UNIVERSITY OF KWAZULU-NATAL

A SYSTEM DYNAMICS PERSPECTIVE OF THE NON-PROFIT ORGANISATION'S QUEST FOR SUSTAINABILITY: A CASE STUDY

By

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DECLARATION

I, Nikita Singh, declare that:

i.   The research reported in this dissertation, except where otherwise indicated, is my original research.

ii.   This dissertation has not been submitted for any degree or examination at any other university.

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ABSTRACT

The process of investigating this organisation's quest for sustainability began by recognition of the struggle to remain sustainable as a common one among NPOs the world over. The sustainability of non-profit organizations is of vital importance as the non-profit sector contributes large amounts of time, energy and resources to the upliftment of society, while faced with constant financial, environmental and organizational uncertainty and ambiguities.

It was recognised that the sustainability of NPOs is a complex issue requiring a methodology that could capture such complexity adequately. A Qualitative System Dynamics methodology was chosen based on its merits in enhancing understanding regarding complex problem issues. In addition, the study was guided by a case study approach with the empirical work been conducted on the Oxfam Great Britain (GB) affiliate operating in SA.

Empirical investigations, together with careful scrutiny of organisational documentation formed the basis of the findings that emerged which pointed to seven themes as integral to the sustainability of Oxfam affiliates, namely: (1) Human Resource capacity (2) Credibility of the organisation (3) Partnerships (4) Competition in the non-profit sector (5) Co-financing and funding arrangements (6) Navigating the North-South Dilemma and (7) the dynamics involved in attempts to remain apolitical.

Sustainability was recognised as being emergent from the feedbacks within and between such themes. Furthermore, it was recognised that due to the constantly changing nature of such feedbacks and of the environment in which the organisation is embedded, non-profits tend to traverse a sustainability landscape in terms of being more sustainable at certain times and less sustainable at other times, depending on how they respond to such change.

A number of external influences emanating outside of the organisation were also identified as impacting the NPOs sustainability, including the influence of the political and economic systems in which the organisation was embedded, the impact of donors' perceptions of South Africa as a middle-income or prosperous nation, the external pressures encouraging the establishment of a South African Oxfam affiliate in SA, and the impact of the global economic recession on international aid and development efforts. Overall implications for the NPO sector were also identified including the effect of continuous giving to well-known or "successful" NPOs such as Oxfam, as well as the consequences of an ever-growing NPO sectors' reliance on ever-shrinking funding pools.

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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

BRICS   Brazil, Russia, India, China and South Africa

CCM   Constant Comparative Method

CLD   Causal loop diagram

COP17 The 17th Confederation of the Parties (to the United Nations Framework Convention on

      Climate Change-UNFCCC)

DFID   Department for International Development   (Great Britain)

ECHO   The Humanitarian Aid and Civil Protection Department of the European Commission

HR   Human resources

ICNPO   International Classification of Non-profit Organizations

INGO   International non-government organisation

INPO   International non-profit organisation

NGO   Non-government organisation

NPO   Non-profit organisation

QSD   Qualitative System Dynamics

SA   South Africa

SARS   South African Revenue Services

SD   System Dynamics

VUCA   Volatile, Uncertain, Complex and Ambiguous

CHAPTER ONE: INTRODUCTION

1.1 Introduction

The assistance of the non-profit sector in providing for the needy, disabled, sick, aged and vulnerable members of society is invaluable to private and public sectors already overburdened with trying to do the same. Non-profit organisations (NPOs) are significant players in the affairs of the countries in which they operate. The impact of NPOs are evident in developing countries in which they aid significantly in addressing the needs of many, especially the poor. There are approximately more than sixty five thousand NPOs registered with The Department of Social Development in South Africa alone. At the end of March 2010, The Department had received almost sixteen thousand proposals for the registration of newly formed non-profit organisations, a ten percent increase from the financial year before (DSD, 2014).

1.2 Motivation for this research

Altruism or the tendency to be aware of the plight of others accompanied by the desire and behavior to assist in the betterment of the other, has long been evident in the human and even the animal kingdom. In the organisational world, this altruistic tendency manifests in the form of the non-profit sector which proposes the betterment of society in some way or form, as the main reason for its existence. Commercial enterprises do also engage in activities to benefit society, but as an ancillary activity to their main motive of making a profit from the sale of a particular commodity or service. Government agencies are focused on providing for the needs of the people, but they do so by accruing funds from taxes paid by members of that society. Thus, while it is evident that all these sectors contribute to society in some way or the other, the non-profit sector must rely on donations, gifts and grants from external actors to continue its socially beneficial operations, making its quest for prolonged sustainability a more complex mission.

Upon a review of the extant literature on NPOs, it was found that the issue of sustainability is rarely considered in connection with such organisations. In this study, "sustainability" shall be defined as the NPO's ability to survive and operate effectively into the future whilst remaining dedicated to the efficient fulfillment of its proposed social mission. There are many factors that could threaten the organisation's ability to remain sustainable such as unreliable funders, under-skilled human resources, reputation scandals, etc. However, how certain non-profits manage to

survive despite these threats to sustainability becomes a Pandora's Box for others hoping and striving to do the same.

The sustainability of the non-profit organization is of vital importance as the non-profit sector contributes time, energy and resources to the upliftment of society, while faced with constant financial, environmental and organizational uncertainty and ambiguities. Management literature often stresses the fact that non-profit organisations can learn a lot from their commercial counterparts. However, the complexity and uncertainty encountered by non-profits makes their quest for sustainability a more complicated endeavor.This "complexity" arises from the many stakeholders that together play a pivotal role in influencing the state of the organisation's sustainability, or lack thereof, together with the fact that it is embedded in a world that places constantly changing demands on the NPO.For this reason, we should be extremely cautious of force fitting commercial business models and methods of operation onto the non-profit form. Therefore, this study was an attempt to recognize the uniqueness of the non-profit organisation and its modus operandi, and to highlight how its quest for sustainability is more complex than that of commercial and government enterprises, thus providing motivation for deeper investigations into how such sustainability could be promoted and maintained.

1.3 Setting of the study

The study was guided by a case study approach investigating a single NPO known as Oxfam. Oxfam is an affiliation of seventeen like-minded NPOs (America, Australia, Belgium, Canada, France, Germany, Great Britain, Hong Kong, India, Spain, Ireland, Mexico, New Zealand, Netherlands, Quebec, Italy and Japan) all striving towards the reduction of poverty and injustice in more than ninety countries around the world. While several international affiliates operate in South Africa (SA), the empirical work was conducted on the Oxfam Great Britain (GB) affiliate operating in SA with offices in Johannesburg and Pretoria.

The researcher selected an organisation that was affiliated with a larger international body (i.e. an international non-profit organisation) for the purpose of attempting to identify the dynamics that occur between such partnerships, and the resulting consequences for the overall issue of non-profit organisational sustainability.

The Oxfam GB affiliate of Oxfam was selected as currently, there is no South African Oxfam affiliate in SA, but the transition to the establishment of one has begun. According to the official Oxfam website (www.oxfam.org), the South African branch of Oxfam will possess "observer status until 2016 when it will assume full operational responsibility for Oxfam's work in the country as an independent South African NGO, and will be formally part of Oxfam's international confederation". It will be headed by Ms. Sipho Mthathi who currently occupies the position of founding Executive Director of Oxfam SA.

