implications of transformative changes on the person, the family and the community. Having a compassionate view for example will ensure that the transformation management plans seek alternative employment opportunities and prospects as part of the transformation management process. In the case of volunteers for example a process of consultation needs to be conducted in order for the person to feel valued. Furthermore it may also be deemed necessary for the person to impart skills, knowledge and experience to the new recruit through an orientation process. In this regard the person leaving may also fulfil a mentorship role ensuring that key competencies required in the vacant position is met over a longer period of time under the guidance of a mentor. Having a compassionate view on transformation management where people feel valued thus have the added benefit of skills transfer, a key element of the sustainability of any organisation.

From the above discussion it is evident that an integration of management models is useful for operationalisation management of non-profit social welfare organisations. The abovementioned management models provide the necessary rigor that is useful for application during the transformative phase and organisational development.

2.5 DYNAMICS OF TRANSFORMATIONAL MANAGEMENT

When transformational change occurs in an organisation, it affects the leadership and organisational culture. In addition, it increases new pressure on the people involved causing tension and stress within the organisation. Stress according to Schermerhorn

et al. (2005:371,372) can be understood as tension experienced by individuals facing extraordinary demands, constraints or opportunities in the work place or life. These dynamics experienced during the transformation of the organisation must be managed effectively to ensure that the transition phase of the organisation is conducted successfully (Grobman, 2008; Packard, 2013).

2.5.1   Organisational leadership

One of the most important dynamics that occur during the transformation of organisations is the aspect of leadership within the organisation. The leadership role during this phase is critical as it requires a deep insight as to the impact that the transformation will have on the staff as well as the organisation. To this end several authors concur that transformational leadership is required as to effect successful organisational change (Lewis, Packard & Lewis, 2012:248; Mowles, 2011:92; Nelson & Quick, 2005: 270; Robins & De Cenzo, 2008: 308; Yukl, 2010: 263).

Transformational leadership inspires and excites followers into high levels of performance. Very different from transactional leadership based on rewards and punishment, transformational leadership encompasses a higher degree of employee motivation and satisfaction which yields greater productivity (Battilana, Gilmartin, Sengul, Pache & Alexander, 2010).

When organisations experience transformational change, the leadership role should be complimentary. Transformational leadership will inspire and motivate staff to excel at what they are doing and view the organisational change in a positive light for both the positive development for the organisation as well as for themselves. For authors such as Edwards, Yankee and Altpeter (1998:37), transformational leadership requires innovation and competency to implement effective change. The leadership role during the transformation of the organisation is thus a critical dynamic within the transformation process and can contribute to the success or failure of the organisation.

Furthermore, Yukl (2010:133) describes transformative leadership as being participative, consultative, joint decision-making empowerment processes engaging a broad range of staff members. This is significant as the attitudes of staff members towards management may change from trust to suspicion if there is a lack of

knowledge as to why change is needed and how the change will affect their present and future circumstances.

Secondly, whether the organisation experiences radical or incremental changes, the way in which the change is led and communicated by the leaders is significant as forced coercive leadership may be regarded as being authoritative, fuelling resistance to the transformative organisational change process (Schermerhorn *et al.*, 2005:371,365). Conversely, transformative leadership according to these authors, signals a managerial intention to act in the interest of the staff.

Thirdly, Robins and De Cenzo (2008:303) advocate for transformational leadership during the transformation process recognising the important role that the leader may need to play in adapting to different situations. Through participatory processes, staff members are allowed to voice their concerns, issues and fears that they have regarding the transformation process. From the above discussion it is evident that transformational leadership is required to ensure that the staff members feel motivated and inspired during the transformation process.

2.5.2 Organisational conflict and stress

Another dynamic that is evident throughout the transformation of the organisation is an increase in conflict. Conflict and confusion amongst staff members occur during any transformation and restructure of the organisation as a result of fear of the unknown (Robins & De Cenzo, 2008:201). In this regard, Nelson and Quick (2005:136) propose that role and task clarification are successfully communicated in order to reduce stress and confusion.

Furthermore, authors such as Edward *et al.* (1998:258,259) concur with this view, asserting that decision-making processes should be inclusive so that staff feel empowered to have participated in the transformation and restructuring process. In this regard, board members can play a critical role in reducing conflict and stress in the organisation by ensuring that the transformation process is clearly communicated and the implications thereof have been determined in the best interest of the future

existence of the organisation and more importantly with due consideration given to the fate of all staff members in a fair and just way (Lakey *et al.*, 1995: 82).

For many employees change creates stress. Stress is a dynamic condition in which an individual is confronted with an opportunity, demand or constraint to what he or she desires and what the outcome to be both important and uncertain (Robins & De Cenzo, 2008:201). To mitigate the impact of stress arising from conflicting and confusing situations, clarification of roles and tasks are essential during the transformation process (Nelson & Quick, 2005:136). To make the process inclusive, feedback from the staff members and transformation plans should be reviewed to avoid organisational stress resulting from role confusion as depicted in Figure 2.3.

Figure 2.3: Organisational feedback process to reduce conflict and stress
(Adapted from Robins & De Cenzo, 2008:201)

2.5.3 Organisational culture

Mowles (2011:150) assert that managers should assess the culture in an organisation using a variety of tools and frameworks to shift the way the current organisational culture is, towards one that is more fitting to the anticipated transformative changes. Although the whole notion of culture is an amorphous concept meaning different things to different people, organisational culture is a key factor that needs to be considered to bring about organisational efficacy (Lewis *et al.*, 2012:251).

2.5.3.1 Western perspective on organisational culture

Organisational culture is ideologically defined differently from a modernistic Western perspective to that of a more traditionalist African perspective. Western organisational development practitioners present similar views of organisational cultures. Firstly, Lewis (2012:112) affirms organisational culture of non-profit social welfare organisations as being unique having its own flavour, way of doing things and habits. Louw (cited in Hellriegel, 2012:557) and Schermerhorn *et al.* (2005:436) confirm this view and add that organisation culture is a unique pattern of *shared* assumptions, values and norms that shapes the way in which people within an organisation behave.

Secondly, Worth (2013:123) reaffirms the views of the aforementioned authors with a caveat of organisational change being difficult to achieve when culture is so strong that management is not able to evince the staff members that change is absolutely necessary for the sustainability of the organisation. Thirdly, organisational culture permeates through the entire organisation and can also be described as a system of shared meaning within an organisational context that determines to a large degree how employees act and behave (Robbins & De Cenzo, 2008:150).

An understanding of the organisational culture experiencing the transformation process is essential as it may have an adversarial impact if norms, standards and values of the staff are eroded in the process. In addition, when change agents (external facilitators) are engaged to lead the transformation process, this is of particular significance as the organisation culture is greatly influenced by the behaviour, values and perceptions of individual staff members (Shermerhorn *et al.*, 2005:361). From the above discussion it is clear that organisational culture is a dynamic that needs due consideration during the management of the organisational transformation process and is evident throughout the structures and systems of the organisation. Furthermore, within these aforementioned organisational structures, organisational culture is determined by a macro-culture informed by society and the social welfare non-profit sector at large and then at a micro-level by shared experiences of staff members within the systems and structures of the organisation depicted as follows:
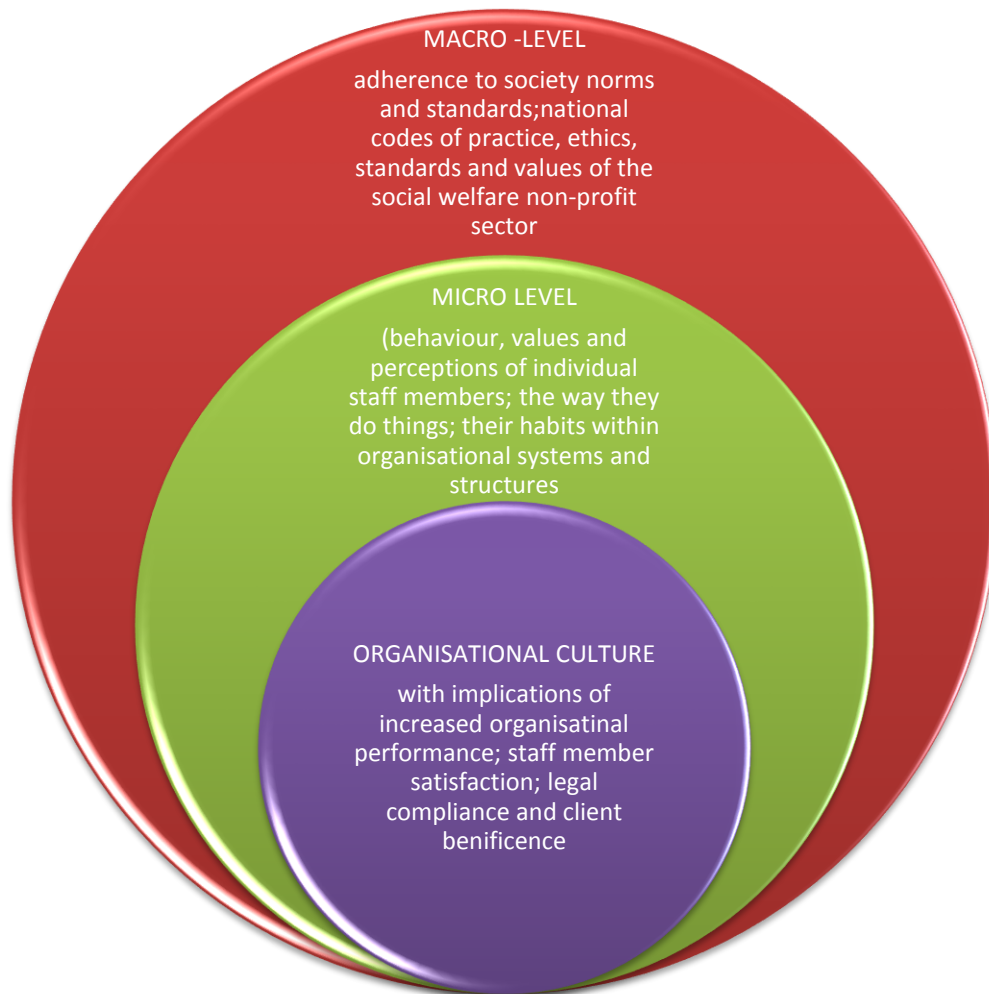
Figure 2.4: Levels of organisational culture

(Adapted from Hellriegel, 2008:515)

2.5.3.2   African perspective on organisational culture

From an African perspective, culture has a more traditional meaning based on religious and spiritual beliefs. For Mbigi and Maree (2005:104) transformation management of (African social welfare non-profit) organisations should take into account roles, relationships and responsibilities of people within their cultural context. Cultural perspectives according to the aforementioned authors, define who people are and determine the reality they live in. Moreover, to effect change a cultural context is necessary to influences the way people will behave, their attitude towards management, working in teams and to be more accepting of the anticipated changes that management proposes. Presenting a truncated view of cultural dynamics within an organisation could translate into people not feeling valued; their beliefs not being respected and their cultural realities not being considered. Mowles (2011:150)

cautions that the cultural context of shared and common experience should be acknowledged when managing the transformation process. Furthermore, organisation culture includes shared values, norms and standards, beliefs, vision and mission, narratives, language and symbols as depicted in Figure 2.5. below.

Figure 2.5: Key elements of organisational culture
(Adapted from Hellriegel, 2008:515 and
Mbigi & Maree, 2005:68)

2.6   CONCLUSION

Chapter 2 examined the concept of transformation management of non-profit social welfare organisations in South Africa. On the whole there is surprisingly very little written on transformation management of non-profit social welfare organisations by South African authors. From international authors however the subject of

transformation management is extensively covered, including aspects regarding the processes, models and dynamics of non-profit social welfare organisations.

From various proponents of transformational management, the first part of the discourse in Chapter 2 provided a conceptual clarification and distinction between *transformation* and the *transformation management* of non-profit social welfare organisations. Included is an elucidation of essential transformation processes that non-profit social welfare organisations must embark upon in order for efficacious transition to occur. Aspects dealing with the resistance and acceptance of change were covered providing a context for processes such as strategic planning and management; building a broad support within the organisation to pursue transformative change; empowering competent people to plan for change; explaining the implementation plan; preparing people for change; monitoring the progress of change; keeping people informed about the change and demonstrating optimism and continued commitment by the staff to support the transformative changes in the organisation.

These aforementioned processes are significant building blocks for managing the transformation of non-profit social welfare organisations and have to be led with the competency of transformational leadership. In this regard, the authors of organisational development provide compelling arguments in support of the significance of each part of the transformation processes to bring about effective change.

The second part of the narrative in Chapter 2 examined the application of various management models that effectively contribute to organisational change and development. An integrated framework was presented of models of systems, behaviour, social learning and motivation that non-profit social welfare organisations could use as best practices for transformative organisational change. The significance of applying management models is that they have been tried and tested and provide useful ways of adapting and curtailing strategies to meet the needs of individual non-profit social welfare organisations.

Furthermore, models are underpinned by a strong theoretical foundation for making useful management decisions during the transformation phase. The application of management models have an added advantage of ensuring that transformation management is conceptualised and contextualised within a theoretical framework of critical and scientific thinking. Consequently, the application of management models is also valuable for the successful transformation of non-profit social welfare organisations.

The last part of the discourse in Chapter 2 focused on the dynamics that non-profit social welfare organisations experience during the transformation phase. Dynamics such as leadership, organisational conflict, stress, culture and diversity were explored. A candid view of the aforementioned dynamics was next presented to provide a deep insight and understanding of the complexities and intricacies of the dynamics of what happens during the transformative stage. According to the perspectives of various proponents of transformation management, dealing with organisational dynamics effectively, contribute significantly to effective transformative change for the people as well as the organisation. Conversely, if untreated, the dynamics within non-profit social welfare organisations can contribute to the failure of the transformation which can subsequently lead to possible closure.

Whilst Chapter 2 examined the processes, models and dynamics of the transformation management of non-profit social welfare organisations, Chapter 3 continues with an exploration of the various laws, policies, protocols and systems affecting transformation management of the non-profit social welfare organisations in South Africa.

CHAPTER 3

TRANSFORMATION OF LAWS, POLICIES AND PROTOCOLS PERTINENT TO SOCIAL DEVELOPMENT

3.1   INTRODUCTION

Earlier authors of transformation management concur that external environmental changes (political, social, economic and technological) have a direct impact on the strategic management of non-profit social welfare organisations (Dominelli, 1997:72-74; La Marsh, 1995:179; Lovell, 1994:16; Want, 1995:63). Recent authors confirm this view, emphasising the impact that structures, systems and operational functions of non-profit social welfare are strategically transformed to accommodate external environments (Lewis *et al.,* 2012:177; Pretorius, 2014:80; Worth, 2012:175). Furthermore, Patel (2005:67) reaffirms this view, highlighting how the political change to democracy in South Africa impacted significantly on the transformation of the non-profit social welfare sector when oppressive social welfare laws, policies and protocols of the previous apartheid regime were repealed.

Moreover this meant that a more congruous approach of delivering social welfare upholding a constitutional democracy needed to be employed. In this regard, advocates of social welfare provided credible support for the implementation of a social development approach as it firstly aimed at underpinning democratic values such as social justice, human rights based, equitable social welfare services for all and equal access to social welfare services particularly geared towards those who have historically been economically excluded (Gray, 2008; Lombard, 2008; Midgley, 2005; Patel, 2014:4). More importantly though, employing a social development approach included much needed economic empowerment of historically disadvantaged individuals, families and communities for nation building and redressing the huge economic imbalances of the past (ANC, 1994). In addition, the social development approach proved more aligned to democracy than the previous approaches (residual and institutional), providing a succinct precedence for the transformation of the entire social welfare sector with a strong focus on empowerment,

development and economic sustainability (Gray, 1998; Lombard, 2008; Midgley, 2005).

However, the transformation of the laws peculiar to the social welfare sector was not only limited to the previous four provinces of South Africa. The challenge of building a unified South Africa included legislative frameworks of all the former "homelands" or (Transkei, Bophutatswana, Venda and Ciskei) known as the TBVC states with cumbersome bureaucratic structures and systems. Having a constitutional democracy of a new unified South African State incorporated the TBVC states and the previous four provinces which were then consequently replaced with nine provinces (Patel, 2005:88).

Subsequently, this meant that after 1994, the transformation of laws covered a unified South Africa, ending the disparities of governance of the various social welfare departments in the TBVC states and the "old" South Africa. Moreover, the inequalities and inadequacies of the systems and structures as well as the levels of norms and standards were grossly dissimilar. As a result, the dismantling of the inherited bureaucratic systems and structures of governance by the previous apartheid regime would cost the "new" government billions of dollars from foreign investors to support the building democracy in South Africa (Terreblanche, 2013).

Transformation from the *old* to the *new* democratic dispensation was thus an extremely expensive exercise needing huge financial international donors to support and invest in the transformation and reconstruction of South African civil society. Through rigorous negotiations led by the late President Nelson Mandela, the ANC embarked on an international campaign to attract international donor funding for the rebuilding and social transformation of a unified South Africa (ANC, 1994). The advocacy and lobbying included the establishment of a National Government of Unity to promote peaceful change through dialogue and debate (Patel, 2005:91, 98). This was a significant step as the world expected a blood bath in South Africa with the release of Mandela after 27 years of incarceration. In this regard, transformation to democracy in South Africa is still regarded by the international world as a sheer miracle.

A national Department of Social Development was then established mandated to render equitable social services throughout South Africa's nine provinces in which the TBVC states were incorporated. The Department of Social Development determined the transformation of policies impacting on non-profit social welfare organisations in the new South Africa, repealing all creeds and policies implemented by the previous regime as well as the TBVC states. These policies would impact significantly on all the non-profit social welfare organisations throughout South Africa, regardless of their previous demographic location (Department of Social Development, 2005).

In support of policies and programmes, the Department of Social Development has since embarked on various campaigns and conferences to transform the non-profit social welfare sector. Over subsequent years conferences were held to establish transformation protocols regarding codes of practice for non-profit organisations, best practices and compliance measures of non-profit organisations to build the capacity of non-profit social welfare organisations to become compliant and eligible recipients of government funding (Department of Social Development 2005,2009,2011).

Yet, disconcerting for many advocates of social development is the tardy and insignificant pace of transformation of the non-profit social welfare sector (Lombard, 2008a). This is despite a myriad of laws, policies and protocols that have been enacted to transform and develop the non-profit sector to operationalise the social and economic upliftment of historically marginalised individuals, families, vulnerable groups and communities throughout South Africa.

The aim of Chapter 3 is to examine the laws, policies and protocols that were enacted to determine the transformation of social welfare non-profit organisations within a social development paradigm. This is achieved by firstly providing clarity on the concept of a social development paradigm. This is significant because the context of a social development paradigm presents a key shift in the approach of social welfare service delivery and compliments the transformation of the laws, policies and protocols that have been promulgated to develop the non-profit social welfare sector.

The transformation of the laws is then discussed with particular reference to two significant pieces of social welfare legislations, the Non Profit Organisations Act 77 of

1997 and the White Paper on Social Welfare of 1997. Discussions on the transformation of policies ensue with particular reference to policies determined by the Department of Social Development needed to be complied with in order for non-profit welfare organisations to be eligible for government funding. This is followed by the transformation of protocols such as the Codes of Best Practices for non-profit organisations, developed by the Department of Social Development to improve the quality of organisational governance and management of social service delivery in South Africa. Chapter 3 concludes with a summary of the laws, policies and protocols enacted for the transformation of non-profit organisations within a social development paradigm.

3.2   SOCIAL DEVELOPMENT PARADIGM

The paradigm in which social services is currently being delivered in South Africa is that of employing a social development approach. Replacing the previous traditional and institutional approaches, the social development approach has more democratic merit in redressing huge social and economic injustices of the past in the country's quest for nation building and deepening democratic governance. Furthermore, it can be argued that the social development approach is aligned to a value-based approach focused on proposed actions or decisions of management on the value of the organisation over time, as suggested by Lambert and Terblanche (2014:30).

3.2.1   Approaches to social welfare service delivery

Traditionally, South Africa delivered social welfare services based on laws and policies established along racial lines which particularly favoured the white minority of South African citizens (Patel, 2005:67). These statutory welfare laws and policies supported two significant approaches to delivering social welfare services.

Firstly, the residual approach which was based on remediation of the deficiencies of human functions such as having food, housing and care. In addition, the residual approach also assumed that people lacked the capacity to self-actualise and improve their circumstances and would be eternally dependant on resources from the state.

Secondly, an institutional approach, which was later introduced, was based on addressing the malfunctioning of individuals, families and communities as a result of the inadequacies created by societal institutions such as the lack of employment, which stinted human social functioning (Zastrow, 2004:167). Both the aforementioned approaches to social welfare service delivery were remedial in nature with miniscule regard for the aspirations of human development, self-actualisation and empowerment. Instead it can be argued that these approaches encouraged dependency and reliance on government grants.

Because of discriminatory policies of the previous apartheid regime in South Africa, both these traditional approaches of delivering social welfare services mainly served the white minority of citizens, leaving the black majority of South African citizens impoverished with inequitable social welfare services provision. However, with the advent of democracy in South Africa in 1994, a new approach of delivering welfare services was thus needed to address the social injustices of the past specifically aimed at targeting the poorest of the poor.

One of the major challenges facing the new democratic government was to establish a social welfare system that was politically, socially and economically constitutional and accessible to the majority of South African citizens (Lombard, 2008; Patel, 2005). With social welfare service provision needing to be inclusive of a larger black majority client base however, a major challenge was the creation of a unified South African social welfare system that was economically sustainable. In opposite to the traditional approach to delivering social services, the social development approach thus had to include an economic imperative in delivering sustainable social welfare services whilst simultaneously addressing the social needs of a much larger group of individuals, groups, families and communities throughout the country (Midgley, 2005). A comparison of the various approaches of delivering social welfare services to depict the premise, levels of state dependency and their implications is presented in Table 3.1, as follows:

	Residual Approach	Institutional Approach	Social development Approach
State welfare dependency level	• Life-long dependency on welfare grants from the state and aid or donor support from charitable organisations and welfare institutions.	• Life-long dependency in the form of differentiated state grants for foster care, old age pensions, chid support grant.	• Greater focus on achieving economic independence and less reliance of state grants. • Equal access to welfare grants with broad scale social development programmes focusing on increased levels of employment for people with disability, people living with HIV and AIDS. • Capacity building skills development programmes directly linked to accessing job opportunities. • More employment means less people needing to receive unemployment benefits. • More employment translates into taxable income for the state coffers. Less dependency on state welfare as economic growth and development occur in marginalised communities.
Implication	Welfare cost born entirely by the state	• Increased levels of welfare costs to the state with high risk. levels of unsustainability • As levels of unemployment increases, so too does the levels of support required from the state. • Increased levels of HIV /AIDS means higher levels of unemployment, child-headed households, and higher costs of HIV/AIDS treatment. • Fewer taxable workers, less money in the state's fiscus.	• As skills develop and more state agencies focus on social development programmes communities will flourish and unemployment levels will subside. If poverty subsides so too does crime, violence and gangsterism. • Key to employing a social development approach is human rights, democratic values, gender inclusivity, social justice and economic development. • Development in communities that do not integrate these social development concepts cannot claim to be implementing a social development approach to delivering social welfare service. • Handing out food parcel as a single strategy for community development for example cannot be considered as social development.

Table 3.1: Comparative approaches of social service delivery

(Adapted from Patel, 2005:67)

From Table 3.1 it can be deduced that employing a social development approach is more economically sustainable and thus beneficial to the state as it encourages people

to become economically self-reliant. This implies that the state establishes national welfare policies and programmes in underdeveloped communities to build skills and competencies whilst being employed. An example of such a programme is the Extended Public Works Programme (EPWP), a national government programme that creates work for people in underdeveloped communities, particularly targeting young people (http//www.Expanded Public Works Programme). Another example is the Jobs Fund, a national job-creation programme supporting the learnerships and internships of young people in the world of work (http//www.Jobs Fund). The aforementioned examples of national job creation programmes are obtained at a national level, alleviating some of the burden of unemployment and indeed welfare reliance.

Conversely however, governments that support the increase in dependency on welfare grants run the risk of their social welfare programme becoming unsustainable as depicted in Figure 3.1.

Towards government welfare unsustainability   Towards government welfare sustainability

RESIDUAL AND INSTITUTIONAL APPROACHES TO DELIVERING SOCIAL WELFARE SERVICES

based on remediation of welfare services annual incremental increases of grant dependants and subsidies received from the Statewhich increases dependency on welfare grants

SOCIAL DEVELOPMENT APPROACH TO DELEVERING SOCIAL WELFARE SERVICES

incorporates a strong socio-economic development focus empowering individuals,families and communities to becoming economiaclly active,self-reliant and less dependant on state grants.

Figure 3.1: Representation of sustainability achieved by employing various social welfare approaches

(Adapted from Patel, 2005:67)

3.2.2   A definition of social development

The notion of social development per se is not a new concept. In fact it has been strongly advocated for since the early 1990s by Midgley (1995:25) who defined, social development, as "*a planned process of social change in a productive economy is the most effective way to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development*" which was then further articulated and supported by prominent scholars in the field of social development (Gray, 1998; Green, 2008; Lombard, 2008a; Patel, 2005; Patel & Hochfeld, 2008; Potgieter, 2008).

3.2.3   International context of social development

The concept of social development is not limited to a South African context. The social development movement gained international support at a United Nations Conference on Social Development held in Copenhagen, 6-12 March 1995. Attended by many nations, including South Africa, the international social welfare community committed to adopting a social development approach as cited in clause 25 of the World Summit on Social Development, postulated as follows:

"We, heads of States and Governments are committed to a political, economical, ethical and spiritual vision for social development that is based on human dignity, human rights, equality, respect, peace, democracy, mutual responsibility and co-operation, and the full respect of religious and ethical values and cultural background of all people. Accordingly, we will give the highest priority in national, regional and international policies and action to the promotion of social progress, justice and the betterment of the human condition, based on full participation of all", (World Summit on Social Development, 1995).

It was more or less at the same time that South Africa was embarking on transformation of social welfare and quite understandable that the democratic principles of the Copenhagen Charter on social development were appealing and synonymous with the new principles and vision reflected by the Constitution of South Africa Act 108 of 1996. It was not surprising that the White Paper on Social Welfare

(1997) had similar tenets of the Copenhagen Charter. The correlation between the Copenhagen charter and the new constitutional democracy in South Africa was a succinct fit and a more profound way of implementing social welfare service delivery in the country.

For example, The Universal Declaration of Human Rights in which participating countries declare their commitment to promote social progress and better the life in a "larger freedom" as well as the economic, social and cultural rights of all peoples. Another example is the United Nations Millennium Goals in which participating countries committed to eradicating extreme poverty and hunger; improved maternal health; combated HIV/AIDS, malaria and tuberculosis; ensured environmental sustainability; developed global partnerships for development; achieved universal primary education; reduced child mortality and promoted gender equality and empowerment amongst women by 2015. These international declarations and goals are key development objectives that influence the laws, policies and programmes pertaining to social welfare in South Africa.

3.2.4 Paradigm shift towards social development

Moreover, the ideological underpinning of the White Paper on Social Welfare (1997) was succinct with the democratic values of the new democratic government. As previously mentioned, the social development approach was supported nationally by prominent South Africa scholars that have further articulated a *paradigm shift* towards employing a social development approach to delivering social welfare services including proponents such as Gray (1998, 2008), Potgieter (2008), Lombard (2008a) and Hochfeld (2008); Patel (2014:2-9). A social development approach to employing social welfare services in South Africa hence received both international and national support.

Furthermore, Green (2008) captures the development approach described in the White Paper for Social Welfare (1997:4) as "...an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and social functioning of people...." From the extract it is quite evident that the social development approach that Midgley and the

aforementioned authors allude to is synonymous with the description of social development as referred to in the White Paper (1997).

3.2.5 Pluralistic nature of social development service delivery

South Africa currently employs a pluralist model of delivering social welfare services engaging both the state and non-profit social welfare organisations as service providers (Patel, Schmid & Hochfeld, 2012). Essentially, this means that both partners (the government and the social welfare non-profit sector) are co-dependent on each other for the quality, effectiveness and efficiency of social welfare service delivery throughout the country. Having a symbiotic relationship between the social welfare sector and government can be both meaningful and damaging. Meaningful in that the shared delivery of social welfare services means a greater pool of resources and expertise which can improve the capacity of delivering on the social welfare services substantially. Yet the mutuality can be damaging in that collective responsibility and accountability needs to be assumed when social welfare services are ineffective, inefficient and substandard. Seeking a solution of a rapid and effective transformation of the social welfare sector in South Africa would therefore be mutualistically beneficial to both the government and non-profit social welfare sector and in fact up scale the quality of social service delivery throughout the country. It is therefore in the interest of government to ensure that the social welfare sector is adequately resourced and sustained.

3.2.6 Challenges of employing social development

Yet, despite the adoption of a social development approach in delivering social welfare services in South Africa more than two decades ago, the social welfare non-profit sector is arguably on the brink of collapse. The challenges experienced by the social welfare non-profit sector are causing a great concern to the government; social welfare organisations and the social welfare non-profit sector at large (Lombard, 2008a). According to newspaper reports the entire non-profit sector is facing a dire funding crisis, becoming unsustainable and considered to be grossly neglected (Barnes, 2011; Prins, 2012).

What exacerbates the problem even further is that on 31 January 2013, of the 85 039 non-profit organisations that were registered, 23 034 were deregistered by the Non-Profit Organisations Directorate due to non-compliance as previously stated (Department of Social Development, 2013; De V.Smit, 2014:109). Although the Department of Social Development has subsequently set up a task team to deal with the issue of compliance of non-profit sector, the need for transformation of the governance and management of social welfare organisations in South Africa has never been more compelling, leaving the entire welfare sector, which constitutes the large majority of the non-profit sector, at risk.

3.2.7 Scope of non-profit social welfare sector in South Africa

Essentially, in terms of Section 24 of the NPO Act, the Department of Social Development has been mandated to keep a register of all non-profit organisations. In June 2012, the national database of the Directorate of Non-Profit Organisations, a subsidiary of the National Department of Social Development revealed that 85 039 NPOs were registered in South Africa (De V. Smit, 2014:109; Department of Social Development, 2012a). The different welfare sectors are represented in Table 3.2 as follows:

Table 3.2: Sectoral division of non-profit organisations in South Africa

Sector	Registered NPOs
Business and Professional Associations, Unions	518
Culture and recreation	4 504
Development and Housing	16 817
Education and research	6 241
Environment	1 036
Health	9 145
International	63
Law, advocacy and politics	1 765
Philanthropic Intermediaries and Voluntarism promotion	964
Religion	9 856
Social services	**34 130**
Total	85 039

(Department of Social Development, 2012)

From the above table it is evident that the non-profit social welfare organisations represent significantly the largest amount of the non-profit sector accounting for more than 40% of the total number of registered non-profit organisations in South Africa. This means that the non-profit social welfare sector in fact is the largest non-profit sector in South Africa.

Given the pluristic nature of social welfare service delivery in South Africa, where non-profit social welfare organisations deliver most of the social services to impoverished communities, the sustainability of the sector is critical for government to deliver on its social mandate. Concerted efforts on effective transition and transformation of these organisations should remain a high priority as it directly impacts on the delivery of much needed social services for the poorest of the poor. Therefore, regardless of the impact of external environmental factors, the need to sustain the social welfare sector, as previously stated, should be adequately funded and supported in order to mitigate the impact that external environmental changes may have on the sustainability of non-profit social welfare organisations.

3.2.8 Environmental factors

Proponents of transformation management support the notion that environmental factors have an immense impact on the entire landscape of non-profit organisations (Dominelli, 1997:72-74; La Marsh 1995:179; Lovell, 1994:16; Want, 1995:63). In this regard, environmental factors influenced and have contributed immensely to the change and transformation of the entire non-profit social welfare sector and indeed the transformation of structures and systems of non-profit social welfare organisations.

Of particular regard is the effect that changes of the external environment such as political, economic, social and economic factors have on the non-profit social welfare sector. These aforementioned environmental changes are not a singular dynamic but have a broad and multi-layered impact on the governance, management and operational functions of non-profit social welfare organisations as well as their current social welfare delivery footprint throughout South Africa. Figure 3.2 represents a cross-pollination of environmental factors impacting on non-profit social welfare organisations in South Africa, depicted as follows:

Political factors

International sanctions and boycotts

Increasing riots and political unrest

Incarceration of Mandela

Banning of political parties

Change in political dispensation: Inception of a democratic government in South Africa in 1994

Environmental factors impacting on non-profit social welfare organisations in South Africa

Social factors

Mass poverty and disillusionment

Increaseding levels of unemployment

Widening gap between rich and poor

Fear and concern about future

Briain drain

HIV and AIDS prevelance

Low morale of citizens

Technological factors

Advanced social networking

Improved cellular communication

Website designs and

Internet access and

Economic factors

Decline of the world economy

Differentiated global funding particularly for HIV and AIDS

Exodus of businesses

Exhorbitant costs of inflated bureaucracy

Huge national fiscus debt

Figure 3.2: Environmental factors impacting on non-profit social welfare organisations

(Adapted from Lovell, 1994:16; Want, 1995: 63; La Marsh 1995:179; Dominelli, 1997:72)

3.2.8.1   Political factors

Perhaps the most significant external environmental change impacting on non-profit social welfare sector in South Africa has been the political change to democracy in South Africa. McKendrick (1987:21) argues how separate development with unequal and inequitable social services were provided for different race groups in South Africa during the apartheid era. To this end, social welfare services that were offered to the white minority were more resourced and developed.

Conversely, the social services offered to the black disenfranchised majority were intentionally discrepant, deficient and under-resourced. A myriad of laws were enacted to entrench the political ideology of separate development in favour of a white minority including the Populations Registration Act of 1950; the Department of Social Welfare and Pensions Circular 66 of 1966 and the National Welfare Act No. 100 of 1978. These laws ensured that the different race groups were defined in legislature; that welfare services were delivered to the different race groups based along racial lines and that the race groups would be segregated and developed separately and that the integration of races were strictly prohibited an in fact illegal, all enforced by more oppressive laws of course. Examples of these legislations include the Group Areas Act and the Mixed Marriages Act which further entrenched the political ideology of separate development in South Africa.

After more than forty years of a political ideology based on separate development of race groups, democracy was adopted in 1994 paving the way for a political transformation of a unified South Africa. One of the legacies of the apartheid system was inheriting a large scale public service (including a social welfare system) that was fragmented and inequitable favouring the white minority of South African citizens. This meant that the public service of the white minority was well-developed in terms of resources, expertise and human experience whilst the government departments particularly in the previous homeland states Transkei, Bophutatswana, Venda and Ciskei (TBVC) were grossly underdeveloped and comparatively deficient and far less resourced, with a lack of expertise, skills and knowledge. Consequently this resulted in the gap in poverty and skill levels between blacks and whites in South Africa, deemed as one of the largest in the world today (Terreblanche, 2012). As previously stated, the inherited apartheid system of separated development at huge bureaucratic costs to the government, proved to be one of the most challenging issues of transformation of South African civil society back then and arguably still to this very day (United Nations Research Institute for Social Development, 2010; World Bank, 2011)**.**

In order for the social welfare challenges to be addressed effectively, a paradigm shift was needed for a political re-orientation of a unified social welfare system and structure (Patel, 2005:85). This paradigm shift needed to be underpinned by

democratic values, promoted social justice, favoured equitable access to welfare services and had an economic and social development to community building. In this regard, the Draft White Paper for Social Welfare: Towards a New Social Welfare Policy and Strategy for South Africa (1995) and later the Draft White Paper for Social Welfare: Principles, guidelines, recommendations, proposed policies and programmes for developmental social welfare (1997) were enacted and then adopted by Parliament as a means of employing a social development approach to social service provision within a democratic framework.

Employing a social development approach to social service delivery in South Africa would not only spearhead the commencement of the transformation of social welfare services in the country, but also leveraged the transformation of the entire non-profit sector and indeed the non-profit social welfare organisations continuing delivering social services on behalf of the South African government. This consequently meant that a much larger client base needed to be reached which would indeed have huge economic implications. In addition, the non-profit sector also needed to be transformed to be more representative of the communities of a diversified South Africa but more importantly afford previously disenfranchised communities the opportunity to register non-profit organisations at grassroots level, previously rejected by the old regime (Patel, 2014:2-9).

In order to restructure the non-profit sector, the Non-profit Organisations Act 77 of 1997 was promulgated as part of the new government's intention to honour the valuable contributions that the non-profit sector made in support of democracy (De V. Smit, 2014:108). This however meant that transformation of the non-profit sector had new compliances, criteria and protocols for registration to encourage previously excluded and emerging grassroots organisations to register and become eligible for government funding. In addition, new strategies for funding non-profit organisations were formulated by the National Department of Social Development to ensure that social service delivery was based on democratic principles, but more importantly addressed the needs of the poorest communities. In addition, boards and management structures had to be transformed in terms of new statutory requirements. Of course, this strategy would see traditional non-profit social welfare organisations transforming their boards in order to remain eligible recipients of government funding.

Previous discriminatory laws were repealed including inter alia The National Welfare Act 100 of 1978; Fundraising Act 107 of 1997, Child Care Act 1983 and the Community Act 104 of 1987. These aforementioned Acts based along racial lines were some of the statutory laws that were addressed by the transformation committee established by the Government of National Unity, the legislative precursor that paved the way for establishing democracy in South Africa.

The GNU adopted employing a social development approach to delivering social welfare services on 19 February 1995 which had far-reaching economic implications particularly around the states intervention in redressing and redistributing wealth and income. Politically, the country is still governed by the ANC, but after two decades of democracy, there seems to be a huge debate about the efficacy of transformation and whether the government has delivered on its idealistic objectives of indeed addressing the needs of the poor and more particularly whether the government has fulfilled its social mandate of achieving the dreams of the late honourable Nelson Mandela who envisaged and fought for true democracy underpinned by democratic values (Terreblanche, 2012).

3.2.8.2   *Economic factors*

Moreover, perhaps the greatest concern for the GNU at the time of their inception was the cost of the dismantling of the large inherited bureaucracy resulting from the previous apartheid government (Patel, 2005). Social welfare departments, for example existed in all the TBVC states and within the four provinces as well as a national social welfare department. With separate budgets, policies and structures, the transformation and unification into a single national department though imminent, proved to be extremely economically challenging. Besides of the exorbitant inherited cost of restructuring and repurposing the national non-profit social welfare sector, provincial branches had to be replicated in each of the nine provinces, instead of the previous four provincial provinces. In addition the value of the social grant afforded the white minority had to be equalised so that the previously disenfranchised black majority could get equal access to similar social grants. These radical socio-economic improvements formed part of the ANC's Reconstruction and Development Programme

(RDP) enacted to bring about social transformation of South African civil society (ANC, 1994).

Yet, South Africa's economy and the global economy were seeing a steady decline. Transformation, reconstruction and development of a unified democratic state would have huge economic implications. Moreover, perhaps the greatest concern for the GNU was the cost of the dismantling of the large inherited bureaucracy resulting from the previous apartheid government. Social welfare departments, for example existed in all the TBVC states and within the four provinces as well as a national social welfare department. With separate policies and structures, the transformation and unification into single national department though imminent, proved to be extremely economically challenging. Besides the exorbitant inherited cost of restructure of the national non-profit social welfare sector, provincial branches had to be replicated in each of the nine provinces, instead of the previous four provincial provinces. In addition the value of the social grant afforded to the white minority had to be equalised so that the previously disenfranchised black majority could get equal access to similar social grants.

In order to address the highly visible income poverty and economic inequalities amongst South Africans, the ANC government developed an economic policy based on redress, reconstruction and development of historically disadvantaged communities. The Reconstruction and Development Programme (RDP) resulted which promised "a better life for all", and where all people should enjoy "a decent living standard and economic security" (ANC, 1994).

It can be similarly argued that economic factors impacted on the status quo of non-profit organisations. Firstly, the new legislative framework and economic policies such as the RDP afforded non-profit organisations the opportunity to refocus their activities on nation building, peace building and community empowerment. In this regard more non-profit organisations emerged specific to the quest of nation building. Because of the massive injection of international donor funding for the Reconstruction and Development Programme, many non-profit organisations re-orientated their organisations to include socio-economic community upliftment programmes as a means of attracting RDP funding from the new government. This meant that previously unemployed people found a way to be included in economic participation by

establishing non-profit organisations. As a result there was an unprecedented increase in the number of new registrations of non-profit organisations during the first years of democratic governance in South Africa.

Secondly, economic factors such as the decline of the world economy also had a significant impact on funding available for non-profit organisations throughout the world. The key priorities of donor funding shifted to fund other international key priorities. It just so happened that South Africa had also become one of the hardest hit countries in the world by the HIV and AIDS. Consequently more non-profit welfare organisations emerged to address the scourge of HIV and AIDS in the country. This meant that non-profit organisations emerged whilst others augmented their focus to include HIV/AIDS programmes. Millions of dollars were received from international donors such as The Global Fund, USAID and World Health Organisations for implementing HIV and AIDS programmes. Non-profit Organisations received large financial injections for programmatic activities in this regard. HIV and AIDS created another opportunity for non-profit organisations to deliver programmes to impoverished communities which provided some measure of financial sustainability for themselves.

In recent years however, the government has withdrawn funding to non-profit organisations and developed their own internal capacity to deliver social development programmes. The Extended Public Works Programme (EPWP) is such an example where the government has allocated millions of rands to local and provincial government departments to run mass scale youth employment programmes whilst simultaneously addressing infrastructural needs. Instead of building the capacity and financial sustainability of the non-profit sector to deliver social programmes, the government is seemingly reneging on its promise to build and transform the non-profit sector. Clearly, this strategy reveals a wilful intention to cause a further malaise in the non-profit social welfare sector. Another example is revealed in the Jobs Fund Programme where substantial financial support is provided to municipalities and provincial government departments to run job creation programmes. Despite these programmes being delivered over the past decade insignificant results in addressing unemployment has been achieved. Yet the government persists in continueing funding such programmes at the peril of very capable non-profit organisations in the country

that have accumulated years of skills, knowledge and experience to deliver measurable and sustainable programmes. This is clearly another demonstration of the lack of political will and support to see growth and financial sustainability of the non-profit social welfare sector.

3.2.8.3 Social factors

Another environmental factor that has impacted on the transformation of non-profit social welfare organisations is that of social trends. For the black majority of South African citizens, experiencing the oppressive laws of the apartheid regime, being disenfranchised meant being excluded from social and economic participation in the country in which they were born. Non-profit organisations undoubtedly played a critical role in addressing social injustices particularly of the disenfranchised sector of South African civil society. These organisations were mostly unregistered underground organisations supporting black consciousness and anti-apartheid movements both internationally and locally. The anti-apartheid movement became a cause supported by many non-profit organisations. In most cases student movements, advocacy groups, street committees and political organisations attracted a large contingency of volunteers in deference to the apartheid regime.

So much so that South Africa became a focal point of a nation that practised a political ideology embedded in separate development of its people based on racial lines. The international community rallied around social activism against the apartheid government through boycotts. For example, South Africa was not allowed to participate in international sports and cultural events during the apartheid era. To enforce their political ideology, the previous regime engaged compulsory military services for white males to defend their borders. This gave rise to conscientious objectors amongst the white population who were incarcerated for their divergent political beliefs. In addition, a mostly white male dominated police force, world renowned for their brutality, was tasked of stemming the tide of violence, riots and political upheaval. For all South African citizens, including the white minority grouping, social factors such as the fear and uncertainty of what the future held became a prominent issue.

Another major societal impact on South African civil society was the impact of HIV and AIDS. South Africa became the hardest hit by the HIV and AIDS epidemic in the world. At great cost to the government and after major controversies with the government's commitment to support treatment of HIV and AIDS, the South African National Aids Council reports that the HIV and AIDS infections are now decelerating. Evidently, South Africa has one of the world's largest HIV and AIDS treatment programmes and mother-to-child transmissions have subsequently been drastically reduced (SANAC, 2013).

From the above discussion it becomes evident that environmental factors contribute immensely to the status quo of non-profit social welfare organisations. Political factors such as the advent of a new political dispensation in South Africa since 1994; economic factors such as the declining global economy and the social factors such as the impact of HIV and AIDS in South Africa have had a major impact on the social welfare sectoral landscape in the country and more importantly the way in which non-profit social welfare organisations have evolved to be much more responsive to the needs of an ever-changing social reality in South Africa. It is within this context that transformation of a new social development paradigm exists, supported by the transformation of laws, policies and protocols to augment the envisaged changes needed in a new democratic South Africa.

3.3   TRANSFORMATION OF LAWS, POLICIES AND PROTOCOLS PERTAINING TO SOCIAL DEVELOPMENT

Laws, policies and protocols are promulgated to provide a statutory framework for the promotion and implementation of a distinctive political ideology. Since 1948 when the National Party came into power, apartheid was instituted as a political ideology to promote separate development of South African citizens based on racial discrimination. Moreover, the apartheid government promulgated a wide range of explicit legislation enforcing separate development, categorising people into four racial categories namely White, Coloured, Indian and Black.

3.3.1 Social welfare laws enacted to entrench apartheid in South Africa

From a social welfare perspective, people had different access to social welfare services. Although white people were in the minority, they enjoyed more privileged social welfare services than the other racial groupings. The apartheid laws, policies and protocols ensured that white people in South Africa would develop and secure economic resources (buy up land and own the means of production) leaving the majority citizens bereft of economic participation and the accumulation of wealth in the country. So much so that the gap between rich and poor in the South Africa, as previously stated, is still one the largest in the world (Terreblanche, 2012). Some of the significant apartheid laws enacted affecting social welfare was the Populations Registration Act of 1950; the Pensions Circular 66 of 1966 and the National Welfare Act No. 100 of 1978.

3.3.1.1   Populations Registration Act No. 71 of 1950

One of the most significant apartheid laws which classified, promoted separate development and entrenched apartheid ideology is arguably the Populations Registration Act 1950 (Patel, 2005). This Act defined racial differentiation of South African people as White, Coloured, Indian and Black people. Whereas white citizens were regarded as legitimate South African citizens with voting rights, the other racial groups were disenfranchised and though similarly taxed as their fairer counter parts would not be permitted the freedom of the country nor the privileges bestowed upon white people. To this end, social welfare services were differentiated and monthly pensions in 1987 for example differed from White citizens receiving R 218; Coloureds and Indians receiving R 167 and the Black majority who indeed needed the social welfare services received R 117 (Patel, 2005).

Moreover, the apartheid government created a mammoth bureaucratic structure to legitimate the political ideology of separate development. To this end, for example, eighteen social welfare service departments were established (including in the homelands) to deliver social welfare services. Similarly, departments of education, home affairs, and health were created at huge costs to the administration of the government. This massive form of bureaucracy had major economic implications, plummeting the apartheid government into huge debt. As a result, it can be argued that the apartheid government was not only responsible for the underdevelopment of the majority of black South African citizens, but also for the country inheriting a

mammoth unsustainable public bureaucracy. This oppressive legislation embedded the racial differentiation of the National Party's agenda of separate development entrenching the division between all South African citizens intentionally favouring the economic advancement of the white minority in the country.

3.3.1.2   Department of Social Welfare and Pensions Circular 66 of 1966

Similarly, more laws were passed to develop separate development of races in South Africa. The Department of Social Welfare and Pensions Circular 66 of 1966 is another such example. This circular mandated social welfare organisations to implement apartheid policies in the welfare field enforcing the use of separate amenities for different race groups. Furthermore, according to this Act, social workers could only render services to their own race groups and separate boards of management had to govern various race groups. The implementation of racial legislation blatantly demonstrated the apartheid policy of separate development ensuring the intentional preference for development of white citizens. Consequently, it can be argued that this legislation contributes to the immense gap that yet exists between the rich and the poor in South Africa today.

3.3.1.3   National Welfare Act No. 100 of 1978

The enactment of the National Welfare Act 100 of 1978 determined the establishment of regional welfare boards based along racial lines. A multi-racial national welfare board was also established to advise the government on welfare concerns. Bearing in mind that social workers were limited to rendering services to their own race groups and that beneficiaries of welfare organisations received differentiated subsidies based along racial lines, resulting in the welfare system and structures in South Africa consequently developing separately.

As a result of more resources being allocated to "white" social welfare service organisations, orphanages, children's homes and social welfare government departments flourished, leaving their black counterparts with structures and systems that were underwhelming, underfunded, lacking resources and much needed services. Furthermore this Act also provided a means for the government to control and regulate

international donor funding of which organisations obtained support for their organisations and services. Nonetheless, many liberal non-profit organisations (then known as non-government organisations) gained international support for working with the plight of historically disadvantaged communities.

3.3.1.4   Welfare Laws Amendment Act No. 106 of 1996

The Welfare Laws Amendment Act 104 of 1996 is a unique piece of legislation as it covers amendments to several acts and decrees. This Act was promulgated to amend the Social Work Act of 1978; Probation Services Act 116 of 1991 and the Prevention and Treatment of Drug Dependency Act 20 of 1992 as well as acts and decrees passed in the previous "homelands" including Act 106 of 1986 KwaZulu Social and Associated Workers Act; National Welfare Act 18 of 1987 in Ciskei; Fundraising Decree 47 of 1990 in Ciskei; Probation Service Act 8 of 1992 in KwaZulu and the Fundraising Decree 1 of 1993 in KwaZulu.

The Welfare Laws Amendment Act of 1978 was amended to become the Social Work Act 52 of 1995, more representative of all social workers throughout South Africa regardless of race, demographics and gender. Previously, social workers had belonged to separate national bodies based on racial lines. In addition, the salaries of white social workers were far higher than that of black, coloured and Indian social workers despite their levels of qualification or years of experience.

The South African Council for Social Service Professions (SACSSP) emerged as the national regulatory body whereby all social workers and social auxiliary workers need to register and pay annual subscriptions. Social workers who do not pay annual subscriptions are deregistered. This is significant as the public and potential employees can contact the SACSSP to ascertain whether a social worker is registered and determine the employment history of social workers before employing them. The SACSSP also promote quality social welfare services through their training department and perform a lobby and advocacy function on behalf of social work and social auxiliary workers throughout South Africa (SACSSP, 2014).

3.3.2 Establishment of a Government of National Unity (GNU)

Even before the inception of democracy in South Africa in 1994, a Government of National Unity (GNU) was formed by a broad range of the political spectrum in South

Africa. Transformation committees were established consisting of members of political parties, academics, economists, members of trade unions as well as national civil society organisations. Two major achievements that the government of national unity excelled in was firstly carving out a future political dispensation through peaceful negotiation and dialogue, paving the way for the country's first democratic elections and secondly to pass the Constitution of the Republic of South Africa, Act 200 in 2003, the precursor for the Constitution of South Africa, Act No. 108 of 1996. At the same time Nelson Mandela led negotiations with the international community to fund the reconstruction and development of a new South African democratic state.

3.3.3   Constitution of the Republic of South Africa Act No. 108 of 1996

The Constitution of the Republic of South Africa Act No. 108 of 1996 (hereafter referred to as the Constitution**),** based primarily on the Constitution of the Republic of South Africa Act 200 of 1993, is duly informed by many international and national conferences, protocols and laws to engineer a just and peaceful society committed in building a unified and democratic South African civil society based on human rights**.** In this regard, Patel (2005:92) cites that the Constitution was informed by the Universal Declaration of Human Rights (1948); The European Convention on Human Rights (1950); The United Nations Education, Scientific and Cultural Organisation (UNESCO) Convention against discrimination in Education (1960); United Nations Covenant on Economic, Social and Cultural Rights (1966); The Convention on the elimination on all forms of racial discrimination against women (1979) The African Charter on Human and Peoples Rights (1981); The Convention on the Rights of the Child (1989) and the United Nations world-wide declaration on Education for All (1990).

3.3.4   Bill of Rights

Enshrined within the constitution is a Bill of Rights which recognises and guarantees the rights of each South African citizen and more importantly the right to dignity and inherent worth of humanity. The Bill of Rights contained within the Constitution deal

with various aspects of welfare rights. For example, Section 27(1) which provides the right to access appropriate social assistance to those unable to support themselves and their dependants. The Bill of Rights has huge implications for the South African legal system as it guarantees the social rights of every citizen. Constitutionally this means that the government can be taken to the Constitutional Court if these rights are not upheld. For the non-profit social welfare sector, particularly organisations dealing with social grants it means increased volumes of social grant applications and consequently employment of more staff.

3.3.5 Transformation of laws specific to the social welfare sector

The following laws have been repealed and promulgated to bring about transformation specific to the social welfare sector.

3.3.5.1 *Social welfare laws governed by the Department of Social Development*

The following Acts are amongst others directly administered by the Department of Social Development (DSD Annual Performance Plan 2013/4). Through legislation, previous laws have been repealed and amended to become more aligned to constitutional democracy. This is significant as new legislation would dismantle apartheid systems and structures in favour of anticipated democratic change. A synopsis of the following laws is presented as follows:

1978	Fundraising Act
1978	Social Service Professions Act
1992	Prevention and Treatment of Drug Dependency
1997	Non-Profit Organisations Act
1998	National Development Agency Act
1997	White Paper on Social Development
1998	Domestic Violence Act
2004	Social Assistance Act
2005	Children's Act

2006	Old Person's Act

- **Fundraising Act No. 107 of 1978**

Fundraising has become synonymous with social welfare organisations that have to attract international and local donor support for benevolent causes (Worth, 2012). The need to supplement financial resources is critical for the non-profit social sector because of the global decline in the economy and the limited funds available from government to resource the rapid growth of registered non-profit social welfare organisations. Fundraising still remains a critical competency that the non-profit social welfare sector needs in order to remain financially sustainable.

In this regard, the Fund-Raising Act, 1978 was enacted to provide the financial support for non-profit organisations (previously known as non-government organisations). However, prior to repealing most of the Act, replaced by the Non-Profit Act 71 of 1997, this act was regarded as one of the ways in which the previous regime could have control over international funds earmarked for political parties and the anti-apartheid movement.

Repealing the Fundraising Act No 107 of 1978 now means that non-profit social welfare organisations are able to secure international donor funding without reprisal from government. However, the Non-Profit Act still requires of non-profit organisations to submit audited financial and narrative reports on an annual basis.

- **Social Service Professions Act No 110 of 1978**

This Act formally known as the Social Work Act, provides for the establishment of the South African Council for Social Work and defines its powers and functions. The Act was amended in 1995 to provide for the establishment of the South African Interim Council for Social Work and for the rationalisation of certain laws relating to social workers that remained in force in the various areas of the country. It was also amended in 1996 in order to make the South African Interim Council for Social Work representative of South African society as a whole. The 1998 amendment, established the South African Council for Social Services Professions as well as professional board for social services professions (SACSSP, 2004).

Although the Social Services Professions Act has been amended, there is a huge gap in terms of addressing the salary divide between social work professionals employed in government versus those employed in the non-profit social welfare sector (Loffel, cited in Du Toit, 2006a). The salaries and benefits paid to social workers in the non-profit sector are far less than those employed in government agencies. Subsidies to non-profit social welfare organisation currently only cover 75-77% of the salaries of social work professionals. Categories for social work managers holding directors and deputy directors' positions are not funded accordingly. Instead these positions are funded as social work managers with an expectation that the non-profit organisation will top up their salaries and benefits from alternative sources of funding (Lombard, 2008a). Similarly, social auxiliary workers, although clearly defined and their roles clarified in terms of the Act are not given a clear grading system in terms of salaries and benefits.

These inconsistencies account for part of the crisis in the social welfare non-profit sector. This is despite social workers being identified as a scarce skill (Department of Social Development, 2004a). The transformation of the non-profit social welfare sector has to include addressing the discrepancy between salaries and benefits paid to social work professionals employed by government agencies and those employed by non-profit social welfare organisations through legislation.

- **Prevention and Treatment of Drug Dependency Act of 1992**

Drug dependency, particularly amongst young people has seen astronomic increases over the past decade. Prevention and Treatment of drug addiction has been legislated in order to mitigate the impact of drug and substance abuse on South African civil society.

In this regard, the Prevention and Treatment of Drug Dependency Act of 1992 was enacted to establish programmes and treatment; provide for the establishment and registration of treatment centres and hostels and the committal of certain persons to detention, treatment and training in such centres. The Act was amended in 1996 to extend its application to the whole country and again in 1999 to establish a Central Drug Authority. This Act was then reviewed and a new act, The Prevention and

Treatment for Substance Abuse Act, 2008 was passed by Parliament and assented to by the President. The Act was operationalised in the 2013/2014 financial year.

- **White Paper on Social Development of 1997**

Most proponents of social development regard the adoption of the White Paper on Social Welfare of 1997, as the most prolific commitment of the South African government to employing a social development approach to delivering social welfare services throughout the South Africa such as Engelbrecht (2014); Gray (1998); Green (2008); Lombard (2008a); Midgley (2005); Patel (2005); Patel and Hochfeld (2008) and Potgieter (2008). This is primarily because previous approaches (residual and institutional) were remedial in nature, whereas the social development approach to delivering social welfare services as embodied in the White Paper were more aligned to the democratic values of the Constitution of the Republic of South Africa. To this end, Rankin and Engelbrecht (2014:13) suggest that development social work reflected in the White Paper on Social Welfare should pursue the goals of social development welfare.

The White Paper (1997) deals with key issues regarding the restructuring of social welfare services in South Africa. Chapter 1 provides a context for social welfare services in South Africa. Chapters 2 of the White Paper on social welfare describes the vision of the national social development strategy as "a welfare system which facilitates the development of human capacity and self-reliance with a caring an enabling socio-economic environment". The document addresses substantive issues regarding national strategy; institutional arrangements; human resources development; legislation and financing/budgeting in chapters 2-6. In chapter 7 and 8 the focus is on the actual restructuring of social service delivery system including the social security and welfare system.

- **Non-Profit Organisations Act 71 of 1997**

The Non-Profit Organisations Act 71 of 1997 (hereafter referred to as the NPO Act) was promulgated to establish an environment whereby non-profit organisations could flourish whilst simultaneously establishing a statutory framework whereby all

traditional and emerging non-profit organisations in South Africa could be administered and conduct their affairs through a registration facility. The NPO Act was aimed at encouraging non-profit organisations to maintain high standards, of governance, transparency and accountability and create an environment whereby the public could have access to information of registered non-profit organisations. (Department of Social Development, 2012a).

In terms of Section 1 of the NPO Act, a non-profit organisation is defined as "a trust, company or other association of persons established for a public purpose and of which its income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered". Non-profit organisations include non-governmental organisations (NGOs), community based organisations (CBOs) and faith based organisations (FBOs). Many NGOs, CBOs and FBOs have been established as non-profit social welfare organisations, duly registered and established in terms of the Act. A Non-Profit Directorate was established under the National Department of Social Development as an administrative and regulatory body to keep a register of all registered NPOs as well as those that have been deregistered.

In order to be registered in terms of the NPO Act, traditional and emerging non-profit social welfare organisations have to submit a constitution (founding documents) as well as a completed prescribed application form that includes inter alia the name; purpose and objectives of the organisation; contact details of the organisation; contact details of office bearers and details of the accounting officer in terms of sections 12 and 13 of the Act.

To maintain its registration however, the registered NPO must submit within nine months of the financial year end an annual and financial report including any changes made to the contact details of the organisation or its office bearers in terms of section 18 and 19 of the NPO Act. In terms of Section 21 NPOs which do not comply with reporting can be issued with a notice of deregistration which grants the non-profit organisations 30 days (in terms of Section 20) to respond. The Non-Profit Act 71 of 1997 is the primer legislation for non-profit social welfare organisations whereby the South African public and potential donors can contact the NPO Directorate to establish the legitimacy of any non-profit organisation in South Africa. This is significant as many

non-profit organisations have been deregistered or exist in name only and operate fraudulently to garnish support and funding from donors.

With many international funders that previously supported non-governmental organisations during the apartheid era redirecting their funding for other causes the new government was faced with an immense challenge of formulating laws that would fund the non-profit sector. In this regard three significant laws were enacted, namely the National Lottery Act of 1997; the Tax amendment Act 2000 and the National Development Agency Act (Department of Social Development, 2005).

- **National Lottery Act of 1997**

The Department of Trade and Industry is the custodians of the National Lottery Act of 1997. This Act makes provision for a country wide lottery whereby 50% of the profits is distributed to charities and benevolent causes throughout South Africa. One of the criteria to receive Lotto funding is that the organisation should be registered as a non-profit organisation. Charitable non-profit organisations of which social welfare organisations form a significant component were granted funding through their national and provincial affiliation based on a range of criteria including whether the organisations were addressing poverty in historically disenfranchised communities; demonstrated transformation in their structures and had a track record (financial and narrative) of delivering social welfare services. This was disastrous for emerging non-profit social welfare organisations that struggled to attract any financial resources because of not having audited financial reports, a financial track record of project implementation and inadequate resources for operational costs.

This meant that traditional non-profit social welfare organisations were once more advantaged as they had the skills, competencies and resources to attract Lotto funding through obtaining compliance (financial and annual reports) much more so than their emerging counterparts. This arguably increased the economic divide between the traditional and emerging non-profit social welfare organisations immensely. Instead of providing cede funding for emerging organisations or developing a differentiated grading system for funding, the Department of Social Development embarked on a capacity building process to up scale the levels of skills and competencies of emerging organisations with marginal success.

Court cases of charities and non-profit organisations that have not received funding tranches stipulated in grant agreements from the National Lottery Distribution Fund (NLDF) have escalated. Although the NLDF have been set up particularly to provide funding for non-profit organisations, over the past few years the funds were used for other causes, including vast monies being spent on political party events by the ruling party, despite a national outcry. Instead of addressing the needs of the "poorest of the poor" huge pools of funding were being redirected for political events that the country could ill afford. This caused a great calamity and distrust amongst civil society organisations as to the intended role that government purports to play in the transformation and development of impoverished communities.

- **Taxation Laws amendment Act of 2000**

After many years of lobbying and advocacy, the Tax Laws amendment Act of 2000 was enacted for creating a fiscal environment by which the non-profit sector could benefit through taxation. Non-profit Organisations unfortunately have not cottoned on to the benefits of this law which has been promulgated to provide tax relief to the entire non-profit sector (Umhlaba Development Services 2003 report in Department of Social Development, 2005). Given that this situation prevails, should the government not make non-profit organisations aware of these tax benefits to "...create an enabling climate in which the non-profit sector can flourish..." as alluded to in the Non-Profit Act 71 of 1997? Moreover, can it then not be argued that the government may be held accountable for the lack of transformation and the underdevelopment of the non-profit social welfare sector in the country? Furthermore it is undoubtedly the responsibility of government to ensure that it delivers on its constitutional and mandated obligations. The political will of the government to develop the non-profit social welfare sector thus becomes questionable.

- **National Development Agency Act No. 108 of 1998**

Another structure that was established to fund non-profit organisations in the field of development and poverty eradication was promulgated by the National Development Agency Act of 1998. Despite huge sums of grants received from the government, the National Development Agency however has had huge problems in leadership,

management and capacity building problems within the Agency. The process of distributing funding, much like the NLDTF, has been slow and often contentious (Department of Social Development, 2005). What exacerbates the problem of non-distribution or lack of distribution of funding to non-profit organisations is that these structures enacted by laws are not taken to task for their own non-delivery. Instead, the non-profit social welfare organisations continue to suffer as a result of ineffective structures that have been established by government despite huge public outcry about the lack of transformation and development of the non-profit social welfare sector.

- **Domestic Violence Act, 1998**

This Act was promulgated to recognise and support the victims of domestic violence with the maximum protection that the law can provide and introduces measures aimed at ensuring that the relevant organs of state give full effect to its provisions thereby the state's commitment to eliminating domestic violence. The Department is currently developing an integrated manual for court practitioners, police officers and social workers.

- **Social Assistance Act, 2004**

This Act provides a legislative framework for providing social grants, but excludes provisions made to non-profit organisations. It makes provision for The South African Social Security Agency (SASSA) to manage and administer payment of social grants to approved beneficiaries across the country.

- **Children's Act, 2005**

This Act which was operationalised by a Presidents Proclamation on 1 April 2010, gives effect to the rights of children contained in the Constitution of South Africa. It centres round the principles relating to the care and protection of children and defines parental responsibilities and rights. It deals with early childhood development, prevention and early intervention, children in alternative care, foster care, child and youth care centres and drop-in centres, the adoption of children and inter-country adoption. It also gives effect to The Hague Convention on International Child Abduction, provides for surrogate motherhood and creates new offence to children.

- **Older Persons Act, 2006**

This act, which was operationalised by a Presidential Proclamation on 1 April 2010, establishes a framework for empowering and protecting older persons, and promoting and maintaining their status, rights, well-being, safety and security. It provides for older persons to enjoy good-quality services while staying with their families in their communities for as long as possible. Chapter 3 of the Act deals specifically with the development of community-based care and support programmes. These fall into two broad categories, namely prevention and promotion programmes, aimed at ensuring that older persons live independent lives within their communities; and home-based care, aimed at ensuring that frail older persons receive maximum care within their communities through a comprehensive range of integrated services. The Act recognised the wisdom and experience of older people and the need to protect their knowledge and skills. It also promotes the active participation of older people in community affairs.

3.3.5.2   Laws affecting social welfare governed by other Departments

Whilst the majority of social welfare laws are determined and administered by the Department of Social Development, there are laws that have a significant impact on the way in which non-profit social welfare are governed, managed and operationalised legislated by other government departments. The following three laws are examples of such laws:

- **Broad-Based Black Economic Empowerment Amendment Act 2013 (Act 53 of 2003)**

The purpose of the BBBEE Act is to "redress the inequalities of the past in every sphere, political, social and economic...." This act is seen as a legislative framework to the transformation of South Africa's economy (Department of Trade and Industry, 2013). The main objective of this legislation is to advance the economic transformation and participation of black people in the South African economy. To this end, the

Minister of Trade and Industry through a Transformation Charter, established a Bargaining Advisory Council in 2008 as prescribed in Section 6.1(c) and (d) of the Act.

In terms of the Act all companies (including non-profit social welfare organisations need to obtain BBBEE certification in order to be contracted as service providers for government. The certificate verifies that black people are represented adequately on management and governance structures in non-profit social welfare organisations and that the service delivery are specifically targeting the advancement of black impoverished communities. However, with the fraudulent issuing of BBBEE certificates, the South African National Accreditation Systems (SANAS) and the Department of Trade and Industry (DTI) have put a process in place to phase out the certification. This is a clear indication of another government system that has been ineffective and counterproductive at the cost of millions of rands to the tax payer. Still in place however, is the fact that companies and non-profit social welfare organisations who are BBBEE compliant are able to secure large government contracts as preferred bidders. This is another way of government supporting the private sector to attract government funding for social development projects instead of supporting non-profit social welfare organisations.

- **The Consumer Protection Act 68 of 2008**

Another Act administered by the Department of Trade and Industry is the Consumer Protection Act 68 of 2008 which is promulgated to offer consumers protection of rights and services. Clients and beneficiaries of services (including social welfare services) are considered as consumers and have intrinsic rights according to the act. This in effect means that the clients or beneficiaries of services provided by government agencies can be considered to be consumers which are protected by the following rights including consumer right 8 which deals with the right to fair value, good quality and safety. This in effect means that the quality of the service offered to clients (consumers) must be of fair value and good quality. When considering that the government actually pays non-profit social welfare organisations to render social welfare services who in turn offer services for consumption, then the clients (consumers) are protected in terms of receiving fair and quality standard of service.

This is another way of ensuring the enhancement of delivering quality social services to clients. There is a paradigm shift that needs to be inculcated in the way non-profit

organisations need to run their agencies in a businesslike manner. Though not bent on realising profits, sustainable business ventures operate on efficiency, cost effectiveness and market related services. Non-profit organisations have to start thinking seriously about their clients as consumers with rights and render quality services. In this regard, the government itself is not blameless as many government social workers have case loads which do not receive proper attention and where their clients (consumers) would legitimate reasons to challenge the government on the protection of consumer rights in court.

- **The Labour Relations Amendment Act 2014 (Act 66 of 1995)**

On the 18 August 2014, Section 1 of the Labour Act 66 of 1995 was amended in terms of protection of rights of workers. Non-profit social welfare organisations, usually has a significant amount of support from a cohort of volunteers, staff are employed in terms of the Labour Act 66 of 1995. This means that all staff members need to be contracted in terms of the stipulations of the Act. The basic Conditions of Employment needs to be rigorously adhered to and staff policies and human resource development need to occur in terms of the Act.

More importantly, during the transformation management process, the Labour Act becomes a significant piece of legislation as organisational transformation may consider the retrenchment or dismissal of staff as a viable option. The restructuring of staff may warrant major changes in the organisation which may be ideal but not practical in terms of the Labour Act. For example, the organisation may consider replacing its white male staff members to become more representative, compliant and eligible for government funding.

In terms of the Labour Act however social workers and social work managers may be permanently employed and need to be disengaged in terms of the Act. The organisation per se may also not have sufficient resources to embark on retrenchment packages. The criterion 5 as previously discussed becomes more pronounced and blatantly evident that government should take responsibility for financing the transformation of the non-profit sector in its true sense. On the one hand the state advocates for the transformation and on the other hand it is not able or willing to financially support its own agenda. It is thus clear, that non-profit social welfare

organisations are not able to financially support the transformation agenda of government. Unless the necessary financial support is given to non-profit social welfare organisations, labour disputes will continue to exist. Furthermore there seems to be an incongruence and discord between the laws, policies and protocols regarding transformation of the social welfare sector.

3.3.5.3   *Transformation of policies specific to the social welfare sector*

In addition to the discordant laws that have changed to accelerate the transformation of the social welfare sector, there have been policies established by the Department of Social Development to promote the governance, management and eligibility of funding of non-profit social welfare organisations.

- **Financial awards to service providers (non-profit social welfare non-profit organisations)**

Perhaps the most significant policy affecting the non-profit organisations is the policy on financial awards to service providers. The Policy on Financial Awards (PFA) was approved in October 2004 and was consequently served as a guide to the way in which the Department of Social Development financed the delivery of social services in partnership with the Non-profit sector (Department of Social Development, 2011).

After conducting National Baseline Costing model workshops throughout South Africa, the policy was reviewed and the following gaps were identified:

- There was a lack of uniformity in the implementation of the policy throughout the provinces;
- The national and provincial roles and responsibilities in relation to NPO financing were not clearly defined;
- The policy was not aligned to the various newly approved departmental pieces of legislation;
- Inadequate financing of statutory services;
- Different procurement approaches are used for financing of NPOs within the social services sector continues to promote inequitable distribution of resources;

- Lack of NPOs disclosing sources of finances;
- Delays in the transfer of funds to NPOs;
- Lack of capacity within the NPO sector regarding alignment of departmental strategies;
- Multiple dipping of Non-Profit Organisations across government departments for the same funding and the
- Non-compliance of non-profit social welfare organisations.

In order to address these challenges, a National Workshop on the Transformation of the Non-Profit Social welfare sector in August 2013 was held, recognising and strengthening the role of the partnership between government and the NPO sector in delivering social welfare services.

At the conference the roles and responsibilities of the strategic partners (the government and the NPO sector was clarified).

The role of the Department of Social Development:
- Provision of leadership and guidance in the implementation of the policy;
- Provision of strategic direction for social service delivery;
- Ensuring the development and implementation of an integrated inter-sectoral policies and programmes at both national and provincial levels;
- Developing quality assurance systems for the social welfare sector.

The role of non-profit social welfare organisations:
- Compliance with the NPO Act and any other relevant policies and legislation;
- Provide services in accordance with prescribed services and norms and standards for social service delivery
- Ensure that their organisations provide transformed, efficient and equitable social services.

In terms of the transformation of the social welfare sector many Non-Profit Organisations are of the opinion that government has not clarified its role in transformation of the sector. Traditional Non-Profit social welfare organisations feel

that they are unfairly blamed for deficits instead of being given credit for provision of most of the available social service delivery and hold government accountable for obstructing the process of transformation of the social welfare sector citing the following reasons (http:/www.forum.org.za/The-need-for-an-over-arching-legislative framework):

- The government should be responsible and be held accountable for ensuring that a comprehensive system of social welfare services is in place to meet the needs of the people.

- That such a comprehensive welfare system is adequately funded and sustainable.

- The NPO sector should receive clear guidance, strategic direction and support from the Department of Social Development who has to demonstrate the necessary leadership.

- Emerging CBOs should be supported and "established" non-profit organisations should be adequately financed.

- The allocation of such funding should be regarded as a key criterion for transformation.

When considering that social development as defined in the White Paper on Social Welfare (1997) includes economic development of historically disadvantaged communities in which much of the "emerging" non-profit CBOs are located, then it is quite understandable that the financing award policy should be adequately resourced. Moreover, given the historical track record of the invaluable work that established non-profit social welfare organisations have been doing on behalf of government, it is equally understandable that an enabling financial awards policy should be determined that in fact supports growth, development and sustainability of their combined service delivery, instead of the "negative transformation" that is currently pervading the social welfare sector. Negative transformation is indeed evident in the sector where non-profit organisations are closing down due to non-compliance; not being able to be sustainable as well as not being recognised for the valuable work being over many years of delivering this government's mandate of social welfare services.

It is thus critical that much still needs to be done to accelerate the transformation of the social welfare sector in South Africa that Lombard (2008) alludes to. Perhaps we should carefully consider the allocation of adequate funding as a key criterion for transformation. Only then can the NPO Act 71 of 1997's vision of a "flourishing non-profit sector" be realised.

3.4   CONCLUSION

From the above discussion it is evident that the transformation of laws, policies and protocols were enacted to augment social transformation of a democratic and unified South African civil society. In this regard a broad spectrum of South Africans including members of political parties, economist, trade unionists, community leaders and religious leaders negotiated a peaceful transition to democracy through negotiated dialogue. Transformation committees and a Government of National Unity were established to promulgate the appropriate transformation of laws for the inauguration of a democratic state. In this regard, repealing oppressive apartheid laws of the past occurred in South Africa as well as the former "homelands" or TBVC (Transkei, Bophutatswana, Ciskei, and Venda) to build a unified South Africa with nine provinces.

A national Department of Social Development was established which adopted and employed a social development approach to delivering social welfare services throughout a unified South Africa. In addition, laws such as the Non-Profit Act 71 of 1997 and the White Paper on Social Welfare were significant pieces of legislation enacted to transform the social welfare sector in a new South Africa. Consequently, all non-profit organisations (traditional and emerging) had to re-register in terms of the NPO Act. Attaining compliance for registration became problematic for many non-profit social welfare organisations. In 2012, more than 40% of non-profit social welfare organisations were deregistered. The looming crises in the transformation of the social welfare sector became a compelling government issue. Many conferences on transformation of the social welfare followed with marginal efficacious results.

Similarly, has the transformation of policies, particularly national economic policies such as Reconstruction and Development Programme and GEAR (Growth, Employment and Redistribution (GEAR) regarding reconstruction and development of

South African civil society not attained much poverty alleviation and the immense gap between rich and poor still exists. A National Plan, 2030 has been developed which maps out a pathway for the transformation of a unified democratic society yet cautions that without policy implementation marginal transformation will occur.

In support of the laws and policies, the transformation of protocols, such as the Codes of Best Practice for Non-profit organisations, occurred. This was developed to build the capacity of the non-profit social welfare organisations to upscale their levels of compliance in order to become eligible recipients of government grants. However, despite the myriad of laws, protocols and policies that have been enacted, the pace of transformation in social welfare sector is yet criticised to be tardy, underdeveloped and under resourced.

The slow pace of transformation of the non-profit social welfare sector has had an adversarial impact on development of the entire social welfare sector. Moreover it is evident that there is lack of political will to bring about the efficacious transformation of the non-profit social welfare sector. In this regard, there seem to be a malaise in the way government is dealing with the ailing transformation of the social welfare sector; a lack of leadership and a lack of advocacy and lobbying for appropriate resourcing and equitable salaries for social workers and social work managers in the non-profit social welfare sector. Within the context of the underdevelopment of the transformation of the social welfare sector, the governance, management and operational functions of non-profit organisations are yet expected to be transformed.

CHAPTER 4

TRANSFORMATION OF GOVERNANCE, MANAGEMENT AND OPERATIONAL FUNCTIONS OF NON-PROFIT SOCIAL WELFARE ORGANISATIONS

4.1 INTRODUCTION

Whereas the previous chapter examined the transformation of laws, policies and protocols enacted to accelerate democratic changes within South African civil society, the focus of this chapter is on how these statutory changes impact on the transformation of governance, management and operational functions of social welfare non-profit organisations. With the chairperson heading the board and the social work manager managing the operations of the non-profit social welfare organisation, the leadership of these intertwining two roles become critical during the transformation process (Avolio & Bass, cited in Hickman, 1998:133-135). To this end, Nel (2014:80) posits that transformational leadership of the board differs from management in that board members need to initiate and inspire staff members wheras the management need to manage the *desired* change. To this end however, Reyneke (2014:66, 67) cautions against power in their leadership endeavours that can be regarded as coercive and railroad the efficacy of the entire transformation process.

Furthermore, proponents of organisational transformation affirm that the transformation management of structures and systems of non-profit social welfare organisations are complex and intricate (Hickman, 1998:283). In addition, authors such as Pretorius (2014:80) confirm that management tasks include having a clear vision of "where the organisation intends to go and how to get there". Moreover, Worth (2012:79) reaffirms this view, adding the significance of multifaceted leadership that needs to be demonstrated by board members, social work managers and staff members in ensuring that effective governance and management during the transformation process transpire. The transformation of boards and management is thus undoubtedly a key priority within any organisational transformation framework.

According to Worth (2012:79), the transformation of governance of non-profit social welfare organisations is the primary responsibility of the board under the auspices of the chairperson, whilst the transformation of management is the key responsibility of the social work manager. These two roles require transformation leadership that need to be coherent and act succinctly in order to create a unified and transformed reality for the organisation. In this regard, transformation leaders create a new organisation in place of the old, whereas transactional leaders are merely caretakers of the status quo. This means that the chairperson and social work manager must be able to inspire, motivate and encourage their staff members collectively during the transformation process. So much so that both express the common need for staff to value their workload and contingency plans made during the transformation management process, as recommended by Pretorius (2014:73).

The transformation of governance structures of non-profit social welfare organisations is determined by the Non-Profit Act 71 of 1997. Similarly, has the transformed statutory framework influenced the transformation of management structures of non-profit social welfare organisations. Legislation regarding the representivity and composition of boards and management are promulgated in terms of the NPO Act to ensure that management structures were representative in terms of gender, race and demographics. Funding policies developed by the Department of Social Development further ensure that the transformation of operational functions of non-profit social welfare organisations are specifically targeting the historically disadvantaged communities and services identified as the National Department of Social Development's key priorities (Department of Social Development, 2009).

This means that the transformation of governance, management and operational functions of non-profit organisations is indeed critical for two specific reasons. First, is that all non-profit organisations have to become compliant and reregistration in terms of the Non-Profit Organisations Act 71 of 1997 or face the risk of being deregistered and subsequently possible closure. Second, and more importantly is the fact that non-profit social welfare organisations (traditional and emerging) that had not transformed would not be eligible to access any government funding. The transformation of the governance, management and operational functions thus become critical to the

survival of individual non-profit social welfare organisations and indeed the sustainability of the entire social welfare sector in South Africa.

4.2 TRANSFORMATION OF GOVERNANCE OF NON-PROFIT SOCIAL WELFARE ORGANISATIONS

During the 1980s, non-profit organisations in South Africa as well as abroad played a significant role in challenging the social injustices of the apartheid government, addressing the needs of vulnerable disenfranchised communities. In recognition, the South African government promulgated the Non-Profit Organisations Act 71 of 1977 with the intention of creating an enabling environment in which non-profit organisations could flourish (Department of Social Development, 2005). In addition, a Non-Profit Directorate within the Department of Social Development was established as a regulative authority by which all non-profit organisations in South Africa would be registered (Patel, 2005:67). For traditional non-profit social welfare organisations this meant that they had to reregister in order to attain compliance in terms of new legislative requirements.

Prior to the advent of democracy however, the boards of non-profit organisations were mainly governed by white South African citizens who availed their time, expertise and knowledge in pursuit of a benevolent cause on a voluntary basis. However, transformative legislation enacted post 1994, called for boards to be more representative, diverse and inclusive of all races, gender and people with disability (Department of Social Development, 2005). This meant that traditional non-profit social welfare organisations had to transform and restructure their boards to attain compliance in terms of the NPO Act. Deregistration had far-reaching consequences for traditional social welfare organisations. With the decrease in international donor funding for example even traditional non-profit organisations are becoming more than ever reliant on accessing government funding.

In order for boards to become compliant however, Codes of Good Practice (CGP) for non-profit organisations were developed to ensure that all non-profit organisations apply effective governance of their boards (Department of Social Development, 2009; South African Institute for Advancement, 2013; Hendricks & Wyngaard, cited in King

Commission III, 2010). This meant that the transformation agenda of governance has become compelling for all non-profit organisations in South Africa, both for traditional as well as emerging non-profit social welfare organisations. In this regard, various aspects of governance of non-profit organisation are depicted in Figure 4.1.
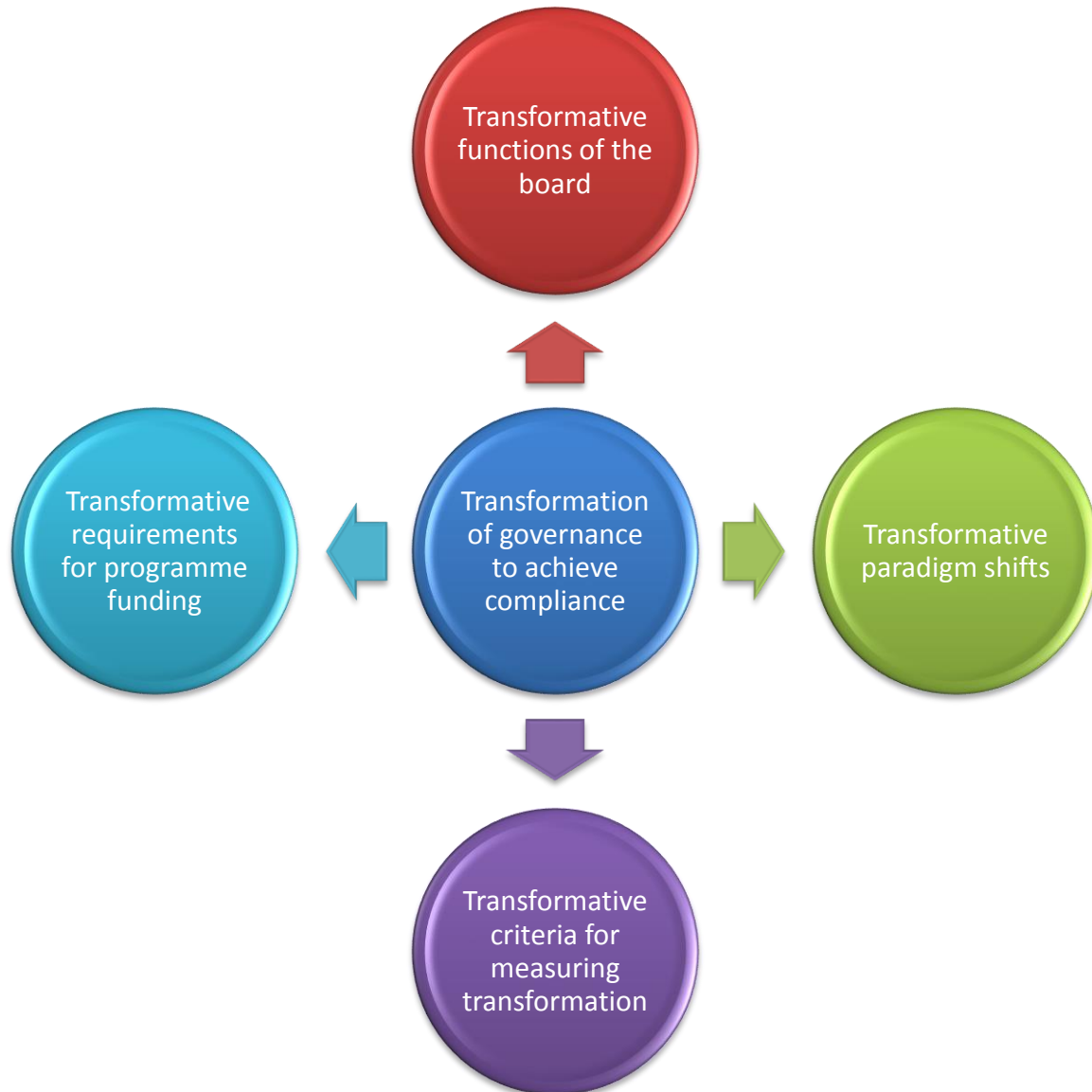
Figure 4.1: Transformation governance agenda of non-profit social welfare organisations

(Adapted from Department of Social Development, 2009)

Figure 4.1 depicts the Department of Social Development's transformation governance agenda of non-profit social welfare organisations. The transformation agenda includes applying transformative statutory changes in order to attain compliance and subsequently be eligible for funding. This is the board's responsibility

and is significant as the board is ultimately responsible for the fiduciary responsibilities of the organisation. To this end, Rankin and Engelbrecht (2014:20, 21) assert that the board must be able to *manage* the change.