1.4 Research Design

A systems thinking methodology known as System Dynamics (SD)was selected to guide the design of this research. Systems thinking is a philosophy that is gaining popularity the world over for its propensity to look at issues or problem situations in a holistic fashion(Sterman, 2006). Prevailing scientific and management approaches tend to focus on issues in isolation, reducing a problem to its constituent parts and analyzing the parts separately. This is particularly evident in the existing literature on the non-profit sector which tends to focus on separate issues in the operation of non-profits in isolation to all others. It is assumed that what is discovered about the separate part can be applied to understanding the issue as a whole.

However, when dealing with social issues or problems with all their complexities and ambiguities, it is not easy to pinpoint one problematic element that once 'fixed' will correct the entire issue or problem at hand. Thus, social issues or problems will benefit more from a systems perspective that adopts a holistic view recognizing the interconnectedness of all individuals and elements comprising a system(Sterman, 2001).

SD is one of the methodologies utilised by systems thinkers in attempts to understand phenomena in a more holistic fashion. SD concerns itself with examining the "structure" of the problem or issue being investigated. This structure is created by the existence of multiple feedback loops which influence each other in complex ways. Feedback loops are formed when particular variables act upon and thus influence each other in one of two behaviours, either by reinforcing or balancing behaviours. It is the interaction of all these loops together that gives rise to complex and difficult to solve problems and phenomena.

More specifically, a Qualitative SD approach was employed in which emphasis was placed on the qualitative aspects of the SD methodology such as the elicitation of the stakeholders' mental models or perceptions of the problem issue, intensive engagement with relevant stakeholders via interviews, investigation of documentation and archival data relating to the NPO and diagramming of the problem situation. Since this was regarded as being beneficial to understanding the sustainability of this NPO, a Qualitative SD approach was adopted.

1.5 Research tools

In-depth, semi-structured interviews were conducted with relevant stakeholders from the Oxfam GB affiliate in SA. The aim was to elicit as many perceptions, opinions and perspectives of the stakeholders as possible so as to understand the nature and complexity of feedback influences inherent in the overall sustainability of the organisation. Interviews varied from one and a half to two hours in duration, consisted of open-ended questions and were targeted mainly at employees from the Johannesburg and Pretoria branches of Oxfam GB. A few people who were not a part of the GB affiliate were also interviewed as they were knowledgeable regarding the overall processes operative within the Oxfam Confederation. Since these processes were perceived to be influential in the sustainability of each of the affiliates, involving such people in the study seemed crucial.

Secondary data was also utilized. This included existing documentation, reports, previous research studies, information from the organisation's official website and intranet repositories. These sources of information were thoroughly examined and together with the data from the interviews contributed to the construction of comprehensive and detailed causal loop diagrams (CLDs) and a Qualitative SD Model depicting the feedbacks operative in the organisation's overall sustainability.

1.6 Problem Statement

Given the important contribution of the non-profit sector to societies around the world, ensuring the survival and sustainability of this sector and the organisations comprising it is of paramount significance. In addition, non-profit sectors around the world are growing at an alarming rate and

exerting an increasingly significant influence on the economies of the countries in which they operate. In South Africa alone, there are more than 98, 920 NPOs (Swilling & Russell, 2002).

> *"In total, NPOs contributed 1.2 percent to gross domestic product in 1998, and they employed an equivalent of 645, 316 full-time employees, which is greater than the number of employees in some of the major sectors of the economy. About 1.5 million volunteers were engaged in NPOs, which amounted to close on half of their workforce; most of these volunteers are women from poor communities (Patel, Perold, Mohamed, & Carapinha, 2007).Besides the delivery of social services, NPOs were engaged in culture and recreation (20.8 percent), development and housing (20.6 percent), advocacy and politics (6.9 percent) and health (6.6 percent)."*

(Patel, 2012, p. 609)

Strategies to ensure the survival, competitive advantage and success of commercial enterprises are plentiful, but with regard to non-profits, what constitutes 'survival strategies' are difficult to discern. A possible reason could be the precarious position occupied by non-profits as such organisations need to remain financially viable (by ensuring a continuous source of funding from public and/or government departments), while also maintaining a high degree of commitment to their specific social cause/s (Kaplan, 2001). Thus, they tend to be more complicated than conventional business or government structures and the application of conventional management approaches to strategy, to a non-profit context, could bring a unique set of challenges and benefits.

In the South African context, even though social development budgets have increased over the years, the rapidly expanding nature of the NPO sector, together with poor co-ordination between NPOs and the state has contributed to the NPO sector remaining continuously under-funded (Patel, 2012). While plenty of statistics exist on the rapidly growing size and scope of the non-profit sector in SA, hardly any exist which reveal the extent of NPOs that are struggling to survive, let alone the number that have had to close their doors due to their inability to remain sustainable. The closest information pertaining to the number of NPOs having to shut down was included in the State of the South African Registered Non-profit Organisations Act, which indicated that between the period from 2007-2012, 12.1 percent of registered NPOs were de-registered by the Department of Social Development. However, such de-registration is often due

to the NPO's failure to comply with the legal requirements stipulated by the Department, and as such is not an accurate indicator of the number of unsustainable and/or struggling NPOs in the country (DSD, 2012, p. 1).

The question of how non-profits manage to sustain themselves without a steady stream of resources posed a pertinent question because it is assumed that due to the non-profit organisation's preoccupation with a particular social cause, such organisations are small and simple organisations escaping the complexity and challenges encountered by commercial organisations. This idea is reinforced due to another false assumption: that because non-profit organisations are not in the business of striving to make a profit, they do not have as much to be concerned about as conventional enterprises. However, non-profit organisations are complex entities and they need to traverse the same turbulent and risky environment as all other types of organisations, in order to survive (Lewis, 2003b).

Their quest for survival, rather than being simpler as is often assumed, is in reality more perilous as it depends significantly on the goodwill and benevolence of outsiders through donations, gifts, grants and volunteerism(Du Plessis & Petzer, 2011). While a commercial enterprise can determine its chances of survival depending on its profits, NPOs have no way of measuring or predicting the goodwill, intentions and benevolence of their supporters, and therefore they seem to occupy a precarious position at the brim of sustainability and survival. Yet, there are examples of NPOs that not only survive, but thrive to become just as large and complex as successful commercial enterprises. The international NPO Oxfam (on which this study is based) is one such example. It becomes important again to ask how such organisations poised on the brink of uncertainty due to the lack of a constant flow of resources, sustain themselves in an environment that challenges NPOs with the same unrelenting complexity as commercial organisations. Therefore, examining a NPO that has managed to do this, such as Oxfam, was considered to be a worthy starting point.

Essentially then, the aim of this research was to investigate how an international non-profit organisation, such as the Oxfam GB affiliate in South Africa, survives in a complex and demanding environment. This survival was referred to as the "sustainability" of the organisation in the context of this study. Thus, the research questions guiding this research included the following:

      1. How does the Oxfam GB affiliate in SA, define 'sustainability'?

2. What factors impact the sustainability of the Oxfam GB affiliate in SA?

3. How do these factors influence each other in impacting the overall sustainability of the Oxfam GB affiliate in SA?

4. How does the complex environment in which the OxfamGB affiliate in SA is embedded influence the functioning of such an organisation?

5. What lessons can we derive from the examination of the sustainability of the Oxfam GB affiliate through a System Dynamics framework?

1.7 Structure of the dissertation

Chapter One consists of this introduction to the study providing a brief overview of the rationale for the research, the research context, the manner in which the study was designed and conducted, the kinds of research tools utilized and the research questions and objectives guiding the overall study.

Chapter Two provides a review of the literature pertaining to the non-profit sector in general including definitions, classifications and characteristics of the non-profit organisation, scope of the non-profit sector, contributions of the non-profit sector, similarities and differences between NPOs, government and private organisations, the blurred boundaries between for-profit and not-for-profit organisations, the adoption of business models by NPOs, dilemmas facing NPOs, complexity and the NPO, and sustainability issues specific to NPOs. This chapter also included a description of the Systems Thinking and Qualitative SD framework guiding this study.

Chapter Three states the research problem guiding this study, the approach adopted by the researcher to investigate the sustainability of this NPO, the sources of data and research tools utilised, depicts the link between the research questions and interview questions, the strengths and limitations of the various data sources and research tools, describes the processes involved in analysing the data, reliability and validity of the research findings and ethical considerations in the study.

Chapter Four consists of the findings of the study emanating from the interviews and documentation analysis. This chapter also presents various CLDs or Qualitative SD model fragments depicting the feedback influences between the variables identified from the raw data as being pivotal to the issue of the organisation's sustainability.

Chapter Five presents a Qualitative SD Model capturing the feedbacks involved in the sustainability of the Oxfam GB affiliate in South Africa. It also provides an explanation or discussion of the findings from the previous chapter and shows the links between the findings, the model and existing literature and theoretical positions on NPO sustainability.

Chapter Six brings the study to a close by providing the recommendations and conclusions emanating from the overall study. This includes revisiting the research questions, considering the contributions and limitations of the study, providing recommendations for future use of the SD methodology and for future research regarding non-profit organisational sustainability, as well as recommendations for the organisation on which the study was based.

1.8 Conclusion

This chapter will serve as a road map for the dissertation by providing a birds-eye view of the structure and progression of the dissertation. We shall now move onto the second chapter which explores the literature around NPOs and issues around their sustainability in more detail.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter attempts to understand the non-profit organisational form so as to enhance understanding regarding the sustainability of NPOs and the issues that impact them. This includes an investigation of the many definitions pertaining to NPOs and their sustainability, the scope of the non-profit sector, the common characteristics of NPOs, the contributions of the non-profit sector, differences and similarities between non-profit, governmental and commercial organisations, the blurred boundaries between non-profits and for-profits, the adoption of business practices and marketization principles by NPOs, the dilemmas and complexity facing NPOs and issues in their overall sustainability.

This chapter also introduces the idea of Systems Thinking and delves into the meaning and purpose of employing a Qualitative SD framework to guide the research.

2.2 Towards a classification of the non-profit sector

According to Lewis (2003b), any attempts to research or investigate the non-profit sector must be preceded by an awareness and explication of the factors that distinguish these unique organisations from all others. However, he adds that this process is difficult and complex as when attempting to do so, we inadvertently enter an "area of terminological and conceptual confusion" (Lewis, 2003b, p. 327). For this reason, we shall begin by exploring some of the existing definitions of the 'non-profit organisation' and similar or related concepts in an attempt to find our way through this terminological and conceptual jungle.

The definition of 'non-profit organization' is quite general and implies a diverse range of societal contributors from conventional charities to religious and sport organisations. In addition, they differ much in size, mission, ways of operating and the manner in which they impact the societies of which they are a part of (Anheier, 2000). Voluntary organisations, civil society organisations, non-governmental organisations, government-assisted/funded organisations, the third sector, the charitable sector, the independent sector, the tax-exempt sector, the associational

sector, philanthropic organisations and social enterprises, etc. are some of the terms amongst others synonymous with the non-profit sector (Anheier, 2000; Borzaga & Defourney, 2001; Lewis, 1998; S. Morris, 2000; Salamon & Anheier, 1992a).

In South Africa, a non-profit organisation is defined in terms of the Non-profits Organisations Act 71 of 1997 (NPO Act) as: "a company, trust or any other association of persons established for a public purpose and the income and property of which are not distributable to its members or office bearers, except when a person is compensated for services rendered" (DSD, 2014, p. 4).Central to this definition is the non-distribution of profits by the NPO, as well as the need for the NPO to ensure that its operations will contribute to the public good in some way or the other. However, an even better definition is one posited by the Australian Government Department of Communications, Information Technology and the Arts (DCITA) which states that a NPO is established "to achieve a common goal or benefit, is member or public serving in nature, is based on voluntary membership and is prohibited from collecting or distributing profit" (cited in Renshaw & Krishnaswamy, 2009, p. 457). This definition adds in the element of voluntary membership, an important part of the non-profit structure, which is lacking in the South African definition. However, the South African definition emphasizes the prohibitions on the distribution of profits by non-profits more clearly by stating that such profits cannot be distributed to those involved in, or with, the organisation beyond an amount directly proportional to the services they offer to the organisation.

NPO are organisations that play an important role in providing resources or public goods undersupplied or not supplied by the state (ranging from food to education and other types of skills) to parts of the population who do not have access to these resources, but desperately require them (Kingma, 1997). Thus, they act as middle-agents or intermediaries between governments and their citizens by attempting to make up for governmental inadequacies in the provision of public goods (Mzini, 2011). For this reason, when registering a NPO in South Africa, it is compulsory to state in its Memorandum of Incorporation, the public benefit the organisation wishes to achieve through the establishment of such an organisation (Steenkamp, 2011).

A NPO can be defined in a general sense as an organisation, trust or voluntary association developed for a social or public purpose (Du Plessis & Petzer, 2011) that is not allowed to distribute the earnings it generates to those involved in or with the organisation (such as

directors, board members, trustees, officers and volunteers) beyond the value which they contribute to the organisation itself (Hansmann, 1980). Thus, it is often assumed that non-profits exist for the betterment of society and not profit maximization (Bahmani, Galindo, & Mendez, 2012; Hansmann, 1980) as is the central motive of commercial or private enterprises. According to The South African Companies Act 71 of 2008, a NPO "…is obliged to apply all of its assets and income, however derived, to advance its stated objectives as set out in its Memorandum of Incorporation." The exception is the allocation of funds to those who work on a continuous basis in the management and operation of the organization, but even then the allocation of such funds should be in alignment with a reasonable estimation of the services they offer and should not exceed such estimations. This does not mean that such organisations cannot aim to generate a profit, but rather that they are restricted in their distribution of such profits (Hansmann, 1980) with most of the profits going primarily towards its social mission. Such profits must also cover the operational costs of the organisation such as rental fees, water and electricity bills for occupied premises, transportation and logistics costs, phone and internet fees, etc. This is a bone of contention among non-profits and their funders and contributors as often the organisation will receive considerable funding which the funder will stipulate needs to wholly go toward financing a particular social project or social mission, without consideration of the operational and logistical expenses necessary to make such a project possible. Therein lays one of the many challenges encountered by NPOs as they attempt to sustain themselves in a complex and turbulent environment.