4.2.1   Transformative functions of the board

Furthermore, Rankin and Engelbrecht (2014:18-24) amplify the critical role of good governance of social welfare organisations and how essential the aspect of effective governance of boards are to the sustainability of social welfare organisations. To this end, Worth (2012:79) posits that the board of governance of non-profit social welfare organisations is the custodians of the organisation's resources and its mission. Within the context of social development, transforming an effective board is therefore essential for the organisation to fulfil its constitutional obligations. In this regard, the Department of Social Development's (2010) study entitled "*The governance practises of National non-profit bodies and national networking organisations*" makes the following recommendations for the effective transformation in governance of non-profit organisations' boards:

- Reviewing the organisation's vision and mission;
- Selecting and recruiting the executive director;
- Supporting and reviewing the executive director's performance;
- Ensuring effective transformation in organisational planning;
- Managing resources effectively;
- Monitoring the goals of the organisations programmes and services;
- Enhancing the organisations' public image and
- Serving as a court of appeal and assessing its own performance.

4.2.1.1   Reviewing the vision and mission

Whereas the vision of an organisation deals with an aspirant view of the organisation, a mission statement reflects the purpose and reason why the organisation exists and is the starting point of its planning (Hellriegel*,*2012:7;

Packard, 2013; Theron, 2008:76; Worth, 2012:172). One of the primary responsibilities within the transformation process is creating a new vision more aligned to the changes in ecological environments (political, social, economic trends). In this regard, transformational leadership is required to build a new vision for an organisation (Yukl, 2010:91). Through a strategic planning process, the vision and mission statements are reassessed and articulated by the board (Presskill & Torres, 1999:77-96; Thompson, 1998:209-211). Strategic planning guides the board in making informed decisions regarding the organisation's transformation and encourages acceptance from staff members of the organisation's anticipated transformation. In this regard, Nel (2014:52,53) encourages that the maximum participation of all staff members during this process.

4.2.1.2   Selecting an executive director

Another key task that resides with the board is the recruitment, selection and appointment of the director or chief executive officer (CEO) as stated by Worth (2012:85). Within the context of transformation of the board, a new director may be appointed as part of the strategy of the board to attract more government funding or as part of the transformation plans required by the Department of Social Development to be representative and eligible for government funding (Department of Social Development, 2011).

Transformation in this regard may then mean that a black female director is most preferably recruited to head the organisation in terms of the Broad Based Black Economic Empowerment Act and the Equal Opportunity Employment Act. This may pose a challenge for the organisation as the current director may be locked in a long term employment contract. Retrenchment may then be at great cost to the organisation and may even mean the loss of a great leader at the peril of the organisation. Notwithstanding that the recruitment and selection of a new director should be compliant with the appropriate legal framework as depicted by De Jager (2014:99). One of the major gaps of the transformation envisaged by these laws is that government funding does not make provision for retrenchment packages nor the recruitment and selection of new staff members which results from transformation processes. This undoubtedly is yet another major financial challenge

for non-profit social welfare organisation in their quest to accelerate transformation within their organisations.

4.2.1.3   Supporting and reviewing of the executive director's performance

After the appointment of the director, the incumbent serves on the board as an ex-officio member and discusses ideas, challenges and strategies related to operations and management of the organisation (Walker, Armenakis & Berneth, 2007; Worth, 2012:85). In this regard the board supports the director in decision-making. Moreover the board strategizes around the tasks expected of the director and has the responsibility of assessing and appraising performance. Within the context of transformation, the board may need to provide additional support to the director. This is primarily because the board and director need to be succinct in all aspects and decisions regarding the transformation plans. A division or split in the way the plans are articulated to the staff may be hazardous, and cause a rift between the board and the staff.

Instead of affording the employment of directors, non-profit social welfare organisations employ social work managers to head up their organisations. This is because the current funding policy of the Department of Social Development does not allow for directors or deputy director's salary categories. Social work managers are then appointed as directors. In well-funded organisations, the director's salary is partially funded by the subsidy provided by the Department of Social Development (as a social work manager) which is then supplemented with additional funding secured by the organisation through fundraising initiatives. Needless to say that with the funding crises, the reality is that non-profit organisations are finding it difficult to match the salaries of directors and social work managers of government employees let alone ensure that salary increases and benefits are budgeted for.

4.2.1.4   Ensuring effective organisational planning

One of the first steps to be conducted during the transformation process is for the board to conduct a strategic planning process. Strategic planning, forms part of strategic organisational management and is considered as a critical component of

the transformation process of non-profit social welfare organisations (Clegg, Korinberg & Pitsis, 2011:174; Worth, 2012:171). Patel (2005:269) confirms this view adding that strategic planning skills are important during organisational transformation, design and change when steering organisations into new directions. Lewis *et al.* (2012:417) reaffirms this view and emphasise the importance of conducting strategic planning when external environments change and affects the existence of the organisation. According to the aforementioned authors, the following steps should be included during the strategic planning to ensure effective organisational change.

1	•Preparation for planning the transformation process
2	•Assessing what is required by the organisation through a SWOT analyisis
3	•Clarifying the mission and vision in terms of the required transformation
4	•Identifying key strategic issues/questions relating to proposed transformational changes
5	•Developing goals, strategies and objectives relating to the transformation of the organisation
6	•Writing the transformation plans
7	•Executing the transformation plan
8	•Evaluating the results of the transformation process

Figure 4.2: Strategic Planning for effective organisational change

(Adapted from Worth, 2012:171)

4.2.1.5   *Managing resources effectively*

De V. Smit (2014:108) explains the significance of managing the organisations resources effectively in order to achieve its goals. A key consideration that needs to be made by the board is to have a common understanding of how the ecological environments may affect the financial and human resources of the organisation. To

this end, the radical decline of the global economy affect donor grants and funding to charitable organisations and changes in policy with regards to financial awards (Department of Social Development, 2011). The compliance and registration in terms of the Non Profit Act as well BBBEE and Employment Equity Act also have a significant impact on how non-profit social welfare organisations manage their limited resources effectively.

During the transformation process, the board is required to make complex and intricate decisions regarding financial and human resources yet always act in the best interest of the organisation (Worth, 2012:175; Yankee & Willem, 2006). Moreover, Lewis *et al.* (2012:418) recommend that a situation analysis of the financial and human resources is conducted to determine the strengths and weaknesses of the organisation when embarking on transformation of the organisation. An audit of the resources is useful and can be used as a tool to inform the strategy that the board takes when making key decisions regarding finance and human resource changes in the organisation (Cohen & Hyde, 2014; Connor, Lake, & Stackman, 2003).

4.2.1.6 *Monitoring goals of the organisations programmes and services*

Transformation and action plans that have been determined and formulated by the board need to be captured in a written document clearly depicting time frames, roles and responsibilities and anticipated outcomes (Connor & Lake, 1998:90-104). Written transformation plans are significant as it can be monitored and adjusted accordingly. The board also then has a record of who, what and when transformative changes need to be made and can assess the transformation process from time to time; hold people accountable and ensure that transformation plans accelerate at the pace accordant to the plan (Thompson, 1998:209-211; Presskill & Torres, 1999:77-96). Moreover, any adjustments, recommendations and changes can be made timeously by the board ensuring that transformation indeed happens according to a specific developmental framework.

4.2.1.7 *Enhancing the organisations' public image*

It is important that the public is aware of the transformation that non-profit social welfare organisations intends to pursue. It is equally significant that the public be made aware of the proposed transformative changes that need to be enacted as a result of statutory changes made. In this regard, the membership should know why they need to be more representative, elect board members from other race groups; elect more women on the board and have a more demographically representative body *before* the annual board elections (Cohen & Hyde, 2014; Connor, Lake, & Stackman, 2003; Worth, 2012:27).

Essentially, nominations need to be aligned to the organisation's constitution and proposed changes have to follow the prescripts stipulated in the constitution. These changes are imperative to attain a desired outcome of an organisation that has undergone the correct constitutional procedures and processes to conduct the transformation process. The board must guard against changing documentation without conducting these legitimate constitutional change processes. Only once the board has sanctioned the constitutional changes that have been made, then only has the legitimacy been achieved to act on behalf of its constituency.

Evidently, as a public entity, it is required of the board of non-profit social welfare organisations to inform the public of changes in its constitution, membership and mission at an annual general meeting. An annual report (narrative and financial) addresses issues of organisational change and development. The public's view of the organisation is important as it attracts partnerships and potential funders. Non-profit social welfare organisations have long standing partnerships with their communities and need to ensure that their image is untarnished during the transformation process. It is primarily for this reason that the board need to inform the public of any transformative changes made in order to maintain a positive image of the organisation within the community.

4.2.1.8 Serving as a court of appeal and assessing its own performance

Furthermore, the board needs to ensure that any transformative changes that are made to their constitution are conducted with legitimate processes and protocols (Grobman, 2008; Worth, 2012:27). This is significant as the transformation of the organisation may not be viewed as credible, legitimate and valid when constitutional processes are not strictly adhered to.

Board members that act out of order, need to be dealt with in terms of the organisation's constitution. The board needs to serve as a court of appeal to staff members who feel that management have dealt with unfairly. It is recommended that board development and assessment is integrated within the strategic framework as an operational task that takes place monthly or quarterly depending on the transformation plan. This is necessary to build the capacity of the board to deliver on constitutional matters and other board functions.

4.2.2   Transformative paradigm shifts

To ensure that equity is achieved and that development social services are rendered in a just and fair manner, to those that need the services most, the boards of non-profit social welfare organisations have to make the following critical paradigm shifts to align to the Department of Social Services' transformation policy on financial awards as service providers in order to be eligible for funding (Department of Social Services, 2011). These shifts include shifting from funding based income to outcome-based funding; shifting from over resourced areas to high priority areas where the needs are greatest; shifting from lack of accountability to accountability of public funds and shifting from supporting organisations on the basis of entitlement, race, gender and geographical location to services that promote diversity, equity and social integration.

However, making conscious paradigm shifts towards criteria eligible for funding is not enough. Board members are expected to draw up transformation plans which demonstrate clear objectives of the organisations' transformation. These plans have become a prerequisite for funding (Department of Social Development, 2011). In the organisational assessment for funding documents, the organisation has to complete details of the board members, their race, gender and geographical address. These are all indicators that can be used to measure transformation protocols of the

organisation. In awarding funding to social welfare organisations, social development assessors ensure that the funding applications of non-profit social welfare organisations meet all the necessary criteria, using the documents as evidence that transformation has occurred or intends to take place.

4.2.3 Transformative board requirements and criteria for programme funding

Social welfare organisations all over the world are experiencing immense funding challenges for supporting social programmes (Herbst, 2014:86). In order for boards to demonstrate that transformation has taken or that there is clear intention of transformation to take place, non-profit social welfare organisations must submit duly completed and signed documentation. This is required of the board as it holds the ultimate fiduciary responsibility of the organisation as previously mentioned (Worth, 2012). In addition to a business plan, an organisation is required to complete a transformation plan which demonstrates the organisation's intention to effect transformation along with processes, roles, responsibilities and timelines in order to be eligible to receive financial awards from the Department of Social Development (Department of Social Development, 2011).

The biographic details of the NPO include information on the management board, staff, volunteers and current beneficiaries (service recipients) of the NPO; objectives, outputs and outcomes; activity based budgets to show how the proposed amounts of funds needed will be used; most recent audited financial statements; NPO registration and constitution; confirmation of banking details; financial assurance declaration and a SARS clearance tax certificate (Department of Social Development, 2011).

Only once the Department of Social Development has established that transformation has indeed occurred or that a transformation plan is in place and documentation provided by the organisation is in order, then only is the organisation awarded a contract based on the medium term expenditure framework (METF). The METF is a framework of the government's fiscal control of medium term commitments in terms of its national fiscal projections. The chairperson of the board

signs the contract on behalf of the organisation. It is thus critical that the board first meets to discuss and approve all contractual obligations before signing the commitment to all aspects within the service contract. Only then is the contract handed over to the management staff to implement the programme on the boards' behalf under the auspices of the director or programme manager.

4.3   TRANSFORMATION OF MANAGEMENT OF NON-PROFIT SOCIAL WELFARE ORGANISATIONS

Within the context of non-profit social welfare organisations, management can broadly be defined as a set of systems and processes designed to assist employees accomplish organisational and individual task related goals (Lewis *et al.*, 2012:8). Rankin and Engelbrecht (2014:14) posit that management of social welfare organisations should not only be defined by the typology of the organisation but also the school of thought in management "underpinned by theories, approaches and perspectives". To this end, management can be regarded as a complex yet active, rational practise that involve activities that contribute to the achievement of the organisation's goals, including activities such as the transformation process as identified by Clegg *et al.* (2011:26).

Whereas the governance of non-profit social welfare organisations is the primary responsibility of the board, social work managers play a significant role in managing the actual transformation process within the organisation. Moreover, Hughes and Wearing (2013:38-55) provide an integrated theoretical framework of how social work managers institute effective transformation management of their organisations using metaphoric expressions.

Figure 4.3 below depicts a combination of the transformation process which include the transformative changes made in management structures; transformative changes made resulting from ecological environments; changes in management approaches and management structures; in the organisation's identity as well different managerial perspectives with the metaphoric analogies referred to by Hughes and Wearing (2013:38-55) and Clegg *et al.* (2011:26).

Figure 4.3: Transformation management processes
(Adapted from Hughes & Wearing, 2013:38-55; Clegg *et al.*, 2011:26)

4.3.1   Transformative changes in management structures

The metaphor of viewing organisations as machines conjures up images of "cogs in wheels" forming complex parts and mechanical dynamics designed for efficiency and productivity. Based on the bureaucratic, managerial and technocratic theories postulated by Frederick Taylor in 1911 and Max Weber in 1971, scientific principles underpin the way in which organisations manage the flow of production to yield maximum results and large profits (Hughes & Wearing, 2013:35). Large bureaucracies such as government and parastatels need to operate as well-oiled machines in order to sustain the flow of production according to Weber (Worth, 2012:58).

When considering the way in which social welfare is delivered in South Africa at a national level by the Department of Social Development with a provincial office in each of the nine provinces it has a large bureaucracy. The metaphor of a well-oiled machine depicts a machine with various cogs and wheels. Bearing in mind that a plurist model of social service delivery is adopted in South Africa whereby non-profit social welfare organisations are partnership with government, the cogs are integral parts of the machine, mutualistically dependant on the level of functioning of the machine.

This metaphor can be compared to the machine (being the national Department of Social Development) which must be well-oiled (represented by succinct national transformation plans, policies, processes and systems) in order for the wheels (represented by the provincial Department of Social Development) and the cogs (represented by non-profit social welfare organisations) to function effectively and optimally. Social work managers are tasked with transforming the structures within their organisations so that they can run like a "well-oiled machine" where the cogs and wheels succinctly function harmoniously in continuing to delivering qualitative social welfare services.

Similarly to machines that are exposed and influenced by external elements and environments in which they operate so too are non-profit social welfare organisations influenced by external influences and the ecological environments in which they exist.

4.3.2 Transformative changes in managing the ecological environment

A second metaphoric analogy of managing transformation in organisations is comparing living organisms where systems are interrelated and dependant on each other (Hughes & Wearing, 2011:33). From an ecological perspective, organisations are viewed in ways that are analogous to animal life and how they are observed by naturalist or ecosystems where the survival of life is interdependent on natural surroundings and environmental factors. Worth (2012:58,59) argues that

organisations are less like machines but more like living organisms that have an adaptive nature and ability to adapt to environmental changes. This in fact means that managing organisations is not a static process with structures that remains constant but has the ability to respond to the external and internal environments (such as the political, social and economic factors) earlier mentioned.

It is interesting to note that with the advent of democracy in South Africa, many traditional social welfare non-profit organisations that deliver social welfare services had to transform their organisations or face the risk of closure which is analogous to what population ecologists refer to as Darwinian competition for scarce resources (Worth, 2012:58). This means that the strongest organisations would survive, reaffirming the critical need for change management competency in the transformation of non-profit social welfare organisations (Brager & Holloway, 1993; Cinite, Duxbury & Higgens, 2009; Lewis *et al.*, 2012:14). As part of the transformation changes, social work managers may face the difficult task of deciding on staff cuts, staff retrenchments and staff repositioning as a means to streamline the organisation and improving its efficacy.

Similarly to the Darwinian principle of survival of the fittest referred to by Worth (2012:67), social work managers are tasked to ensure that their organisations survive the harsh economic climate in which they continue to exist by making difficult and complex decisions. In this regard, the approach the social work managers use to ensure effective organisational transformation is critical to the entire process of transformation management.

4.3.3 Transformative changes in management approaches

The "unpacking and collaging" metaphor connotes taking things out of a box and examining them carefully to determine employing the best approach to use appropriate to the circumstance (Hughes & Weiring, 2013:46). Examining constructs within the organisations and the overall picture that organisation creates enable social work managers to engage with new found approaches in dealing with transformative changes envisaged in the organisation. This is significant as staff members may be either resistant or accepting of the transformation processes. The approach that management uses to institute the anticipated changes in the

organisation can be effective or disastrous as previously discussed in Chapter 3. The managerial approach used during the transformation should be sensitive to the needs of the staff, adaptive in nature yet accordingly compliant (Clegg *et al.*, 2011:31). To this end a value-driven approach which is integrated, comprehensive and designed to complement the transformation processes in the organisation as recommended by Engelbrecht and Terblanche (2014:30).

When considering the metaphor of "unpacking and collaging" it means that social work managers should use approaches during the transformation process that form a pictorial view (for example pasting colourful "post–its" on a white board) to unpack how relevant staff members would be affected by transformation and then design accordant approaches to mitigate the impact of transformation. Through a process of "collage" different elements can be put together to reconstruct an overall visual picture that is more responsive and receptive to changes. Managerial approaches will then not be universal in nature but more specifically designed to achieve specific outcomes. Through this visual process, social work managers are able to grapple with different scenarios of how the organisation can best be strategically restructured considering various options that suit the staff as well as the organisation.

4.3.4 Transformative changes in managing organisational identity

Whereas organisational culture is the shared pattern of beliefs, norms, roles, values and artefacts, the identity of an organisation has more to do with its public image. Organisations interact with the public and build reputations over many years. The construction metaphor of physical constructions defines organisations as a construction site along symbolic interactionism integrated into everyday life (Hughes & Weiring, 2013:40). According to this metaphor, organisations are interpreted from various views, understandings, imagination relevant to others where the perspective of where "*we define ourselves as others perceive us*" applies, very similar to the Ubuntu principles. The organisation's identity and corporate culture becomes distinctive through interpretive interactionism creating an organisational image (Clegg *et al.*, 2011:14).

When considering the implications of this metaphoric analogy from a local South African it is interesting to note the impact of media reports on the adversities experienced by organisations. When the funding crisis of social welfare non-profit organisations was highlighted and the adverse impact that it would have vulnerable groups of people, the perspective of the general public's view of the government's commitment to social welfare was greatly tarnished (Barnes, 2011; Prins, 2012). This metaphor emphasizes the importance of being aware of how the construction (and deconstruction) of the transformation of non-profit social welfare organisations are affected in the public arena as negative publicity. Despite traditional welfare organisations constructing a positive public image over many years, adverse publicity dented the image of the entire social welfare sector. Sadly though, no concerted efforts has since been made to address the situation and construct a positive public image of the social welfare sector in South Africa to regain its legitimacy and credibility in the public domain.

The way the public view non-profit social welfare organisations is a key considerations that needs to be taken into account during the transformation process. For social worker managers managing the transformation process this poses a particular challenge. Press releases concerning the organisational changes (for example ensuring that the public is informed of the BBBEE status; the organisations appointment of a new director; extending its services to disadvantaged communities) can all gain public support and in fact increase donor funding. A change in the perspective in which management views organisational change can thus evidently be advantageous to the public image of the organisation (Battilana *et al.*, 2010; Blumenthal, 2003; Bouckenooghe, 2010).

4.3.5 Transformative changes in managing perspectives

As organisations become more professionalised, the *lens* metaphor is used as a comparison of perspectives that people have of organisations which include communication, culture and decision theories (Hughes & Weiring, 2013:40). The

metaphor of a lens connotes for example the visual part of communication in organisation culture that can "see", search and filter information processed by individuals, organisational units and the environment. Managing organisation culture is viewed through lenses examining the power culture of strong leadership; the role culture clinging to bureaucratic roles, rules and regulations; the task culture emphasizing the technical knowledge and project teams and the person culture that matches tasks to people (Hughes & Wearing, 2013:40). In addition, managing organisational culture takes into account cultural diversity approaches, symbols, rituals and norms. Furthermore, as supported by Engelbrecht and Terblanche (2014:31), employing a strength perspective during the transformation process will allow for staff to refocus on their internal and potential growth as opposed to merely focussing on their losses or deficits.

Another key consideration is that social work managers need to ensure that the organisational culture is conserved and yet preserved throughout the transformation process. For example an organisation such as the Mustafadin Islamic foundation, mainly comprising of Muslims who make food for children in need and often feed destitute children, need to ensure that their organisational culture is preserved throughout their transformation process. Any radical changes made to their religious culture may be viewed as too circumspect for their members and may result in the organisation losing its membership and indeed consequently closing down. It is thus significant that social work managers apply great significance to the perspectives in which they view organisational change and intend to manage the transformation of the organisation in a way that is conducive and acceptable to the members that they serve.

Within the context of transformation management of non-profit social welfare organisations, it is thus evident that social work managers need competencies and skills that are essential for effective transformation. Skills and competencies as well as a strong sense of leadership are essential needed to face the challenges that transformation presents. As depicted by the previously mentioned metaphoric analogies, the management processes and managerial competencies are critical for non-profit organisations to make the delicate transitions to attaining effective transformation. Similarly, the operational functions of social welfare non-profit

organisations are affected by transformative changes envisaged by the board and operationalised by the management teams.

4.4 TRANSFORMATION OF THE OPERATIONAL FUNCTIONS OF SOCIAL WELFARE NON-PROFIT ORGANISATIONS

Nel (2014:49) posits that the management functions are interrelated and performed simultaneously to achieve organisational goals. As a direct consequence of the transformation of board and management, the day-to-day operational functions will undoubtedly change. In this regard, Lewis *et al.* (2012:280) recommend that in order to achieve organisational excellence in social welfare organisations, there has to be synergistic interaction of operational functions. Moreover, the impact of the transformation will affect the operational functions including inter alia planning, designing, staffing, budgeting, supervising, as well as monitoring and evaluation processes. Within the context of transformation these operational functions however need to be underpinned by effective leadership as depicted in the following diagram:

Figure 4.4: Conceptual framework of transformation in operational functions of non-profit social welfare organisations

(Adapted from Battilana *et al.*, 2010; Lewis *et al.*, 2012:268)

4.4.1 Transformative leadership

Transformation leadership that needs to be demonstrated by social work managers, according to Yukl (2010:263), involves the values of leaders including integrity, honesty and responsibility by mobilising their energy and resources to reform their organisations. Given the turbulent environments in which non-profit social welfare exist, the survival of the organisation resides in strong managerial leadership (Battilana *et al.*, 2010; Lewis *et al.,* 2012:278*).* This is significant as staff members seek guidance and direction from leaders who demonstrate sound moral values and act in their interest. As depicted in Figure 4.4 the transformation of daily operations of non-profit social welfare organisations are centred round effectively transformed organisational and managerial leadership and encompasses all the organisational functions (planning, design, staffing, budgeting, supervising, monitoring and evaluation) which clearly affect the lives of all staff members. Strong managerial leadership by social work managers is thus needed to transform their organisations in order to pursue managerial excellence during the process of transformation (Anderson & Ackerman-Anderson, 2010; Armenakis & Bedeian, 1999; Lewis *et al.,* 2012:278).

4.4.2 Transformative planning

One of the most important operational functions affected by the transformation process is the planning process. In this regard, planning work activities during the transformation, include deciding *what* needs to be done*, how* to do it, *who* will do it, *when* does it need to be done, *at what cost* and how will it *be monitored* (Yukl, 2010:121). The transformative planning process has three distinctive aspects. First, the *operational planning* occurs with the scheduling of routine work and tasks that need to be done for the day, week, month or period of the project. In this regard social work managers need to assign different staff members to perform different tasks during the transformation process. Skills, expertise, experience and willingness of staff members to take up new assigned tasks are key considerations that need to be made during this part of the planning process (Eadie, 2006; Judge, 2011, Worth, 2012).

Second is the *action planning* which is more detailed including the various steps that need to be taken to complete an action needed during the transformation process.

This is a critical process when staff members may not be familiar with the new tasks and can use the steps as a guideline to perform the task. Third is *contingency planning* which involves processes that deal with problems that may be encountered to reduce the risk of implementing the transformation. Given that the transformation process is unknown and unfamiliar to all members of staff, transformative planning offers meaningful insight and a measure of security to all members of staff detaining the new roles and responsibilities along with action plans of operational planning.

4.4.3   Transformative design

Organisational design includes amending structures, flow charts and organisational organograms to clearly indicate how the process of transformation affects the organisational design (Lewis *et al.,* 2012:266; Packard, 2013; Palmer, Dunford & Akin, 2009). Included in the planning process is the implementation of transformative designs to operationalise the day-to-day functioning of the organisation. This is significant as the transformative organisational design displaying new structural and systemic changes will bring clarity of various roles and responsibilities to staff members. Social work managers have to ensure that all aspects envisaged of the transformed organisation is well thought through and that a broad based consultative process with the staff (and board members in the case where major staff cuts and retrenchments have been made) have preceded the design process to ensure that the design is not prescriptive but had rather been constructed as a result of board and staff approval. This is significant as the transformed design needs to be compliant in terms of statutory requirements but more importantly meet with the approval of all stakeholders.

4.4.4   Transformative staffing

The level of transformation of the staff structure will depend on how diverse and representative the staff structure is to attain compliance in terms of the statutory requirements and indeed the Department of Social Development's funding requirements for financial awards to non-profit organisations (Department of Social Development, 2009). In this regard, social work managers must ensure that staff representivity and gender equality is achieved to attract government funding. This might mean that difficult decisions of staff cuts, retrenchments and staff repositioning

is made aligned with the government policies (Lewis *et al.,* 2012:133; Packard, 2013; Palmer, Dunford & Akin, 2009).

Perhaps the most difficult operational transformation process is the staff changes that are made as a result of the strategic management process, discussed in Chapter 2. From an operational perspective the willingness, skills, expertise and knowledge to perform the new task are of critical importance. Essential tools such as skills audits, staff profiles and staff qualifications can be used to appoint staff or re-contract staff into new positions (Lewis *et al.,* 2012:265). Staff development is an essential component of continuous learning to ensure that the organisation has a skilled staff component that can easily substitute when staff members take leave or when staff changes are made through restructuring or repositioning processes. It is thus imperative that transformative operational plans need due consideration and strong leadership to ensure that staff changes are made with the necessary sensitivity, respect and person-centeredness.

4.4.5 Transformative budgeting

Performance based budgets clearly show the relationship between inputs (funded income) and results (achievable outcomes) and an integration of planning and programme management (Lewis *et al.,* 2012:177; Whelan-Berry & Somerville, 2010; Young, 2009). Performance budgets are drafted on an annual basis and are usually approved prior to the start of the next financial year. Sometimes however, during the year, staff cuts need to be made or resources that have been budgeted for cannot be financed due to lack of "promised" income.

It is thus important that regular finance and budget meetings be held to transform budgets aligned to the transformed operational plans of the organisation. Furthermore it becomes evident that strong leadership is needed to provide guidance and direction when weighing up what projects need to be streamlined and which line items need to be reduced or which projects have to be terminated and more importantly for what reasons these actions are proposed. Reducing budgets and implementing transformed operational changes are factors that need dual consideration. This is significant as both the aforementioned factors in fact impact on the anticipated results. In this regard social work managers have to play a balancing act of deciding what

stringent measures needs to be made without compromising the quality of the service delivery during the transformation process.

4.4.6 Transformative supervising

Supervision involves helping staff members maximise their effectiveness by providing support and encouragement, assisting with building skills and competencies and overseeing their tasks (By, 2007; Lewis *et al.,* 2012:11; Packard, 2013). Within the context of transformation management, the supervision of staff members is critical to the success of the transformation management process. This is because supervisors have a middle management role to fulfil and are considered to be more in touch with the operational tasks of the staff members than the managers. More importantly supervisors have the added advantage of being a critical link between management and staff members. As such, they can advise management of suitable and appropriate staff mobility, build competencies and skills where needed and simultaneously provide staff members with encouragement and support during the challenging transformation process. Social work managers need to apply due consideration of appointing (or indeed transforming the supervisory role) to ensure that supervision is succinct with the transformative plans and objectives of the organisation.

4.4.7 Transformative monitoring and evaluation

Monitoring and evaluation are essential elements of measuring performance, ensuring that programme delivery is on track (Herbst, 2014:95). With so many transformative changes taking place during the transformation process, it is significant that programmes are closely monitored and consistently evaluated to ensure that the quality of the service delivery is not compromised. During the transformation phase, programme assessment is critical to ascertain the economic viability and the impact that the transfromation plans have on the target beneficiaries. This information is essential for future sustainability of the organisation and forms the basis of deciding whether a programme is cost effective, efficiently executed or indeed could be further streamlined. Social work managers have the added task of ensuring that the monitoring and evaluation of services continue to meet the objectives and anticipated outcomes of the organisation and where necessary transform the systems and

structures of monitoring and evaluation so that qualitative measurement of transformation management can be achieved.

4.5   CONCLUSION

From the above discussion it is evident that the efficacy of the transformation of the governance, management and operational functions of non-profit organisations is critical for the development and the sustainability of individual social welfare organisations as well as the entire social welfare sector in South Africa. The transformation of the governance of boards is essential for sustainability of non-profit social welfare organisations. This is significant because the board ultimately holds the fiduciary responsibility of the entire organisation. As such the necessary skills, management and leadership of the board are critical competencies needed during the transition of the organisation. The transformation of the board is crucial to ensure that the organisation is compliant and eligible to receive government funding. Through strategic management and realignment of the vision, mission and operational functions of the organisations, the board is required to make appropriate decisions in favour of the sustainability of the organisation.

Similarly, within the legitimacy of the new legislative requirements, the transformation of the management needs to transpire. In this regard the management needs to articulate the transformation process envisaged by the board and sensitise the staff through consultative and transparent processes drawing on their strengths, skills and competencies in such a way that all staff members feel valued during the transformation process. This is significant given that the envisaged organisational changes may affect the livelihoods of individual staff members differently. The competencies of social work managers to ensure an effective transformation are thus equally critical during the transformation process.

So too will the transformation of operational functions be consequently affected. In order for social welfare organisations to be legitimate beneficiaries of government funding, the need to extend social services to historically disadvantaged communities remains a key priority. Social welfare organisations need to demonstrate that their operational plans are succinct with the key priority areas of the Department of Social Development in order to be contracted for government funding. This is significant as

non-profit organisations that are not aligned, though compliant and suitably registered, may not necessarily receive government funding if their demographical service delivery areas are not considered as a key funding priority per se.

From the above discussion it becomes evident that social work managers, have an immense task in ensuring that transformation management process is effective. In this regard, the views of social work managers of their experiences in transformation management are critical in providing insight and a deep understanding of the challenges, weaknesses, strengths and successes in their experience of transformation management in their respective non-profit social welfare organisations. To this end, an empirical study is conducted with social work managers to provide evidence of the current malaise and lack of transformation of the non-profit social welfare sector in order to accelerate the pace of transformation of the ailing non-profit social welfare sector in South Africa.

CHAPTER 5

RESEARCH METHODOLOGY

5.1   INTRODUCTION

The aim of this study was to empirically investigate the views of social work managers on the transformation management of non-profit social welfare organisations. Furthermore the study objectified to clarify a conceptual understanding of transformation and transformation management; explore transformation management processes, models and dynamics; examine pertinent laws, policies and protocols influencing social welfare and to investigate the transformation of the governance, management and operations of non-profit social welfare organisations through an empirical study.

In this regard, several authors assert that scientific research can be conducted in order to gain an understanding or have more knowledge of a particular topic of interest. In contrast of having a mere opinion or doxa about a subject, the quest to establish "truthful knowledge" or *episteme* needs to follow scientifically rigorous processes based on research designs, models, theories and evidence (Babbie, 2014:4; Cakir, 2012;664; Mouton, 2006:35; Rubin & Babbie, 2009:8). These advocates of social research emphasise that truthful claims about a particular topic of interest can only be epistemologically valid if indeed the research has been conducted using appropriate research methodology with the necessary scientific rigour. It was important for the researcher to conduct a rigorous scientific research process to ensure that the views of social work managers on the transformation management of non-profit social welfare organisations were scientifically rigorous and epistemologically valid.

According to Babbie and Mouton (2007:87), there are three common purposes of conducting social research: exploration, explanation and description. The researcher decided on conducting an exploratory-descriptive investigation. Explorative research according to Neuman (1997:38) and Henning (2004:10) is conducted when a topic of interest such as transformation management is "fairly new" and more insight and

understanding needs to be acquired. Given the dearth of literature on transformation management, the topic can be considered as a relatively "untapped" and through exploration would allow the researcher to develop insight and a deeper understanding from the views and perspectives of social work managers. Descriptive research is undertaken when more details and precise information needs to be acquired on a particular topic of interest (Bernard & Ryan, 2010:9). For the researcher, the details involving intricate aspects of transformation management such as the processes, dynamics, and models; the transformation of laws, policies and protocols as well as the transformation management of the governance, management and operations required thick descriptions in order to gain deeper insight and understanding of the topic being investigated.

The aim and objectives centred round the following research question*: What are the views of social work managers on the transformation management in their respective non-profit social welfare organisations?*

The study therefore focused on using social work managers as a unit of analysis as Babbie (2007:96) states that individuals (social work managers) may be used as informants of the populations about a particular topic of interest or phenomenon (transformation management). Similarly, Mouton (2002:270) asserts that an insider's perspective or emic view can be obtained gaining an in-depth description ("thick") of a particular topic of interest being studied. Furthermore, Patton (2002:228) opines that using individuals (social work managers) infers that the individuals are engaged in settings that affect them (transformation of their respective non-profit social welfare organisations). The decision to use social work managers as the unit of analysis for the primary focus of data collection was thus deemed appropriate for the purpose of the study.

The structure of this chapter is divided into three main parts namely the dimensions of research, the research design and the ethics of research. Before considering the type of the research design, the researcher examined four dimensions of research, namely the epistemological, methodological, sociological and ontological dimensions. Babbie and Mouton (2002:30) asserts that through close examination of these dimensions constraints and shortcomings can be addressed prior to deciding on the appropriate

research design. This was deemed as a priority before conducting the research as research designs, located in two paradigms, qualitative and quantitative in nature, have very specific scientific methodological routes to pursue.

The first part of the scientific enquiry that the researcher embarked upon was to examine the various dimensions of research.

PART 1: RESEARCH DIMENSIONS

5.2   PHILOSOPHICAL DIMENSIONS

Scientific research involves the application of a variety of standardised methods and techniques in pursuit of generating truthful knowledge. In this regard social researchers are committed to use objective methods and procedures to ensure that their research findings are accurate and valid. To this end, scientific enquiry is based on philosophical assumptions that need to be taken into account prior to conducting any social research in order for it to be acceptable by the scientific community (Neuman, 1997:7). These philosophical assumptions underpin the scientific rigour that is necessary to conduct the research in order for the research findings to be regarded as *truthful* and *scientifically epistemic* in order for it to be accepted as a social reality by the scientific community. The philosophical dimensions of research include the ontological, sociological, epistemological and methodological dimensions. These dimensions need to be considered when conducting research and encompasses "new" research investigations as depicted in Figure 5.1 below.

EPISTEMOLOGICAL DIMENSION:
GAINING OF TRUTHFUL KNOWLEDGE

ONTOLOGICAL DIMENSION:
SOCIAL REALITY OF NATURAL OR SOCIAL WORLDS

SOCIOLOGICAL DIMENSION:
RULES AND VALUES OF ETHICAL SOCIAL RESEARCH PRACTICE

METHODOLOGICAL DIMENSION:
APPROACHES TO SYSTEMATIC INQUIRY

THE CONDUCT OF 'NEW' SCIENTIFIC RESEARCH

Figure 5.1: The philosophical dimensions of scientific research

(Adapted from Babbie and Mouton, 2002:28-51)

5.3   ONTOLOGICAL DIMENSION

The ontological dimension refers to the concept of social reality. Smith (2003:155) refers to ontology as a social reality of structures of objects, events, properties and relations in every area of reality. To this, Cresswell (2013) and Babbie and Mouton (2002) assert that social researchers consider the ontological dimension as a nature of reality or existence. These ontological approaches view realities of the social world or natural world we exist in as human beings. In this regard, naturalists or positivists

support evolutionary or systems theory whereas anti-positivist or realists believe that there is a distinctive difference between the natural and social worlds.

The researcher assents to the notion that there is a difference between the natural and social worlds. As such, this investigation deals with the studying of human beings as "objects" of inquiry. The "ontological complexity" referred to by Babbie and Mouton (2002:48) regarding a unit of analysis being "human objects" is that they are part of a specific social reality. In the case of this study for example, the unit of analysis is social work managers with a particular set of skills, having a particular set of experiences performing a particular set of jobs, employed in a particular type of setting. As such, their social reality is very much that of a social world where their behaviour, emotions, feelings of people shape the way in which they interact in their social world. This research forms part of an ontological dimension, where knowledge of the social world of social workers will be generated based on multiple views, experiences and perspectives of their social realities and existence.

5.4   SOCIOLOGICAL DIMENSION

Whereas the ontological dimension attempts to address the social worlds as the prime objects of study, the sociological dimension implies that researchers themselves are social beings with specific values, beliefs and interest following implicit and explicit rules regarding their research practices. In addition, researchers conduct activities within institutional frameworks which have certain constraints on what is deemed acceptable and have access to resources which differs across the research community (Hesse-Biber et al., 2011: 145; Babbie and Mouton, 2002:41).

The rules and structured environment of the research community is institutionalised in many ways:

- Systems and practices within research organisations include academic track records, teaching records and community work;
- peer review systems with blind refereeing and peer evaluation;
- rules of dissemination requiring that due recognition is given to cited authors and

- rules of membership of various kinds of scientific organisations and societies including references to publications and other achievements.

Social rules and conventions regulate social life. The sociological dimension underscores key considerations that social researchers make in ascribing to these ethical values and beliefs in adhering to professional codes of practice. The researcher, as a qualified social worker, has constantly been aware of adhering to the rules and regulations required to conducting ethical social research in this regard, discussed in more detail in Part 3 of this chapter. The epistemic dimension is next discussed in the researcher's quest to gain truthful knowledge.

5.5   EPISTEMOLOGICAL DIMENSION

"*Episteme*" is derived from the Greek word meaning truth. A scientific enquiry is conducted in pursuit of valid or truthful knowledge. Babbie and Mouton (2002:28) connotes that there are three kinds of constraints that may impede the researcher from attaining truthful knowledge:

- Sociological constraints which involves the lack of knowledge of the object of inquiry: lack of training in research; lack of ethical research practice; a poor literature review; strong prejudice that might bias the research data and poor judgement about various decisions in the research process (Babbie and Mouton, 2002:225).
- Ontological constraints which involves the understanding of the complexities of the social world including human behaviour and social actions that are extremely difficult to measure.
- Methodological constraints involving the use of inappropriate methods and techniques and ignoring the limitations of a particular approach or instrument (Babbie & Mouton, 2002)

The above mentioned obstacles prevent the researcher from reaching truthful knowledge and as such must be regarded as key considerations to be observed in the epistemological dimension. The researcher was immensely aware of these considerations during the investigation and paid particular attention to ethical research practise, the complexities of human behaviour and sound research practice as well as

applying appropriate methods and techniques during the research process in order to ensure that the findings have epistemic validity.

As the dominant purpose of this research is to arrive at truthful knowledge and indeed attain epistemic validity, Babbie and Mouton (2002:9) refers to an *epistemic imperative* that needs to be arrived at as a result of a rigorous, scientific process with a coherent rationality and objectivity. This philosophical dimension, the author asserts, ensures that there is a moral contract undertaken by the researcher to conduct the study in a systematic, impartial and objective way so that a high premium can be placed on the validity of the findings as reflected in Figure 5.2 below.
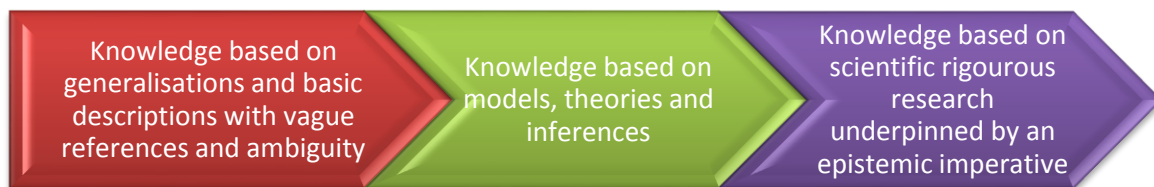
Figure 5.2: Approximation of acceptance of truthful knowledge
(Adapted from Babbie and Mouton, 2002:30)

Another important dimension that is critical to the validity of the research inquiry is the systematic and methodological aspects of the inquiry, which is next discussed.

5.6   METHODOLOGICAL DIMENSION

The term *methodology* is derived from the Greek word "*methodos*", a combination of the words "*meta"* meaning alongside with and "*hodos*" meaning journey or road and the word "*logos"* meaning study. The word *methodology* can aptly be defined as being "an approach to a systemic enquiry" (Mertens, 2005:9) or as Mouton (2006:9) simply states "the way of doing something".

The way or method in which scientific research is conducted is paramount in any research process as it has a critical impact on the validity of the results of the research findings. To this end, Mouton (1996:35) connotes that there is a close means-end relationship between the epistemological and methodological dimensions. The choice

of the most appropriate methodology is largely determined by the epistemic ideal to gain valid and truthful knowledge. The use of appropriate research techniques and research methods are tools used within the ambit of the methodological dimension and can be distinguished as follows.

On the one hand, *research techniques* are specific tools or instruments that the researcher uses during the research process such as sampling, measurement, data collection and data analysis. On the other hand, *research methods* refer to a higher abstraction of research means. For example whilst the term "sampling" in research is a technique, non-probability and probability are sampling methods. Similarly, data collection is a research technique whilst interviewing, participation and observation are methods of collecting data. Deciding on which research techniques and methods to use are critical assumptions based within the methodological dimension. A higher level of complexity however is to decide in which methodological paradigm the research is located.

Mertens (2005:7) defines a paradigm as "a way of looking at the world". Mouton (1996:37) further explains that in the case of a methodological paradigm, "it has an underlying philosophy of *when* and *how* to apply appropriate research methods and research techniques based on theory and under specific circumstances". This means that the decision to conduct research needs to be done with specific insight as to *why* the research needs to be conducted within a specific methodological paradigm. The three distinctive paradigms are quantitative, qualitative and participatory action. To strengthen and enrich the quality of the data, social research may opt for using a combination of using both qualitative and quantitative methods. For the purpose of this study however the researcher decided on using a qualitative methodological framework because of the following metatheoretical reasons.

5.7   METATHEORY

According to several authors (Abrams & Hogg, 2004; Babbie & Mouton, 2002; Edwards, 2010) metatheory provides a philosophy that links various paradigms and theories in which researchers can locate research questions. De Vos *et al.* (2011) and Bernard and Ryan (2010) describe the study of social sciences as focusing on human

existence and social interactions that pose distinctive challenges in terms of changes in observance, measure and generalisation of human life. Babbie and Mouton (2002) confirm that metatheory developed as did modern social sciences addressing issues such as the aims of social research; the nature of truth; rationality and objectivity of social inquiry and the politics and ethics of social research. The metatheories provide the researcher with a theoretical framework and a pre-existing body of knowledge in which the research can be located in World 3 as depicted by Babbie and Mouton (2002:48) presented in Figure 5.3 below.

WORLD 1: METATHEORIES

| Positivism (Scientific experiments in naturalistic settings) | Interpretivism Phenomonological approach in humanistic settings | Critical Theory Construction of psycho-analytical practise, emanciatory and feministic approaches in humanistic settings |

WORLD 2: METHODOLOGICAL PARADIGMS

| Quantitative Paradigm with high measure of control and statististical analysis | Qualitative Paradigm emphasis on understanding, emotions and perspectives | Participatory Action Human functioning in life experiences |

WORLD 3: SOCIAL PHENOMENON

| OUTSIDER DIstance between researcher and research objects | INSIDER Researcher is the instrument of research to gain in-depth understanding and insight | PARTICIPANT researcher actively participates in the research |

Figure 5.3: The relationship between metatheory, methodological paradigms and the social world

(Adapted from Mouton, 2006:48)

De Vos *et al.* (2011) differentiate between seven such metatheories namely positivism, post positivism, constructivism, interpretivism, critical approach, feminism and postmodernism. Babbie and Mouton (2002) distinguishe between three dominant world views namely positivists, phenomenological or interpretivist and critical traditions. A summary of the main aspects of these metatheories pertinent to the study is presented in Table 5.1

Table 5.1: Methatheoretical framework

Metatheory	Dominant worldview	Prominent scholars	Research Paradigm
Positivism	- Empirical observations using evidence based rigid natural scientific methods of inquiry. - There is a fundamental difference between the objects of the natural and the human sciences. - Human nature is obtained from studying the rest of the world. - Argued strongly against social sciences being able to imitate or emulate the episteme of the natural sciences. - Later, logical positivism evolved paving the way for unification of scientists (natural scientists and social scientists) known as physicalism. The methodological unity of the two strands of science, natural and humanistic has still not been unified.	Regarded as the father of positivism: Augustus Comte (1798-1857). Earlier advocates are Frances Bacon (1560-1625); Adam Smith (1723-1790); Henri Saint-Simon (1760-1825). More recent advocates Emile Durkheim (1858-1917). Logical positivism has been strongly advocated for by Hahn, Neurath and Frank in 1925. These ideas were transported to America by Feigl, Hempel and Nagel.	Quantitative

Metatheory	Dominant worldview	Prominent scholars	Research Paradigm
Interpretivism (phenomenologism)	• Human sciences that attempts to understand (not explain) people and their processes in making and interacting with their life-worlds. • Interprevistic reasoning centres on interpreting, creating and giving meaning to human actions. • Insider's perspectives of people's feelings and experiences where the researcher interprets the underlying meaning and reasons of experience and behaviour.	Alfred Schulz (1940's-1950's).	Qualitative
	• Ethnomethodology evolved as a metatheory purporting the notion that people try to make sense of the life they experience	In 1967, Harold Garfinkel expands the ideas of Schultz and becomes the father of ethnomethodology.	
Critical approach	• Marxist ideology underpins this approach - the notion that social injustices, oppression and discrimination need to include people participating in an emancipatory way. Action plans need to be developed by social scientists and be an inclusive process of research narrowing the gap between the researcher and the objects being studied.	Karl Marx	Participatory Action Research and Qualitative

Metatheory	Dominant worldview	Prominent scholars	Research Paradigm
	• Emancipatory studies support the notion that all cognitive interest is derived from knowledge production.		
Feminism	• Challenged the social world that excluded "female world" and point of view. • Challenged white male dominant perspectives. • Challenged white male dominated organisations and cultures. • Building on from emancipatory studies, feminism challenges the way texts are biased as well as political and androcentric bias in research practice.	Dorothy Smith's ; Sandra Harding's work in the 1970's	Mixed methods
Modernism and postmodernism	• Underlying premise that modern social science promised human emancipation and social progress. • Supports notion that modernist social science has attained seeking truthful knowledge.	Jean Lyotard	
	• Postmodernism advocates that social scientists construct value-free social inquiry that is mistaken and impossible. • There is no independent social reality that exists outside of human reflection and inquiry.	Seidman and Calhoun in 1990's	Mixed methods

Metatheory	Dominant worldview	Prominent scholars	Research Paradigm
	• Knowledge and power are closely related and in fact mutually dependant.		

(Adapted from Mouton, 1996:20-43)

From the above table it is clear that metatheoretical perspectives have evolved since the 1950 and have shaped the way in which the episteme or truthfulness of social sciences are being viewed through different lenses today. The naturalistic positivist tradition however, yet depicts the social sciences as not being able to be unified with the natural sciences within one scientific methodological paradigm. Despite various attempts of the scientific community to unify the qualitative and quantitative paradigms of research, the scientific world still has not been able to do so. The quantitative paradigm is still primarily used in the natural world for experimental research designs with high levels of control and the qualitative design is still focused on the social world involving human interactions, obtaining an insider's perspective or emic view of a phenomenon being researched. Consequently, the researcher located this research study of the views of social work managers on transformation management of non-profit social welfare organisations within the qualitative research paradigm to obtain an insider's perspective from social work managers regarding transformation management.

PART TWO: RESEARCH DESIGN

A research design is a structured and systematic plan which enables the researcher to investigate the research problem in a way which best "fits" the nature of the topic being studied. Babbie and Mouton (2002:105) define research design as a plan or

structured framework of how one intends to conduct the research process in order to solve the research problem.

The research techniques, methods and data collection procedures implemented in the research process are also key aspects of the research design that are rigorously followed in order to arrive at reliable and valid findings (Strydom, 2007:252). Furthermore, the research design also allows the researcher to investigate the research question and explore possible answers (Ragin, 2011:165). Research design offers a "roadmap" or blueprint of the most appropriate and effective way in which the research process needs to be conducted in order to achieve the aims and objectives of the research. According to several authors (Babbie & Mouton, 2002; Cresswell, 2013; De Vos *et al.*, 2011) the research design includes conducting a comprehensive literature review, deciding on an appropriate approach in which the study has to be conducted; the correct choice of sampling method and the ways in which data is collected, analysed, interpreted and verified. These aspects of research design are now discussed in more detail.

5.8 LITERATURE REVIEW

One of the primary requirements of conducting any research is to first conduct a comprehensive literature study on the research topic which provides a solid foundation for the research (De Vos *et al.*, 2011:298; Grinnell, 1998:220). As asserted by De Vos *et al.* (2011:298), this research used a systematic and deductive approach to gain an understanding of the research problem. Relevant journal articles, books, scientific journals, government gazettes and the internet were accessed on topics such as social development, transformation, transformation management, organisational management processes, dynamics and models as well as the governance, management and operational functions of non-profit social welfare organisations.

International and local authors were used to enrich the perspectives and contexts in the discourse. Moreover, participating non-profit social welfare organisations also provided annual reports and brochures which deepened the understanding of the social welfare service delivery of the organisations. The researcher used an integrated approach and assimilated the collective knowledge to provide a circumspective and

an in-depth view of the topic being examined. This was significant as the literature review formed the basis for the questions that were asked in the empirical study. Another significance of using an appropriate research design is choosing the best approach that fits the study.

5.9   RESEARCH APPROACH

According to De Vos *et al.* (2011:64) and Brod, Tesler, Christensen (2009) a qualitative approach is deemed appropriate when the research attempts to gain an understanding of a phenomenon using an insider's perspective. Babbie and Mouton (2002:270) and Henning (2004:8) confirm this view adding that an insider's perspective (emic view) and a "thick" description from in-depth interviews can be obtained using a qualitative approach. Cresswell (2013:45) connotes that a qualitative approach can employ both deductive and inductive reasoning. In this regard the researcher was able to move easily between inductive and deductive reasoning as the interviews were semi-structured and allowed for adaptability and flexibility where necessary.

Furthermore Cresswell (2013:47) asserts that qualitative approaches are appropriately used in natural settings. Accordingly, the interviews for this part of the investigation were conducted at the respective organisations of the participants. This contributed to the participants feeling comfortable in their natural settings and as such were able to act more freely in their familiar surroundings.

Another key aspect of using a qualitative approach is that the researcher is merely an instrument and the participants are the actors in the research process. The views, perspectives and experiences of the participants were the primary focus of the study. The researcher remained objective throughout the research process and recorded the interviews verbatim. Through the process of member-checking (see Annexure D) (Babbie & Mouton, 2002; Barush, Gringeri & George, 2011), the researcher ensured that participants were given the opportunity to agree or negate with the choice of the themes, sub-themes and categories emanating from the study. Moreover, the member checking process allowed the participants to reflect on the accuracy of their narratives. A focus group was also held to provide further insight of emergent themes and

assimilated into the data to enrich the analysis and interpretation of the findings (see Annexure B2).

Finally, the reflexivity of the researcher is significant in the case of qualitative study as the researcher may have surfaced personal experiences, insights and perspectives regarding the subject being studied. Being aware of this, the researcher provided a reflexivity report (Annexure E) at the end on the investigation detailing his personal background and experiences that may be regarded as subjective and thus bias the research findings. By providing this upfront, Cresswell (2013:47) connotes that the researcher becomes increasingly cognisant of his own personal perspectives and opinions during the interpretation and analysis of the data. As such the interpretations become value and judgement free and thus more valid and reliable.

5.10   EXPLORATORY-DESCRIPTIVE RESEARCH DESIGN

The aim of this study was to examine the views of social work managers on the transformation management of non-profit social welfare organisations. The researcher found an exploratory-descriptive design to be appropriate for this study. Exploratory designs are useful when studying a social phenomenon such as the transformation management of non-profit social welfare organisation which is a relatively "new" topic (De Vos *et al.*, 2011:96; Hesse-Biber & Leavy, 2011:43). Descriptive designs are complimentary to explorative designs and create a picture of the phenomenon based on meaningful data collection (De Vos *et al.*, 2011:96). Conducting in-depth interviews and a focus group meeting with social work managers were deemed appropriate research techniques to gain insight and a deeper understanding of the social phenomenon being explored. Another reason why this research design is deemed appropriate is because the researcher was able to answer all the objectives listed in Chapter 1.4.2 of this study.

5.11   POPULATION AND SAMPLING

A sample is a part or section of a population (total group being studied). There are two types of sampling methods by which a sample can be identified namely probability and non-probability sampling. Purposive sampling, an offshoot of non-probability sampling, is more commonly used in qualitative research where individuals are purposefully

selected to inform an understanding of the research problem (Babbie & Mouton, 2002:166). To this end, participants were purposefully selected based on set criteria for selection (Cresswell, 2007:125; Strydom & Delport, 2002). As previously stated in Chapter 1.6.2.2., the criteria for selection of the participants were:

- That the participants are current managers/directors of social welfare non-profit organisations with knowledge and/or experience of management of social welfare organisations for more than three years;

- That the participants represented a demographical range of urban, peri-urban and rural social welfare service delivery;

- That the participants agree to being interviewed voluntarily;

- That the participants represent different sizes of social welfare non-profit organisations in terms of their staff compliment.

The researcher selected 24 social work managers from non-profit social welfare organisations in the Western Cape Province using the data base listed of registered non-profit social welfare organisations (http:/www.dsd.registerednon-profit organisations). Social welfare non-profit organisations were identified from the list of 56 registered non-profit social welfare organisations in the Western Cape Province that were currently delivering social welfare services including community development, rural development, child care services, care to the aged, foster care services, youth development organisations and victim empowerment services. The researcher spent a considerable time in trying to get social work managers to participate in the study. This was primarily because the managers have extremely busy schedules and many of the larger organisations were inundated with requests for research projects.

After much deliberation, twenty participants that met the criteria for selection, volunteered to participate in the primary investigation (see section 5.12.1). Mason (2010) suggests that when the data does not shed any further light on the issue under investigation, or the data becomes repetitive or more or less similar, saturation occurs. In this regard, the researcher became aware that at the nineteenth interview, the responses became more or less similar and deemed the sample size of twenty participants sufficient for the investigation. A focus group session would later be held

as a secondary investigation (see section *5.12.2.1*) to triangulate the data and provide more insight and depth after the emergent themes were identified.

5.12   DATA COLLECTION

Babbie (2014:93) and Bless & Higson-Smith (2004:107) recommend that a semi-structured interview schedule be used for in-depth interviews as a method of data collection. It has the advantage of guiding the interview process, ensuring that unnecessary repetition is avoided and the flexibility of allowing participants to provide further commentary (De Vos *et al.*, 2011:353).

5.12.1   First phase of the data collection process

The first set of data was obtained from a set of interviews conducted with twenty participants. The rest of the participants (four) formed a focus group which was later engaged in the empirical study (see 5.12.2.1.). In preparation for the interviews, each participant received a copy of the consent form (Annexure A); a semi-structured interview schedule (Annexure B) and an ethical clearance report (Annexure F) as well as a copy of the research proposal. For the purpose of these interviews, a semi-structured questionnaire was developed based on the literature review.

Questions were developed accordant to Chapters 2, 3 and 4 which covered the literature review relating the concepts of transformation and transformation management; the processes, dynamics and models of transformation; pertinent laws, policies and protocols pertaining to the non-profit social welfare sector as well as the transformation management of governance, management and operations of non-profit social welfare organisations. The questions were developed in such a way to empirically investigate the views of social work managers regarding transformation management in their respective organisations.

5.12.1.1 Pilot study

Before embarking on a large scale interview process, it is recommended that the researcher conducts a pilot study. In this regard, the researcher undertook a pilot study

with three participants to establish the validity and reliability of the data collection instrument as suggested by Bless & Higson-Smith (2004:52) and De Vos *et al.* (2011:237). The semi-structured questions were answered with relative ease and their responses were insightful and meaningful. This meant that it was not necessary for the questionnaire to be changed.

5.12.1.2 Conducting interviews

Although each participant confirmed their appointment by email, the researcher reconfirmed their appointments on the morning of the interview as a courteous reminder. Through the process of reflection, a key strategy used during the exploratory-descriptive qualitative methodology, participants were able to provide an in-depth understanding of the phenomenon being studied. The researcher adhered to ethical social practices throughout the interviewing process.

Based on the work of Gerard Egan, a person centred-approach was used during the interviews. This approach uses a non-directive and empathic way of dealing with clients (Egan, 1998; Grobler, Schenk & Du Toit, 2003). This was significant as the researcher wanted the participants to feel comfortable, relaxed and open-minded throughout the interview process. With the permission of the participants, the interviews were audio-taped and then later transcribed. This allowed the researcher to be more attentive during the interviewing process. Only once the interview was completed did the researcher reflect on the process making brief notes as well as keeping track of his own personal experiences which he later reflected in a reflexivity report (Annexure E).

5.12.1.3 Method of analysing the data

According to Rubin and Babbie (2009:21) and De Vos *et al.* (2007:403) once the data has been gathered from the interviews the researcher interprets and analyses the data. De Vos *et al.* (2007:333) describe the data analysis process as a process of bringing order and structure to the mass of collected data. To bring order and structure to the data, the researcher had the data transcribed before reading and rereading through the transcriptions. This was done to digest the information in a systematic and coherent way. In addition, audio-tapes were also used to refer to aspects of the data

that needed clarification. The field notes that the researcher used after each interview was also used in the interpretation and analysis of the data to provide a rich and meaningful interpretation.

Discovering the underlying meaning of the data and patterns of relationships are significant in the analysis and interpretation of the data (Babbie, 2014:203). Data analysis and interpretation starts as early as during the interviewing process where the researcher focuses the questions on the central themes (Babbie & Mouton, 2002; De Vos *et al.*, 2011). The researcher clarified some of the responses during the interviewing process to bring focus and meaning (Greeff, 2011:343; Silverman, 2006:16). This was significant to avoid ambiguity and unnecessary vagueness in the discourse.

The method of analysing the data was done in an integrated way according to the recommendations of Babbie (2014), Bernard and Ryan(2010), De Vos *et al.* (2007); Ely, Anzul, Friedman, Garner & Steinmetz (1991) and Shurink, Fouché and De Vos (2011).

1. To become familiar with the data, the researcher read and reread the transcripts several times - one script at a time, to ensure that valuable and critical elements of the interview are not lost and that a consolidated view of the interview was achieved (Shurink *et al.*, 2011:409).
2. Personal notes were made on the transcripts to bring meaning to the texts. Salient topics were identified and noted in the transcripts based on recurring ideas, patterns of behaviour, beliefs that link people to situations (Grinnell & Unrau (2005:410).
3. Recurring ideas and similar statements were grouped together shaping emerging patterns and trends that the data covered in a complex and creative way (Marshall & Rossman, 1999:154).
4. To transform the raw data into a standardised form, the data was coded as suggested by Babbie (2014:346). De Vos *et al.* (2007) explains the process of coding as a "sanctioned description of methodical and systematic reasoning". Gibbs (2007:38) confirms this view, describing coding as indexing and categorising the texts to establish a framework of thematic ideas.

5. Predefined coding categories were used accordant to the objectives of the study and emergent coding categories were used that surfaced during the development of the data analysis process (Babbie, 2014).

6. These textual data that fell within the ambit of the categories were then similarly colour coded to differentiate between various categories and themes. Themes, according to Whittaker (2009:94) represent a correlation of the data in a patterned response or meaning within the data set.

7. Themes were colour coded on index cards and linked to sub-themes and previously colour coded categories. A wall chart was then used to organise themes, sub-themes and categories providing a "structural organogram" or big picture of the phenomenon being studied. This provided a visual description of the data.

8. The themes, sub-themes and categories were reorganised to ensure that the correspondence was fit and most appropriate (Shurink *et al.*, 2011:402).

9. The most representative sample of verbatim responses from the raw data was selected and excerpts were inserted in the various categories (Marshall & Rossman, 1999).

10. Findings were compared to the literature review that presented similar or dissimilar views after which the researcher added his own meaning to the findings.

Barush *et al.* (2011) and Babbie and Mouton (2002) suggest that member checking can be done to support and enhance the research findings. In this regard, participants were asked to check the accuracy of their captured responses and commented on whether they agreed or disagreed with the researcher in terms of themes, sub-themes and categories emanating from the investigation (Annexure D).

5.12.2 Second phase of data collection

Further insight and understanding can be obtained on a particular aspect or theme of a phenomenon being studied by conducting a focus group. Triangulation is a research technique that can be used as an additional method to collaborate evidence obtained in the first phase of data collection (Creswell, 2013:251; Mouton, 2006:277). The data retrieved from focus group meetings also contributed to having a rich and thick

comprehensive description of the phenomenon being studied.

5.12.2.1 Focus groups

In the second phase of the data collection, a focus group meeting was held on 31 March 2015 with four social work managers that had not been part of the initial investigation, based on the same set of selection criteria as depicted in Chapter 1.6.2.2 of this study. Initially, five participants confirmed their participation, but only four attended the focus group meeting. The researcher went ahead with the focus group meeting because the participants constituted sufficient membership for the meeting to be conducted.

The role of the researcher differed during this process. The researcher became a moderator and facilitator rather than an interviewer as in the primary investigation (Carey, 2012:128). Questions that were formulated for the focus group discussion were specifically linked to themes that the researcher felt needed more insight and understanding. This had the value of clarifying some of the areas where the data retrieved from the primary interviews needed deeper meaning and understanding. Moreover, the focus group had a further advantage of exploration in a group setting. Similarly to conducting the first phase, the researcher applied ethical considerations and ensured that participants completed consent forms prior to conducting the focus group interview.

The focus group meeting was also audio-taped with the permission of the participants. Because the nature of the meeting being extremely interactive, their responses were summarised and then sent to them to see whether their captured responses were a true reflection of what they had said (Carey, 2012:131). This is significant as it has an impact on the validity of the research findings (Barush *et al*., 2011; Babbie & Mouton, 2002). The data was then assimilated and integrated with the rest of the findings to deepen insight and understanding of the phenomenon being studied and thus contributing to a much thicker and richer textual description (Cresswell, 2013:252).

5.12.3 Verification of the data

Verification of the research process and data is a significant aspect of contributing to the trustworthiness of the research findings. According to Shurink *et al.* (2011:419), truthfulness can be established against a set of norms which include credibility, transferability, dependability and conformability. In this regard, the researcher used the following strategies as part of the data verification process.

5.12.3.1 Credibility

Credibility is the most important aspect of any study as it underpins the *authenticity* of the research and the link that it has to theoretical foundations and sound research practices. Credibility was achieved as the researcher provided substantive arguments based on theoretical frameworks throughout the discourse. In addition, the research design was based on prior knowledge and models of best practice used in scientific research. Furthermore, processes of collection, analysis and interpretation were described in detail, substantiated by credible authors of academic research. To increase the authenticity of the data, ethical research practices were applied and the limitations of the research were clearly articulated. All the aforementioned strategies contributed to the credibility and internal validity of the research findings. Another aspect of the verification of the data is its transferability.

5.12.3.2 Transferability

Lincoln and Guba (1985:288) refers to transferability as the degree in which the research findings could be transferred to other settings and achieve the same results. Transferability or *external validity* is concerned with how generalised the results are (Merriman, 1998). According to the author a researcher can improve transferability in the following ways:

1. By establishing generality of the case where the researcher describes how typical an individual is compared with others in the same class so that the comparisons can be drawn in similar situations;

2. by providing a rich, thick contextual description so that anyone interested in transferability is able to use the same contexts and is able to make a critical judgement and

3. by conducting a cross-case analysis using multiple cases in an integrated

framework to see whether the research is transferable.

In this regard, the interviews were in-depth and insightful providing a rich contextual data supported by rigorous methodological processes of data collection, analysis and interpretation, validated by several authors (Bernard & Ryan, 2010; Brod et al., 2009; Hesse-Biber & Leavy, 2011). The study does not make any extrapolations, nor does it assume that the findings apply to the entire universe of social work managers. Instead the limitations are clearly stated and demarcated to the specificity of the social work managers concerned. However, given the rigorous nature of the investigation, transferability is achieved as the processes of collection; analysis and interpretation are all conducted with adherence to rigorous and ethical research practice, supported by reputed academic researchers.

5.12.3.3 Conformability

Shurink *et al.* (2011:421) states that conformability is similar to *objectivity*. Conformability of this study is achieved by the researcher using the verbatim responses of the participants (reflected succinctly in Chapter 6). In this regard the researcher remained objective and provided arguments that were similar and dissimilar to the literature review. Objective arguments were used in the discourse in the literature review triangulated with the narrative of the participants.

Another way in which conformability was achieved was for the researcher to make personal notes reflecting his own feelings, emotions and perspectives after each interview and then write up a reflexivity report (Annexure E). This is significant as it allowed the researcher to be consciously aware of any subjectivity that might surface. In so doing, objectivity of the raw data was thus separated from any subjective experience. Escaping biases and their possible influence became an acute awareness for the researcher throughout the research process. It is for these reasons that the conformability of the research findings was achieved.

5.12.3.4 Dependability

Merriman (1998:1970) asserts that dependability has to do with the *reliability* of the

data. Lincoln and Guba (1985:288) suggest that dependability obtained from the data should be consistent despite changing conditions of the chosen phenomenon being researched. This means that the results will have a single reality (similarity) if studied repeatedly. Thus, reliability refers to the extent that the findings can be replicated.

Merriman (1998) describes three ways in which results can be dependable:

1. The process of triangulation can be used as a cross-checking method;
2. Track-record of how data was collected, how categories were derived and how decisions were made so that other researchers are able to follow similar methods to produce similar results;
3. The researcher can explain assumptions, theoretical foundations of the research, choice of research design, and selection of participants and a description of the social context in which the study is located.

These abovementioned processes were rigorously adhered to in this investigation. The researcher is certain that if the investigation is conducted in the same way and within the same context, the research will yield similar findings. This attests to the fact that dependability of the data as a means of verification was achieved in this study.

In Part 2, the functional aspects of the research design was determined. The focus was on choosing the most appropriate design for the study. In this regard, specific attention was given to deciding on the use of a qualitative-phenomenological research approach, exploratory–descriptive in nature; establishing data collection, analysis and verification strategies. Detailed steps for data collection methods and the way in which the process of analysis and interpretation thereof were established providing a critical pathway for the methodological approach. Means of verification of the data was then discussed. This was significant as it had a direct bearing on the validity and reliability of the research findings. In Part 3, research ethics, a significant aspect of conducting any research study is discussed with particular reference to the ethical considerations of the study as well as the ethical conduct of the researcher.

PART 3: RESEARCH ETHICS

Research ethics involve key considerations and moral principles that social researchers use as guidelines when conducting research. Beckett & Maynard (2013:67) and Neuman (1997:442) confirm this view defining the ethics of social research as a "moral" and "legitimate" way of conducting research. Babbie (2014: 28) reaffirms this view depicting ethics as the reasons why social researchers value the methods that they use when conducting research. Strydom (in De Vos *et al.*, 2007:57) asserts that researchers need to be aware of what is "proper and improper" when conducting scientific research. The author refers to ethics as a moral benchmarking that the researcher uses to assess their behaviour and decision making in the research process.

Bless and Higson-Smith (2000:100) assign research ethics as part of the rights that participants have when conducting research. Babbie and Mouton (2002: 528-531) provides an extract of a Professional Code of Conduct for ethics for research which itemises various roles and responsibilities that researches need to observe when conducting social research (The Professional Board for Psychology, Health Professions Council of South Africa 18/5/B 26/03/2000). Moreover, as a registered social worker (Registration number 10-24019), the researcher is professionally bound to an ethical code of practice as determined by the South African Council of Social Service Professionals.

5.13 ETHICAL GUIDELINES IN RESEARCH

In order to conduct this research study, the Research Ethical Committee (REC) of the University of Stellenbosch provided an institutional framework which sets out specific guidelines of research compliance in order for the research to be conducted (Strydom, 2011:115). The research was approved on the basis that the researcher adhered and conformed to the guidelines of ethical research practices provided by the institution (see Annexure F).

5.13.1 Voluntary participation

Babbie (2014:26) emphasises that the research participants must voluntarily be contracted in the research process. The author cautions against forcing people to be part of the research process, regarded as highly unethical. In this regard the

researcher ensured that participants freely accepted to be part of the research and those who declined were not coerced in any way to participate. In this regard participants signed consent forms (Annexure A) which clearly articulate the purpose of the research, their roles during the interview process and the rights they have to withdraw from the research process at any time. The telephone number of the supervisor was also given to ensure that they had access to report anything untoward during the research process.

5.13.2 Prevention of harm to participants

Subjects may be emotionally harmed when conducting interviews in social research (Strydom, cited in De Vos *et al.*, 2007:58). The researcher needed to ensure that the subjects did not experience any emotional harm during the interview. As the transformation management process could be disconcerting for some of the respondents, reliving their experiences could be daunting. The researcher prevented emotional harm by preparing the respondents before hand, providing information on the questions ensuring that participants were not obligated to answer any question or questions if they were not able or ready to do so. The researcher also offered the service of an external professional counsellor to the subjects needing debriefing. This provided the subjects with the freedom to participate in the interview. Interestingly though, the participants answered all the questions with relative comfort and ease. No subjects requested counselling after the interviews were conducted.

5.13.3 Informed consent

Participants in the study agreed to participate and provided their consent. According to Strydom (2007:58) informed consent implies that all possible and adequate information was provided on the goal of the investigation, the procedures, the credibility of the researcher and the dangers that respondents may be exposed to. In this regard the researcher provided the participants with a copy of the research proposal with details of the aims and objectives of the research, including ethical clearance from the Research Ethical Committee of Stellenbosch University (Annexure

F) as well as the contact details of the supervisor of the researcher. The participants signed consent forms with the understanding that they could retract their consent at any time during the research process as previously stated.

5.13.4 Anonymity

As part of protecting the privacy of participants, the anonymity of participants must be ensured throughout the research process (Babbie, 2007:65,170). Consent was firstly obtained from each participant to have the interviews audio recorded. The researcher created a file where the participants' information was coded. Instead of names, the researcher used codes to ensure that the information regarding the participants and their responses were thus only known to the researcher. The researcher was also aware that the information regarding transformation management was a sensitive issue and that trust had to be ensured in order for the participants to reflect freely on their experiences without feeling compromised or fearful of their responses.

5.13.5 Confidentiality

Another aspect of protecting the privacy of participants is confidentiality. To this end Babbie (2007:65) distinguishes between confidentiality and anonymity. Whereas anonymity disguises the participants by using codes instead of names, confidentiality ensures that the information is not publicly disclosed as asserted by Strydom (in De Vos *et al.*, 2007:61). To this end, the researcher ensured that the information was kept confidential by briefing the participants about confidentiality which was to be adhered to in the research report, publications and articles and that the information in the thesis, though available in the public domain, would not specifically refer to any contributions made by the participants.

5.13.6 Research bias

The researcher was aware that research bias may creep into the research during the research process (Beckett & Maynard, 2013; 49; Patton, 2002). Of particular concern was that the researcher was a social work manager that experienced transformation management at one of the largest non-profit organisations in the Western Cape Province. To avoid conflict of interest, the researcher did not include the organisation,

or the social work managers in the research study. This was done so as not to cast judgement or have any consenting or dissenting views on transformation management in that particular organisation that may bias the findings.

5.13.7 Summary of research ethics

Ethical practice is essential to any research. In this study the ethical guideline provided by the Research Ethics Committee of the University of Stellenbosch were rigorously adhered to. Issues such as voluntary participation; that no harm may come to participants; informed consent; anonymity and confidentiality were observed throughout the research process.

In the next section, the limitations of the study are discussed.

5.14 LIMITATIONS TO THE STUDY

The following limitations are discussed that might have affected the quality of the study.

First, there is a dearth of national and local research on the concept of transformation management. To this end, the literature available regarding social workers applying effective transformation management in non-profit social welfare organisations is virtually non-existent. Consequently, the literature review largely consisted of authors from related subjected fields of management, pertinent social welfare laws from the government gazette and the use of journal articles from scientific journals as well as the internet were sourced.

Second, a very small sample (twenty four social work managers) participated in the study. No extrapolations or generalisations can thus be made to the larger universe of social work managers of non-profit social welfare organisations. This limits the study to the participating social work managers of participating non-profit social welfare organisations. However, extractions of the research finding may prove to be useful to other non-profit social welfare organisations. Furthermore, social research practitioners and government agencies dealing in transformation management may find the recommendations emanating for this investigation informative and meaningful.

Third, the interviewing process yielded an enormous amount of data that was cumbersome. Selecting appropriate data for specific themes required the researcher to wade through a vast array of content which had very little meaning and relevance to the subject being investigated. Although the semi-structured interviews allowed for focus on the questions, many of the participants used the process to off-load. This contributed to the large volume of data being accumulated which costed more time to filter and to select relevant information.

5.15   CHAPTER SUMMARY

Chapter 5 depicting the research methodology that was used in this investigation in presented constitutes three integral parts. First, Part 1 covered the philosophical dimensions of research. In this section the epistemic, social, ontological and methodological dimensions were explored which formed the foundations of this research. Second, in Part 2 the design of the research was determined. The research design provided an appropriate "road map" of how the research was conducted, dealing implicitly with the methodological aspects of the research. Deciding which "route" the research took, coalesced into using a qualitative research approach using two qualitative research techniques. In-depth interviews were held with twenty social worker managers that participated in the primary research. This was followed by conducting a focus group meeting with another four social work managers. The latter technique was used to triangulate the data but also to enrich the quality of the research findings. Finally, Part 3 concluded with ethical guidelines and issues of the conduct of researcher. Ethical issues and principles of the research study were dealt with highlighting critical aspects that the researcher addressed during the process of research. Following on from Chapter 5, where the methodological aspect of the research was determined, Chapter 6 focuses on the research findings where the data is analysed, interpreted, integrated, synthesised and then systematically presented.

CHAPTER 6

RESEARCH FINDINGS

6.1   INTRODUCTION

In Chapter 6 an exposition of the empirical findings is presented using themes, sub-themes and categories which were identified by the data collected in the semi-structured interviews (Bless & Higson-Smith, 2004:140; Carey, 2010: 86; De Vos *et al.*, 2011). In addition, the data collected will be discussed in accordant with the literature study comprising of Chapters 2, 3 and 4 to further explain and understand the findings and to extract meaning (Carey, 2012:217). A qualitative research approach depicted in Chapter 5 was used to provide a methodological framework for the purpose of the study which forms the basis of the research findings (Silverman, 2006:33).

Authors such as De Vos *et al.* (2011:399) and Carey (2012:218) state that qualitative analysis begins by going back to the purpose of the study. In this regard the aim of this chapter was to empirically investigate transformation management from the views of social work managers on non-profit social welfare organisations as depicted in the fourth objective of Chapter 1. This aim is critical as it is forms the foundation of the arguments presented in the discourse. The literature review and the empirical study provide an exposition of the findings in this chapter. New insights and a deeper understanding of transformation management from the views of social work managers of non-profit social welfare organisations occurred, which was the central focus of the study. The values of ethical social work practise were observed throughout the investigation (Pullen-Sansfaçon & Cowden, 2012; Rubin & Babbie, 2009:37). This is significant as it lays an ethical foundation for the research, contributing to the empiricism of the research findings per se.

The exposition of the empirical findings is presented as follows:

- A presentation and analysis of the biographical details of the participants;
- A discussion of the four themes that emerged from the interviews with the participants;
- The sub-themes that emerged from the four themes;
- The subdivision of the themes into individual categories.
- Linkages of the themes, sub-themes and categories to the literature review.
- Representative verbatim responses from participants are tabled followed by an integration and synthesis of the literature control.

6.2   PROFILE OF THE PARTICIPANTS

Table 6.1 reflects the identifying details of the primary interviews with twenty participants that participated in the study as well as four participants that were interviewed in the focus group meeting (n=24). Codes were used for the primary interviews (A-X) to substitute the names of the participants in order to ensure their anonymity (Rubin & Babbie, 2009:289). The information regarding their identifying details was included in the interview schedule to build a profile of the participants that contributed to the empirical investigation. The variables were the number of years of having management experience; their highest academic qualification; gender; race and the time that the organisation took to complete its transformation process.

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Table 6.1

Identifying details of the participants

	Code	Management experience	Highest Qualification	Gender	Race	Period taken for organisation to complete transformation process
1	A	5 years	BA (Social Welfare Management)	Female	Coloured	8 months
2	B	3 years	BA (Social Work)	Female	White	6 months
3	C	3 years	BA (Social Work)	Female	White	6 months
4	D	10 years	M (Social Work)	Female	White	5 months
5	E	7 years	BA (Sociology)	Female	Coloured	6 months
6	F	8 years	BA	Female	Coloured	10 months
7	G	4 years	BA	Male	Coloured	8 months
8	H	8 years	BA (Social Work)	Female	White	5 months
9	I	10 years	M (Social Work)	Female	Black	8 months
10	J	3 years	BA (Development Studies)	Male	Coloured	7 months
11	K	6 years	BA	Female	Coloured	4 months
12	L	8 years	Hons.BA (Social Work)	Male	Black	6 months
13	M	12 years	Hons (Social Work)	Female	Coloured	4 months
14	N	7 years	BA (Sociology)	Female	Coloured	8 months
15	O	3 years	BA	Female	Coloured	12 months
16	P	8 years	BA	Female	Black	8 months
17	Q	10 years	BA	Female	Black	5 months
18	R	3 years	B A (Social Welfare Management)	Female	Coloured	7 months
19	S	6 years	Hons (Social Work)	Female	Coloured	8 months
20	T	8 years	BA (Social Work)	Female	Coloured	8 months
21	FGP1	5 years	BA (Social Welfare Management)	Female	Coloured	12 months
22	FGP2	6 years	BA (Social Work)	Female	Coloured	8 months
23	FGP3	12 years	BA (Social Work)	Female	White	12 months
24	FGP4	5 years	M (Social Work)	Female	White	6 months

FGP: Focus Group Participant

(n=24)

6.2.1　Years of management experience

Of the twenty four participants that participated in the empirical study, five (20, 8%) have 10-12 years of management experience; thirteen (54, 2%) have 5-9 years management experience and 6 (25%) have less than five years management experience. The average amount of management experience is 6.67 years. Although competencies and experience in management is needed for transformation management, the effective transformation cannot directly be correlated with the years that participants have in management experience (Aarons, Hurlburt & Horwitz, 2008; Lewis *et al.*, 2012:3; Worth, 2012:108). This is primarily because transformation management requires a specific set of skills and competencies that the social work managers participating in the study may not necessarily have receive training in. Furthermore, Table 6.1. reveals that not all the participants have had social work management experience which could also possibly account for the lack of effective transformation management practice in their respective organisations.

6.2.2　Highest academic qualification achieved

Although all the participants (100%) have obtained degrees, only 15 participants (62, 5%) are professionally trained social workers. Nine (37, 5%) do not have social work qualifications. Managing non-profit social welfare organisations requires specific managerial competencies, knowledge, values that qualified social workers receive training in. In addition, qualified social workers have to be registered with a professional body, the South African Council for Social Services Professions, which acts as a regulatory body for the ethical practices of all social services professions. This means that the transformation management practices run by a qualified and registered social work manager, would be of an ethical nature where the social worker would apply sound values and managerial competencies needed for effective transformational change (Clegg *et al.,* 2011:376; Lewis *et al.*, 2012:3; Schermerhorn *et al.*, 2005:126; Worth, 2012:108).

6.2.3   Gender distribution

It is not surprising that 87.5% (21 participants) were female. The social work profession has always been a female-dominated profession. This imbalance in gender is lodged in the social reality of World 1 depicted by Mouton (1996:48). Although Orme, as cited in Gray and Webb (2009:66), sees social work as a "profession for women, run by women" males are equally competent in managing non-profit social welfare organisations. The gender disparity, although seemingly large, does not equate to any levels of competency that is required to manage organisations effectively. In this regard, Clegg *et al.* (2011:426) provide a case study which highlight effective gender equity in the work place which demonstrates how women outperform men in the work place. Although gender equity is a national government priority, the non-profit social welfare sector has always had the privilege of being managed by women.

6.2.4   Race distribution

Information that was obtained from the participants regarding their racial classification was as follows: Black 4 (16, 7%); White 6 (25%); Coloured 14 (58, 3%). This could be seen as being a near representation of racial groupings in the Western Cape Province. Unlike the apartheid era, where social welfare organisations were predominantly run by white females, changes in laws, policies and protocols (discussed in more detail in Chapter 3 of this study) support racial representivity in management. An example of such a law is the Broad Based Black Economic Empowerment Act 53 of 2003 which awards organisations (including non-profit social welfare organisations) that have achieved certification and the opportunity to tender for government services. One of the compliances conditions, of course is that an organisation has to achieve representivity in terms of its governance and management structures (Austin, 2004; Letsebe, 1997; Patel, 2003).

6.2.5   Time taken by the organisation to complete transformation process

One of the criteria of inclusion was that the non-profit social welfare organisations at which the participants are employed were all duly registered. In order for these organisations to have received registration they would all have been registered in

terms of the Non-Profit Act 71 of 1997. According to the information received from the participants, the time that these organisations have taken to complete their transformation vary from four to twelve months. Five participants have taken less than six months (20, 8%); sixteen participants (66, 7%) have taken between six and nine months and three participants (12, 5%) have taken 12 months to complete their transformation process. Interestingly enough, the average time taken to leverage the transformation process given the above statistics is 7,2 months. How the transformation was managed and the efficacy achieved is essential elements of successful transformation. Even though their transformation processes had successfully been completed, the sustainability of the transformed organisations is of critical concern (Landman, 2004; Lewis *et al.*, 2012; Worth, 2012).

From the information provided from the participants, the majority were females with the average years of management experience being 6 to 7 years. Although all the participants have obtained degrees, only 6 are registered and qualified professional social workers. The average time that was taken to complete the transformation process at the organisations where the participants were employed was 7.2 months.

6.3 EMERGING THEMES, SUB-THEMES AND CATEGORIES

After a pilot study was conducted with an interview schedule as recommended by Bless and Higson-Smith (2004:52); De Vos *et al.* (2007:82); Neuman (1997:141) no changes were made as the participants answered the questions with relative ease, having a clear understanding of what was asked. No discomfort was experienced by the participants throughout the interview process. From the twenty qualitative interviews that were conducted, four themes emerged from the empirical study.

- Theme 1: Conceptual understanding of transformation management: processes, dynamics and models
- Theme 2: Application of laws, policies and protocols
- Theme 3: Restructuring of transformed non-profit organisations in terms of governance, management and operations
- Theme 4: Sustainability of non-profit social welfare organisations.