A useful way of understanding the definition of a non-profit organisation is to consider the fundamental characteristics exemplified by these types of organisations. According to Salamon & Anheier, 1997 (cited in Anheier, 2000, p. 2), NPOs demonstrate the following main characteristics:

- They are a separate institution from public or government institutions
- They are organized, in the sense of having some institutional reality which separates them from informal entities
- They do not distribute profits generated to owners or equivalents and thus exist not to make a profit, but to reinvest such profits into their social upliftment activities
- They are able to govern or control their activities as they possess internal governance structures

- They have a strong voluntary element by being non-compulsory in essence and constituted of those who wish to participate on a voluntary basis

Salamon and Anheier (1992a)conceptualize the non-profit sector as a distinct sector from that of the private and public domains, thus referring to it as the 'third sector' based on its distinctiveness from these domains and its engagement in socio-economic initiatives which are distinct from those done by the private and public sectors (Borzaga & Defourney, 2001), especially in the area of development or poverty reduction (Lewis, 2003b). However, even though they propose the above characteristics of NPOs and go beyond this by positing the non-profit sector as the 'third sector', they also acknowledge the lack of a clear universally accepted definition of the concept of the third or non-profit sector. This lack they attribute to two main reasons, namely the fact that the non-profit sector itself encompasses a great variety of organisations that possess widely divergent characteristics from international non-government organisations (INGOs) to musical orchestras to school feeding schemes and everything in between (Salamon & Anheier, 1992a). Secondly, they claim that sufficient attention has not being given to defining the non-profit sector because its importance is dwarfed by the much greater influence and power of the private and public sectors. However, they also go on to criticize the above justifications by asserting that the private and public domains have just as much variety and are just as significant as the non-profit sector itself. Thus, they claim that the fundamental reason for the lack of attention received by the non-profit sector is due to "the absence of a sufficiently clear and workable definition of what this sector really encompasses" (Salamon & Anheier, 1992a, p. 127).

While the main aim of most non-profits is the creation or production of some kind of public good through community participation and civic assistance (Hannum et al., 2011), how a NPO is defined will depend on the perspective from which it is examined. This approach will help to prevent all NPOs from being forced into one homogenous group as this negates the very characteristics that make each of them distinctive from one another. For this reason, existing definitions of NPOs emphasize particular aspects of the operation and existence of such organisations (Salamon & Anheier, 1992a) such as:

- Legal aspects: in the sense that certain definitions are based on the legal definitions of what constitutes a 'non-profit' based on a particular countries laws.

- Economic or financial aspects: relating to the source from which the organisation derives its income. For example, non-profits derive their funds from the contributions of their members and external contributors such as donors, companies, etc. In this sense they differ from private organisations, which receive their income from the sale of particular goods or services and government agencies which fund their activities through the taxing of the citizens which they govern.
- Functional aspects: refers to the functions carried out or main services offered by the non-profit. The functions and duties of a NPO that provides retirement homes for the elderly will differ considerably from the functions and duties of a non-profit musical academy for example.
- Structural or operational aspects: which pertains to the way in which the organisation is structured and the way in which it operates. This encompasses the qualities mentioned earlier of non-profits as formal, institutionally separate, non-profit distributing, voluntary and self-governing entities.

The extent to which each of these aspects is emphasized will vary depending on the nature and complexities of the NPO being defined, but it is possible to envisage all non-profits as comprising the above aspects, thus validating its appropriateness for coming to an understanding regarding the conceptualization of NPOs.

Borzaga and Defourney (2001) echo the earlier assertion of Salamon and Anheier (1992a)that the concept of the non-profit sector is too general and covers too wide a range of organisations that differ from one another. In addition, they claim that such a definition does not make allowance for organisations that exist on the boundary of the third or non-profit sector in the sense of possessing characteristics from the private and/or public domains in conjunction with those of the non-profit sector. They extend Salamon & Anheier's argument by stating another reason for the insufficiency of this definition of the non-profit sector in that this concept ignores the dynamic nature of NPOs. The title of 'non-profit' gives an indication of only one aspect of such an organisation's existence, namely the fact that it does not function with the sole purpose of making a profit. However, it does not indicate anything else about the organisation, and is thus purely descriptive. As such, it hides or negates the underlying dynamics inherent in all non-profits and presents only a static snapshot of the organisation (Borzaga & Defourney, 2001).

However, progress is slowly being made with regard to the above criticism through the development of concepts signifying the main function/s of the organisation. For example, the notion of "Development NPOs". Development NPOs possess two fundamental characteristics: firstly, they are third sector or non-profit in character and are thus distinct from private and public organisations, and secondly, they focus on developmental efforts or efforts towards the reduction of poverty (Lewis, 2003). However, the manner in which such an organisation wishes to bring about 'development' can vary widely depending on the organisation itself, so while this type of definition may be more helpful in exemplifying more specific characteristics of the organisation, it does so only to an extent. Thus, developing appropriate terms for each and every organisation comprising the non-profit sector or a sufficient conceptualization of the non-profit sector itself is not "…a straightforward task, since we are entering a complex area of terminological and conceptual confusion" (Lewis, 2003a, p. 327).

In addition, there is a distinction made between Northern and Southern NPOs depending on their country of origin and the location of their branches or offices. Northern NPOs refer to organisations which are based or have their central headquarters in industrialized countries but who engage in social upliftment activities overseas, and Southern NPOs are organisations that are based in developing countries (Lewis, 2003b). For example an American NPO that has branches in South Africa and engages in socially beneficial work in this geographic location is a Northern NPO. An example of a Southern NPO is The Gift of the Givers Foundation, a South African NPO based in South Africa. Although this is somewhat of a simplistic distinction, it serves to draw attention to the different types of NPOs operative in a global context, as well as to the assistance offered by developed nations to ones that are less so.

The above definitions do contribute to an understanding of what a NPO is, but there exists no single definition (Borzaga & Defourney, 2001). As with many other terms and concepts, a NPO has certain fundamental characteristics, but how it is eventually defined will depend on the methods of perception and reasoning employed by the person/s defining it. This has resulted in a myriad of different conceptualizations of the non-profit sector as explored above, to the exclusion of a single all-encompassing definition.

2.3 Scope of the non-profit sector

There are many types of organisations that can be classified as non-profit organisations (Hannum et al., 2011) ranging from informal, small community organisations to large and complex organisations spanning the entire globe (Myers & Sacks, 2003). The focus now is on giving a brief expose' of the types of organisations included under the banner of non-profit generating organisations as a means of indicating the great scope and diversity of this sector. This is especially relevant since the term "NPO" is most commonly associated with charities, when in reality the sector encompasses many more diverse types of organisations. Some examples of the types of organisations classified as non-profit are included in the table below.

Table 2-1: Types of NPOs (Hannum et al., 2011; Leuvennink, 2010; Myers & Sacks, 2003; Salamon & Anheier, 1992a, 1992b)

Charities
Schools
Clubs
Churches
Libraries
Museums
Orchestras
Research organisations
Civic & advocacy organisations
Hospitals
Nursing/retirement homes
Disaster relief organisations
Social development organisations
Job training programs
Community police forums
Prisons & Rehabilitation initiatives for prisoners
Trade Unions
Foundations

This table has been constructed from the examination of several journal articles centered on NPOs and their functioning and management. As such, it is informative in indicating the various types of organisations that can be classified as non-profit. However, it is not conclusive in the sense that the authors of these articles have provided random examples to aid the reader in coming to an understanding of what a NPO is. Therefore, this table does not include every type of organisation that can possibly be classified as non-profit, but rather a general idea of the non-profit form. A more comprehensive list of all possible types of organisations that can be classified as NPOs is provided below.

Seeing the great variety of organisations that could be classified as NPOs, Salamon and Anheier (1992b) constructed a classification system encompassing all possible manifestations of the non-profit form based on their extensive research which was undertaken on a global scale. They called this system the International Classification of Non-profit Organizations (ICNPO) in which they divided all the non-profit forms they had identified in their studies into twelve major groups in terms of their main economic activity, which were then further subdivided into twenty four sub-groups. This was one of the most notable attempts to make explicit all the possible types of organisations and activities that could be classified as non-profit and is still used today as a means of understanding the classification of organisations included in this sector.

Table 2-2: The International Classification of Non-profit Organizations (ICNPO)

Adapted from: Salamon and Anheier (1992b, pp. 289-297)

Group 1	**Culture and Recreation**
	Culture and arts Examples: radio & TV stations, art galleries, dance theatres, orchestras, poetry societies, museums, zoos, aquariums, etc. *Recreation* Examples: sports competitions or events, provision of public playgrounds, training and sports facilities, country clubs, etc. *Service Clubs* Examples: membership organisations which provide particular services to members
Group 2	**Education and Research**
	Primary and Secondary education Examples: pre-schools, primary and high schools *Higher Education* Examples: universities, business schools, etc. *Other Education* Examples: technical training, adult or continuing education, night schools, and literacy programs, etc. *Research* Examples: research in the medical field, policy, life & physical sciences, engineering, technology, social sciences, etc.

Group 3	Health
	Hospitals and rehabilitation Examples: inpatient medical care, therapy to rehabilitate patients suffering from physical impairments/injuries, genetic defects, etc. *Nursing homes* Examples: homes for senior citizens, disabled or handicapped people, the sickly, etc. *Mental health and crisis intervention* Examples: mental illness hospitals, psychiatric facilities, suicide hotlines, counselling centres, etc. *Other health services* Examples: health education and awareness programs, first aid training, health clinics, yoga clinics, ambulatory and paramedical emergency services, etc.
Group 4	Social Services
	Social services Examples: child welfares, day care, adoption agencies, youth services, job programs for youth, youth counselling or activity centres, family shelters, homes for the handicapped, transport for disabled people, services for the elderly, self-help services, etc. *Emergency and Refuges* Examples: disaster prevention & relief efforts, training for disaster management, temporary shelters, assistance to refugees and immigrants, etc. *Income support and maintenance* Examples: organisations providing assistance to unemployed people, kitchens open to the poor, clothing distribution centres, etc.

Group 5	Environment
	Environment Examples: recycling programs, organisations that promote the protection of the environment, natural resource conservation organisations, botanical gardens, anti-litter campaigns, etc. **Animals** Examples: animal shelters, animal protection agencies, wildlife sanctuaries, animal hospitals, etc.
Group 6	**Development and Housing**
	Economic, social and community development Examples: community organisations, neighbourhood watches, rural development initiatives, services to improve economic infrastructure, organisations aimed at alleviating social problems and improving public well-being, etc. **Housing** Examples: building, management, leasing of housing, housing assistance such as realtors, legal services with regard to housing/property issues, etc. **Employment and training** Examples: job training programs, apprenticeships, vocational counselling, organisations that promote the acquisition of skills to aid in earning a livelihood, etc.
Group 7	**Law, advocacy and politics**
	Civic and advocacy organisations Examples: advocacy organisations, civil rights associations, ethnic associations, programs that aim to spread civic mindedness, etc.

	Law and legal services
	Examples: legal assistance in court and dispute matters, crime prevention initiatives, services aimed at rehabilitating past offenders, halfway houses, etc.
	Political organisations
	Examples: activities to support placing of political figures into office, promotion campaigns, fund-raising for political initiatives, etc.
Group 8	**Philanthropic Intermediaries and voluntarism promotion**
	Examples: grant-making foundations, organisations that provide skills/training and place volunteers and that promote volunteering, etc.
Group 9	**International Activities**
	Examples: cultural programs, programs that aid in international social and economic development, organisations that assist other countries during times of natural or other disasters, organisations that protect international human rights and promote peace, etc.
Group 10	**Religion**
	Examples: churches, temples and other places of worship, religious associations and congregations, etc.
Group 11	**Business and Professional Associations, Unions**
	Examples: labour/trade unions, business and professional associations, etc.
Group 12	**Not elsewhere classified**
	Example: Organisations not belonging to the above categories

From the above table, it is clear that the non-profit form can take on a myriad of guises even greater than the scope I personally envisaged when commencing this research and literature review. On closer examination of Salamon and Anheier's classification of NPOs, it is clear that such a classification system can also be aptly applied to for-profit organisations as well, as they too cover a diverse range of areas and economic activities. In addition, while this classification is beneficial in raising awareness of the multitude of forms a NPO can assume, it also, in its rigid

grouping of organisations according to economic activity, ignores organisations that may have several different objectives. For example, a NPO that aims to educate the youth (Group 2), while also aiding the elderly (Group 4).

For example, Oxfam's official webpage (www.oxfam.org) declares the following as their main objectives:

- Eradicate poverty and fight injustice
- Disaster relief to people affected by natural or other disasters and conflict
- Promote global awareness of the roots of poverty and encourage others to assist in the fight against poverty and injustice
- Oppose policies/laws that may contribute to poverty and injustice
- Engage in research and analysis of international policy

The International Committee of the Red Cross (ICRC) is also similar to Oxfam International in the sense that the areas in which it assists are just as diverse. This includes:

- Visiting prisoners to ensure that they are treated in line with their human rights
- Protection of civilians caught in areas of conflict, violence and unrest
- Promotion of healthcare and protection of healthcare personnel and facilities in conflict zones
- Safeguarding the rights of human beings and fostering the respect of laws protecting such rights

Adapted from ICRC webpage (www.icrc.org)

While the above organisations may be classified as NPOs, it would be unwise to make the mistake of assuming that they are all similar. NPOs are often very different from one another depending on the goals they wish to achieve, the leadership and management team running the organisation, their level of passion and enthusiasm, volunteer capacity, amount of funding and other resources and skills at its disposal, the ideology guiding its operations (Lewis, 2003a), its size, methods of operating (Anheier, 2000) and a great number of other factors.

Indeed, the utilization of a case study approach to this research was based on the assumption of not only each NPO as unique, but also of each NPO as encountering unique states in terms of their sustainability. Therefore, how one organisation encounters and manifests "sustainability" differs from how others do so. The SD methodology (which will be discussed in Chapter Four) served to further enhance the focus on aspects unique to the NPO that would influence its overall sustainability. Therefore, it was hypothesized that while it may be possible to categorise NPOs as done in the table above, the extent to which they are sustainable or not will depend on the unique manner in which aspects that comprise the organisation (such as leadership capacity, partnership management, level of administrative efficiency, reputation, etc.) influence one another. This points to the idea of sustainability as emerging from the interaction of the various aspects of the NPO, rather than something that is "brought about" or instituted from the top-down.