Table 6.2

Exposition of the empirical study

THEME	SUB-THEMES	CATEGORIES
1. Conceptual understanding of transformation management: processes models and dynamics	1.1. Distinction between *transformation* and *transformation management*	Aspects relating to the concept of *transformation* (1.1.a) Aspects relating to the concept of *transformation management* (1.1.b)
	1.2. Transformative organisational processes	Conducting strategic planning (1.2.a) Reviewing the vision and mission (1.2.b) Leadership (1.2.c.)
	1.3. Dynamics experienced during transformation	Changes in attitudinal behaviour of staff (1.3.a) Changes in organisational culture (1.3.b) Conflict experienced during transformation (1.3.c)
	1.4. Instruments used to orchestrate organisational change	Policy documents (1.4.a) Models (1.4.b) Frameworks (1.4.c)
2. Application of transformational laws, policies and protocols	2.1. Factors contributing to transformation	Political Factors (2.1.a) Social Factors (2.1.b) Economic Factors (2.1.c) Other Factors(2.1.d)
	2.2. Significant laws that impacted on transformative changes	Non-Profit Organisations Act 71 of 1997 (2.2.a) Broad Based Black Economic Empowerment Act 53 of 2003 (2.2.b) Other pertinent Acts (2.2.c)
	2.3. Significant policies that impacted on transformative changes	Financial Rewards Policy to NPOs (2.3.a) Policy on the transformation of NPOs (2.3.b)

THEME	SUB-THEMES	CATEGORIES
	2.4. Significant protocols that impacted on transformative changes	Codes of Best Practices for Non-profit Organisations (2.4.a) National Development Plan, 2030 (2.4.b)
3. Restructuring of transformed non-profit social welfare organisations	3.1. Transformational changes in governance	Restructuring the board of governance (3.1a) Transfromation paradigm (3.1b) Transformation of the board (3.1c)
	3.2. Transformational changes in restructuring management and staff	Staff retrenchment (3.2.a) Repositioning of staff (3.2.b) Re-skilling of staff (3.2.c)
	3.3. Transformational changes in operations	Changes in financial operations (3.3.a) Changes in service delivery (3.3.b)
4. Sustainability of non-profit social welfare organisations	4.1. External environment	Reviewing government policies (4.1.a) Advocacy and Lobbying (4.1.b)
	4.2. Internal environment	Diversified sources of funding (4.2.a) Partnerships and Networks (4.2.b) Social entrepreneurship (4.2.c)

6.3.1 Theme 1: Conceptual understanding of transformation management: processes, models and dynamics

As indicated in Chapter 2, to have a circumspective view of *transformation management* in social welfare non-profit organisations, it is essential that the broader context of *transformation* of the entire social welfare non-profit sector in South Africa is clearly understood. Distinction between these contexts and concepts is significant to avoid vagueness, ambiguity and misconception. The process by which we specify what we mean when we use a particular term is called conceptualisation (Babbie, 2007:124; De Vos *et al*., 2005:29, 30). Furthermore, distinguishing between the concepts of *transformation* and *transformation management* is significant so that a general agreement of the concepts is clearly understood. This is essential as the *transformation management* of non-profit social welfare organisations is essentially the focus of the study and not *transformation* per se.

6.3.1.1   Sub-theme 1.1 – Distinction between transformation and transformation management

In order to achieve clarification on the concepts of *transformation* and *transformation management,* the first question posed to the participants was to gain an understanding of their views on the concepts of *transformation* and *transformation management*. Their verbatim responses are revealed in two distinctive categories covering their understanding of *transformation* and that of *transformation management.*

(a) Category: Conceptual understanding of transformation

Table 6.3 below contains qualifying excerpts of participants regarding their understanding of the concept of *transformation.*

Table 6.3

Conceptualisation of *transformation*

Sub-theme	Category	Qualifying excerpts from interviews
Conceptual understanding of transformation management: processes, models and dynamics	Aspects relating to the concept of transformation	• *"Transformation has to do with what is happening in South Africa in 1994...transformation is to <u>bring about democratic change...in civil society</u>".* (Participant C) • *"...<u>the government has had enough time to bring about transformation</u>...we should have had better lives by now...for the majority of us it is not so...."* (Participant G) • *"<u>Do they</u> (the government) really <u>understand what transformation is</u>? (rhetorical). Isn't it about changing people's lives and not their own...?" <u>Nothing</u> has <u>really changed for the better</u>.* (Participant J) • *"...transformation is about change in the government, in organisations, businesses but more so <u>change in the lives of the man in the street</u>...<u>that is where you see true transformation</u>... yet nothing is happening...."* (Participant M)

From the responses of participants regarding the concept of *transformation*, all the participants correlated the concept of *transformation* with the democratic change that the political transformation of South Africa achieved in 1994. Whilst the literature study depicts *transformation* as a radical change in the status quo of a circumstance, situation or environment (Nelson & Quick, 2005:391; Schermerhorn *et al.*, 2005:361), it is interesting to note that the participants provide a circumstantial view, relating the concept of *transformation* to a singular period in time (1994) and a specific event (inception of a democratic government). Their responses in this regard discount the notion that in order for *transformation* to be effective it has to be measured against a set of achievable objectives. In this regard, a time frame is significant as part of measurable objectives with specified outcomes (Babbie, 2007:351,352; Mouton, 2002:169). Not having specific time frames allows for the period of *transformation* to be vague and timeless. This could possibly account for the slow pace of transformation of the social welfare sector alluded to by Lombard (2008) and Weyers (2011).

Without having any specificity, Participant C describes transformation as: "... *to bring about democratic change...in civil society...*" and the expectation reflected by Participant G, *"...the government has had enough time to bring about transformation..."* It is evident from the aforementioned narratives that social transformation in South Africa has been generally contextualised within a political paradigm and not necessary in a social development context. Terreblanche (2012) and Lombard (2008) share a similar view to that of the Participant G, questioning whether the government has indeed orchestrated any meaningful social transformation.

That transformation has happened in South Africa cannot be argued. In concurrence with the participants, the literature study, expresses concomitant views that transformation indeed contributes significantly to social transformation (Davidson, 1996; Lessem & Schieffer, 2009; Lombard, 2008; Mbigi & Maree, 2005:51-60; Taylor, 2005). A contentious debate however is revealed by Lombard (2008) and Meyers (2011) asserting that the achievement of social transformation in South Africa is extremely slow, increasingly tardy and rightfully questionable, similarly to the disillusioned question of Participant J, "*Do they...understand what transformation is?...*" and the response of Participant M about the anticipated social transformation,

"*change in the lives of the man in the street... that is where you see true transformation...*"

It is quite evident from the above discussion that transformation has been achieved in South Africa in terms of a political change, but the efficacy in achieving the desired intention of social transformation is yet doubtful. Evidently, the malaise of ineffective transformation seems to have cascaded down to civil society organs, in particularly the social welfare non-profit sector where transformation has still arguably been slow and underwhelming. One of the consequences of the lack of the transformation of the non-profit social welfare sector can thus be the inaction or lack of political leadership (Terreblache, 2012). In this regard Magubane (2002) and Letsebe (1997) affirm the significant role that the government has to demonstrate the necessary political will that may effectively lead to social transformation.

(b) Category: Conceptualisation understanding of transformation management

In this category the participants reflected on the concept of transformation management. The majority of the participants concurred with the literature study describing transformation management as the management of transformation (or change) processes in an organisation resulting from external or internal environmental factors (Hellriegel*,* 2012:7; Nelson & Quick, 2005: 391; Robins & De Cenzo, 2008:7). One participant however, reflected that transformation management had not occurred at the organisation she was employed at. Interestingly enough though, all the other participants have reported that their organisations have transformed, though all are not clear as to *how* the transformation process was managed. Some however conceptualised transformation as follows, portrayed in Table 6.4 .

Table 6.4

Conceptualisation of *transformation management*

Sub-theme	Category	Qualifying excerpts from interviews
Conceptual understanding of transformation management: processes, models and dynamics	Aspects relating to the concept of management	• *"Transformation management is about <u>using the organisation's resources effectively</u>...for what the organisations is required to do…."* (Participant B) • *"...when you manage, you spend time <u>planning thoroughly</u>, you <u>organise your day</u> so that social workers perform their daily task without stress ...and achieve what they set out to do...."* (Participant G) • *"...transformation management is no different from other functions of management...<u>you still have to lead the staff</u> into doing what they are meant to do...and then <u>make sure the work gets done</u> (control)...."* (Participant H) • *Transformation management is about managing the <u>transformation in the organisation...is to see that the organisation is compliant with the policies</u> of the Department (Department of Social Development)…."* (Participant S).

The response from Participant S, regarding the transformation of non-profit organisations at organisational level is accordant with the view of Hellriegel *et al.* (2012) *"...transformation in the organisation...is to see that the organisation is compliant with the policies..."* In this regard, a measurable outcome of effective transformation management is that non-profit social welfare organisations are duly registered in terms of the NPO Act. To this end, organisations have to comply with prescribed legislative requirements and policies of the Department of Social Development. This is confirmed in the literature review in the way that organisations need to respond effectively to external environment of political changes made by legislation and policies (Dror, 1984; Edwards, 2010; Glisson, 2007; Holbeche, 2006; Packard, 2013).

Participant G disclosed *"...planning thoroughly, you organise your day..."* Participant H reflected that *"... you still have to lead the staff ...make sure the work gets done (control)..."* These managerial tasks are essentially required in the transformation management process, similarly recounted by Earle, (2008); Kirst-Ashman & Hull (2002) and Lewis *et al. (*2012).

From the views of participants and the literature review there is consensus that the concept of *transformation* relates to changing a present circumstance to an envisaged future circumstance whereas the concept of *transformation management* relates to how the change is managed through planning, leading, organising and control. However, what seems to be glaringly missing is the absence of the measurement of time frames and the efficacy of the action relating to these concepts (Curran & Bonilla, 2010; Cinite, Duxbury & Higgens, 2009).

From the above discourse it is evident that within the context of *transformation* of the social welfare sector and indeed the *transformation management* of non-profit social welfare organisations, effective transformation management needs to include clearly defined objectives, anticipated outcomes and more particularly needs to occur within specific time frames. This can be conducted in a strategic planning session *specifically* held for transformation management (Hellriegel*,* 2012; Yukl, 2010). Having a clear understanding of *transformation management* provides a context for the next part of the investigation in which the transformative organisational processes within the context of non-profit social welfare organisations are presented.

6.3.1.2   *Sub-theme 1.2 – Transformative organisational processes*

According to Luhman and Cunliffe (2013:111) organisational change is a process by which organisations move from its present condition to a desired state; in particular improving its use of resources in its struggle to create value and survive (Cummings, & Worley, 2009; Jaros, 2010; Judge & Douglas, 2009; Luhman & Cunliffe, 2013:111). In this part of the enquiry, participants reflected on the transformation management of various organisational processes which includes strategy; vision and leadership.

(a) Category: Conducting strategic planning for transformational change

The participants were asked to respond as to how their respective organisations implemented a strategic plan as part of their transformation management process. Their verbatim responses regarding strategic planning are presented in the Table 6.5. below.

Table 6.5

Conducting strategic planning for transformational change

Sub-theme	Category	Qualifying excerpts from interviews
Transformative organisational processes	Conducting strategic planning for transformative change	• *"We annually review of our strategic planning to make sure that our organisation remains on the right track and that we know where heading in the New Year...."* (Participant D) • *"...planning for the transformation was included in our annual strategic planning session because transformation occurred roughly at the same time…."* (Participant J) • *"...very difficult process when we had to do strategic planning for our organisation's transformation...."* (Participant K) • *"...we covered aspects of staff restructuring mainly in our strategic planning process when we planned for transformation in the organisation...we looked at our budgets, lack of funds and streamlined the organisation's programmes...."* (Participant N)

It is common practise that most non-profit organisations conduct an annual strategic planning to review and assess their organisation's achievements for the past year as reported by Participant D, *"...annually review of our strategic planning to make sure that our organisation remains on the right track..."* However, within the transformation management context, strategic planning, according to Hellriegel (2012:7) needs to occur as a separate function and not be lumped together with the annual strategic review because the strategic planning session in transformation management has a separate set of measurable objectives, activities, timeframes and outcomes (Austin & Claassen, 2008; Theron, 2008:76; Worth, 2012:168). This is quite contrary to the views expressed by Participants J, *"...transformation was included in our annual strategic planning session"* and N, *"... staff restructuring mainly in our strategic planning process when we planned for transformation in the organisation."*

Having a separate strategic process brings clarity to the process of organisation's transformation because the process of transformation is complex and challenging, requiring tremendous insight and understanding (Theron, 2008:76; Worth, 2013:168)

as stated by Participant K, *"...very difficult process when we had to do strategic planning for our organisation's transformation..."*

Interestingly enough, the last mentioned participant pointed out that that there was dissent amongst staff and mistrust because of not being duly informed. In this regard the literature study confirms the use of external change agent for the transformation process, particularly for strategic planning. This is because change agents have the expertise, knowledge and skill to deal with challenges and issues experienced during transformational change (Packard, 2013; Schermerhorn *et al.*, 2005).

Also, none of the participants make mention of their organisations making use of an external facilitator or change agent to spearhead the transformation of their organisation despite their processes being challenging and their members being mistrustful.

From the above narrative it is evident that a large majority of organisations included transformation as part of their annual strategic plan process, quite in opposite to what is recommended in the literature review. For transformation management to be effective, the strategy for transformational change needs to be a managed process *separate* from the organisation's annual strategic planning session. Moreover, having a *separate* strategic planning session increases the efficacy of the transformation management process (Cinite *et al.*, Duxbury & Higgens, 2009; Connor *et al.*, 2009; Schermerhorn, *et al.*, 2005).

(b) Category: Reviewing the mission and vision

It is evident from the above discussion that non-profit social welfare organisations should have separate strategic planning sessions to map out the transformation of their organisations. This is significant as some social welfare organisation has vision and mission statements that may limit their organisation to working with a particular religious grouping or within a specific demographic area quite inapposite to the key funding priority areas of the Department of Social Development.

In order to comply with the Department of Social Development's recent funding requirements it is essential that the constitutional documents, containing the purpose, vision and mission of the organisation be reviewed and adapted where necessary. This needs to be done to ensure that compliance is achieved. Yet compliance on its own does not necessary guarantee funding. To ensure that the organisation is eligible for funding, the founding constitutional documents may need to be changed to reflect that the areas of operations include the demographical areas aligned to the key priority areas of the Department of Social Development and that the new board members reflect the necessary representivity.

Reviewing the vision and mission of the organisation brings a focus to the transformation because, as asserted by Luhman and Cunliffe (2013), the period of transformation of organisations is characterised by a period of uncertainty and chaos. It is significant thus that having a common vision and mission with structures and systems determines the organisation's new path in a succinct and coherent way (Fernandez & Rainey, 2006; Grobman, 2008; Jaros, 2010).

Some of the responses of participants regarding the review of their organisation's vision and mission are described in Table 6.6 below.

Table 6.6

Reviewing the mission and vision

Sub-theme	Category	Qualifying excerpts from interviews
Transformative organisational processes	Reviewing the vision and the vision	• *"...we started off our strategic planning with reviewing the organisation's vision and mission…despite transformation we <u>did not change our vision or our mission</u>...."* (Participant A) • *"...we changed our budgets and our service delivery areas <u>but not our vision and mission</u>...."* (Participant E) • *"...in our documents our <u>organisation's mission and vision are still the same</u>...."* (Participant H) • *...we did not <u>realign our organisation's mission</u> although we offered different programmes that <u>the organisation did not offer before</u> such as HIV/AIDS programmes..."* (Participant C).

Seemingly, not having a strategic planning session for transformation management impacted on the reviewing of the vision and mission of the organisation as none of the participants changed their vision or mission of their organisation as revealed by the following participants.

Participant A, *"...we did not change our vision nor mission..."* Participant E, "...*but not our vision and mission..."* and Participant H, *"...our organisation's mission and vision are still the same..."* In some cases, even where organisation's have adopted other programmes, their visions and mission statements still remained the same, as recounted by Participant C, *"...we did not realign our organisation's mission..."* It is quite understandable that non-profit social welfare organisations would retain its vision as it represents an aspirant view of the common purpose of the organisation. It is equally understandable that some organisations retained their mission already in alignment with the necessary demographics and representivity needed to be eligible for government funding. It is interesting however, that there is seemingly an underlying assumption that the vision and mission statements need not be reviewed. This may be problematic as the organisation's constitutional documents need to reflect any changes made to the operations which should be accordant with the organisation's vision and mission (Grobman, 2008; Lewis *et al* 2012; Packard, 2013; Worth, 2012; Yukl, 2010).

Another aspect of ensuring effective organisational transformation is the aspect of leadership. The board needs to ensure that the organisation is effectively guided and steered to guide the transformation during this critical time. In this regard the participants present a candid view of the leadership that transpired during their organisations' transformation, which is presented in Table 6.7 below.

(*c*) Category: Leadership required for transformative organisational change

In response to the question asked about the type of leadership that was demonstrated during the transformation process, the participants presented various views. Their verbatim responses regarding the leadership are shown in Table 6.7 .

Table 6.7

Leadership required for transformative organisational change

Sub-theme	Category	Qualifying excerpts from interviews
Transformative organisational processes	Leadership required for transformative organisational change	• *"...the chairperson held meetings with the management staff on a regular basis...dealt with the changes in a sensitive manner....concerned about the staff cuts that needed to be made......"* (Participant C) • *"...the director first called us (management) in and asked us to give input into the direction the organisation had to go...asked us for our support...asked us to propose where we can make cuts and motivate our decisions...gave us sufficient time to think about our proposed changes in our programmes…."* (Participant N) • *"...she (director) was extremely sensitive about the transformation...approached other organisations ...consulted with attorneys on labour law...before having staff meetings...prepared us...provided different scenarios for the transformation…."* (Participant D) • *"...asked us (management staff) for assistance to get our compliance in order...spent time in the evenings and over weekends...in meetings to make the necessary changes...."* (Participant H)

As suggested by the literature review, transformation management requires competent leadership with skills in person-centeredness, effective communication and the knowledge of how to manage organisations effectively. The type of leadership should have a combination of varied decision making styles (Kotter, 1996; Gilley, McMillan & Gilley, 2009; Walker, Armenakis & Berneth, 2007; Palmer, Dunford & Akin, 2009):

- *Consultative* leadership style where the manager consults with subordinates about the transformation process and is sensitive to their needs as stated by Participant C "*.the chairperson held meetings with the management staff on a regular basis...dealt with the changes in a sensitive manner...*"

- *Participative* leadership style where the manager explains the challenges of the transformation process and provides the staff with the relevant information and

facilitates a discussion process in which members are afforded the opportunity to air their views and concerns, as expressed by Participant N, *"...asked us to give input...asked us for our support...asked us to ...motivate our decisions..."*

- *Empathic l*eadership style where the manager is able to place herself/himself in the situation of the subordinates and demonstrates empathy for their situations as divulged by Participant D, *"...she (director) was extremely sensitive about the transformation..."*

- *Action-orientated* leadership style where the manager leads the transformation process by getting involved in the actions to ensure teamwork and collective assignment as verbalised by Participant H *"...asked us (management staff) for assistance to get our compliance in order..."*

6.3.1.3   Sub-theme 1.3 – dynamics experienced during transformation

Accordant to the literature study, participants presented congruous views regarding the dynamics within the organisation staff during the transformation process. Their responses are categorised in three distinctive categories: the staff members' attitudinal behaviour changed, changes in the organisation's culture and that more conflict was experienced than usual.

Three distinctive categories of the dynamics experience during the transformation process in non-profit social welfare organisations are presented as follows:

(a) Category: Changes in attitudinal behaviour of staff

Participants were asked how the attitudes of staff changed during the transformation process. Their verbalised responses are reflected in Table 6.8 .

Table 6.8

Changes in attitudinal behaviour of staff

Sub-theme	Category	Qualifying excerpts from interviews
Dynamics experienced during transformation	Changes in attitudinal behaviour of staff	• *"Some staff members, even managers became <u>reactive</u>...<u>resistant and threatened to resign</u> because of the proposed changes... the organisation did not provide counselling...they took us for granted."* (Participant F) • *"...<u>two staff members handed in their resignation...blamed the changes on the director...</u> We were called into a meeting only to be told that the situation was dire and some members had to go."* (Participant G) • *"...<u>low level of morale, distrusted the decisions of the board...</u>we feel that the board threw in the towel and management had to take the process forward."* (Participant S) • *"...<u>broke down and cried</u>...<u>confused about the situation</u>...considered it as an <u>excuse made by management to get rid of them</u>...no promises were made about our continued employment...."* (Participant T)

There are significant changes in attitude, behaviour and perceptions of staff members during the transformation process (Burke, 2011; Cohen & Hyde, 2014; Ford, & Ford, 2009; Jaros, 2010; Lamm & Grodin, 2010). The aforementioned authors concur that changes in labour practices such as staff retrenchments, staff repositioning are congruent to the literature study. Clegg *et al.* (2011:474) explains that where there is a change in labour practices such as staff retrenchments, staff repositioning, staff cuts experienced in the transformation of organisations, it will be met with resistance and negative attitudes, similarly to the verbatim response communicated by Participant F, *"Some staff members even managers became reactive...resistant and threatened to resign because of the proposed changes...."* In some cases, the blame is directed at the leadership as divulged by Participant G *"...two staff members handed in their resignation...blamed the changes on the director...."*

The response of Participant S is not surprising either *"...low level of morale, distrusted the decisions of the board..."* because staff members experience great uncertainty during the process of change (Burke, 2011; Lewis *et al.,* 2012:264-265; Walker,

Armenakis & Berneth, 2007). Equally disconcerting is the response of Participant T, *"...broke down and cried...confused about the situation...considered it as an excuse made by management to get rid of them...."*

Schermerhorn *et al.* (2005) and Worth (2013) assert that the attitudes of staff change during the transformation of the organisation. Whilst the participants reflected how they felt, it is still not very clear on how these attitudes were "managed". It is disconcerting that managers also became "*reactive and resistant*" as verbalised by Participant F. In this regard, the aforementioned authors recommend that a change agent is contracted to facilitate and mediate the transformation process when resistance to change becomes extremely challenging.

(b) Category b: Changes in organisational culture

Organisational culture is the set of beliefs, values, assumptions, norms, stories, ceremonies, artefacts and symbols within the organisation that influences the way in which employees perform their jobs according to Luhman and Cunliffe (2013).

Participants reflected on how the transformation process impacted on organisational culture in the following ways, depicted in Table 6.9.

Table 6.9

Changes in organisational culture

Sub-theme	Category	Qualifying excerpts from interviews
Dynamics experienced during transformation	Changes in organisational culture	• *"Since the transformation process, the annual Christmas party was not held...no gifts were exchanged...staff member's morale was low...."* (Participant B) • *"...many things were done differently...work load increased...more staff members put in for sick leave or leave of absence, early morning tea in the staffroom no longer takes place...."* (Participant D) • *"...programme funding was drastically reduced as well as the end of year...annual camps we organised for children whom we looked forward to spread some Christmas cheer amongst the orphans and street children...."* (Participant H) • *"...briefing sessions were usually friendly and filled with laughter became serious and dull...."* (Participant N)

According to Clegg *et al.,* (2011:382) and Judge & Douglas (2009), ceremonies, rites and rituals are regarded as part of organisational culture. Celebrations of

organisational achievements such as end of year functions and award ceremonies seem to have changed, increasing the low staff morale and esteem that the staff members once had, as expressed by Participant B *"Since the transformation process, the annual Christmas party was not held...no gifts were exchanged...staff members morale was low..."* and Participant D *"...many things are differently...work load increased...more staff members put in for sick leave or leave of absence, early morning tea in the staff room no longer takes place...."*

Evidently, the transformation process streamlined some of the programmatic activities of the organisation, taking away some of the cultural activities that were endearing to the staff and the community as reminisced by Participant H, *"...programme funding was drastically reduced...annual camps we organised for children which we looked forward to spread some Christmas cheer amongst the orphans and street children...."*

There seems to be a negative trend in organisational culture resulting from transformation particularly influencing the milieu and ambience of the organisation as recounted by Participant N *"...briefing sessions were usually friendly and filled with laughter became serious and dull...."*

Quite contrary to the reflections of participants, Mowles (2011) and Fernandez & Rainey (2006) suggest that organisation culture should be managed effectively during the transformation process. It is significant for the staff members, beneficiaries and community that celebrations, ceremonies and rituals be observed so that the organisation does not lose its identity. Budgets for example could be reduced for ceremonies but not completely be removed, as staff members value the cultural activities and habits that they have become accustomed to. Transformation management in this regard should be sensitive to the organisation's cultural needs and the community that the organisation serves.

(c) Category: Conflict experienced during transformation

Conflict and confusion amongst staff members occur during any transformation and restructuring of the organisation as a result of fear of the unknown (Burke, 2011; Robins & De Cenzo, 2008:201). In this regard, Nelson and Quick (2005:136) propose that role and task clarification is successfully communicated to staff members in order to reduce stress and confusion. Their responses are shown in Table 6.10 below.

Table 6.10

Conflict experienced during transformation

Sub-theme	Category	Qualifying excerpts from interviews
Dynamics experienced during transformation	Conflict experienced during organisational change	• *"...relationships changed from friendly to hostile...two members of staff had to be disciplined for behaving untowardly with each other... one eventually left the organisation...."* (Participant A) • *"...the stress levels increased during that period...staff complained that they were worried and could not sleep...constantly at each other's throats for little things...."* (Participant C) • *"...internal fights over stupid things broke out...people became territorial over their work...."* (Participant F) • *"..staff members were moody, depressed and very argumentative...almost trying to cling onto their jobs…."* (Participant T)

Participants concur with the views of Nelson and Quick (2005:136) that conflict is heightened during the transformation process. Participant A recounted that, *"...relationships changed ... staff had to be disciplined for behaving untowardly with each other...one eventually left the organisation..."* and Participant C recalled that , *"...the stress levels increased ...staff complained that they were worried and could not sleep...constantly at each other's throats for little things...."*

Ford & Ford (2009) argue that power and conflict arise when staff compete for limited organisational resources, similar to the views expressed by Participant F *"...internal fights over stupid things broke out...people became territorial over their work..." and* Participant T "...*staff members were moody, depressed and very argumentative... almost trying to cling onto their jobs...."* In this regard Ford & Ford (2009) recommend that conflict needs to managed during the transformation process and provide strategic ways in which to manage conflict. Moreover, providing continuous feedback and

progress of the transformation plan are essential elements that managers can use in reducing conflict during the transformation process as suggested by Edwards *et al.* (1998); Lewis *et al.* (2012); Packard (2013).

6.3.1.4 Sub-theme 1.4 – Instruments used to orchestrate organisational change

Within a non-profit social welfare context, the systems theory is defined as an organisation's systems that are in place where inputs are taken from the environment, transforming those inputs given the organisations structure and processes, creating outputs for the organisations stakeholders and gathering feedback mechanisms to improve all activities (Burke, 2011; Judge, 2011; Palmer *et al.*, 2009; Walker *et al.*, 2007; Worth, 2013). In this regard transformation management is based on a strong and robust theoretical underpinning which requires the process of transformation to be managed in a succinct and effective way. Non-profit social welfare organisations need to ensure that their transformation management process is based on a solid theoretical foundation and use policy documents, models and theoretical frameworks to guide their transformation process (Fernandez & Rainey, 2006; Gil, 2010; Judge & Douglas, 2009).

In this section of the investigation, participants were asked to reflect on the theoretical underpinning of their transformation process and revealed the following responses subdivided into three distinctive categories namely; policy documents, models and theoretical frameworks that guided their transformation management process.

(a) *Category: Policy documents used as a reference for transformative change*

Most of the participants revealed that they only used the policy documents given to them by the Department of Social Development to bring about the transformation in their organisations. They responded as follows, depicted in Table 6.11.

Table 6.11

Policy documents used as a reference

Sub-theme	Category	Qualifying excerpts from interviews
Theoretical foundation used to orchestrate transformative changes in organisation	Policy documents used as a reference for organisational change	• *"...speculated about whom must go...unhappy after reading the policy documents about being more representative…."* (Participant D) • *"...offered to leave the organisation because of being white...thought it (policy change) was discriminatory and unfair...."* (Participant G) • *"...considered the change in representivity to be long overdue according to the policies...time for a fresh change...community inputs...."* (Participant J) • *"...necessary to include more women in the board... different take on who the beneficiaries and communities need to be to receive funding in terms of the new policies...more programmes focussing on the girl child needed…."* (Participant P)

Social policies determine how societal structures and systems interact (Dror, 1984; Triegaadt, 2002; United Nations Research Institute for Social Development, 2010; Walker *et al.*, 2007). To this end transformation policies are promulgated to bring about change within systems and structures within the non-profit social welfare sector. From the following responses it is clear that transformation policies of the Department of Social Development are met with despair and disdain. In some cases the participants cite the policies as being unfair and unjust. According to the literature review and particularly the social development approach and articulated in the White Paper on Social Welfare 1997, the approach underscores social justice and equality which is very inapposite to the sentiments reverberated by the participants:

- *"...speculated about whom must go...unhappy after reading the policy documents about being more representative…."* (Participant D)

- *"...offered to leave the organisation because of being white...thought it (policy change) was discriminatory and unfair…."* (Participant E)

- *"....considered the change in representivity to be long overdue according to the policies...time for a fresh change...community inputs...."* (Participant J)
- *"....necessary to include more women in the board…"* (Participant P)

It is clear that the changes made in transformation policies are not met with much approval of the social welfare sector. In fact, it could be causal to the slow pace of change that Lombard (2008) and Meyer (2011) refer to. Moreover, these policies can arguably be regarded as not having the support of the entire social welfare sector. Notwithstanding of course, that it cannot be considered as complimentary to the practice of social development at all (Hall, & Midgley, 2004; Magubane, 2002; Midgley, & Sherridan, 2000; Triegaadt, 2002; Weyers, 2013).

(*b*) *Category: Models used as a reference*

Life cycle models are models which address how and why organisations begin, grow, change, survive or expire and how these issues relate to organisation structure, design and strategy (Clegg *et al.*, 2011:270; Eadie, 2006; Packard, 2013; Whelan-Berry & Somerville, 2010; Young, 2009). In this regard, models in transformation management can be used to pattern the way in which organisations can transform. Participants were asked whether their transformation management was based on any models. From their responses it is evident that no models were used to base their transformation management processes upon as revealed in Table 6.12 below.

Table 6.12

Models used as a reference

Sub-theme	Category	Qualifying excerpts from interviews
Theoretical foundation used to orchestrate transformative changes in organisation	Models used as a reference for organisational change	*"...no models were used that we know of because we were not aware that transformation was based on models..."* (Participant B) *"...mainly informed by what the department wanted us to do...the way in which we had to transform our organisation was very much left up to us...."* (Participant L) *"...perhaps the department based their documents on models that were successful...it was certainly not communicated to us...."* (Participant M)

		• *"...the transformation was <u>not based on any model</u> in my opinion because transformation was new...<u>based on their own laws and policies</u>...."* (Participant S)

Models can be used as a reference of best practice whereby an organisation can draw learnings from. Integrating various models has the advantage of basing an intervention on a theoretical framework (Devine, 2010; Eadie, 2006; Young, 2009). In this regard, transformation management requires of social work managers to use as much information as possible to develop comprehensive insight and understanding when engaging in transformative processes, dynamics of change in their organisations (Cummings & Worley, 2009; Eadie, 2006; Packard, 2013; Pal, 1997). From the above narrative it is evident that *no* models were used to guide the transformation process. Although Nelson & Quick (2005:6); Schermerhorn *et al.*, (2005:383) and Worth (2013:59) provide models which can be used such as the social learning model, motivational model, behavioural model in support of effecting organisational transformation, none of the participants reflected on the use of any models. This could also possibly account for the ineffective transition that social welfare organisations make towards developing sustainable organisations.

(c) Category: Theoretical frameworks used as a reference for organisational change

Table 6.13

Theoretical frameworks used as a reference

Sub-theme	Category	Qualifying excerpts from interviews
Theoretical foundation used to orchestrate transformative changes in organisation	Frameworks used as a reference for organisational change	• *"...we were guided by the letters and emails if you can call that <u>a framework</u>...and it helped us with registration and achieving compliance for funding..."* (Participant C). • *"...our <u>strategic plan</u> provided us with a <u>framework of how to go about transforming the organisation</u>..."* (Participant E). • *"...we played it by trial and error...where necessary we phoned and emailed the Department for advice... we used that as our <u>reference for making decisions</u>...that was our <u>only framework</u>..."* (Participant H).

		• *"...we spent a considerable amount of time structure a plan which we used as <u>a framework for making decisions about transformation</u>..."* (Participant O).

From the response of the participants it is evident that there was no solid underpinning of a theoretical framework for their transformation strategy, but more so information that was provided by the Department of Social Development regarding the transformation requirements and compliance of non-profit social welfare organisations to become eligible for funding as recalled by Participant C, *"...we were guided by the letters and e-mails if you can call that a framework...and it helped us with registration and achieving compliance for funding...."*. Instead, organisations used frameworks such as a strategic operational plan to transform their organisation as verbalised by Participant E, *"...our strategic plan provided us with a framework of how to go about transforming the organisation...."*

For some organisations, no guiding framework was used at all as communicated by Participant H *"...we played it by trial and error...where necessary we phoned and e-mailed the Department for advice...we used that as our reference for making decisions...that was our only framework..."* and some organisations developed their own structural framework which was used as a guide for their transformation management process, as recounted by Participant O, *"...we spent a considerable amount of time structure a plan which we used as a framework for making decisions about transformation...."*

From their verbatim responses, similarly to that of using models, the theoretical underpinning for transformation management is significantly absent in all the transformation processes of the organisations. The literature study amplifies the dire need for transformation management to be a structured and systemic process based on theoretical underpinning (Devine, 2010; Eadie, 2006; Luhman & Cunliffe, 2013). As a result, the transformation would be more effective ensuring the validity and credibility of the process, reducing the fear and mistrust in the transformation management process (Brueggermann, 2006; Grobman, 2008; Judge, 2011; Nelson and Quick, 2005:136).

6.3.2   Theme 2: Application of transformational laws, policies and protocols

As previously investigated in Theme 1, the operationalisation of non-profit social welfare organisations in South Africa have undoubtedly been impacted upon by the external environmental factors in which they exist. The most prolific impact on the transformation of non-profit social welfare organisations is arguable political factors such as the democratisation of South Africa in 1994 where the country's apartheid laws were repealed in favour of a democratic statutory framework. In this regard a Constitution of South Africa (Act 106 of 1994) was adopted as a primary piece of legislation including a Bill of Rights from which other democratic laws were promulgated in order to build a socially just and democratic civil society.

It is thus significant that the boards and management structures of non-profit organisations have a profound knowledge of pertinent laws, policies and protocols that influence the way in which their organisations need to be restructured in order to be compliant and more particularly eligible recipients of government funding. Structuration links the actions of individuals with the broad structures of civil society (Jaros, 2010; Jaskyte, 2003; Packard, 2013). This means that political transformation of South Africa cannot translate into social transformation unless of course effective societal restructuration takes place. Restructuring and adaptation to a new ecological environment, though extremely complex and challenging, are essential for the survival and sustainability of social welfare organisations (Anderson & Ackerman-Anderson, 2010; Burke, 2011; Glisson, 2007; Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007).

Moreover, the myriad of laws, policies and protocols are meaningless unless of course consistently implemented by civil society. As previously stated, the slow pace of transformation of the social welfare sector remains a huge debate (Lombard, 2008; Weyers, 2011). This section of the investigation attempts to clarify the application of laws, policies and protocols that participants used as part of the transformation management within their respective organisations. The theme is delineated into three

distinctive sub-themes namely significant laws, policies and protocols that are further delineated into various categories.

6.3.2.1 Sub-theme 2.1 – Factors contributing to transformation

All participants indicated that external environmental factors had a significant impact on the systemic, structural and operationalisation of their respective organisations in concurrence with the literature study (Anderson & Ackerman-Anderson, 2010; Burke, 2011; Glisson, 2007; Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007). Moreover, the notion of environmental uncertainty described by Packard (2013) as "*an uncertainty created by external forces and conditions that have an impact on the operations and survival of the organisation"* is undoubtedly congruent with their reflections.

(a) Category: Political factors

It was not surprising that all the participants indicated that the political change to democracy in South Africa can be considered as the major factor that influenced all systemic changes in South Africa's transformation as underscored by Patel (2005). Their verbatim responses captured in Table 6.14 provide more insight in this regard.

Table 6.14

Political factors that influenced transformation

Sub-theme	Category	Qualifying excerpts from interviews
Factors influencing transformation of non-profit welfare organisations	Political factors	• "...since the <u>change to democracy</u> everything had to change towards ensuring that everybody in South Africa were <u>treated equally and received the same services from the government</u>...." (Participant E) • "...the 1994 elections were the <u>beginning of transformation of the government</u>...the <u>Constitution of South Africa changed</u> and all of us voted in a <u>democratic government</u> for a better life in South Africa...." (Participant G) • "Despite the elections in 1994*,* <u>changes in our organisation</u> only began in 1999 and are slow and were met <u>with much resistance</u>... nothing much has really changed since in the sector." (Participant H) • "The <u>political change</u> in the country meant that we never even knew that we would have jobs...the <u>new district offices moved as a result of the change</u>...we knew our organisation would change but we <u>did not know how we would be affected</u>…." (Participant L) • ...we all anticipated that when the ANC came into power things would change as promised by Mandela...<u>the</u>

		changes however, is still not benefiting the poorest of the poor…." (Participant M)

Congruent to the view of Lombard (2008), the pace of transformation of the social welfare non-profit sector is slow as communicated by Participant H "*Despite the elections in 1994, changes in our organisation only began in 1999 and is slow and were met with much resistance...nothing much has really changed since (1994) in the sector....*"

Furthermore, the views of Lombard (2008) and Weyers (2011), resonate with the above response which depicts the current malaise in the transformation of the social welfare sector in South Africa, despite the political democratic changes nearly two decades ago, as being protracted and ineffective.

The aspirations of South African civil society, regarding political transformation leading to better lives for all is echoed in the sentiments of Participant M "*...we all anticipated that when the ANC came into power things would change as promised by Mandela,...the changes however is still not benefiting the poorest of the poor...*"; Participant E, "*...since the change to democracy everything had to change towards ensuring that everybody in South Africa were treated equally and received the same services from the government...*" and Participant G "*... the 1994 elections were the beginning of transformation of the government... the Constitution of South Africa changed and all of us voted in a democratic government for a better life in South Africa....*" These comments also concur with the views of Terreblanche (2013) expressed in the literature study where the author is of the opinion that the government has become "lost in transformation" and undoubtedly has not achieved what it has initially been mandated to do.

It is thus clear from the discussion that political factors may contribute to intended social transformational change, but the rate at which these changes occur is undoubtedly still of great concern, causing grave dissent amongst civil society in South Africa as reflected in newspaper articles of Prins (2012) and Barnes (2012). So much so that political inaction and lack of leadership can arguably be regarded as causal to

the malaise that is currently being experienced in the lack of transformation of the social welfare sector.

(b) Category: Social factors

Seemingly, there is a systemic correlation that existed between the political factors and the social factors at the time when South Africa achieved democracy. Political transformation in South Africa brought in a democratic dispensation for civil societal changes but at the same time social factors such as high unemployment, uncertainty and disillusionment of professional social workers, HIV and AIDS, increased levels of poverty prevailed (Letsebe, 1997; Magubane, 2002; Patel, 2005). From the excerpts below, participants divulged some of the abovementioned social factors that had a bearing on the transformation of non-profit welfare organisations.

Table 6.15

Social factors that influenced transformation

Sub-theme	Category	Qualifying excerpts from interviews
Factors influencing transformation of non-profit welfare organisations	Social factors	• "...*people were <u>very uncertain about their futures</u> back then...many of my colleagues <u>left the country</u> to practice as social workers in England...although qualified like many others, they left the country**...*" (Participant C) • "...*back then and maybe still today, organisations (social welfare non-profit organisations) were in financial crisis...<u>budgets were drastically cut and funders were no longer donating funds as they did before</u>, organisations were at the brink of collapse,...many closed.* (Participant F) • "*Our organisation developed <u>HIV/AIDS programmes</u> because of the increase of teenage pregnancies in our community...we even offered <u>job placement programmes</u> at one stage to deal with unemployment in our community....*" (Participant J) • "...*so many people became <u>disillusioned and burnt out as a result of increased work volumes</u>... many of my colleagues have taken jobs with the Department (Department of Social Development) where they are given <u>much higher salaries with staff benefits</u>.*" (Participant P).

The "brain-drain" of professional social workers leaving the country as reflected in the literature study (Magubane, 2002) is accordant with the statement below of Participant C "...*very uncertain about their futures ....left the country*...."

Equally daunting, is that many social workers left the non-profit sector for better opportunities for social work positions in the government sector as indicated by Participant P "*...became disillusioned and burnt out as a result of increased work volumes...*" Some non-profit social welfare organisations had to realign their programmes as recounted by Participant J "*Our organisation developed HIV/AIDS programmes because of the increase of teenage pregnancies in our community...we even offered job placement programmes...*" in order to become financially sustainable. This seemingly became a trend amongst non-profit social welfare organisations (Grobman, 2008; Packard, 2013; Worth, 2012), as the sector continued to face financial crises, as stated by Participant F "... *back then and maybe still today, organisations (social welfare non-profit organisations) were in financial crisis...budgets were drastically cut and funders were no longer donating funds as they did before...*".

It is true that the non-profit social welfare continue to face huge economic crises as the global economy continues to decline and international donors do not have funds to support non-profit organisations to the extent they had previously done. Moreover, other international priorities such as HIV and AIDS as well as the current Ebola crisis seem to be prioritised by the international world than the democratisation of South Africa back in the 80's and early 90's. From the above discussion it is thus evident that social factors continue to play a significant role in the transformation of non-profit social welfare organisations as the need of society is ever-changing (Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007).

(c) Category: Economic factors

Perhaps the most significant factor that has bearing on the sustainability and indeed the growth of the non-profit social welfare sector is arguably the economic factor. One would have thought that the change to democracy would by now have seen a flourishing of the non-profit social welfare sector when considering the preamble of the Non-Profit Act (71 of 1997) which states that the Act has been promulgated "... in

recognition of the valuable contribution that non-profit organisations has made to democracy in South Africa...and see the flourishing of the non-profit sector...."

Yet, the sector has been eroded with a slow pace of transformation and in huge financial crisis as earlier discussed, where newspaper articles depict the financial crises that the non-profit social welfare faces (Prince, 2012; Barnes, 2012). Furthermore, Terreblanche (2013) presents a scathing report as to how the government continues to fail the poorest of the poor, widening the gap between rich and poor causing further societal division. For non-profit social welfare organisations, seeking funding has become the number one priority to remain sustainable in a world where economic resources are becoming more and more limited. In most cases social service delivery almost become extremely dependant on what they are able to accomplish based on the availability of funding and not necessary on the burgeoning social needs of the community.

Table 6.16

Economic factors that influenced transformation

Sub-theme	Category	Qualifying excerpts from interviews
Factors influencing transformation of non-profit welfare organisations	Economic factors	• *"...we use to receive international donor funds for programmes for community development programmes, our fundraisers struggle to meet their fundraising targets...less income in the organisation, unfortunately means staff cuts and less service delivery..."* (Participant C). • *"... our funding has been cut due to policy changes, where as we use to funding for certain line items, we do not we had to change some of our areas of operation as well because it does not comply with the departments priority areas...which we did in order to receive funding."* (Participant M). • *"...the way in which the Department (Department of Social Development) funds social welfare organisations is still a mystery to me. I don't understand how they can only fund a portion of our salaries and expect us still to deliver quality social welfare services. Officials and social workers earn much more with similar qualifications and experience and deliver far less. How can this be? (rhetorical)..."* (Participant P).

		• *"... we don't have any reserve funds...<u>we do not have enough funding to remain afloat</u>...if this (lack of funding) carries on we will <u>not survive and may have to close</u> as many of social welfare organisations have already done..."* (Participant T).

The response from Participant C captures the decline in the global economy, the consequent lack of international funding and the impact that it has had on non-profit social welfare organisations in South Africa best: *"...we use to receive international donor funds for programmes for community development programmes, our fundraisers struggle to meet their fundraising targets...less income in the organisation, unfortunately means staff cuts and less service delivery..."*

According to the literature study, the international donors such as the Word Health Organisations and the World Bank have identified other global crises as priority. Even the HIV and AIDS crises in South Africa that has received a significant amount of donor funding from USAID, PEPFAR and WHO in the past are starting to wind down, where the international funding community is now focussing their financial support on addressing the Ebola virus and the dissident wars in the Middle East.

No longer is the Department of Social Development able to fund non-profit organisations that are not compliant or offer social welfare services that are not aligned to the key priority focus areas of the government. The Department of Social Development's policy framework on awards to non-profit organisations is clear in terms of the type of services and the demographic preferences that the Department has in supporting non-profit organisations. Non-compliance or offering social services that do not fall within the policy framework as revealed by Participant M, *"... our funding has been cut due to policy changes..."*

For many organisations the method of funding of non-profit organisations is not clear, organisations are merely doing what they are told to do in order to receive government funding despite a huge discrepancy in the way they are being funded as alluded to by Participant P: *".... I don't understand how they...fund..."*

As opposed to profit organisations, where reserve funding is held for times when organisations experience financial crises, non-profit organisations by their very nature,

struggle to main financially afloat, let alone have a pool of reserve funding to draw from when their organisations are plunged into economic despair, as revealed by Participant T *"... we don't have any reserve funds... we will not survive and may have to close..."*

From the above narrative it is evident that non-profit social welfare organisations depend greatly on donors, fundraising, government grants and subsidies to render social services (Grobman, 2008; Packard, 2013; Young, 2009). By nature of their purpose, they do not sell goods but offer services without having any service fees attached. It is thus understandable that a decline or change in the income paradigm of financial support will significantly hamper the quality and quantity of the social services which the organisations render. Moreover, a change in economic policy is of great consequence to the entire social welfare industry. Unless there is a positive shift in the economic climate or change in government policy, non-profit social welfare organisation seemingly will face a bleak future (Palmer *et al.*, 2009; Walker *et al.,* 2007; Worth, 2012).

(d) Category: Other factors

Besides the political, social and economic factors that were previously discussed, participants reflected that there were other external factors that had a major impact on transformation of the non-profit social welfare sector. As suggested by Packard (2013), an organisations environmental interaction is affected by a broader framework of interaction which becomes the organisation's domain.

Table 6.17

Other factors that influenced transformation

Sub-theme	Category	Qualifying excerpts from interviews
Factors influencing transformation of non-profit welfare organisations	Other factors	• *The way we do things nowadays is very different from the past...the use of the internet and websites, emails and cell phones have become everyday use...even in our organisation...we have changed to be more up to date with technology..."* (Participant A). • *"...we have just developed and redesigned our website to raise funds on-line. Potential donors can now visit our website directly and make donations...it hasn't been that successful yet..but it will be a dependable source of income in future."* (Participant F). • *"...the Department (Department of Social Development) has not really tapped into technological trends yet...although we can now download all the latest policies, government programmes...they*

		should be able to <u>use the information highway much more effectively and financially assist us.</u>.(Participant H). • *"... we have to keep up with technology at our own costs...<u>computers become outdated very quickly</u> and the monthly fees to maintain our software is exorbitant..we do not have any option but <u>to keep up with technology</u>...else organisations will stay in the dark and become extinct..."* (Participant K).

The narrative of Participant A in Table 6.17 above concurs with the global technological trends and advancement (Packard, 2013; Worth, 2012) "*...the use of the internet and websites, emails and cell phones have become everyday use......we have changed to be more up to date with technology..."*

With the decline of the global economy, non-profit social welfare organisations are now able to transform their operations by sourcing additional funding using technology as depicted by Participant F *"...we have just developed and redesigned our website to raise funds on-line…Potential donors can now visit our website directly and make donations... will be a dependable source of income in future..."* This is significant as technological trends can be used as a sustainable strategy for any non-profit social welfare organisation (Judge & Douglas, 2009; Packard, 2013; Palmer *et al*., 2009; Walker *et al.,* 2007).

Yet the response of Participant H *"...the Department (Department of Social Development) has not really tapped into technological trends yet...although we can now download all the latest policies, government programmes... use the information highway much more effectively and financially assist us..."* underscores the fact that technology has not effectively been used to the benefit of the social welfare sector. In this regard, assistance to non-profit social welfare organisations can be made in various ways by the funding of technical equipment, supporting software and internet fees, training staff on sustainable strategies using the internet as a funding source and providing a direct link to the Department of Social Development's website for the monitoring and evaluation of social welfare programmes.

This will allay the concerns communicated by Participant K "*... we have to keep up with technology at our own costs...computers become outdated very quickly and the*

monthly fees to maintain our software is exorbitant...we do not have any option but to keep up with technology...else organisations will stay in the dark and become extinct.." and provide the necessary technological support needed to sustain and grow the entire social welfare sector into a flourishing industry (Packard, 2013; Worth, 2012; Young, 2009).

6.3.2.2   Sub-theme 2.2 – Significant laws that impact on transformative changes

In the next question, participants were asked to comment on some of the laws that impacted on transformative changes made in their respective organisations. Their verbatim responses are revealed in Tables 6.18, 6.19 and 6.20.

(a) Category: Non-Profit Act 71 of 1997

The Non-Profit Act 71 of 1997 is the regulatory framework for the establishment and registration of all non-profit organisations including all non-profit social welfare organisations in South Africa (Department of Social Development, 2007). In this regard participants reveal that all their organisations are all duly registered and compliant in terms of the aforementioned Act, as illustrated in Table 6.21 below.

Table 6.18

Non-Profit Act 77 of 1997

Sub-theme	Category	Qualifying excerpts from interviews
Significant laws	NPO Act 71 of1997	• *"...We have to <u>submit our reports by March each year</u> because if you don't then you can be deregistered in terms of the Non-Profit Act. It happened to one of the organisations in our community which <u>had a problem afterwards with funding.</u> They eventually had to close down...."* (Participant E) • *"Our organisation <u>had to reregister</u> after the Non-profit Act was passed <u>in order to continue to receive government funding...</u>Back then it was still called the Department of Social Welfare, since it changed and became the Department of Social Development we all had to reregister again…."* (Participant O) • *"I am sure that we <u>apply all the necessary laws</u> regarding the registration...we haven't had a problem*

		with the Department (Department of social Development)…." (Participant F) • *"...we spent a considerable amount of time structure a plan which we used as <u>a framework for making decisions about transformation based on the NPO Act…."</u>* (Participant C)

Within the context of transformation of non-profit social welfare organisations, the Act makes provision for the establishment of a Non-Profit Directorate as a regulatory body by which all non-profit organisations should submit their financial and narrative reports on an annual basis, communicated by Participant E, *"...We have to submit our reports in March each year..."* Not submitting annual financial and narrative reports a condition of maintaining registration, has dire consequences. Failing to do so means that organisations become non-compliant and thus may be deregistered in terms of the NPO Act.

In South Africa, a unified, single Department of Social Development replaced all the Departments of social welfare services in the "old South Africa" and the Transkei, Bophutatswana, Ciskei and Venda (TBVC) states and administers the Non-Profit Act 71 of 1997 throughout a democratic South Africa accordingly. To this end all previously registered social welfare organisations had to reregister as a measure of achieving compliance with the NPO Act as alluded to Participant O, "*Our organisation had to reregister after the Non-profit Act was passed in order to continue to receive government funding..."*

It is evident that the NPO Act was applied as part of the transformation of the participating non-profit organisations as recounted by Participant F, *" I am sure that we apply all the necessary laws regarding the registration..."* and Participant C, *"...we spent a considerable amount of time to structure a plan which we used as a framework for making decisions about transformation based on the NPO Act..."*. To maintain their registration however, they have to submit their annual financial and narrative reports as previously stated. Several authors confirm that one of the critical aspects within the transformation paradigm is to ensure that organisations are duly registered in terms of their legal statutory requirements (Grobman, 2008; Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007).

(b) Category: Broad Based Black Economic Empowerment Act 53 of 2003

According to the preamble, the purpose of the BBBEE Act is to "redress the inequalities of the past in every sphere, political, social and economic..." This act is seen as a legislative framework to the transformation of South Africa's economy (Department of Trade and Industry, 2013). The main objective of this legislation is to advance the economic transformation and participation of black people in the South African economy. The majority of the participants are not familiar with the Act; some of them however, had a notion of what the Act meant to the organisation, as revealed in some of their responses reflected in Table 6.19.

Table 6.19

Broad Based Black Economic Empowerment (BBBEE) Act 53 of 2003

Sub-theme	Category	Qualifying excerpts from interviews
Significant laws	Broad Based Black Economic Empowerment Act 53 of 2003	• *"...We have not received our BBBEE compliance certificate yet...The expense was significant and I remember that we had to complete a lot of documentation... We hope that <u>once we receive our certificate then we can tender for services on Source Link...</u>"* (Participant B) • *"We have <u>not been found to be BBBEE compliant</u>...The report shows that there are many areas that our organisation is lacking in order to be compliant. This is despite we are registered and receive government funding..."* (Participant D) • *" <u>BBBEE compliance allows non-profit organisations to tender for jobs on Trade World</u>...Our board is still working on getting BBBEE registration...."* (Participant H) • *"...we spent a <u>considerable amount of time and effort to get our BBBEE certificate.</u> We haven't been successful in securing contractual government jobs off the internet yet...."* (Participant P)

In order for non-profit social workers to tender for social service related tenders, they have to be compliant with BBBEE Act and be in possession of BBBEE certification as recounted by Participants B, *"...BBBEE compliance allows non-profit organisations to*

tender for jobs on Source Link…" and Participant P *"...BBEE compliance allows non-profit organisations to tender for jobs on Trade World..."*

Obtaining tenders for additional work increases the funding income of social welfare organisations and allows for farther job opportunities. This is a critical strategy that non-profit social welfare organisations need to embrace in order to increase their survival and level of sustainability (Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007; Worth, 2012).

(c) Category: Social Workers Professional Act of 1998

Table 6.20

Social Workers Professional Act *1998*

Sub-theme	Category	Qualifying excerpts from interviews
Significant laws	*Social Work Professions Act 51 of 1978*	• *"The Council has really not helped us in any way...We just pay our registration fees but nothing much has done in terms of <u>fighting for equitable salaries </u>as the social workers receive that are working in government departments..."* (Participant B) • *"...I don't know if people get more in the state departments with a Masters Degree...NGOs do not pay more because the department <u>does not </u>value nor <u>offer higher salaries when one is in a possession of a Masters Degree.</u> The Department does not take into recognition if one furthers one's studies..."* (Participant O) • *"Some of the staff members complain about the CDP points system. Even when members get more qualifications, they do not get remunerated for the courses. The Council expects you to attend all these courses but our workload is so heavy... <u>we don't have the time...</u> we are already short staffed as it is..."* (Participant F) • *"What are we really paying all that money for registration? The Social Work Council need to be <u>more active in lobbying government for better working conditions for us.</u> Their leadership is not doing what they suppose to do..."* (Participant C)

The morose sentiments reflected by participants were permeated throughout this part of the narrative. *"...fighting for equitable salaries..."* (Participant B); *"...a Masters Degree... not pay more because the department does not value nor offer higher"* (Participant O); *"... more qualifications ... do not get remunerated for the courses..."* (Participant F) and *"...The Social Work Council need to be more active in lobbying government for better working conditions for us.."* (Participant C). As most of the participants were social workers, they were very disillusioned by the discrepancies in government salaries and that paid by non-profit organisations. As such, they felt that

at a national level, the South African Council for Social Service Professions (SACSSP) should take this challenge up because of it being a professional registered body. They are of the opinion that representing all registered social workers in South Africa should have clout when dealing with such national issues. However, the SACSSP has not been mandated to do so in terms of its constitutional documents.

It is within this context that Lewis *et al.* (2007:16) challenges managers to scope the external environment of identifying causality for change and in which Pretorius (2014:80) refers to the external environment as being dynamic, radical and revolutionary, where the very survival of the social welfare sector is at risk. To this end rigorous advocacy and lobbying of the Council is needed to ensure that the needs of their constituency is heard. Evidently, the sentiments of participants suggest that the SASSP has the necessary constituency base to apply more pressure on government regarding issues that affect the social work constituency.

6.3.2.3 Sub-theme 2.3 – Significant policies that impacted on transformative changes

The participants were asked to comment on policies that impacted on transformative changes made to their organisations. Tables 6.21 and 6.22 connote some of their responses.

(a) Category: Financial Awards to Non-profit organisations (NPOs)

Table 6.21

Financial Awards to NPOs

Sub-theme	Category	Qualifying excerpts from interviews
Significant policies	Financial Awards to NPOs	• *"The Department is still not clear in terms of how allocations are made to social welfare organisations. Every year we are told that a panel has sit to review all funding applications and that they have contributed an allocation towards services...yet they claim 100% of our outcomes as their own. The funding policy is unfair and should be adjusted..."* (Participant E) • *"How can the funding that we receive be less and less each year if the cost of living increases...the funding policy does not make sense...their contributions to the staff allocations are ridiculously low...they have never been just in their allocations...."* (Participant J) • *"We are so sick and tired of hearing about the limited resources and at the same time we hear how millions of rands of government funding are rolled over due to unspent monies...somewhere there is something drastically*

		wrong…Can the funding awards to policy not reallocate some of the monies to deserving social welfare causes?...." (Participant K) • *"Independent bodies should <u>distribute social welfare funding or revisit the government's funding policy</u> so that non-profits can become sustainable...We do all the work for the Department anyway but do not receive the funds while their <u>own staff receives much more benefits and much higher wages...</u>"* (Participant C)

Seemingly there is a general consensus by participants that the mechanisms used whereby funding awards are made to non-profit social welfare organisations are ineffective*.* Given the limited resources made to the Department of Social Development to grant awards to non-profit social welfare organisations, it is understandable that not all social needs can be adequately resourced. In this regard, the government has to prioritise where resources are most urgently needed. In order to achieve this, policies are developed and implemented to ensure that key priorities are addressed. The challenge however is when the Department of Social Development "under spends" on its budget and the money is "rolled over".

Because the 'under spending' of the Department of Social Development runs into millions of rands which could have benefited resourcing many non-profit organisations, the mechanisms of how the funding is managed becomes a critical issue. The specialised and technical skills required by management, referred to by Rankin and Engelbrecht (2014:36) cannot only be regarded as a competency required only by managers of non-social welfare organisations. These skills are in fact critical for social welfare service delivery at a macro-level, where high ranking government officials must be equipped and competently skilled. Similarly does the development and technical knowledge required by state officials to promulgate effective policies, need competently skilled people. It is clearly evident that the competencies needed for transformative changes within the social welfare sector is sadly lacking within these governmental structures which can arguably be regarded as being systemic of the problem of lack of transformation in this sector.

(b) Category: Policy on transformation of NPOs

In June 2012, 10 274 of the 85 039 registered Non-Profit Organisations in South Africa were deregistered due to non-compliance (De V.Smit, 2014:109). The bulk of these organisations were social welfare organisations impacting adversely on social welfare services throughout the country. Although 23 034 of the organisations were re-instated the next year, the damage to social welfare services delivery is unquestionable. This is particularly significant of smaller grassroots organisations where access to funding is almost non-existent. Participants were asked to comment on policy on the transformation of NPOs. Their responses are captured in Table 6.22.

Table 6.22

Policy on transformation of NPOs

Sub-theme	Category	Qualifying excerpts from interviews
Significant policies	Policy on the transformation of Non-Profit Organisations	• *"We have <u>lost many valuable staff members because of the transformation policy</u>...even board members who were skilled and spent many...years giving their time to the organisation on voluntary basis <u>have left</u> over the years. I think its reverse racism..."* (Participant A) • *"Even though we have transformed our organisation <u>it hasn't really benefitted us at all</u>, instead we are doing worse than ever before...unless the government review its policy on transformation and include strategies that would benefit social welfare organisations directly we will eventually all have to close our doors..."* (Participant K) • *"I don't think that the government has really thought through the policy on transformation because <u>two decades have passed and their hasn't been much benefits to our organisations</u> nor increase in our funding allocations the only people who have benefited are government employees themselves..."* (Participant O) • *"Since transformation in 1994, <u>the social work profession has suffered</u>. No wonder social workers have left the country and the profession has been classified as a scarce skill. Young people do not want to become social workers because of the low salaries and lack of benefits. Where social works further their studies, <u>they leave the profession because the grading system does not take into account when you improve your qualifications.</u> This is unfair labour practice..."* (Participant T)

The responses from participants regarding the policy on non-profit organisations were met with disdain and disillusionment. Arguments presented in the previous narrative on the financial wards to non-profit organisations resonate with the comments made by participants in this section of the discussion. *"... lost many valuable staff members because of the transformation policy..."* (Participant A); *"...we are doing worse than ever before..."* (Participant K); *"...there hasn't been much benefits to our organisations"* (Participant O) and *"the social work profession has suffered...because of the low salaries and lack of benefits"* (Participant T).

Seemingly, the participants are not of the opinion that transformation policies have directly benefited their organisations as highlighted in the narrative. It is true that the discrepancies in salaries paid to social workers of non-profit organisations still exist. When considering that the Department of Social Development only contributes to paying for social welfare service delivery (in most cases not more than 75% of the organisation's budget, there is a huge expectancy that the organisation has the capacity to fundraise for the rest of their budget. Not of course withstanding that salaries comprises the largest part of the budget. Because of the decline of the global economy, the pressure of fundraising is becoming more astute. It is thus quite understandable that the need for a review of the transformation policy be met with the urgency that it deserves. The literature confirms the importance of the financial management tasks of non-profit organisations and the immense pressure and the fiduciary responsibility that the board and management have in ensuring that the organisation is adequately funded to meet its financial obligations (Grobman, 2008; Judge & Douglas, 2009; Packard, 2013; Palmer *et al.*, 2009; Walker *et al.,* 2007; Worth, 2012).

6.3.2.4   *Sub-theme 2.4 – Significant protocols that impacted on transformative changes*

The next question posed to participants was to reflect on whether they used protocols such as the Codes of Good Practices for South African Non-Profit Organisations and

the National Development Plan, 2030 as part of their transformation management. Their responses are revealed in Tables 6.23 and 6.24 below.

(a) Category: Codes of Good Practice for South African Non-profit Organisations

Table 6.23

Codes of Good Practices for South African Non-profit Organisations

Sub-theme	Category	Qualifying excerpts from interviews
Significant protocols used in transformation	Codes of Best Practices for non-profit organisations	• *"...we were guided by the letters and emails if you can call that a framework...and it helped us with registration..."* (Participant O) • *"...our <u>strategic plan</u> provided us with a <u>framework of how to go about transforming the organisation</u>..."* (Participant S) • *"...we played it by trial and error...where necessary we phoned and emailed the Department for advice... we used that as our <u>reference for making decisions</u>...that was our <u>only framework</u>..."* (Participant F) • *"...we spent a considerable amount of time structure a plan which we used as <u>a framework for making decisions about transformation</u>...."* (Participant C)

Codes of Good Practice for Non-Profit Organisations were issued in terms of section 6(1) (b) (1) of the NPO Act 71 of 1997. These codes were established to benchmark norms and standards regarding management, roles and functions of non-profit organisations (Rankin & Engelbrecht, 2014:19). None of the participants revealed that they were aware of the document and henceforth could not comment as revealed in their narratives above. *"...we were guided by the letters and emails if you can call that a framework...and it helped us with registration..."* (Participant O); *"...our strategic plan provided us with a framework of how to go about transforming the organisation..."* (Participant S); *"...we played it by trial and error...where necessary we phoned and emailed the Department for advice... we used that as our reference for making decisions...that was our only framework..."* (Participant F) and *"...we spent a considerable amount of time structure a plan which we used as a framework for making decisions about transformation...."* (Participant C).

Seemingly, participants do not attach any value to the protocols that government develops. This may be because these organisations have been bombarded with a deluge of policies and protocols which have had no intrinsic value to the development of their organisation. Nor has the protocols translated into effective change in leadership and management necessary for the growth and transformation of the organisation (Gilley, McMillan & Gilley, 2009; Judge, 2011; Lewis *et al*, 2012:256; Walker, Armenakis & Berneth, 2007).

(b) Category: National Development Plan, 2030

Table 6.24

National Development Plan, 2030

Sub-theme	Category	Qualifying excerpts from interviews
Significant protocols used in transformation	National Development Plan, 2030	• *"... I am <u>not aware that the National Development Plan had anything to do with us</u>, Is there a section for social welfare organisations?"* (Participant O) • *"...I read a part of the document <u>but it does not have any bearing on helping non-profit organisations</u> ...and besides, it was too long...."* (Participant S) • *"...I did download the document <u>but I did not get a chance to read it,</u> it is somewhere in one of the cupboards..."* (Participant F) • *"...we spent a considerable amount of time going through the document....but <u>it does not have any impact on our organisation"</u>* (Participant C)

Similar to their responses on the protocol of the Codes of Good Practices for South African Non-profit Organisations, participants were not able to report on the National Plan, 2030 developed by the National Planning Commission (National Planning Commission, 2011), as depicted in Table 6.24., *"... I am not aware that the National Development Plan had anything to do with us...."* (Participant O); *"...I read a part of the document but it does not have any bearing on helping non-profit organisations ..."* (Participant S); *"...I did download the document but I did not get a chance to read it..."* (Participant F) and *"...but it does not have any impact on our organisation"* (Participant

C). This once again emphasises that protocols do not have the desired impact unless it has a direct benefit to the beneficiaries that it serves. Notwithstanding of course that the National Plan, 2030 has become the development agenda of the ruling party (Weyers, 2013).

Pretorius (2014:80) contends that all employees must have an understanding of the environment to bring about effective change. If this needs to be done, then protocols and policies that affect the environment is an essential management task that needs to be undertaken during the transformation process. Scoping the environment has to include the policies and protocols which influence organisational change (Burke, 2011; Connor, Lake & Stackman, 2003; Lewis *et al.,* 2007:16).

6.3.3   Theme 3: Restructuring of transformed non-profit social welfare organisations

One of the direct outcomes of achieving transformation in non-profit social welfare organisations is the effective restructuring of its governance, management and operation. In this regard, effective restructuring clarifies the environment so that everyone knows what the new roles and responsibilities of board, management and staff members in the *transformed* organisation entail; so that uncertainty and confusion is eliminated (Luhman & Cunliffe, 2013:196). Moreover, the restructuring follows on from the strategic plan discussed in subtheme 2.1. and forms part of a plan with clearly defined objectives, outcomes and timeframes that the organisation is able to monitor and adapt where necessary (Yukl, 2010).

Evidently, most participants contend that the restructuring process in the organisation has been one of their most challenging times that they have experienced during their working lives. These changes have undoubtedly affected the people in the organisation convergent to the views presented in the literature study (Clegg *et al.*, 2011; Lewis *et al.*, 2012; Worth, 2012:175). This is because changes in the restructuring of organisations depicted by Hughes and Wearing (2013) and Clegg *et al*, (2011) for example, have a significant impact on the identity and culture of an organisation and takes time for workers to absorb and integrate into their new roles and the identity they have within the transformed and restructured organisation.

In this part of their reflection, the participants presented a candid view of the restructuring of their organisations which is presented in three distinctive sub-themes, delineated into further categories. The sub-themes that emerged from the data are: the transformation of governance structures; the transformation of the management and staff structures and the transformation of the organisation's operational functions. Pertinent sections of the literature study are integrated into the discussion to provide insight and meaning from a theoretical perspective.

6.3.3.1   Sub-theme 3.1 – Transformation of governance structures

The governance structure of any non-profit social welfare organisation is the most significant structure as it is legally accountable for the organisation and its fiduciary responsibilities (Anderson & Ackerman-Anderson, 2010; Armenakis & Bedeian, 1999; Grobman, 2008; Judge, 2011; Yukl, 2010; Worth, 2012). Any restructuring that occurs in the board of governance must be done within the ambit of its standing constitution and with respect to the terms and conditions stated in the Non Profit Organisation Act 71 of 1997. Non-profit social welfare organisations must therefore ensure that constitutional processes are rigorously adhered to in terms of its constitutional obligations and apply the appropriate procedures when restructuring the board. This is significant as it has legal implications for the parties concerned. For example, any changes made to the parties that sign and authorise cheques must be reflected in the minutes and then be actioned accordingly.

Bearing in mind that board members of non-profit social welfare organisations act in a volunteer capacity, the *way* in which this part of the transformation needs to be managed is critical and deserves the necessary sensitivity.

In this part of the reflection, three areas were explored. The first area of inquiry was *why* the board of governance needed to change. This was significant as the literature study pointed to the fact that people needed to have a clear understanding of change in order to be more acceptance of the anticipated change (Beckhard & Pritchard, 1992; Cinite *et al.*, 2009; Ford & Ford, 2009; Glisson, 2007; Schermerhorn *et al.*, 2005:368). Following on from *why c*hange of the board was necessary, the second area was that a *paradigm shift* was needed by the board members in order for the transformation and restructuring of the organisation to take place. This was then followed by *how* the

transformation of the board took place along with specific challenges that the board needed to address.

(a) Category: Reasons for restructuring the board of governance

Undoubtedly it is critical to have a fully functional and active board that is able to govern any non-profit social welfare organisation effectively. It thus is essential that all members are well and duly informed of the reasons for the restructuring and the implications that these held for members in their individual capacities as well as for the board as a constitutional organ. This is significant because the members may be passionate about the cause and purpose of the organisation and may find the purpose of restructuring superfluous. Moreover, board members are usually elected to serve for a specific period of time as specified in their constitution. It may thus be necessary to appoint an external facilitator or change agent to conduct the intricacies of the transformation of the board.

The participants provided various reasons *why* their boards needed to change. The following excerpts reflect some of the reasons why participants felt that their respective boards had to change.

Table 6.25

Restructuring the board of governance

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of governance	Reasons for restructuring the board of governance	• *"To comply with the new laws of the government our board was not representative enough...if the board did not change then the organisation would not be able to receive funding…."* (Participant F) • *"...it was very difficult to see some of the board members who had served on the organisation leave.....they had put so much of their time and skill into this organisation...but they had to make way for new board members to get funds for the organisation…."* (Participant K) • *"...our board members had too many white people who had been serving the organisation for many years...got two more black females to join our board to become more compliant...Mr X also joined the board later as an advisor on community outreach projects...our board has changed over the years…."* (Participant O) • *The board was not representative enough…only two females and the rest were males...all of them were white...."* (Participant Q) • *"...the new board members joined shortly after our transformation process....The board meets more regularly now....It's the first time our organisation has such a big board with people from different backgrounds."* (Participant R)

In South Africa, the National Department of Social Development has been mandated by the government to lead the transformation of non-profit social welfare organisations. Social welfare organisations need to be registered as a non-profit organisation in terms of the Non-Profit Act 77 of 1997 and comply with stipulated funding criteria in order to be eligible for funding as is reflected by the reason presented by Participant F *"...to comply with the new laws of the government our board was not representative enough...if the board did not change then the organisation would not be able to receive funding..."* and Participant K who confirmed that *"...it was very difficult to see some of the board members who had served on the organisation leave...they had put so much of their time and skill into this organisation...but they unfortunately had to make way for new board members to get funds for the organisation..."*

The representivity in terms of gender equality and race is another requirement that is made for eligibility for funding. No longer is funding provided on the basis of the benevolence of the cause only. Participant Q communicated that the composition of their board as having to change from "...*not representative enough...only two females and the rest were males...all of them were white...*" to being more representative in order to be eligible recipients of government funding.

Surprisingly enough, even the traditional non-profit social welfare organisations that had previously been able to sustain their organisations with huge international donor funding have become increasingly dependent on government funding due to the decline of the global economy even though having to run their organisations as rational enterprises (Clegg *et al.*, 2011:26; Grobman, 2008; Judge & Douglas, 2009; Packard, 2013;). In this regard the governance structure needs to manage the transformation in a coherent and succinct way so that all other structures in the organisations can follow suit. This can only be achieved however if the board members are able to make a conscientious effort to change their way of thinking and transform the way in which they had governed their organisations before.

(b) Category: Transformation paradigm

The objective of organisational change is usually to increase an organisation's ability to adapt to its environment and improve performance through its processes, behaviour and attitudes (Anheier, 2005; Armenakis & Bedeian, 1999; Cummings & Worley, 2009). Yet effective transformation management can only occur if there is an intentional commitment by all parties (board, management and staff) for the change to occur. For this to be achieved there has to be a true commitment in the mindset of the board members to change to the statutory environment presented in Chapter 3, which will undoubtedly have a significant bearing on the anticipated future of the status quo of the organisation.

In this regard, most of the participants agree that the changes occurred in the board were reactionary and initially met the transformation process with resistance as confirmed by Holbeche (2006); Jaros (2010) and Judge & Douglas (2009). Only two participants however were of the opinion that the changes in their board were met with acceptance and relative ease. Equally essential is that a paradigm shift of transforming and changing the governance, management and operations of an organisation has a significant bearing on the transformation process. The way in which participants regard the change in paradigm shift which is described in the narrative presented in Table 6.26.

Table 6.26

Transformation paradigm

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of governance	Transformation paradigm	• *"...difficult for members to change the way they governed the organisation before. The board has been coming on for a very long time... doing their duties in a particular way..."* (Participant D) • *"...Some members of the board resigned...did not approve of the way the government enforced changes on the organisation..."* (Participant F) • *"...found the constitutional requirements too prescriptive and unfair... preferred the way things were done in the past..."* (Participant K) • *"...changes in new policies to get funding were another way in which the ANC wanted to in still wanted to promote its own agenda...it was not going to work..."* (Participant O)

Essentially, board members need to make a paradigm shift in their governance structure to usher in a new way of governing their organisation despite some of their personal reservations, as recounted by Participant D *"...difficult for members to change the way they governed the organisation before... The board has been coming on for a very long time...doing their duties in a particular way..."* and Participant K "... *found the constitutional requirements too prescriptive and unfair... preferred the way things were done in the past..."*

Making a paradigm shift is inducing a conscious decision from letting go of the old and embracing the new (Ford & Ford, 2009; Glisson, 2007; Packard, 2013). It is evident from the narrative that members who are not able to accept the change will leave the organisation as revealed by Participant F *"...Some members of the board resigned...did not approve of the way the government enforced changes on the organisation*..." or some members may have reservations of the efficacy of the proposed changes as referred to by Participant O *"... changes in new policies to get funding was another way in which the ANC wanted to in still wanted to promote its own agenda...it was not going to work...."*

Despite these divergent views on the efficacious outcome of transformation, it is significant that the board solidifies as a unified organ and is able to concentrate their efforts on creating a 'new reality' in order for the process to be considered as transformational (Hölscher, (2008); Holt *et al.,* 2007; Jaros (2010); Judge & Douglas (2009); Kotter, 1995). It is thus imperative for boards of non-profit social welfare organisations that transformation of their governance structures is in order to become eligible for government funding. Sadly, these changes have become cosmetic where organisations have window-dressed their board structures to accommodate the requirements needed in order to be eligible recipients of government funding. This however is not *true* transformation. Unless the transformation paradigm shift is accompanied by a capacity building process of the newly recruited board members, the transformation paradigm shift of that structure is indeed questionable (Austin & Claassen, 2008; Blumenthal, 2003; Judge, 2011).

Interestingly enough, all twenty of the participants, provided reasons that are linked to a statutory requirement needed for the organisation to attract government funding.

One cannot help wondering if this is not arguably a way for the government in manipulating and enforcing incongruent political transformative change. It is essential to remember that the people who served on social welfare organisations or established these organisations were passionate about a benevolent cause were white citizens. Others then joined because of similar persuasion and conviction. To recruit people in an organisation merely based on the colour of their skin or gender is detrimental to the personal beliefs and convictions of other members on the board who have been serving the organisation based on a common belief. In this regard it is thus essential that the main criterion of selecting new recruits should be based on people having similar convictions and passion for pursuing the same cause (or purpose) and not necessarily to only fulfil the prescribed criterion of representivity.

(c) Category: Transformation of the board

The two areas that were previously explored in this section were the reasons *why* the board needed to change (4.1.1) and the paradigm shift that occurred in order for the board to change their perspective on transformation of their respective non-profit social welfare organisations (4.1.2). In this section, the sub-theme on the transformation of governance, the transformation of the board is explored.

The participants presented the following views on *how* the transformation of their boards of governance was transformed. Seemingly, although members gained an understanding of *why* transformation needed to happen as depicted in 4.1.1 and had made a paradigm shift depicted in 4.1.2, transformation of the board is still regarded as the most challenging time in their respective organisations. Change happened on three organic levels. First, at a macro level, where board members developed a deep understanding, knowledge and expertise on different approaches to change. Second, at a meso level where change-supportive infrastructure and resource for capacity building have been introduced. Third, at a micro level, where environmental scanning, scenario planning and ongoing strategising had taken place (Beckhard & Pritchard, 1992; Cummings & Worley, 2009; Judge & Douglas, 2009).

In this regard, the majority of the participants concurred that the transformation of the board was still met with much resistance and arguably the most challenging time in

the transformation process. Only one participant shared the view that transformation of the board happened smoothly with no major hiccups. Similarly to views expressed in the literature study by Hughes and Wearing (2013) and reaffirmed by Carey (2013), changes in organisations are challenging, chaotic in nature and dynamic. To this end, Packard (2013) ascribes the chaos to environmental uncertainty experienced by the members about the organisation's future. In concurrence with the views of these authors, participants present similar views on the transformation of their boards, presented in Table 6.27 below.

Table 6.27

Transformation of the board

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of governance	Transformation of the board	• *"...new board members were introduced to the staff members at a meeting...not really accepted by all members of staff...the director gave a brief account of their roles as well as a background of their work in the field...I must admit that nothing since has changed for the better...in fact things just got worse...."* (Participant C) • *"...we were aware of the transformation criteria because we received the documents from the Department regarding the new funding criteria...."* (Participant F) • *"...the director actually informed the board of the new requirements for change...of course they were not happy about it...difficult meetings...she wanted to resign because of the in-house fights...some are still not happy...broke the spirit of the organisation...."* (Participant M) • *"...documents all had to change........new chairperson was elected...four new board members joined our organisation...superficially it worked because the funding is still coming in from the Department...* (Participant N).

From the above narrative it seems that the transformation of the boards of governance happened primarily as a result of social welfare organisations needing to become eligible for funding as alluded to by Participant F *"...we were aware of the changes regarding the new funding criteria..."* and Participant N *"...documents all had to change...new chairperson was elected...four new board members joined our*

organisation ...superficially it worked, because the funding is still coming in from the Department...."

This is of course despite the resistance and difficulties encountered to accept and embrace the transformational change that has been envisaged by the government as depicted by the responses provided by Participant C, *"...not really accepted...nothing has changed for the better.."* and Participant M *"...of the new requirements for change... not very happy...broke the spirit of the organisation...."*

It is clear from the above narrative that transformation of the boards of non-profit social welfare organisations in general has not transpired favourably. In fact it can be argued that the transformation took place based upon the need to conform and comply with government prescripts to be eligible for funding. Resistance to change seemingly is borne out of an enforced process, rather than one that has been duly consultative and engaging. Similarly to the transformation of the board, the management and staff restructuring seem to have been challenging and equally overwhelming (Cummings & Worley, 2009; Judge & Douglas, 2009; Packard, 2013).

6.3.3.2   *Sub-theme 3.2 – Transformation of management and staff*

Essentially, the restructuring of the board of the management and staff structures were also conducted in terms of the statutory requirements of compliance for social welfare non-profit organisations. Whereas the board of governance comprises of volunteer members with the exclusion of the director who is salaried, the majority of the management and staff are paid members of the organisation. This is because some non-profit social welfare organisation has a huge cohort of volunteers to supplement their labour force. Statutory laws discussed in Chapter 3 such as the Broad Based Black Economic Empowerment (BBBEE) Act, Labour Law, Employment Equity Act and Basic Conditions of Employment Act have a significant impact on the restructuring of the management and staff as presented in the narrative below. Three distinctive categories emanated from the data in this regard, namely how the management and staff were retrenched; repositioned and re-skilled within the context of the organisation's restructuring plan. The participants' views are converged with accordant sections of the literature study presented as follows.

(a) Category: Staff retrenchment

Perhaps one of the most fearful concerns of any management or staff member facing a transformation of their organisation is "Will I still have a job yet?" The issue of staff retrenchment is perhaps one of the major challenges facing the board in its restructuring plan (Cohen & Hyde, 2014; Cummings & Worley, 2009; Grobman, 2008; Jaros, 2010). Staff retrenchment has labour issues and need to be conducted in concert with the appropriate and relevant labour laws and policies per se. The sentiments of participants are connoted in Table 6.28 below.

Table 6.28

Staff retrenchment

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of the management and staff	Staff retrenchment	• *"...two staff members were retrenched that served the organisation for many years...it was really sad to see them go...."* (Participant O) • *"...perhaps one of the most challenging things in this entire process was when one of the staff members was retrenched...."* (Participant S) • *"...although no-one was trenched yet, there is almost a great possibility that some members will be retrenched because of the dire lack of funding...."* (Participant F) • *"...retrenchments took place immediately and were considered as insensitive and unfair... I feel that the organisation has not recovered since...."* (Participant C)

Seemingly, it is essential for the board to consult with experts on labour practice before embarking on staff retrenchment processes so that the process is not considered as stated by Participant C *"...retrenchments took place immediately and was considered as insensitive and unfair... I feel that the organisation has not recovered since..."* because staff members may feel hurt and injured by the process even if they are not directly affected, as expressed by Participant O *"...two staff members were retrenched that served the organisation for many years...it was really sad to see them go..."* and Participant S *"...perhaps one of the most challenging things in this entire process was when one of the staff members was retrenched...."*

When no timeframes and clarity is provided to staff on the transformation plans of the organisation, members continue to feel fearful about being retrenched as suggested by Participant F, *"...although no-one was trenched yet, there is almost a great*

possibility that some members will be retrenched because of the dire lack of funding...." It is for this reason that the transformation plans must be clearly articulated and communicated to all staff members in order to prevent these uncertainties from permeating through the grapevines of the organisation (Holt *et al.*, 2007; Packard, 2013; Worth, 2012). Staff retrenchment packages can also be a costly exercise that the organisation may not be able to afford. An alternative consideration to retrenchment may be for the staff to consider half-day positions or to reduce the number of days they work as a temporary arrangement until the organisation is financially capable of maintaining their positions.

(b) Category: Staff repositioning

Whereas staff retrenchment is considered as a costly exercise, staff repositioning is deemed much more appropriate when dealing with staff restructuring. The reflections participants are expressed in Table 6.29 below.

Table 6.29

Staff repositioning

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of the management and staff	Staff repositioning	• *"...at least <u>the board tried to position some of the staff members instead of retrenching them</u>. Their <u>workloads have increased...</u>I don't think they are going to stay long in those positions...they are still very unhappy...."* (Participant E) • *"...The administration worker has been asked to <u>double up as a community worker</u> although she has no qualification or experience to work in the field...."*(Participant H) • *"...social workers have to play <u>dual roles</u> of doing more admin work because our admin workers left soon after our transformation process...first the one and then the other...one of the board members helped with placing them in other positions...."* (Participant K) • *"...two of the staff members are <u>working half day</u>...they have opted for this to spend more time with their children...."* (Participant O)

With the process of repositioning, staff members feel that the board is doing everything it can to "save jobs" and mitigate the impact of streamlining the staff establishment, as

referred to by Participant E,*"...at least the board tried to place the staff in other positions instead of retrenching them...."* Yet, simultaneously the response is less hopeful and uncertain "...*Their workloads have increased...I don't think they are going to stay long in those positions though...they are still very unhappy...."*

Similarly, does the response of Participant H "...*The administration worker has been asked to double up as a community worker although she has no qualification or experience to work in the field...*" reveal repositioning of staff members within the organisation as more suitable. Repositioning can also be externalised, similar to the view expressed by Participant K, where staff is assisted with positions in other organisations *"...social workers have to play dual roles of doing more admin work because our admin workers left soon after our transformation process..."*

Staff members may also opt to spend more time with their families and take half-day positions as communicated by Participant O *"...two of the staff members are working half day...they have opted for this to spend more time with their children...."* This may allow for purposeful restructuring where the staff members and the organisation reach an amicable solution in dealing with streamlining of the staff establishment (Jaskyte, 2003; Judge & Douglas, 2009; Lamm & Grodin, 2010; Parish, Cadwaller & Busch, 2008).

(c) Category: Re-skilling of staff

Similarly to staff repositioning, the skills development of staff is another purposeful alternative to retrenching staff. The verbatim responses of participants are presented in Table 6.30.

Table 6.30

Re-skilling of staff

Sub-theme	Category	Qualifying excerpts from interviews
Transformation of the management and staff	Re-skilling of staff	• *"...no re-skilling took place thus far; our organisation can simply <u>not afford any staff training</u> at this stage...."* (Participant B) • *"...we conducted a skills audit of staff qualifications, skills and experience some time ago...we used the information to place some of the staff <u>to assist with other jobs or to stand in when people go on leave or are absent for a long time....</u>"* (Participant G) • *"...we (the organisation) <u>don't have money to re-skill staff</u>...funders <u>does not have funds for staff development</u>...it is <u>very difficult to find funds for staff development...."</u>* (Participant J) • *"...<u>even though some social workers have acquired more qualifications, the organisation has not been able to pay them more</u>...I suspect some of them might be leaving for government jobs...."* (Participant L)

Skills development does not only have to occur during the transformation process, but can be annually achieved through the Work Place Skills Plan at no cost to the company and contrary to the views of Participant B *"...no re-skilling took place thus far, our organisation can simply not afford any staff training at this stage..."* and Participant J *"...we (the organisation) don't have money to re-skill staff...funders does not have funds for staff development...it is very difficult to find funds for staff development...."*

In terms of the Skills Levy Act, all organisations in South Africa contribute 1% of their workers monthly Pay as You Earn (PAYE) to South African Revenue Services (SARS) as a contribution towards skills development. It is however expected of all employees to submit their work skills plan timeously with correct documentation to claims for staff development training so that the response of Participant G *"...we conducted a skills audit of staff qualifications, skills and experience some time ago...we used the information to place some of the staff to assist with other jobs or to stand in when people go on leave or are absent for a long time..."* can be fulfilled.