2.4 Characteristics of NPOs

In the quest to differentiate for-profit organisations from non-profit ones, an identification of the fundamental characteristics of a NPO should be initially considered. The literature covers a plethora of characteristics commonly attributed to the non-profit form (Borzaga & Defourney, 2001; Hansmann, 1980; Lehohla, 2012; Salamon & Anheier, 1992a, 1992b) such as that NPOs are:

- **Non-profit distributing**: by not distributing or allocating any of the profits made to the owners or directors, or those who have control over the organisation. Thus, additional income is expected to be channeled into the provision of services/goods/activities in line with the social mission of the NPO. This does not mean that the organisation cannot make a profit, but rather that should it make a profit, such a profit must be invested in the social work of the organisation (Hansmann, 1980). Thus, contributions to, and maintenance of, the social mission of the organisation is always the main priority. This differs vastly from commercial enterprises whose main aim is to make a profit that can be then distributed to employees, managers, stakeholders, etc. The non-distribution clause or constraint is the most fundamental aspect of the non-profit form, and thus, its most defining characteristic (Borzaga & Defourney, 2001).

- **Formal or Organised:** They are institutionalized to a degree, having a legal personality, goals, formal structures and activities. Therefore, NPOs are just as much of a legal entity as commercial enterprises and require a variety of legal documents, such as the Articles of Association, to be drawn up prior to its establishment as a NPO(Frumkin, 2002).
- **Private:** or separate from government structures and agencies. However, this does not exempt NPOs from being financed or assisted by state or government actors and agencies (Lehohla, 2012).
- **Self-Governing:** It has the capacity to manage or control its own internal and external activities sufficiently without the intervention of outside actors or agencies, such as businesses or state players. Thus, the organisation must possess its own independent decision making entities or structures (such as a Board of Directors for example).
- **Voluntarism:** It is run or managed by individuals who involve themselves voluntarily (volunteers) and the organisation receives contributions on a non-compulsory basis. This means that donors can contribute to the organisation as and when they deem it appropriate. The organisation must also be established voluntarily by its members and they should not be coerced into doing so. However, this is not always the case. It is possible for NPOs to exist that do not have any volunteers at all, with all operational functions performed by employees and managers who receive salaries as in conventional organisations. This is particularly the case as non-profits become more and more like their for-profit counterparts.

These five characteristics are the fundamental defining characteristics of all NPOs, and an organisation can thus be defined as 'non-profit' if it demonstrates a reasonable degree of each of the characteristics mentioned above(S. Morris, 2000). In addition to these five characteristics, Phelps (2003) and Frumkin (2002) identify the following as further defining characteristics of the non-profit form:

- Possess a self-perpetuating board of trustees or directors
- Tend to operate at a local or regional level, rarely at a national level.
- Almost never operate in the manufacturing sector, but more commonly operate in the service sector
- Produce better quality goods or services than their for-profit counterparts when they compete

- Have an added advantage due to the tax exemption afforded to NPOs

- Depend on gifts of time, money or both to enable their continued functioning

- Members of the organisation have limited liability

- The organisation is usually managed by a group of individuals who have been selected or voted for by all members of the organisation at the time of establishment

However, some of these characteristics can be questioned. For example, while many NPOs do operate at a local and regional level, there are still many that operate at a national level, as well as at an international level, such as the Oxfam GB affiliate utilised in this study which is part of an international confederation of NPOs. Furthermore, it is debatable whether NPOs actually do produce better quality goods and services as many of them have to contend with unskilled and inexperienced workers. This often contributes to goods and services below par with that offered by commercial enterprises, but again, this is not always the case. Also, it may happen that the people leading the organisation may not have been voted in (as mentioned in the last point above). There could also be instances in which the individuals who have established the NPO automatically assume the leadership positions in such organisations. Therefore, while such characteristics may help us to identify the non-profit form, NPOs can demonstrate unique qualities and thus diverge from such characteristics in certain instances. This is also due to the greatly diversified nature of the NPO sector, in that it is difficult to define a fixed set of characteristics for a sector that is made up of so many different types of organisations (Knutsen, 2012).

2.5 Contributions of the non-profit sector

2.5.1 Social upliftment and poverty reduction

The non-profit sector with all its constituent organisations engages in social work and activities pivotal to the upliftment and betterment of the people and communities which they assist (Borzaga & Defourney, 2001). They are guided by social missions that aim to improve, lessen or eradicate a vast array of social ailments including, but not limited to, poverty, homelessness, drug abuse, child abuse, hunger, environmental degradation, domestic violence, juvenile delinquency and oppression (Dees, 1998). NPOs play an important role in providing services, skills and goods to communities and social groups that are unable to access these resources from

conventional business enterprises (Dees, 1998)due to a number of factors, the primary of which is the financial constraints encountered by poverty stricken communities and individuals in that the cost of access to such resources are beyond their means.

In addition, the non-profit sector assists already over-burdened state and government agencies with their social upliftment initiatives and goals (Kingma, 1997). This is especially relevant to developing and aid-dependent countries which desperately require assistance in the alleviation of poverty, such as countries in Asia, Africa and Latin America (Pillay, 2004) as large proportions of the population in such nations are poverty stricken, suffering from ill health due to insufficient and overburdened health agencies and in dire need of basic amenities and services such as water, sanitation and electricity. Therefore, the non-profit sector fills a crucial gap in terms of providing for sections of the population that do not have access to the services and resources provided by the private and public sectors.

This is supported by Smits' assertions that even though the non-profit sector itself lacks coherence, it has an undoubted and significant economic impact and immense political clout in South Africa (Smit cited in Leuvennink, 2010). This is due to the fact that by the year 2010 there were about sixty one thousand NPOs registered with The Department of Social Development in South Africa, with a combined income of fourteen to eighteen billion rand and employing about a million people together with another five million volunteers (Bown cited in Leuvennink, 2010, p. 33). In addition, NPOs promote social upliftment and poverty reduction by capacitating the affected communities and individuals with the necessary skills to eventually support themselves which enables them to play an active role in their liberation from social challenges (Ryan, 1999). As Simelane (cited in Friedman, Hudson, & Mackay, 2005, p. 11) says: "Success (in a NPO) would be measured by the achievement of self-reliance by the beneficiaries…".

2.5.2 Agents of Social Change

Non-government agencies being separate institutions from the public sector also exert a significant political influence in their eagerness to oppose laws, policies and regulations they perceive as being discriminatory in nature (Lewis, 2003b; Pillay, 2004), thus they operate as agents of social change(Palmer & Birch, 2003; Ryan, 1999) and watchdogs of public policy and practice (De Wet, 2010) This is the *raison d'être* of human rights non-profit agencies or agencies

whose prime motive is defending the human rights of their communities or that of greater society such as The Advocates for Human Rights and the Citizens Commission of Human Rights International, two non-profit agencies in America. However, NPOs of all varieties (not only human rights agencies) are more active in lobbying against discriminatory laws or agents than their government and commercial counterparts. In South Africa, voluntary associations have made a significant impact in debates regarding public policy at local, provincial and national levels (Pillay, 2004)and should thus be recognised as active agents of social change.