Even when staff members acquire additional skills and certificates of competencies, the organisation may not be in a financial position to pay higher salaries. Staff members then seek other employment opportunities as is revealed in the response of Participant L above: *"...even though some social workers have acquired more qualifications, the organisation has not been able to pay them more"* The organisation may also loose valuable staff members in the processes of up-skilling. Furthermore, the Department of Social Development offer far better salaries and benefits to social workers and usually draws from their working experience in the non-profit social welfare sector. The gap that exists between salaries and benefits of social workers in the government and non-profit social welfare sector is another major cause for concern in the social welfare industry.

6.3.3.3   *Sub-theme 3.3 – Transformation of operations*

Because social work managers are particularly functional in managing their daily operations, their responses were seemingly more detailed in this part of the narrative. From the data this section of their responses are divided into three distinctive categories: financial operations, service delivery and aspects dealing with sustainability. These three categories are of consequence to the transfromation of operations.

There is broad consensus that the finances of non-profit social welfare organisations have taken severe strain which subsequently has led to a major impact on their services delivery. Consequently, the urgency to strategise around issues of sustainability has been pushed to the forefront. Given that the financial viability of non-profit organisations plays a major role in the quantity and quality of service delivery, it is of course a great concern of all non-profit organisations to seek creative and innovative ways to secure additional donor funding and financial aid. Income for non-profit organisations translate into qualitative service delivery and sustainability, similarly as bottom-line pricing translate to increased profits for businesses and financial concerns. The assumption that underscores this notion is that if the financial changes make the organisation more sustainable; the quality of the service delivery is maintained and the organisations develop, design and implement a sustainability plan

as recommended by Worth (2012), then the organisation will survive the environmental harshness depicted by Luhman and Cunliffe (2013).

(a) Category: Changes in financial operations

It was quite understandable that all participants presented a variety of changes made in the financial operations in their organisations. Each organisation is unique and has different budgets, financial operations and forecasts. Bleak views were presented on financial operations as reflected in Table 6.31 below.

Table 6.31

Changes in financial operations

Sub-theme	Category	Qualifying excerpts from interviews
Transformative changes in operations	Changes in financial operations	• *"...the <u>budgets were tremendously cut</u> over the last few years due to restructuring and transformation of the organisation... programmes that we had for many years are not being funded..."* (Participant H). • *"... since last year <u>our fundraising has really taken a dive for the worse</u>...so much one of the <u>fundraisers are no longer in our employ</u> because she worked on a retainer which we could no longer afford..."* (Participant J). • *"...usually our organisation has been able to afford <u>"bonuses" and Christmas parties</u> at the end of the year which hasn't happened for the past few years... <u>even increases in salaries was not given</u> last year..."* (Participant N). • *"... <u>the finance clerk and the administration clerk are now working half days to save the organisation money</u>..* (Participant S).

Participant H asserts that *"...the budgets were tremendously cut over the last few years due to restructuring and transformation of the organisation...programmes that we had for many years are not being funded..."* and Participant N further comments that *"...usually our organisation has been able to afford "bonuses" and Christmas parties at the end of the year which hasn't happened for the past few years...even increases in salaries was not given last year…".* Staff members may have had the expectation of bonuses and increases which were not timeously communicated to them. These

changes affect their morale and causes worry and stress about their future, confirmed in the literature review (Jaskyte, 2003; Judge & Douglas, 2009; Lamm & Grodin, 2010; Parish, Cadwaller & Busch, 2008).

What exacerbates the problem further is that fundraising initiatives that had been successful in the past, has not yielded the same positive results as mentioned by Participant J *"...since last year our fundraising has really taken a dive for the worst...one of the fundraisers are no longer in our employ"* In fact organisations usually try to cut their salary budgets as a first port of call, because salaries are usually the highest expense item on any organisations list, as confirmed by Participant S *"...the finance clerk and the administration clerk are now working half days to save the organisation money...."* This implies that the need for economic empowerment of non-profit social welfare organisations is critical for sustainability (Clegg *et al.*, 2011:26; Grobman, 2008; Judge & Douglas, 2009; Midgley, 2005; Schmid, 2010).

(b) Category: Changes in service delivery

Another transformative change in operations that was reflected by participants was the changes made in the service delivery. Bearing in mind that that the delivery of social welfare services is the core business of social welfare organisations, service delivery is regarded as the heart and soul of the organisation. Without effective service delivery the organisation does simply not exist. Primarily for this reason, drastic measures in changes in service delivery signal the success or failure of the organisation Clegg *et al.*, (2011:26).

All the participants reflected the lack of sustainable funding as the major reason for changes made in service delivery as depicted in Table 6.32 .

Table 6.32

Changes in service delivery

Sub-theme	Category	Qualifying excerpts from interviews
Transformative changes in operations	Changes in service delivery	• *"...we did not receive funds for two of our programmes last year...we closed both programmes because we did not have any funds to continue...although we have written many proposal last year, the fundraisers have not been able to source any funds for our community outreach programmes. It is a great concern for us as communities are still really grappling with tremendous social issues..."* (Participant A). • *"...although the government say that they supports many of social programmes, they do not fund the service delivery adequately...in fact many of our programmes we have funded in the past was from international donor funding...Funds are now very difficult to obtain as donors are not able to fund programmes for a long time..."* (Participant G). • *"Service delivery seems to be grinding to a halt as many of our qualified staff is seeking alternative employment... don't think our organisation is going to survive much longer..."* (Participant J). • *"We have changed our target groupings to include delivering social services to communities in rural areas...although we have been funded for those areas we are still not in position to make ends meet...."* (Participant P).

Participant A ascribes the lack of service delivery to the constraints in funding resulting in programme closure, "*...did not have any funds to continue...although we have written many proposal last year, the fundraisers have not been able to source any funds.... grappling with tremendous social issues....*"

Participant G suggests that the government is responsible for providing inadequate funding for much needed social development programmes in the wake of declining global economy as alluded to by De V. Smit (2014): "*...they do not fund the service delivery adequately... Funds are now very difficult to obtain....*"

As a result of not having sufficient funds for service delivery, Participants J and P present ominous views due to the dire lack to social welfare service delivery: Participant J, *"qualified staff is seeking alternative employment...."* and Participant P, *"...we are still not in position to make ends meet...."*

From their responses, it is evident that changes made to the service delivery of non-profit social welfare organisations are directly related to the lack of income for programmatic activities. Congruent to the literature study (Worth, 2012) it seems that non-profit organisations have three distinctive levels to consider when making changes in social service delivery. At a macro-level robust advocacy is needed to lobby government officials to sustain their worthy social programmes in their communities to address the concerns of Participant G, "... *although the government say that they support many of social programmes, they do not fund the service delivery adequately...*" At a meso-level where organisations adopt programmes that have been identified by the department as their key priority areas and strategies *a*s identified by Participant P, "...We *have changed our target groupings to include delivering social services to communities in rural areas*...." At a micro-level where the organisations re-strategise their operational plan and streamline operations to be more cost-effective, efficient and focussed in order to avoid the malaise referred to by Participant J, "... *Service delivery seems to be grinding to a halt as many of our qualified staff is seeking alternative employment...I don't think our organisation is going to survive much longer....*"

From the responses of participants it can be deduced that the lack of funding in non-profit social welfare organisations is the highest transformation priority issue. As such, it is significant that all non-profit organisations need to develop a sustainable development plan as part of their transformation plan which includes a trajectory of how the organisation will be addressing its service delivery and indeed sustainability (Burke, 2011; Cummings & Worley, 2009; Judge & Douglas, 2009; Lewis *et al.*, 2012; Packard, 2013; Worth, 2012).

6.3.4   Theme 4: Sustainability of non-profit social welfare organisations

Essentially, the term *sustainability* means that resources are renewed. A sustainable resource will leave the world short of nothing that was depleted in any process (Clegg *et al.*, 2011:669; Hellriegel, 2012; Packard, 2013). Within the context of non-profit social welfare organisations, the term *sustainability* refers to ensuring that funding resources are meticulously planned and strategised for so that the organisation has sufficient and adequate funding to fulfil its purpose on an on-going basis without the

depletion of its funding resources. In South Africa, non-profit social welfare organisations rely greatly on support from the government and the National Lottery Distribution Fund (De V. Smit, 2014:88). Yet, both these external sources of funding have restrictive policies that have not translated into any meaningful financial sustainability for these organisations per se.

6.3.4.1 Sub-theme 4.1: External environmental impacts

Chapter 3.2.8 of the literature review elaborated on the external environmental factors that impacted on the functioning of non-profit organisations. The question posed to participants in this part of the investigation, was to ascertain what strategies could be developed by the government to ensure the sustainability of the social welfare sector given the slow rate of transformation. The purpose was to gain their views of how the government could contribute effectively to the sustainability of the social welfare sector and increase the sustainability of their respective organisations. Table 6.33 and Table 6.34 below illustrate the verbatim responses of the participants regarding the ways in which the government can assist non-profit social welfare organisations in becoming more sustainable.

(a) Category: Reviewing policies

Table 6.33

Reviewing government policies

Sub-theme	Category	Qualifying excerpts from interviews
External environmental impacts	Reviewing policies	• *The Finance Policy should be more in line with what government is paying their own social workers and staff members, the playing fields should be levelled. Social workers will feel valued if they are paid the same as what they pay social workers that work for the Department*…." (Participant C) • *Isn't it about time that the government puts policies in place that takes care of the social workers working in NGOs? To think that we have carried social welfare sector for so many years and we are still struggling....*" (Participant G) • *...we need policies that will transform our organisations for the better so that we can carry on with doing the work that we are meant to do instead of continuously spending time on trying to fundraise and get money for our programmes..."* (Participant L) • *The government needs to make sure that organisations such as ours are taken care of because we serve the communities and offer services that they are not able to do….*" (Participant M)

Patel (2005) contend that South Africa has a pluristic model of delivering social welfare services, as reflected in the sentiments expressed by Participant M, "*The government needs to make sure that organisations such as ours are taken care of because we serve the communities and offer services that they are not able to do*…" and Participant L "*…we need policies that will transform our organisations ….*" The Financial Policy on awards to non-profit social welfare organisations (Department of Social Development, 2007) however, does not provide for equitable salaries for government employed social workers and that of social workers employed by the non-profit social welfare sector. In this regard the salary and benefits paid to by the government is far higher as stated by Participant P, "... *The Finance Policy should be more in line with what government is paying their own social workers and staff members... Social workers will feel valued if they are paid the same as what they pay social workers that work for the Department*..." and Participant G "*Isn't it about time that the government puts policies in place that takes care of the social workers working in NGOs?....*"

As previously stated, governmental social policies determine the way social programmes are implemented at a national level (Binza, 2006; McKendrick, 2001; Midgley & Livermore, 1998; Pal, 1997). The need for government to play an active role in effecting policy changes cannot be ignored. To this end it remains incumbent of the government to revitalise the social welfare sector to be more responsive to the needs of social welfare organisations and consequently the social welfare needs of citizens as part of fulfilling its social mandate.

(b) Category: Advocacy and Lobbying

Table 6.34

Advocacy and Lobbying

Sub-theme	Category	Qualifying excerpts from interviews
External environmental impacts	Advocacy and Lobbying	• *The Department should ensure that they lobby the National Government <u>for sufficient resources for NGOs</u>. Just as they we need the government they also need us to reach the man in the street....*" (Participant A)

		• *We are too small to attract large amounts of money that can keep us going for a long time..... The Department can <u>ask for money from large international donors on our behalf</u> and see that we get the funding to do our projects. We can then report to them instead of reporting to donors, besides donors would rather support government projects...."* (Participant O) • *...The Non-Profit Directorate can see that we are not doing well as a social welfare sector. We send our financial reports to them every year. They should <u>use the information to lobby government about our financial position and support us</u> so that we can focus on what needs to be done…."* (Participant Q) • *If the government does not come to the party and assist NGOs with additional funding we will not be able to survive...They need to <u>ask other government departments to assist us because we serve the same poor communities…</u>*" (Participant M)

The call for government to advocate additional funding resources are similarly reflected in the sentiments of all the participants, "...*for sufficient resources for NGOs..."* (Participant A);"...*ask for money from large international donors on...."* (Participant O); "...*use the information to lobby government about our financial position and support us."* (Participant Q) and "...*ask other government departments to assist us because we serve the same poor communities*..." (Participant M).

In South Africa, policies and legislation are guided by the South African Constitution and the Bill of Rights (Engelbrecht *et al*., 2014:199). Financial policies determined by government are based on limited fiscal resources. For example, the Department of Social Development has a national budget which is specifically allocated towards government grants for non-profit organisations. Essentially, the amount of subsidies that are available for the non-profit social welfare organisations does not take into account the current turmoil which threatens the non-profit sector worldwide (De V. Smit, 2014:107). To this end, the financial sustainability of the non-profit sector needs rigorous advocacy and lobbying on behalf of government to secure international funding to support the growth and development of the social welfare sector in South Africa.

6.3.4.2   Sub-theme 4.2:   Internal environmental impacts

Whilst the external environments undoubtedly has a significant impact on the way non-profit social welfare organisations are established and operationalised within a macro governmental context, the need for organisations to develop their own capacity and their own internal sustainable strategies is unquestionable. The data reveals three distinctive categories in which participants reflected on internal organisational strategies.

(a) Category: Diversified sources of funding

Given that most non-profit organisations are currently experiencing funding crises, the need to secure sustainable income has become compelling. Instead of solely relying on government subsidies for income, non-profit social welfare organisation has to become even more adept at developing sustainable fundraising strategies (Bornstein, 2007; Worth, 2012). One of the ways in which this can be achieved is through having diversified sources of funding. In this regard participants reveal various ways in which to develop sustainable strategies to address the dire crises of funding, as reflected in Table 6.35.

Table 6. 35

Diversified sources of funding

Sub-theme	Category	Qualifying excerpts from interviews
Internal environmental impacts	Diversified sources of funding	• *"We are <u>really struggling with our fundraising activities</u>... Before, we were able to attract funding from large international donors... PEPFAR and USAID have long since withdrawn funding and we had to let go of many of the staff members on that programme...We were not able to continue because <u>we could not find another donor</u> to carry on with our HIV /AIDs programme and the Department did not want to assist with additional funds either..."*(Participant D). • *"We have <u>developed a website for our organisation</u> in the hope of getting on-line donations. It hasn't been that successful yet because we paid a lot of money to get the thing up and running. Maybe it will be a <u>good source of funding for the organisation in the future...</u>"* (Participant G). • *"...<u>the days of shaking tins on street corners are long time past.</u>..businesses must get involved in supporting communities because we serve the same people. If more businesses can support our organisations then collectively we can do so much more..."* (Participant L). • *"<u>Writing letters for donations doesn't seem to work anymore...</u> We have decided to get a part-time fundraiser in that we pay on a commission basis. So far we have been able to meet our targets, but it seems to me that she is getting frustrated with her job because it is <u>difficult to get money nowadays</u> for some of our community programmes..."* (Participant S).

It is quite evident that antiquated fundraising strategies no longer yield sustainable income for non-profit organisations as recounted by Participant L, *"...the days of shaking tins on street corners are long time past..."* and Participant S*, "Writing letters for donations doesn't seem to work anymore..."* Instead, non-profit social welfare organisations should remain abreast of innovative ways and technological trends such as communicated by Participant G*, "We have developed a website for our organisation...it will be a good source of funding for the organisation in the future...."* In this regard, Bornstein (2007) and Clegg *et al.* (2011) contend that websites and social media can generate additional income for non-profit organisations.

Developing a diversified pool of funders rather than becoming donor dependant will address the sentiments of Participant D, "*struggling with our fundraising activities... were not able to continue because we could not find another donor....*" It is quite evident from the above discourse that non-profit social welfare organisations have to diversify their pool of funding to increase their sustainability.

(b) Category: Partnerships and Networks

Similarly to diversifying sources of funding, the need for building partnerships and networks to improve income was expressed by the majority of the participants. Two participants however reflected that they had bad experiences in partnering with other organisations on projects. Some of the prominent views of the participants are captured in Table 6.36 below.

Table 6.36

Partnerships and Networks

Sub-theme	Category	Qualifying excerpts from interviews
Internal environmental impacts	Partnerships and Networks	• "It is <u>important to attend conferences and workshops.</u>...You <u>meet social workers from other NGOs</u> there that have similar problems. You can <u>network and share ideas</u>...." (Participant F) • *"We <u>belong to the local community forum and police forum where we network with other organisations</u>... Two years ago we had a joint project which I think was very successful.... We will be planning for something similar later this year…."* (Participant G) • *"Our organisation has not been successful in building partnerships because sometimes partners <u>do not have the same ethics</u>. We ended up doing all the work and up to now have still not received the funding...."* (Participant L) • *"One of the ways of securing donor funding is having <u>reliable partners</u>. We even consider the Department as our partner in delivering community development programmes. Another example was when we did a school programme for the Western Cape Education Department. We have secured another donor to partner with us and have been implementing the programme for the past three years…."* (Participant M)

As alluded by Participant F, "*It is important to attend conferences and workshops...meet social workers from other NGOs...network and share ideas...*" Networking at conferences has an advantage of being fertile spaces where non-profit social welfare organisations can share ideas of developing sustainable strategies to increase their income.

Similarly, Worth (2012) connotes that through building partnerships and planned giving campaigns additional income can be generated to supplement the organisation's fundraising campaigns in concert with the views expressed by Participant M, "*One of the ways of securing donor funding is having reliable partners....have secured another donor to partner with us...*" and declared by Participant G, "*We belong to the local community forum and police forum where we network with other organisations...*"

It is however disconcerting that for some organisations, the formation of delivering joint projects with partners has been tragic as viewed by Participant L, "*...because sometimes partners do not have the same ethics...*" In this regard it is essential that non-profit social welfare organisations are well informed of the track record of partners that they intend to engage and implement programmes and projects with. This is significant as partners, including government departments may not be forthcoming in paying for services rendered. This type of agreement may have an adversarial impact on the income of the organisation and consequently instead of aiding the organisation's coffers, may prove to be quite achieving the opposite and cause the organisation's demise.

(c) Category: Social entrepreneurship

According to Worth (2012:388) social entrepreneurship can be defined as the use of income-generation activities to fulfil a social objective. Seemingly, all the participants have heard about social entrepreneurship but have divergent views on the topic, as illustrated in Table 6.37 below.

Table 6.37

Social entrepreneurship

Sub-theme	Category	Qualifying excerpts from interviews
Internal environmental impacts	Social entrepreneur-ship	• *"We have heard about social entrepreneurship but have not developed such programmes yet. In our <u>strategic planning last year social entrepreneurship was identified as a strategy for generating income for the organisation.</u> Our fundraising team is working on it..."* (Participant A). • *"We have learnt how ###### has successfully implemented social entrepreneurship programmes. One of the consultants who are currently working at UCT will be visiting our organisation soon to give our board and management team a workshop on <u>social entrepreneurship... I am sure that this will have a tremendous impact on our funding...</u>"* (Participant G). • *"I am not keen on social entrepreneurship because I think that the government should assist us with adequate funding for our programmatic and organisational activities. <u>We do not have the resources for trying out something that may fail...</u> "* (Participant N). • *"We started out with <u>selling books and having a stall at some of the festivals</u>. Staff assisted with the venture. We raised over R 5000 which came in handy for some of the programme expenses. We are going to continue with such fundraising activities and want to turn it into a social entrepreneurship programme where volunteers can sell books and clothes at markets on a continuous basis..."* (Participant T).

For some participants, their approach regarding social entrepreneurship is still hesitant for fear of failure and lack of cost as mentioned by Participant N, "... *We do not have the resources for trying out something that may fail... "*. As confirmed by Bernstein (2007) and reaffirmed by Boschee and McClurg (2003) and Light (2006), non-profit organisations may not have sufficient knowledge and skills to implement social entrepreneurship as an income generating activity and fear failure.

To build capacity and increase the knowledge and skills base regarding social entrepreneurship, experts and consultants can conduct workshops which will increase

the understanding of social entrepreneurship as recommended by Shore (2003) and shared by Participant G, "...*social entrepreneurship programmes...will have a tremendous impact on our funding....*"

The development for new ideas of ways to generate income for sustainable development is of course underscored by acquiring knowledge and skills so that when new ventures that are embarked upon can mitigate the failure. It is then also recommended that one starts social entrepreneurship projects on a small scale and then incrementally increase the size of the projects as communicated by Participant T, accordant with the views of Bernstein (2007)*, "...selling books and having a stall....*"

Such social entrepreneurship programmes need to been capsulated in the strategic planning framework of the transformation process as previously stated to improve the organisations sustainability as expressed by Participant A, *"...strategic planning last year social entrepreneurship was identified as a strategy for generating income for the organisation..."*

From the above discourse in Theme 4 on the sustainability of non-profit social welfare organisation it evident that effective transformation management has to include the development of external and internal sustainable strategies to see the growth of the non-profit social welfare sector and indeed non-profit social welfare organisations. Externally, through lobbying, advocacy and reviewing policies the government needs to increase the rate of transformation and development of the non-profit sector, whilst internally; non-profit social welfare organisations can increase their sustainability through diversifying their fundraising activities, increasing their partnerships and networks as well as developing and implementing income-generating social entrepreneurship programmes. This is extremely significant given the harsh socio-economic climate in which non-profit social welfare organisations currently need to be sustained and continue delivering much needed social welfare services to poverty stricken communities throughout South Africa.

6.4   RESEARCH FINDINGS OF THE FOCUS GROUP MEETING

The main aim of the focus group session was to gain further insight and understanding of transformation management, but also to triangulate the research findings with the data collected from the previous interviews. The data was then integrated, synthesized and prepresented by graphical illustrations.

The researcher identified the following key areas that needed further exploration for gaining more insight and understanding:

- The operationalisation of transformation management;
- The efficacy of transformation management in their current organisation and
- The development of sustainable strategies after transformation was achieved.

In this regard, three questions were developed for the response from the focus group participants:

1.   How was transformation management operationalised in your respective organisations?
2.   Would you say that transformation management in your organisation was effective? Please elaborate.
3.   After transformation was achieved, what are some of the strategies that your organisation developed to ensure its sustainability?

Their verbatim responses to the above questions are reflected in Table 6.38, Table 6.39 and Table 6.40 respectively.

6.4.1   Operationalisation of transformation management

Whilst the previous interviews provided some measure of clarity between the concepts of *transformation* and *transformation management*, more insight was needed in the way in which transformation management was operationalised within non-profit social welfare organisations. Although the processes, models and dynamics that occurred during the transformative stages in the organisation have been debated; further insight was needed as far as *how* these changes were made.

The question posed to participants on how transformation was operationalised at their respective organisations revealed the following responses, as highlighted in Table 6.38.

Table 6.38

Operationalisation of transformation management

Excerpts from focus group interviews

Focus Group Participant 1

- *"...Although I was not employed by the organisation at the time when it had undergone transformation, I believe that <u>the process was managed well</u>..."*

- *"...According to two of our board members, the Department <u>held several meetings</u> at the district to inform NGOs that they had to reregister and <u>become compliant in order to receive funding...</u>"*

- *"...The information was passed on to <u>the board that held several meetings with the management and staff to spell out the areas</u> which needed to be improved <u>upon in order to become compliant...</u> The process did not take long and within a few months we received <u>our certificate of registration....</u>"*

- *"That was the main worry at the time because they thought that the <u>registration was necessary to receive funding....</u>"*

- *"...Many <u>strategic planning meetings were held</u> where it was decided to include additional programmes to support our funding activities…."*

- *"...One of the setbacks was that some of the programmes in the community were <u>terminated because the officials said that it was no longer a funded priority</u>."*

- *"...Two <u>staff members were transferred</u> to the 'new programmes' as well...I think that the organisation managed the process well...."*

Focus Group Participant 2

- *"...From what I heard, ours didn't go smoothly at all. From the day it was said that our organisations there was a complete breakdown of board members, staff members were <u>questioning whether it was a ploy from the board to get rid of them....</u>"*

- *"...It became so bad that <u>a facilitator was called in.</u> He did not charge anything. He helped the <u>board understand what was required of them to transform</u> and then <u>process continued much better from then....</u>"*

- *"...Well, the organisation I would say <u>looks much different from what it looked back then</u>. Many of the white members of staff has left, even two board members that had served the organisation for many years has been replaced...."*

Excerpts from focus group interviews

- *"... I cannot say that our organisation is doing better or worse. The way we manage the transformation can be said that we did what we had to do. We of course over the years have <u>cut programmes</u>, but then we <u>also took on other programmes</u>...."*

- *"... What I am starting to realise is that things cannot stay the same, as the world <u>changes so do people's situations and circumstances</u> as well. The big problem is that the crime and social problems have worsened in our communities and instead of us having built more capacity to increase our services, we have done just the opposite instead...the organisation has truly transformed...<u>the question I suppose is if it has transformed for the better</u>...."*

Focus Group Participant 3

- *"...Like the others have stated, I too wasn't here when the organisation experienced transformation. What I can say is that <u>the transformation was managed well</u>...."*

- *"...No one had to leave nor were there much <u>change in the board</u> beside the regular annual elections. I suppose it because we have always worked in predominantly coloured areas which is still very poverty stricken. I must say that the funding has not also been that different...."*

- *"...More or less the same funding as before. We are a small organisation and do not have many employees. We <u>still depend on many volunteers</u>. Like before, they come from Germany to work on our youth programme and the organisation gets money for the programme...."*

- *"...In a way it has been sustainable. Last year they even raised more funding for us in Germany for some of our other programmes...<u>We have managed to survived...but we never know what the future holds</u>...."*

Focus Group Participant 4

- *"...Mr XXXX, one of the previous board members, told me that <u>transformation of our organisation was done over a period of six months</u>...."*

- *"...Back then the director was responsible for the transformation and <u>managed the entire process including the transformation</u> that was needed to make the board more representative, seeing that all <u>documents were changed and all the necessary staff changes</u>...."*

- *"...She no longer works for the organisation. We have a lot to be thankful for the way in which the board has managed our transformation because our <u>organisation is still compliant and receive our annual funding on time</u>...."*

- *"...<u>Systems and structures have been put in place</u>.... Like most organisations, we still struggle with funding and our staff still complains about their salaries, but somehow we manage to get by...."*

Unlike the concept of *transformation* which relates to the change of a situation or circumstance, transformation management within the context of non-profit social

welfare organisations relates to how the process of change (transformation) is managed, as clearly indicated by Focus Group Participant 1, "...*registration was necessary to receive funding..... become compliant to receive funding...strategic planning meetings were held...*" An interesting comment in terms of the process is that the participant mentions that several board members participated in the processes which were communicated to the staff and the organisation absorbed other members in "new programmes" as part of strategic planning regarding transformation of the organisation. It is quite evident from the above narrative that the experience had been positive and that the organisation still manages to survive despite the harsh the socio-economic that currently prevails. The ability of an organisation to adapt to its environment is confirmed by Edwards, (2010), Hughes and Wearing (2013) and Packard (2013).

Contrary to the experience of Focus Group Participant 1, the experience of Focus Group Participant 2 has seemingly not been positive, where the discourse reflect that staff members were doubtful and dubious, "....*questioning whether it was a ploy from the board to get rid of them... looks much different from what it looked back then... cut programmes... the question I suppose is if it has transformed for the better....".* The narrative is very similar to the articles of Lombard (2008) and Weyers (2011) who questions the slow pace of transformation of the social welfare sector and doubting whether indeed South Africa is still implementing social development respectively.

The statement of Focus Group Participant 3 is similarly less hopeful of the efficacy of transformation management "...*We have managed to survive...but we never know what the future holds...*" and captures the uncertainty and disillusionment that non-profit social welfare organisations face. The dire need for rapid transformation, growth and development of the sector is underscored by this statement and once again amplified by the need to ensure effective transformation management practise Gilley *et al.,* (2009) and Glisson (2007).

So too does the response of Focus Group Participant 4, "... *Systems and structures have been put in place...*" provide a credible argument in favour of managing the process of transformation with well-designed structures and systems as confirmed in

the literature study by Hughes and Weiring (2013) where the author refers to transformation management as a well-oiled machine.

It is thus evident from the focus group discussion, the primary investigation and the literature review that transformation management is indeed a well-structured and systemically designed management process requiring skills, competencies and approaches that is needed to orchestrate effective transformation management Grobman, 2008; Packard, 2013; Worth, 2012).

Figure 6.1 presents a framework of the operationalisation of transformation management. The process starts out by conducting a situation analysis. This is followed by scoping the external and internal environments that impact on the organisation. Based on the situation analysis and scoping exercise a transformation plan is developed. A strategic plan for the transformation management ensues followed by constant feedback and support.

Assess the current situation of the organisation

A 'leader' is identified within the organisation with a team of staff members to develop a clear understanding of the current state of affairs and the anticipated "new reality". The board could appoint a change agent should the members require expertise and skills to facilitate and mediate the transformation process.All documetation regarding transformation (laws,policies,protocols) is gathered to ensure that a well-developed transformation plan is designed. In addition models, theories and frameworks of transfromation management practice can be used to strengthen the design of the envisaged reality.

Scope the external and internal environments

An environmental scan must be conducted of the external political,social,technological and economic influences that impact on the organisation. The scan should also include internal environment influences within the organisation such as financial costs, human resource, operations that will be affected by any envisaged changes made within the organisation.

Develop a transformation management plan

Through a consultative process with all members of staff,a transfromation plan is developed that creates the urgency for the change that needs to occur in the organisation. This needs to be done with due consideration of the needs of the staff and the organisation. The process needs to be feasible and in the interest of all those concerned. The plan needs to be detailed with clear objectives and measurable outcomes. As part of a rigorous communication strategy, staff members must be given constant feedback of the progress made throughout the transformation process. A sustainability plan must be included with strategies of implementation and time frames as part of the transformation management plan.

Conduct a strategic planning session specifically for transfromation management

Seperate from the annual strategic planning session, a strategic planning session must be conducted specific for the management of the transformation plan. This session must include the review of the organisation's vision,mission and value statements. The transfromation management plan framework is then presented to staff who has the opportunity to engage with the plan and make further recommendations. Through a consultative and participative process the staff members are drawn into the plan and commitment to the transfromation process is ensured.   Feedback dates are provided to staff on the progress of transformation management.

Provide constant feedback and support

Essentially, staff members need to feel supported during this process to decrease levels of resistance and frustration. To avoid confusion and mistrust, staff need to be consistently motivated and encouraged to fit into the organisations 'new' envisaged reality. It is significant that the change in governance ,manageent and operations is viewed in a positive manner so that the organisation makes a seamless transition to the 'new' reality. All documents relating to compliance must be forwarded to the relevant authorities and be constantly "followed up" to ensure that the process is on track.

Figure 6.1: Operationalisation of transformation management

(Adapted from Grobman, 2008; Packard, 2013; Worth, 2012)

6.4.2 Efficacy of transformation management

For all the participants that were interviewed in the primary investigation, transformation of their organisations has been confirmed. The second question posed to the focus group participants was aimed at providing deeper insight and

understanding to the efficacy of the transformation management that occurred at their respective organisations. Table 6.39 provides the verbatim reflections of the focus group participants in this regard.

Table 6.39

Efficacy of transformation management

Excerpts from focus group interviews

Focus Group Participant 1

- *"I will say that transformation was achieved in our organisation because we have remained registered and receive our funding every year...."*

- *"...There are still many areas that our organisation can improve upon and be transformed. The main thing I would say is that government should ensure that better salaries are paid to social workers and the management so that we don't have to worry about seeking additional funds to top up salaries. That I think is an area where little or no transformation has occurred...."*

- *"...To do that of course it is expected of government to review the way in which they fund non-profit organisations. I don't think it so difficult if for example they work closely with the National Lottery Distribution Fund they will be able to pay the shortfall directly to the non-profit organisation. How difficult is that?..."*

- *"... I realise that there are many deserving causes but surely if they work together with the Lotto and the National Development Agency or the Expanded Public Works Programme there will certainly be enough funds for all the welfare organisations in the country"...."*

- *"...Perhaps another area where transformation has not really happened is within the way programmes are being funded. Certain line items they tell you they do not fund at all...."*

- *"...For example legal fees, insurance policies and reserve funds in case of emergencies they do not even look at to fund. They do not factor into rising costs and prices of goods that non-profit need for their daily operations. They say they want us to run like effective businesses, but they are not prepared to fund ordinary business-like expenses...."*

Focus Group Participant 2

- *"...I also believe that our organisation has transformed but I am not sure if it was for the better...."*

- *"...We are currently sitting with a building that is grossly underutilized because we cannot find funding to do social programmes that is needed in our community. Before we ran programmes that were all funded by the Department, but now we are only funded for some of the programmes...."*

- *"...We have completed our BBEEE certification process and hope to tender for some government work in training. Transformation usually is for the better, I believe that the government should come*

Excerpts from focus group interviews

*to the party and assist non-profit organisations in delivering more social service*s and not only support children with grants....”

- “...One can do so much more... for example <u>assist them to seek employment run workshops on parenting skills,</u> etc. We have tried to put that into our proposal, but they say that they have given other NGOS in the area to do the work. Yet nothing is done. That is why I say that transformation has not entirely been effective....”

- “...<u>Much more still needs to be done....</u>”

Focus Group Participant 3

- “...I want to agree with what has been said. My organisation has had similar results where the <u>organisation has changed over many years</u> and has certainly <u>streamlined its staff and operational activities</u> over the years...”

- “...It is sad to see that we cannot employ more social workers <u>to address the dire needs of some of the communities in</u> which we run programmes. The government fund programmes in poverty pockets where we are currently working....”

- “...Sometimes it is like a war zone and social workers lives are in fear of danger. <u>Transformation has taken place, but not so much as you can see a change happening in the communities we serve.</u> As a matter of fact things have just gotten worse....”

- “...Over weekends especially, people have money for alcohol and beers and as a result get into fights and women get abused, there are gang fights and the police is inundated with domestic violence case. Worst of all <u>innocent children are abused</u>....”

- “...I am not sure that <u>one has to look at change in our organisations only but more so a change in communities....</u>”

Focus Group Participant 4

- “...Transformation has also taken place <u>by us over many years</u>....and very much like was previously stated, the organisation has changed....”

- “...As new board members have come and gone, the <u>organisation has gone through several radical changes....</u>”

- “...The main thing is that many of the staff has left for work in government departments, not only as social workers but in other organisations. They were good workers but <u>NGOs in general has become unstable</u> and one isn't sure whether your job is safe....”

- “...One can't blame them...I think that we have <u>gone into survival mode</u> and trey to do with what we have as best we can....”

- “...Every year the <u>stress levels at work increase</u>...we see much more people being burnt out,...people are a lot more absent from work and people are <u>not happy in jobs anymore....</u>”

In Table 6.39, participants reveal conflicting arguments about the efficacy of the transformation that was achieved at their organisations. On a positive side, participants reported that their organisations are still registered and continue to receive funding, as stated by Focus Group Participant 1 and 3 "...*we have remained registered and receive our funding every year....*" Yet, on the negative side some of the organisations are not achieving sustainability yet as informed by Focus Group Participants 2 and 4 respectively "...*but I am not sure if it was for the better...much more still needs to be done...*" and *…gone into survival mode....*"

From the abovementioned responses regarding the levels of efficacy that was achieved it is clear that transformation management on its own does not necessarily translate into the sustainability. In concert with the reflections in the primary investigation it is evident that transformation management needs to include sustainability plans in order for the organisations to survive the socio-economic environment in which social welfare organisations exists today. These sentiments are confirmed by authors such as Clegg *et al.* (2011); Robins and De Cenzo (2008); Schermerhorn *et al.* (2005) and Worth (2012) who encourage the development of sustainability plans as a key aspect of transformation management of non-profit social welfare organisations.

Figure 6.2 illustrates the efficacy of transformation management which includes significant areas of the ability that an organisation has to adapt to a changing environment; how the organisation should respond to the needs of its beneficiaries; how the organisation builds the internal capacity to become reflective and continuously learns from its experiences.

- The organisation develops the internal capacity to become constantly aware of ever-changing external and internal environmental influences impacting on the organisation

- The organisation needs to adapt to a changing environment and augment its systems, structures and processes to respond to existing needs of the organisation and its beneficiaries

- The organisation becomes a learning organisation, developing the board members, management and staff as part of their strategic plan.

- The organisation develops long term sustainable strategies that respond to the needs of its beneficiaries.

Reflective **Adaptive** **Learning** **Responsive**

Figure 6.2: Efficacy of transformation management
(Adapted from: Robins and De Cenzo, 2008; Schermerhorn *et al.*, 2005)

6.4.3 Strategies to increase sustainability

To combat the decline of the global and local economy, the issue of sustainability of social welfare organisations is becoming more compelling than ever before. The third question posed to participants in the focus group meeting centred round the sustainable strategies that their organisations developed. Their verbatim responses are depicted in Table 6.40 below.

Table 6.40

Strategies to increase sustainability

Excerpts from focus group interviews
Focus Group Participant 1   • *"...Getting funds for the organisation have become a key priority in our organisation. Nearly every week in our meeting <u>the lack of funding is being addressed in our meetings</u> like a stuck record…."*   • *"...Instead of trying to seek solutions, people complain every day. <u>We are trying to look at many ways to increase our funding....</u>"*   • *"...In our plans last year we had many ways in which we tried <u>to organise fundraising events</u> that has not materialised this year. People were too busy with their case loads, others complained about being behind with their work...."*

Excerpts from focus group interviews

- *"...The board also tried to get involved with some fundraising events but it did not amount to much.*

- *"...When we asked to get a fundraiser in, we were told that the organisation did not have money for such a post. So we ended up with very limited funds mostly from government grants and subsidies. With the result that we had to let go of two of our staff members…"*

- *"...If we do not do something drastically about securing more funding, more of our staff members will have to leave. We have told this to the department officials, but they say there is nothing that they can do to assist us with securing additional funding. They are just as hopeless...."*

Focus Group Participant 2

- *"...For us, we are in a predicament come the end of the year, because we are not sure whether we can make ends meet..."*

- *"...Our strategic planning went very well last year.*

- *"...many of the suggestions that were made were put on paper and staff members were grouped into mini-projects as a means of working together on small fundraising activities...."*

- *"...The fundraising initiatives like the stall at the annual community carnival and our annual church bazaar that worked, we included in our activities and added a few more..."*

- *"...I think we are on track to secure some more funding from two international donors as well which we have had a few visits from in September and October last year...."*

Focus Group Participant 3

- *"...We are trying to be optimistic about those funders because should there funding come through then our organisation will be doing fine for a year or two. The problem is that funders do not want to commit to long term funding so it becomes an ongoing effort to secure funds...."*

- "*…We have been lucky to secure a fundraiser that works for our organisation on a commission basis. She has completed many proposals which the board has looked through and given her advice on and she attends meetings on our behalf. We pay for her petrol and will be given her a stipend for her services so long until the moneys come through. I am not sure what the arrangement for paying her is exactly...."*

- *"...So far she has brought in some money that we are using to supplement the salary for two of our staff members. She has also been successful in securing funds for a programme that we will be dong at schools later this year...."*

Focus Group Participant 4

- *"We have also grappled with the issue of sustainability at our organisation. For us it is not only about securing funding but also about how we are going to invest in our staff so that they can be happier.*

Excerpts from focus group interviews

- *"We invited a speaker at our last strategic planning session that pointed out that the more motivated our staff is, the more it will spill over to our programmes and our children. So what we are also doing is to <u>allocate funding for staff development</u>."*

- *"To date we have had two sessions where the board members and staff have gone on an outing at Waterpark for a fun day. It seemed to be working because most of <u>the staff have been motivated</u> and look forward to our next outing in March this year when we will be going to Arniston."*

- *"The organisation does not pay for these events. All <u>staff members make their contributions</u> and I think the organisation only pays for petrol...."*

- *"We have had two successful events so far by <u>teaming up with a soccer club</u> and have raised over R10 000. They have said that they can support us with another function at the end of this year. These community activities are important because through fundraising <u>people network and more support is built....</u>"*

Similarly to the responses attained in the primary investigation, participants provided a range of sustainable strategies that their organisations employed to increase their levels of sustainability. From their reflections it is evident that sustainable strategies were developed to increase the level of generating income as indicated by Focus Group Participant 2 and 3 "...*staff members were grouped into mini-projects... annual community carnival and our annual church bazaar...*" and *"...secure a fundraiser that works for our organisation...securing funds for a programme that we will be doing at schools later this year...."*

Interestingly though, the response of Focus Group Participant 4 includes staff development as a sustainable strategy where the organisation motivates the staff to participate on a continuous basis to become involved in building the capacity of the staff very similar to the responses mentioned in the primary investigation and confirmed by authors such as Robins and De Cenzo (2008) and Schermerhorn *et al.* (2005).

It is thus evident from the above discussion that there are several ways that organisations can increase their levels of sustainability through income generation and staff motivation without relying entirely on government funding. Notwithstanding of course the significant role that the government needs to play in developing and implementing sustainable strategies for the transformation of the entire social welfare

non-profit section. In so doing, this will speed up social transformation and may be the catalyst for returning much needed hope and belief in the current ailing non-profit social welfare sector in South Africa as alluded to by Lombard (2008).

Figure 6.3 provides a diagrammatic representation of the development of sustainable non-profit social welfare organisations on three distinctive levels where laws and policies are changed at a national level; the local business and community sector supporting the organisations and at an organisational level where sustainable strategies are developed internally.

Figure 6.3: The development of sustainable non-profit social welfare organisations
(Adapted from Robins and De Cenzo, 2008; Schermerhorn *et al.*, 2005)

6.5   CONCLUSION

The aim of Chapter 6 was to conduct an empirical investigation on the views of social work managers on transformation management of non-profit social welfare organisations. The narratives of the literature review of Chapters 2, 3, 4 provided a contextual theoretical framework and reference for the questions posed to participants in the qualitative view. Chapter 5 provided the methodological framework in which the appropriate research design for the study was located. Using the aim and objectives determined in Chapter 1, Chapter 6 coalesces into a comprehensive and integrated presentation and synthesis of the researching findings based on the discourse of the aforementioned chapters. In Chapter 7 the conclusions and recommendations are integrated and synthesized based on the findings of the empirical investigation of this study.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1   INTRODUCTION

The views of social work managers on transformation management of non-profit social welfare organisations were investigated in this study. The aim of this chapter is to draw conclusions from the findings of the empirical study and then present the recommendations accordingly. Although no direct generalisations or extrapolations of the findings are implied, extractions of the conclusions and recommendations may prove to be meaningful and useful for the transformation management practise in non-profit social welfare organisations. Social welfare organisations may use these findings and apply the recommendations subject to their individual circumstances.

The objectives of the research as stipulated in Chapter 1 were achieved as follows:

- A literature review was firstly conducted consisting of Chapters 2, 3 and 4. Chapter 2 provided a theoretical framework of the distinction between the concepts of t*ransformation* and *transformation management.* In addition, Chapter 2 covered various organisational processes, dynamics and management models that are operationalised during the transformation management of non-profit social welfare organisations.

- Following on from the processes, dynamics and models that impacted on organisational change, Chapter 3 examined some of the laws, policies and protocols that were enacted to initiate transformative changes within the non-profit social welfare sector. This was significant as it provided insight and understanding of the legislative framework that impacted on the compliance of non-profit social welfare organisation in order to be eligible recipients of government funding. Essentially, the need for compliance has become compelling for the sustainability of the entire social welfare sector and indeed the survival of non-profit social welfare organisations throughout South Africa.

- In Chapter 4 the transformation of governance, management and operational functions of social welfare non-profit organisations were investigated. This chapter provided a microcosm of how non-profit social welfare organisations applied transformation practise within their governance, management and service delivery structures. Insight and understanding was achieved by zooming into the effects of the processes, dynamics and models discussed in Chapter 2 and the laws, policies and protocols alluded to in Chapter 3 on the governance, management and operations of individual non-profit social welfare organisations.

- Chapter 5 presented the research design and methodology that was used to conduct the research study. To this end, focus was given to the selection of participants, data collection techniques, data analysis and interpretation used to conduct the research. The data provided credible empirical evidence needed for the findings in the next chapter.

- In Chapter 6, the findings of the empirical study are presented using themes, sub-themes and categories emerging from the data. A focus group meeting was held to triangulate the data and further explore the emergent themes.

- The research study is then concluded with Chapter 7 in which the conclusions and recommendations are integrated and synthesised for the presentation of the study.

The following research questions were asked in Chapter 1:

- What is the relationship between *transformation* and *transformation management* within the context of non-profit social welfare organisations?

- What can we learn from national and local transformation management models, dynamics, and challenges pertaining to non-profit social welfare organisations?

- How practical is the current policies, laws and protocols spearheading the transformation of non-profit social welfare organisations in South Africa from a social development perspective?

- How are the governance, management and operations of non-profit organisations affected by the changes made in the aforementioned laws,

> policies and protocols?
>
> - What are the views of social work managers of non-profit social welfare organisations in terms of the challenges, issues, and experiences of the transformation management in their organisations?

The researcher addressed all the aforementioned research questions. The literature review examined the first three research questions in Chapters 2, 3 and 4. In this regard the research questions became the chapter headings. This was significant as it brought focus to the study as well as the integration of the aims and objectives of the study. Chapter 6 was an empirical study which addressed the fourth research question where the focus was on the views of social work managers of non-profit social welfare organisations on transformation management.

As previously stated, there are limitations to the study. The study is limited to the subjective views on transformation management of 24 social work managers of non-profit social welfare organisations. Although the focus group provided similar convergent thoughts and ideas, no generalizations can be extrapolated to the rest of non-profit social welfare organisations as previously stated. Similarly, no inferences can be made to the processes, dynamics or models presented in Chapter 2. It is evident that each non-profit social welfare organisation is indeed unique and thus very different in the way it exists and functions. However, the laws, policies and protocols discussed in Chapter 3 may arguably be more generally applicable to the entire non-profit social welfare sector in South Africa per se. Similarly, the way in which the governance, management and daily functions are affected by transformation may also apply to a broader range of non-profit social welfare organisations, but the views expressed in Chapter 6 remain subjective and thus have to be contextually limited to the experience of a sample set of participants specific to this study.

From the exposition of the empirical findings emanating from Chapter 6, the researcher draws conclusions and makes subsequent recommendations which are integrated and synthesised into various themes.

7.2   REPRESENTATION OF CONCLUSIONS AND

RECOMMENDATIONS

The following conclusions and recommendations are divided into four themes made accordant to the research findings of Chapter 6. The conclusions and recommendations are directly correlated to the themes:

- Theme 1: Conceptual understanding of transformation management: processes, models and dynamics
- Theme 2: Application of pertinent laws, polices and protocols
- Theme 3: Restructuring of transformed non-profit social welfare organisations in terms of governance, management and operations
- Theme 4: Sustainability of non-profit social welfare organisations

7.2.1 Theme 1: Conceptual understanding of transformation management: processes, models and dynamics

Essentially, the literature review and empirical study are not congruent regarding the concept of transformation management. On the one hand, the literature review depicts the concept of transformation management as a significant part of the management paradigm requiring specific skills, approaches, expertise and knowledge. On the other hand, in the empirical study, participants suggest that transformation management seemingly is managed by a person with no transformation management knowledge, skill or expertise required to manage such a process. This could possibly account for the marginal efficacy that most participating non-profit social welfare organisations have achieved. The anticipated transformation that government envisaged for non-profit social welfare organisations to flourish (according to the preamble of the Non-Profit Act 71 of 1997) has undoubtedly not been effective.

The lack of transformation within the national social welfare sector is undoubtedly evident. In order for transformation management to have a meaningful impact on non-profit social welfare organisations, it is indeed the government that needs to have a clear contextual and conceptual understanding of what it understands *transformation ought to be,* so that non-profit social welfare organisations can apply effective transformation management practices and accelerate the pace of *transformation at an*

organisational level, consequently leading to a more robust achievement of social transformation at grassroots level.

In this regard, the link between *transformation* of the non-profit social welfare sector at a macro-level and *transformation management* of non-profit organisations at a micro organisational level is unquestionable. From the empirical investigation it is evident that the lack of political leadership, policies, protocols and programmes needed to accelerate the pace of change in the transformation of the non-profit social welfare sector is unmistakably deficient. Consequently, this has contributed to the current malaise experienced in the social welfare sector. If the main objective of the government's transformation agenda is to achieve social transformation, then despite nearly two decades since inception of a democratic government, the empirical investigation reveals that the government has not achieved the desired social transformation that it has initially aspired to. Conversely, South Africa still has the largest divide between rich and poor in the world discounting the notion of achieving equitable economic and social transformation for its citizens.

From the above discourse it can be concluded that a common conceptual understanding is needed by government and civil society organisations regarding *transformation* and *transformation management*. Furthermore it can be concluded that by having a conceptual understanding of the aforementioned concepts, clarification could be achieved of the processes, objectives and outcomes needed for effective transformation management practice. It can also be concluded that transformation management requires skill, expertise and knowledge in order for non-profit social welfare organisations to achieve effective transformation. It is thus recommended that a curriculum is developed on transformation management practice as part of the main stream management courses offered by higher education and training institutions within their management studies, to increase the skills, knowledge and competencies needed by organisations to implement effective transformation. A further recommendation is that government hosts national, provincial and local conferences and colloquia on *transformation* and *transformation management* for the social welfare sector to increase their understanding and indeed the efficacy of transformation management of non-profit social welfare organisations throughout the country. This would indeed address the lack of having a common conceptual understanding of

transformation and *transformation management* and the various skills, competencies and processes that the latter constitutes.

Subsequently, having a common understanding of transformation management would deepen the understanding of the processes and dynamics that are involved in transformation management. In this regard, having rigorous processes in transformation management are significant elements for achieving effective transformation. First, it is evident that not all participants reflected that strategic planning was conducted specific to the management of transformation in their organisations. From their responses it is also evident that transformation management planning has rather been lumped together with their annual strategic planning sessions. Second, for some of the organisations, their mission and vision statement have reportedly not been reviewed, despite their organisations making a transition to a "new reality". Third, the leadership within the organisation has not displayed the necessary competencies needed to bring about effective change in the organisation as confirmed in the study, which may be the root cause of why some of the organisations were unable to make a seamless transition.

From the above discourse regarding transformation processes it can be concluded that strategic planning; reviewing the vision and mission of the organisation and effective leadership are significant aspects needed for the effective transformation of non-profit social welfare organisations. It is thus recommended that a separate strategic planning session is conducted as part of the transformation management process whereby the review of the organisation's mission and vision takes place to assess where the changes are deemed necessary. This is significant as it may have implications determining in which direction the organisation intends to go in terms of forging a "new reality". Equally significant is the transformational leadership aspect that is needed to lead the transformation management process effectively. It is recommended that should the leadership not have the capacity, skills or expertise required to orchestrate effective transformation of the organisation, that a *change agent* is engaged for the process as confirmed in the literature study. Through mediation and facilitation the expert brings the necessary skills and knowledge of how to *manage* the dynamics within the organisation including the attitudes of staff members, the organisation's culture and any conflict that exists.

The dynamics at play during the transformation of the organisation is often such that it causes heightened stress and anxiety during this critical period of transition. As reported in the empirical study, the resistance to change is acute; staff members are uncertain about their futures and many participants report morale being at an all-time low. These dynamics requires the appropriate management competencies in order for the transformation to be dealt with effectively. The conflict experienced during this time is evidently up scaled and the organisational culture is also eroded as reflected by participants in the investigation.

These dynamics need to be addressed with the necessary sensitivity that it deserves. Undoubtedly it becomes evident that the approach, skills and competencies of management in dealing with these dynamics is significant. It can thus be concluded that there are various dynamics at play during the transition and transformation of non-profit social welfare organisations, such as resistance of staff to change; conflict between staff members and changes experienced in the organisation's culture. To address these dynamics it is recommended that the managerial leadership strengthens its communication strategy to staff members particularly during the process of the organisations transformation. Given the uncertainty of the staff and some of their resistance to change, the leadership needs to provide continuous and consistent feedback on the progress of the transformation to build and maintain trust. As reflected in the empirical study, the trust of staff members have to be maintained throughout the transformation process and beyond without making promises or painting a rosy picture of what the organisation may idyllically want to achieve.

Essentially, all staff members will be more accepting of a truthful assessment of the reality of what transformation might bring, rather than being swayed into an impractical and unsustainable solution. Once again this notion emphasises the need for the leadership to have the necessary skills and competencies to manage the transformation effectively. This underscores the significance of having theoretical knowledge of basing transformation management on best practises or models that have been tried and tested before and applying the learnings to the situation and circumstance as needed. In addition, non-profit social welfare organisations have to comply with laws, policies and protocols in order to transform their organisation

effectively, improve their governance and management structures and increase the quality of their service delivery. By so doing, these organisations will be eligible recipients for government funding increasing their capacity of achieving much needed sustainability.

7.2.2 Theme 2: Application of pertinent laws, policies and protocols

Since the advent of democracy in South Africa nearly two decades ago, there has been a deluge of laws, policies and protocols that has been enacted and developed pertinent to the social welfare sector. Yet, the transformation of the social welfare sector and social transformation has arguably been slow and ineffective. In this regard the research confirms the notion that the need for application and indeed implementation of the laws, policies and protocols may not necessary solve the problem. Seemingly, there is an understated incongruence between *what is intended politically* and *what is practically possible* in order for effective transformation of the social welfare sector to be achieved. Of course the impact of the incongruence has filtered down to non-profit social welfare organisations signalling that despite their application of the laws, policies and protocols are finding out that they are arguably worse off than ever before.

The malaise experienced within the social welfare sector is ostensibly lodged at the foothold of government's inaction; lack of leadership and political will. This notion is supported by the academic fraternity, civil society and consistently alluded to in the empirical investigation.

Furthermore this research provides credible arguments for broad consultation processes with all stakeholders, especially the social welfare sector, to design and develop policies that will in fact not prejudice the organisations but be developed in such a way to effectively spearhead the growth and flourishing of the non-profit sector as is implicitly stated in the preamble of the Non Profit Act 71 of 1997. It can be concluded from the aforementioned discourse that the application of laws, policies and protocols is not a guarantee that neither transformation of the social welfare sector nor social transformation of South African civil society would necessarily occur. Nor does

the implementation of these laws, policies and protocols have a desirous impact of translate into social transformation unless of course it resonates soundly with the intended beneficiaries. It is thus recommended that laws, policies and protocols pertaining to the non-profit sector be urgently reviewed through broad public participation including a high level of academic and stakeholder inputs.

Given the harsh economic climate in which non-profit organisations are trying to survive as confirmed in the study, large state and parastatels that have been established by the government to increase funding opportunities of the non-profit sector seemingly have become self-serving bureaucratic structures with very little efficacy.

The National Development Agency and The National Lottery Distribution Fund are two such examples which have seemingly become pariahs of discontent amongst the social welfare sector. Instead of growing and developing the social welfare sector and alleviating the funding crisis, these agencies have become arguably support structures of the government's political agenda rather than agencies of support to the non-profit sector. In so doing, they have become an abhorrent rhetoric of what social development has aimed to achieve. Seemingly, the way in which they fund certain organisations instead of others is not based on sound financial acumen, but rather based arguably on supporting the government's political agenda.

Another such policy is the National Development Plan, 2030 which is far too generalised and ethereal in its approach of implementing sustainable socio-economic development for the social welfare sector. In its intention to addressing poverty and indeed the development of poor communities, the plan is filled with good intentions but does not take into account the reality of distraught and fragmented civil society organs such as the ailing non-profit social welfare sector.

This "roadmap" (National Development Plan, 2030) seems to be guiding the driver into a particular direction without examining pitfalls, obstacles and dangers that can take place even long before arriving at the intended destination. In this regard, a caveat is the ever increasing and unsustainable grant system, the dire lack of leadership and the capacity that government has to deliver on its social mandate. Similarly does the

code of best practice used to raise the norms and standards of the non-profit social welfare sector prove to be meaningless if non-profit social welfare organs are still encapsulated in a survival mode of trying to exist in the wake of a declining socio-political environment. It can thus be concluded that the policies and protocols that are developed by the government should address the *felt need* of the non-profit social welfare sector and its ever-increasing beneficiaries. In this regard it is recommended that parastatels such as the National Lottery Distribution Fund and the National Development Agency become more accountable and responsive to the needs of social welfare organisations.

It is also recommended to review the Acts in support of the establishing of these agencies and if need be establish an entire different mechanism of funding that bypasses the need to establish such exorbitant and costly bureaucratic structures to support the development of the social welfare sector in South Africa. It makes logical sense that when systems and structures are ineffective, they should be terminated in preference of the evolvement of more dynamic structures and systems. If it is expected of non-profit social welfare organisations to become sustainable, then the issue of sustainability of South Africa's social welfare sector should be seen as one of government's key priority areas. Failing which, the result of the collapse of the social welfare sector would indeed be hazardous to the marginalised and impoverished communities throughout South Africa.

7.2.3   Theme 3: Restructuring of the transformed non-profit organisations in terms of governance, management and operations

From the literature review and the participants' responses in the empirical study it is evident that non-profit social welfare organisations experience transformation as a highly stressful and anxious period. To mitigate the impact of the stress and anxiety the transformation process needs to be managed effectively so that the organisation makes an almost seamless transition from the "old" to a "new" reality. As previously stated, it is critical that the restructuring takes place in such a way that it benefits the organisation as much as it benefits the affected people. The leadership needs to demonstrate a person-centred approach during this critical period since the entire

essence of non-profit social organisations is dependent on benevolence and goodwill. This is because non-profit social welfare organisations are people-centred organisations rather than their profit making counterparts who focuses on bottom lines and the accumulation of maximum profits. It is mainly for this reason that all aspects of restructuring need to factor in the human element - considering the impact that restructuring has on volunteers, the board members, the management and staff as well as the beneficiaries of the organisation.

It is evident from the research that the transformation of the board is where restructuring needs to start as a measurement of compliance in order to be eligible for government funding. This indeed is not an easy process as some members have served on boards in various capacities for many years and may even have been founder members of these organisations. Others may feel that they have supported a passionate and worthwhile cause by offering their expertise, time and skills on a voluntary basis. In fact they may have been significantly instrumental in the leadership of the organisation and instead of feeling valued may now feel that they need to be replaced because of government policy needing the organisation to be more representative and reflective of South African civil society in terms of race and gender.

Some board members may view this as reverse racism where people are preferred in terms of the colour of the skin and not necessarily based on their competency. This is however debatable as for many years the black majority of South African citizens were not afforded the opportunity to acquire management competencies on boards of organisations. There are no laws in the country that prohibits any race of people from serving on social welfare organisations. The distinction however is resonated in the compliance to be eligible for funding. Because South Africa has a plurist model of delivering social welfare services in partnership with government, it is a significant requirement for these organisations to attain compliance. In so doing it necessitates the transformation of the board as a key area of attaining compliance in order for duly registered non-profit social welfare organisations to be recipients of government funding. It can thus be concluded that the transformation of the board is essential for the organisation to be eligible recipients of government funding. It is recommended that restructuring of the board takes place in a sensitive an honourable way so that exiting members feel valued and endeared. More importantly that new members are

recruited based on their expertise, skill and experience and not only on their race and gender. There should be a process of orientation and induction where the deficient capacities and competencies are built to ensure that the new members are competent in dealing with the board challenges and have a clear understanding of their roles, responsibilities and the operations of the board. This is significant as the board members are volunteers who do not receive any remuneration for the work that they do nor the time they volunteer their services. This of course excludes the chief executive officer (CEO) or director who is a salaried employee and act as an ex-officio member of the board.

Whereas board members are volunteers offering their time and expertise without remuneration, management staff as well as the director or chief executive officer (CEO) are usually professionally contracted by the organisation. In fact the largest part of any social welfare organisations expenses is the salary account. It would therefore make sense that when an organisation wants to curtail its expenditure that the salaries account is the first area that is targeted. According to the empirical study and confirmed by several authors in the literature review, restructuring the management needs to be done in concert with appropriate labour practices. This is because the government has promulgated several laws such as the Basic Conditions of Employment Act, the Labour Law Amendment Act and the Equity Employment Act in support of expediting fair labour practises. Most non-profit social welfare organisations do not have policies in place that protect them from being sued for unfair labour practices and do not have reserve funding to offer staff equitable severance packages for retrenchment.

The restructuring of management staff in terms of retrenchment and severance packages in order to achieve compliance and subsequently receive government funding comes at the cost to the organisation and not to the government. This is a major flaw in the government's transformation policy: not factoring in the costs that transformation has for non-profit social welfare organisations. It can thus be concluded that unlike the board members who are mainly volunteers, the management and staff of non-profit social welfare organisations are employees and as such are protected by a legal framework.

Ideally, restructuring of management needs to be done with due consideration of the labour laws and what is affordable to the organisation since the government does not provide staff retrenchment or severance packages resulting from restructuring of the organisation. It is thus recommended that the strategic planning process includes the cost of restructuring the governance, management and operations of the organisation and makes the necessary provisions and budgets for this process. This is significant because alternative options of working half days or multi-tasking may be a more viable financial option than retrenchment. Exploring these options is a further recommendation that the board can engage in before embarking on deciding on severance and staff retrenchment packages. The government of course also has to review its policy on transformation and offer financial support to social welfare organisations given the funding crisis pervading the social welfare sector. This is significant as non-profit social welfare organisations are expected to provide quality services to their clients and continue their operations despite their dire lack of funding.

Another important aspect of transformation management is how the operationalisation of service delivery is carried out. From the empirical study it is evident that the operations of the service delivery need to be aligned to the priority areas identified the Department of Social Development in order to be eligible for government funding. Essentially, the Department of Social Development has key priority areas and preferred demographic areas (usually historically disadvantaged communities) in which non-profit social welfare organisations are contracted to deliver social welfare services.

It can thus be concluded that the compliance achieved in the restructuring of the board and management does not necessarily mean that the organisation would be eligible for funding. Another key aspect of eligibility of receiving government funding is the alignment of the operations of the organisation's service delivery priorities and demographical areas with that of the Department of Social Development. As confirmed in the literature review, the Department of Social Development and social welfare organisations have a pluristic nature of implementing social service delivery. This means that the partnership must be in operating optimally with regards to social service delivery. Moreover, this is because the outcomes achieved in social service delivery are not measured separately but as a common collective with that of the

government. In fact, non-profit social welfare organisations are contracted to deliver services *on behalf of the government* in order for the government to fulfil its national social service delivery mandate. Notwithstanding that government agencies of course benefit greatly from the relationship as payment to social welfare non-profit organisations deliver services for much less than what the same services would cost the government.

It is thus recommended that non-profit social welfare organisations realign their social service delivery targets to the key priority areas of the Department of Social Development in order to be eligible for government funding. This will ensure that future contracts for social service delivery can be secured which indeed impacts on the sustainability of their organisation. Conversely however, failing to realign social service delivery with the key priorities and preferred demographic areas of the Department of the Social Development may put the organisation in a precarious state of not receiving funding for their social programmes and subsequently lead to the possible closure of their organisation. This will have dire consequences for the sustainability of the entire social welfare sector and indeed non-profit social welfare organisations throughout South Africa. Restructuring the way that non-profit social welfare organisations are funded (or subsidised) should be a key priority for government.

7.2.4 Theme 4: Sustainability of non-profit social welfare organisations

Perhaps the most important aspect of transformation management is for government to build the capacity of the social welfare sector in becoming sustainable through the developing policies and protocols at a macro-level and then simultaneously for non-profit social welfare organisations to develop their internal capacities to develop sustainable strategies at a micro-level. This is confirmed in the literature study as well as the empirical study. The need for sustainability has become compelling for the social welfare sector given the decline of the socio-economic environment. To combat this, a multi-pronged approach is needed whereby the government and the non-profit social welfare sector develop their capacities to address the sustainability collectively.

There is sufficient evidence in the research to support the notion that at a macro-level the government is not doing enough to accelerate the pace of transformation of the social welfare sector which arguably may lead to the collapse of the entire welfare industry in South Africa. Moreover, despite the myriad of laws, policies and protocols governing non-profit social welfare organisations, their sustainability has still not been achieved. It can thus be concluded that despite this comprehensive legal framework, the sustainability of the sector and the consequent sustainability of non-profit organisations is still at risk. It is recommended that the legal framework governing the non-profit sector is reviewed in order for it to have the desired outcome of developing a robust and sustainable social welfare sector that responds to the needs of non-profit social welfare organisations throughout South Africa. As previously stated, the process has to be done with broad consultation of all stakeholders where the sustainability of the sector and organisations becomes a key priority.

At a micro-level it is also expected of non-profit social welfare organisations to develop their own internal capacity to becoming sustainable as part of their transformation management process. In this regard, the literature study supports the view of participants in the empirical study citing various strategies that support the sustainability of non-profit social welfare organisations. It can be concluded that on its own the government cannot be the only source of funding needed for the non-profit social welfare organisations to achieve sustainability. It is recommended that transformation management should include the development of a sustainable growth plan so that non-profit social welfare organisations can take ownership of achieving sustainability as part of their own transformation agenda.

The sustainable growth plan can include aspects such as contracting expert fundraisers, developing a website to attract international and international donations as well as embarking on social entrepreneurship programmes. These are some of the income generation strategies that may be employed to increase the organisation's sustainability as mentioned in the empirical study. In addition, the literature study also provides credible arguments for non-profit social welfare organisations to include community activities such as annual bazaars, hosting golf days and sporting events as a means of ensuring on-going community events that has the duality of receiving

community support and participation as well as simultaneously provide the organisation with much needed income.

7.3   FURTHER RESEARCH

Based on the research findings, the following areas of research have been identified to further explore the topic of transformation management:

1.   Since there is a dearth of literature and research on transformation management of non-profit social welfare organisations, it is suggested that further research is conducted particularly with different contexts as the transformation of the social welfare sector is still underdeveloped.

2.   Another area of interest to be researched that needs to be explored is that of social entrepreneurship as most non-profit social welfare are concerned about their sustainability given the decline of the global economy.

3.   Similarly, research needs to be embarked upon to explore the way in which government could support the non-profit sector in achieving sustainability through policies, programmes and funding.

4.   Furthermore, research could also be undertaken on the development of a curriculum on transformation management practice as part of the qualification for social work managers.

7.4   CONCLUDING COMMENTS

The research empirically investigating the views of social work managers on transformation management of social welfare non-profit organisations is significant in the quest to accelerate the pace of transformation of the social welfare sector in South Africa. From the literature and empirical study it is evident that the transformation agenda of government needs to be rigorous and robust if effective social transformation at grassroots is *truly* intended. As partners of government delivering social welfare services the government needs to ensure that the effective transformation of the social welfare sector is achieved. Notwithstanding of course that non-profit social welfare organisations need to develop their own internal sustainable strategies to ensure that social welfare services are essentially delivered to marginalised communities throughout South Africa.

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ANNEXURE A

CONSENT TO PARTICIPATE IN RESEARCH

You are requested to participate in a research investigation conducted by Lionel Scott-Muller entitled "*The views of social work managers on the transformation management of non-profit social welfare organisations*" registered for a PhD (Social Work) in the Department of Social Work at Stellenbosch University. The research study will contribute to a research dissertation under the supervision of Professor Lambert Engelbrecht at the Department of Social Work at Stellenbosch University.

You are one of 24 participants that have been selected as a possible participant for the research study as you have experienced transformation management in your respective non-profit social welfare organisations.

1.   PURPOSE OF THE STUDY

The aim of the study is to gain an understanding of the views of social work managers on transformation management in non-profit social welfare organisations

2.   PROCEDURES

If you are able to participate in the research study, we would ask of you to do the following:

- Grant permission for the interview to be conducted on an audio tape recorder.
- Avail yourself voluntarily for an interview to be conducted for approximately 60 minutes at an agreed time and date in a room at your venue.
- You indicate if you feel any discomfort during the interview and may leave at any time during the interview if you wish to do so.
- You answer the questions honestly and openly with the understanding that you may pose questions for clarification at any time.
- You may draw consent at any time of the study without providing any reason if you wish to do so.

**3.	PAYMENT FOR PARTICIPATION IN THE STUDY**

No remuneration is offered for participation in the study, participation is conducted on a voluntary basis.

**4.	PARTICIPATION AND WITHDRAWAL**

The study is conducted on a voluntarily basis and withdrawal at any time is allowed without consequences.

**5.	IDENTIFICATION OF THE INVESTIGATOR AND SUPERVISOR**

If you have any concerns about the study, please feel to contact the researcher, Lionel Scott-Muller at 0786465654 at a convenient time. The supervisor of this researcher is Professor Lambert Engelbrecht, Department of Social Work at Stellenbosch University. His contact details are as follows:

Telephone: 021 808 9000

Email: lke@sun.ac.za

**6.	CONFIDENTIALITY**

The information gathered from the questionnaire is anonymous. As such, no links and inferences will be directed at you or your organisation at any time in the research investigation. The data will be stored in a safe and secure locked cabinet at the home of the researcher.

You have a right to review the data and the taped recordings should you wish to do so. The taped recordings will be erased once the dissertation has been completed. The findings of the research will later be published and may be used for publications in journals where confidentiality will be maintained by using pseudonyms where necessary.

Recorded data will only be disclosed with your permission or as required by law.

7.   POTENTIAL BENEFITS TO SUBJECTS AND/OR SOCIETY

The research findings will provide subjects with insight and understanding of the concept of transformation management.

Non-profit social welfare organisations may find the recommendations useful and adapt any of the findings deemed appropriate for their respective organisations.

Emerging social welfare organisations may find the insight on achieving compliance and managing the transformation management purposeful.

Sustainability of non-profit social welfare organisations is becoming a growing concern and some of the findings achieved through transformation management may be useful to non-profit organisations in general.

This research study may also be beneficial as a reference to students for the purpose of future research.

8.   RIGHTS OF RESEARCH SUBJECTS

You have the right of withdrawal without any penalty. You are not waving your right, remedies or legal claims because of your participation in the research. As a research subject, you may lodge any questions or concerns to Ms. Clarissa Graham. Her contact details are as follows:

Telephone: 021-808 9183

SIGNATURE OF RESEARCH SUBJECT OR LEGAL REPRESENTATIVE

The information above was described by Lionel Scott-Muller in English. I am in command of this language. I was given the opportunity to clarify my concerns and been answered satisfactorily.

I hereby give my consent to voluntarily participate in this study. I have been given a signed copy of this consent form.

....

Signature of subject or legal representative   Date

SIGNATURE OF INVESTIGATOR

I declare that I explained the information and addressed the concerns of .... She/he was given ample time to answer the questions accordingly. The interview was conducted in English and no translator was used.

....

L.Scott-Muller   Date

(Investigator)

ANNEXURE B1

STELLENBOSCH UNIVERSITY

DEPARTMENT OF SOCIAL WORK

INTERVIEW SCHEDULE

THE VIEWS OF SOCIAL WORK MANAGERS ON THE TRANSFORMATION MANAGEMENT OF NON-PROFIT SOCIAL WELFARE ORGANISATIONS

SECTION 1

IDENTIFYING DETAILS OF PARTICIPANTS

1.1   Highest academic qualification...

1.2   Years of management experience...

1.3   Gender...

1.4   Race..

1.5   Approximately how long did the transformation process take place in your organisation?...

SECTION 2

CONCEPT OF TRANSFORMATION MANAGEMENT- PROCESSES, MODELS AND DYNAMICS

2.1   What is your understanding of *transformation* and *transformation management?*

2.2   Describe some of the processes that your organisation undertook during its transformation. *(Mention some of the transformation processes such as*

conducting strategic planning, reviewing vision and mission and the leadership that contributed to the organisation's transformation).

2.3   How did these transformative changes affect the organisation? (*Mention some of the attitudinal changes that the staff displayed; how the organisational culture was affected and the how conflict was resolved during this time).*

2.4   Were there any instruments such as policy documents, models or frameworks used to inform or guide the transformation process within your organisation? (*Refer to some specific policy documents/models/theories in this regard).*

SECTION 3
LAWS, POLICIES AND PROTOCOLS PERTINENT TO TRANSFORMATION MANAGEMENT

3.1   What are some of the reasons that non-profit organisations in South Africa had to transform? (*Mention some of the external environmental factors such as political, social, economic or other factors that contributed to the organisation's change*).

3.2   How has the government's statutory laws changed to benefit your organisation? (*Mention some of the specific laws such as the Non-Profit Act; the Broad Based Black Economic Empowerment (BBEEE) Act as well as other laws that were promulgated to transform the non-profit social welfare sector*).

3.3   What are some of the main policies that your organisation had to comply with in order to be eligible recipients for government funding? (*Mention the Funding Awards to Non-Profit Organisations Policy and the Transformation Policy as specific examples that were developed for transformation of non-profit social welfare organisations).*

3.4   How have the protocols regarding best practices in the non-profit sector contributed to your organisation improving its own norms and standards? (*Mention the Codes of Best Practice for Non-Profit Organisations and the National Development Plan, 2030 as examples) as an example of a protocol that was developed as a benchmarks of good governance of the non-profit social welfare sector in South Africa).*

SECTION 4

GOVERNANCE, MANAGEMENT AND OPERATIONAL FUNCTIONS AFFECTED BY TRANSFORMATION OF THE ORGANISATION

4.1   What are some of the aspects of governance that have been transformed in order for the organisation to achieve compliance? (*Mention if there was a paradigm shift made and how your board was transformed. Please provide reasons for specific changes that were made in the restructuring of the board.*)

4.2   Describe how the management and staff have been restructured in your organisation as a result of the transformation process? (*Mention how the restructuring process was managed and some of the challenges that were experienced during the process.*)

4.3   How has transformation impacted on the operations of the organisation? (*Mention how changes in the operations such as funding and service delivery were managed.*)

4.4   In your opinion, given the immense challenges that the non-profit sector in South Africa is currently facing, what are some of the strategies that government and your organisation can develop to improve the sustainability of non-profit social welfare organisations.

THANK YOU

ANNEXURE B2

STELLENBOSCH UNIVERSITY

DEPARTMENT OF SOCIAL WORK

INTERVIEW SCHEDULE

(FOCUS GROUP PARTICIPANTS)

THE VIEWS OF SOCIAL WORK MANAGERS ON THE TRANSFORMATION

MANAGEMENT OF NON-PROFIT SOCIAL WELFARE ORGANISATIONS

SECTION 1

IDENTIFYING DETAILS OF PARTICIPANTS

1.1   Highest academic qualification...

1.2   Years of management experience..

1.3   Gender...

1.4   Race..

1.5   Approximately how long did the transformation process take place in your

        organisation?..

SECTION 2

1.   How was transformation management operationalised in your respective

      organisations?

2.   Would you say that transformation management in your organisation was

      effective? Please elaborate.

3.   After transformation was achieved, what are some of the strategies that your

      organisation developed to ensure its sustainability?

THANK YOU

ANNEXURE C

MEMBER CHECKING OF RESEARCH FINDINGS

Dear .... (Name of participant)

Please assist me in verifying the accuracy of your responses of the interviews conducted in the research in order to support the research findings made in Chapter 6. Member checking is a way in which the correctness and intention of your verbatim responses have been captured. Chapter 6 that has been emailed to you contains the verbatim responses of all twenty participants in the research study.

You are asked to check whether you think that the themes, sub-themes and categories generated by the data are relevant to the responses that you have provided. Please note that your responses will be treated as confidential. Should you **confirm and endorse** the themes, sub-themes and categories based largely on the responses that you have provided no explanation or reasons need to be provided. However should you **negate or contradict** the themes, sub-themes or categories that have emerged, please provide reasons so that I am able to re-check the original transcriptions in order to make the necessary amendments accordingly.

Please note that your responses are confidential and subject to further editing and amendments and remains the intellectual property of the researcher and cannot be reproduced or disseminated in the public domain at this time. This thesis has not been internally or internally examined as yet. Your member checking role forms part of the verification process to ascertain the accuracy of the information provided.

Please email your responses to me at scottmullerlionel@gmail.com. Should you require any further information, I can be reached on 0786465654 during office hours.

Thank you for your co-operation.

Yours sincerely

Lionel Scott-Muller

ANNEXURE D

MEMBER CHECKING VERIFICATION

PLEASE COMPLETE THE FOLLOWING TABLE AND EMAIL THIS PAGE BACK TO ME BY TICKING THE RELEVANT BOX:

Participant: ....

I have read the research findings in Chapter 6 in which themes, sub-themes and categories are presented.	
I hereby **conform and endorse** that the themes, sub-themes and categories are largely characteristic of the narratives I have provided to the researcher	
I hereby **negate and contradict** that there is very little or no similarity in the narratives that I have provided to the researcher.	

Please provide reasons if you have ticked the negate and contradict box

....

....

....

....

....

THANK YOU

ANNEXURE E

REFLEXIVITY REPORT: LIONEL RICHARD SCOTT-MULLER

This report provide a candid view of the researcher in order to provide transparency and exposure to the hidden bias, assumptions and partialities that may in fact jeopardise the validity of the data. Though the researcher have been critically aware of his role as a professional social worker and a social work manager throughout the research process, the objectivity of the data have always been of primer concern.

PERSONAL REFLECTION WITHIN THE CONTEXT OF THIS STUDY

Born in Grassy Park on the Cape Flats in 1963 to parents Ronald and the late Joan Muller with six siblings, the sub-economic livelihood and poverty has always been part my upbringing. The value of sharing and caring was always an innate practice in our family. My father was the breadwinner and expected his wife to stay at home and rear the children. With seven children we had to learn to share and care for each other and so this value formed the cornerstone of my being. I guess the social worker in me was borne a long time ago. The apartheid era, especially the school boycotts were truly devastating for me. This is probably because I was an overachiever since Sub. A (Grade 1) right up until Standard 10 (Grade 12) where I was head boy. Imagine the disappointment when my father told me that I could not go to university although I was given a bursary to study a Bachelors' Degree in Education at the University of Cape Town. Only years later did I resume my studies through Unisa and the University of Stellenbosch. I am now in possession of six degrees including two Masters Degrees. I consider myself to be a Life-Long Learner in the true sense of the word.

The apartheid era has had a profound impact on my role as a social worker. In 1990, when the son of a Muslim friend of mine was fatally shot in Mitchells Plain, I decided to qualify as a social worker and started an organisation called Spades Youth Development Agency. The organisation has implemented many youth development

programmes over several years and is still a beacon for youth development in Grassy Park and surrounding gang-infested communities. Years later, I went on to becoming the director of a social welfare organisation and served for two years. This is where I became curious of the transformation of non-profit social welfare organisations. It is within this context that I embarked on my doctoral studies to ascertain the views of social work managers on the transformation of the non-profit social welfare organisations.

PERSONAL APPROACH AND ATTITUDE TOWARDS THE STUDY

I have always wondered why people buy into the value of material gains. A friend of mine who recently passed away always said that the reason he wanted to continue working for another two years was to make sure that he had enough money for his pension. Little did he know that it was not to be. The main reason why I am embarking on this study is to share the research findings with relevant people so that effective transformation of the non-profit social welfare organisations can occur. This of course can then consequently translate into a sustainable social welfare sector and more importantly the social transformation of South African civil society. Working with young people over many years has further led me to believe that all people have the innate desire to self actualise and so another personal quest and conviction is that social welfare organisations should be transformed to take up the quest of obliterating unemployment amongst young people. I am also convinced that the other ailing factors such as gangsterism and crime would be significantly decreased.

PERSONAL REFLECTIONS DURING THE INTERVIEWS

I conducted the interviews with an acute sense of obligation to the ethics of research and assumed the role of an ethical researcher throughout the process. There were many times when I felt that I agreed with some of the responses of the participants but found myself containing my thoughts. This was significant as I trusted myself for the interview process to be uninterrupted. Even the probes were light and gentle so that the participants were able to express themselves freely. Even when I wanted to sympathetically succumb to their dire need to be heard and understood, I remained congruent only allowing myself to confirm what they had said. The audio-taping also

allowed much needed time to stay "in the moment" as they revealed some of their personal experiences.

For many of the participants, being interviewed was not an easy process. They were cautiously optimistic, providing only the necessary information. As the interview progressed and they felt more at ease, they were able to relay their innermost feelings and thoughts. At times their emotions were blatantly evident and oscillated between very happy to being extremely angry. I, of course could only empathise with them. I always expressed my sincere gratitude to them at the end of the interview and said that I would send them the draft Chapter 6 chapter for member verification. I also observed how some of the organisations are struggling to survive and was given an insight into the actual working lives and circumstances of professional social workers, which strengthened my resolve to enable transformation of the social welfare sector.

IMPACT ON THE RESEARCH PROCESS

I can confidently attest that my socio-cultural experiences and my ethical role as a social work researcher were not hampered during the entire research process. Equally true is the fact that my role as an objective researcher was not compromised during the entire process. I was able to distance myself from the responses of the participants, thus remaining objective and unbiased. I can therefore state that the data has not been compromised and is valid, credible and trustworthy. These findings are indeed impartial and true to the reflections depicted in this investigation.

ANNEXURE F

ETHICAL CLEARANCE

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jou kennisvennoot • your knowledge partner

Approval Notice
New Application

12-Nov-2014
Scott-Muller, Lionel LR

Proposal #: DESC/ScottMuller/Oct2014/13
Title: **Views of social work managers on transformation in non-profit social welfare organisations**

Dear Mr Lionel Scott-Muller,

Your **New Application** received on **09-Oct-2014**, was reviewed
Please note the following information about your approved research proposal:

 Proposal Approval Period: **12-Nov-2014** -**11-Nov-2015**

Please take note of the general Investigator Responsibilities attached to this letter. You may commence with your research after complying fully with these guidelines.

Please remember to use your **proposal number** (**DESC/ScottMuller/Oct2014/13**) on any documents or correspondence with the REC concerning your research proposal.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

Also note that a progress report should be submitted to the Committee before the approval period has expired if a continuation is required. The Committee will then consider the continuation of the project for a further year (if necessary).

This committee abides by the ethical norms and principles for research, established by the Declaration of Helsinki and the Guidelines for Ethical Research: Principles Structures and Processes 2004 (Department of Health). Annually a number of projects may be selected randomly for an external audit.

National Health Research Ethics Committee (NHREC) registration number REC-050411-032.

We wish you the best as you conduct your research.

If you have any questions or need further help, please contact the REC office at 218089183.

 Included Documents:
 Research proposal
 DESC application
 Interview guide_themes
 Informed consent form

Sincerely,

Clarissa Graham
REC Coordinator
Research Ethics Committee: Human Research (Humanities)

Investigator Responsibilities

Protection of Human Research Participants

Some of the general responsibilities investigators have when conducting research involving human participants are listed below:

1.<u>Conducting the Research.</u> You are responsible for making sure that the research is conducted according to the REC approved research protocol. You are also responsible for the actions of all your co-investigators and research staff involved with this research. You must also ensure that the research is conducted within the standards of your field of research.

2.<u>Participant Enrollment.</u> You may not recruit or enroll participants prior to the REC approval date or after the expiration date of REC approval. All recruitment materials for any form of media must be approved by the REC prior to their use. If you need to recruit more participants than was noted in your REC approval letter, you must submit an amendment requesting an increase in the number of participants.

3.<u>Informed Consent.</u> You are responsible for obtaining and documenting effective informed consent using **only** the REC-approved consent documents, and for ensuring that no human participants are involved in research prior to obtaining their informed consent. Please give all participants copies of the signed informed consent documents. Keep the originals in your secured research files for at least five (5) years.

4.<u>Continuing Review.</u> The REC must review and approve all REC-approved research proposals at intervals appropriate to the degree of risk but not less than once per year. There is **no grace period.** Prior to the date on which the REC approval of the research expires, **it is your responsibility to submit the continuing review report in a timely fashion to ensure a lapse in REC approval does not occur.** If REC approval of your research lapses, you must stop new participant enrollment, and contact the REC office immediately.

5.<u>Amendments and Changes.</u> If you wish to amend or change any aspect of your research (such as research design, interventions or procedures, number of participants, participant population, informed consent document, instruments, surveys or recruiting material), you must submit the amendment to the REC for review using the current Amendment Form. You **may not initiate** any amendments or changes to your research without first obtaining written REC review and approval. The **only exception** is when it is necessary to eliminate apparent immediate hazards to participants and the REC should be immediately informed of this necessity.

6.<u>Adverse or Unanticipated Events.</u> Any serious adverse events, participant complaints, and all unanticipated problems that involve risks to participants or others, as well as any research related injuries, occurring at this institution or at other performance sites must be reported to Malene Fouch within **five (5) days** of discovery of the incident. You must also report any instances of serious or continuing problems, or non-compliance with the RECs requirements for protecting human research participants. The only exception to this policy is that the death of a research participant must be reported in accordance with the Stellenbosch Universtiy Research Ethics Committee Standard Operating Procedures. All reportable events should be submitted to the REC using the Serious Adverse Event Report Form.

7.<u>Research Record Keeping.</u> You must keep the following research related records, at a minimum, in a secure location for a minimum of five years: the REC approved research proposal and all amendments; all informed consent documents; recruiting materials; continuing review reports; adverse or unanticipated events; and all correspondence from the REC

8.<u>Provision of Counselling or emergency support.</u> When a dedicated counsellor or psychologist provides support to a participant without prior REC review and approval, to the extent permitted by law, such activities will not be recognised as research nor the data used in support of research. Such cases should be indicated in the progress report or final report.

9.<u>Final reports.</u> When you have completed (no further participant enrollment, interactions, interventions or data analysis) or stopped work on your research, you must submit a Final Report to the REC.

10.<u>On-Site Evaluations, Inspections, or Audits.</u> If you are notified that your research will be reviewed or audited by the sponsor or any other external agency or any internal group, you must inform the REC immediately of the impending audit/evaluation.