This could be because NPOs are motivated by a social mission and any state policy which may negatively impact such a social mission is a significant impetus for them to mobilize in the defence and protection of such a social mission. Commercial enterprises are motivated by profits, and lobbying against discriminatory policies may not lead to any profit accumulation on their parts. Therefore, since they have nothing to gain, they are less likely to engage in lobbying and protesting against human rights violations, unless they are especially passionate or dedicated to supporting or opposing a particular social issue or cause. The exception is commercial enterprises with a strong social investment such as social enterprises or enterprises that lobby for a particular social cause in the hope of attracting more clients or customers by attempting to appear socially invested (Habib, Maharaj, & Nyar, 2008).

Similarly, lobbying and protesting against discriminatory laws, regulations and policies is even less common amongst state agencies as they are fearful of 'biting the hand that feeds them' or upsetting the very people they work for. This is also common amongst non-profits that are afraid of upsetting government agencies on whom they may depend on directly for funding or whom they partner with to acquire international funding for their organisations (De Wet, 2010). However despite this, NPOs are generally well positioned (being not of the public and private sectors), and highly committed to particular social causes, to be worthy and effective agents in political change through their willingness to oppose discriminatory laws and challenge public policies on behalf of apprehensive communities and societies.

2.5.3 Provision of High-Quality Social Services

While government and private agencies do provide particular social services, non-profit agencies are more adept at providing social services of a higher quality because they have more expertise

in, and experience with, the delivery of such services and established strategies for developing and implementing more effective and efficient programs (Rose-Ackerman, 1997; Ryan, 1999). This is because the provision of social services is the prime motive of non-profits and as such they spend all of their time and energy on developing ways in which they can most effectively provide such services and fulfill their respective social missions. Thus, NPOs tend to top the list when it comes to assessing the sector that is most effective in providing social services to the public. As Ryan (1999, pp. 134-135) states: "They (non-profits) feel that they care more: they are willing to spend more time, have more patience and interact more humanely with clients". This delivery of high-quality social services is also due to the fact that the work done by NPOs is commonly facilitated by people that are passionate about the social mission of the organisation and thus motivated to bring about social change in alignment with such a mission. This pertains to both those who work on a regular basis in non-profit agencies, as well as to the people that volunteer their time, energy and expertise to further the mission of the non-profit.

For volunteers, it is passion and commitment to a particular social cause that facilitates their interaction with a NPO as they will not be compensated monetarily for their contributions. In some cases, non-profits foster such passion and commitment because they provide an outlet for the expression of the ideological beliefs of those that work, contribute or volunteer in such organisations (Rose-Ackerman, 1997). People working in private and public enterprises are motivated by profits and therefore, even if such organisations were to engage in social work, they would consider the financial benefits and losses of doing so, which would ultimately influence the quality of the social work they would engage in. With non-profits, their sole motive is dedication to a social cause irrelevant of the money they may or may not make, thus they are perceived as providing higher quality social services than private and public sector organisations who may be motivated by profits alone.

2.5.4 Nodes for Community Involvement and Engagement

NPOs contribute to their societies by providing nodes for community involvement in, and engagement with, a particular social cause requiring the awareness or assistance of the community. This basically means that they provide a space which can be physical (such as offices) or virtual (such as chat rooms or websites on the internet) in which people can come together to address a particular social or community issue or problem. These nodes can be small

and locally based such as weekly meetings at a local community center to feed hungry community members, or even large and internationally based such as NPOs from around the world that collaborate to address global issues such as global warming. Thus, these organisations are very important in improving local and global affairs by facilitating the involvement of citizens in raising awareness of community and global issues and in encouraging their participation in the understanding and betterment of these issues and problems (Hannum et al., 2011; Ryan, 1999). As such they have a greater capacity to mobilize entire communities, societies or even countries to further their social missions, than the private and public sectors alone. NPOs have developed a myriad of strategies for attracting volunteers and community members as much of the work that allows them to sustain themselves and survive requires the continuous and committed assistance of such volunteers and community members.

2.6 Differences and similarities between non-profit, government and commercial organisations

NPOs are not totally unique from other types of organisations including commercial enterprises and government or state organisations. However, they do possess attributes and operate in a certain way that distinguishes them from these other types of organisations.

Non-profit, governmental and commercial enterprises all need the requisite amount of financial resources to operate and survive(Smit cited in Leuvennink, 2010), without which they will cease to function, even though the means by which they come to accrue such finances differs. Commercial enterprises offer the public a particular service or product (or sometimes both) and accrue finances from the sale or use of such services and/or products. Government agencies depend on funding from the taxpayers of the country over which they govern and/or funds from international agencies or organisations assisting them. NPOs on the other hand depend on the benevolence of donors which could include individuals, other organisations, government agencies and/or monetary aid from other countries (Moore, 2000).

Because they have to rely on financial resources from different sources, these organisations have to rely on and employ different methods to attract funding from these sources. Commercial enterprises simply have to market a product or service sufficiently well so as to attract the public to buy (and keep buying) such a product/service. Governments can rely on tax laws and

prescriptions to ensure that their citizens pay (and continue paying) their taxes, fines, rates, etc. as well as through foreign investments. In addition, which social causes or endeavors are worthy of the state's attention cannot be decided by a single individual alone, but has to be agreed upon by the relevant state authorities via collective (and sometimes lengthy) deliberation and appropriate legislations (Moore, 2000). NPOs do not require such intense amounts of deliberation or legislative permissions as their government counterparts because the manner in which their finances are distributed is decided by a relatively small group (when compared to the numbers involved in deciding on the allocation of state funds) of people such as the Board of Directors, senior personnel, etc.

NPOs accrue financial resources through donations, gifts and grants from individuals, organisations and foreign donors, thus they have to ensure that they adequately market and publicize the work they do (or hope to do) and vocalize their social mission in such a way so as to attract funds that can contribute to such a social mission. Thus, NPOs must contend with a variety of different stakeholders, as well as a more complex and difficult stakeholder environment (Weerawardena, McDonald, & Mort, 2010) to ensure financial viability and thus accomplishment of its social mission. Some NPOs do sell particular products or services, the income of which is then channeled into accomplishing its social mission. As Ryan (1999, p. 128) states: "…non-profits and their government funders invest in people, and for-profits invest in profits."

Thus, a distinguishing feature of the non-profit form is its distribution of its income towards improving some social ill or issue, unlike commercial enterprises that strive to earn as much of a profit as possible, which is then distributed to its owners, employees and/or its stakeholders (Dees, 1998). This is further legally entrenched by the non-distribution constraint governing NPOs, according to which, as explained earlier, they are not allowed to distribute net earnings or profits to directors and employees, thereby encouraging the reinvestment of such profits into their social work.

However, this presents an overly simplistic view of the distribution of finances in NPOs. Even though the non-distribution constraint serves as a mechanism that ensures that non-profits do as they claim and use the finances they receive from donors for the welfare of society, non-profit organisational directors and employees are just as prone to the misappropriation of funds as their commercial and government counterparts. Therefore, it is imperative that they are exposed to the

same strictness of measuring and evaluation methods as commercial and government enterprises, with the non-profit form requiring an even higher level of monitoring to ensure that the people or issue they claim to be assisting are actually the ones benefiting at the end of the day.

Besides the similarity between non-profit and government organisations as contributing their financial resources primarily to the betterment of society (or some segment of society), rather than to their financial performance; is the fact that both these types of organisations receive money from individuals or entities that are different from the final recipient/s of such financial resources (Moore, 2000; Morris, Coombes, Schindehutte, & Allen, 2007). For example, the non-profit receives money from donors, but this money then benefits some other group of people. In the same vein, citizens pay taxes to the state and these taxes are channeled into other initiatives that may not directly benefit the initial taxpayer.

However, in commercial enterprises the contributor of the funds is the same as the one who receives the benefits of such a contribution, either in the form of a particular service or product, or both. For example, when a person pays for a meal at a restaurant, they are also the ones that will benefit from such a payment through the enjoyment and consumption of the meal itself. Non-profit donors are thus metaphorically paying for a meal that they will not consume, but they achieve some degree of satisfaction from knowing that others will benefit from such a payment. For this reason, donors, or the people or agencies that contribute financial or other resources to the NPO to enable it to function and to meet its proclaimed social obligations, are the most vital element or variable in non-profit functioning (Weerawardena et al., 2010). This position is occupied by the clients or customers with regard to commercial enterprises, while the citizens and international assistance can be regarded as the gold-filled pot at the end of the rainbow for government organisations.

The above similarity also serves as a degree of motivation for the application of similar strategies to both non-profit and government organisations (Moore, 2000), especially since non-profits and government organisations tend to provide similar services such as those related to healthcare, education, social upliftment, poverty reduction, community development, etc. (Hansmann, 1980). However, an added benefit of the non-profit form pertains to the fact that while it may share this similarity with governmental organisations, it is not as restricted by the politics and structures of national government as are government organisations themselves

(Palmer & Birch, 2003). The exception to this is NPOs that have a strong political affiliation or ones that possess a politically motivated social mission.

NPOs also differ from commercial enterprises with regards to taxation of the organisation as they are often allowed a reduced tax charge or tax exemption (Hansmann, 1980). To qualify for such an exemption, the NPO must adhere to certain legal prescriptions, which vary from country to country, with South African non-profits being required to be registered with the Department of Social Development and thus included in the national NPO database. According to Hansmann (1980), the non-profit form began to emerge much earlier than the invention of corporate income tax, and for this reason, the earliest NPOs were not formed simply to benefit from these tax exemptions. Tax reductions and exemptions can, and often do, serve as an incentive for adoption of the NPO form, but whether this is the primary motive, will be known only to those who establish the organisation itself. It is unlikely then that they will disclose this reason as their primary motive as it is expected that those who establish NPOs do so for the greater social good and not simply to benefit from these tax exemptions.

It is not only the NPO that benefits from tax exemptions, but the donors as well. The 'Charitable Deduction' refers to the fact that those who donate to a NPO can deduct the amount of their donation from their overall income in determining the amount they must eventually pay in taxes, provided that the organisation is recognized by the relevant tax authorities as being legible for such a deduction (Hansmann, 1980). In South Africa, NPOs must be registered with the South African Revenue Services (SARS), in order to be able to issue tax certificates to donors allowing for charitable deductions.

The distinction between for-profit and NPOs can take an interesting turn when we move away from how they differ logistically and financially, to how they differ with regards to their human resources. According to Benz (2005), NPOs tend to attract more women employees, than men, not because of their gender alone, as is often too easily assumed, but rather because NPOs are mostly concentrated in the domain of 'professional & other services' (such as that of healthcare, education, research and development, culture, etc.)and such professional services are usually offered to or filled by women. In addition, he concluded that people working for non-profits tend to be more satisfied than those working in for-profit organisations due to the intrinsic benefits they receive from working in a NPO(Benz, 2005), for example, the feeling that they have contributed to the 'greater good' or helped somebody or a group of people, in some way.

A significant difference between non-profits and commercial and government organisations with regards to human resources pertains to the fact that while commercial and government organisations can attract highly skilled and experienced people into their working environments, NPOs often have to perform their functions with people who may not have the necessary skills or experience, but who want to assist the organisation purely out of a desire to contribute to its social mission. This is effectively encapsulated by Smit(cited in Leuvennink, 2010, p. 32) when he says: " Both (commercial and NPOs) need staff to do the work; but in the case of commercial business, staff are carefully recruited, paid according to market rates and performance is managed, while in the case of non-profits the work most often gets done by unpaid volunteers." In addition, unless employees or volunteers are highly committed to, and passionate about, the social mission of the NPO, they will be prone to offering their services and skills to the non-profit only for a limited amount of time, or until a better offer comes along, or they may not even consider getting involved with a NPO at all. Thus, attracting and keeping skilled and experienced professionals, while being of critical importance, can also be challenging for NPOs.

2.7 Blurred boundaries between non-profit and for-profit organisations

While the for-profit organisations ulterior aim of making a profit can be interpreted as being in stark contrast to the NPOs main goal of meeting particular social objectives, recently there have been changes in both these forms such that the stark distinctions or boundaries between non-profit and for-profit organisations are beginning to lessen to such an extent that both these organisations are beginning to share more similarities than distinctions (Benz, 2005; M. L. Sanders, 2012). This is especially due to the fact that NPOs tend to borrow many tools and techniques from their commercial and state counterparts (Myers & Sacks, 2003) in an attempt to remain sustainable in an increasingly competitive environment.

This "blurring of boundaries" or increasing similarity in the operation and management of for-profit and NPOs is usually attributed to the NPOs quest to accrue additional funds and to be just as efficient and effective as their for-profit counterparts. It may also take the form of the amalgamation of different sectors as is the case with 'social businesses' or 'social enterprises' which are similar to conventional businesses or enterprises with the major difference being that they possess a strong orientation towards helping some part of society with some, or all of their profits, going towards this aim (Lewis, 2003b).

Dees (1998, pp. 56-57) proposed the following reasons for non-profit organisational interest in the for-profit method of operation and management:

- For-profit efficiency and effectiveness is often chalked down to their desire to generate a profit, as well as the motivation to outperform competing companies. This motivation can lead to greater discipline and innovation capacity on the part of NPOs as they too need to find more effective ways of dealing with competitors.

- Secondly, NPOs are moving away from the notion of providing goods and services to disadvantaged or disenfranchised groups in the hope of breaking the reliance of these groups on their donated services and products. More and more non-profits are adopting an approach that focuses on equipping these groups with the necessary skills and knowledge to enable them to become self-sufficient, thus breaking the cycle of beneficiary over-dependence on donations. Thus, they are running their operations in a more business-like manner to ensure that this aim can be met, by for example establishing small shops and enterprises through which their beneficiaries can earn a steady income.

- NPOs are also coming to the realization that their sustainability can no longer depend only on funding and donations from external agents or actors, as such funding and donations are unpredictable and may be insufficient for the overall operation and management of the organisation. Therefore, they have come to recognize the benefits of engaging in commercial activities to broaden their sources of funding in order to receive a constant, dependable source of income that can ensure the sustainability of the organisation (cited by Habberton in Leuvennink, 2010: 32). The revenue generated from these commercial pursuits have the added advantage of being able to be utilized for any purpose of the organisation, unlike grants and funding from particular agencies that may come with certain conditions or restrictions with regards to the manner in which it can or cannot be used. As such, these ventures serve as a means for NPOs to break away from their dependency on external funders and to take responsibility for their own sustainability. Ironically however, this could also attract more external funders, as funders are more likely to donate to a non-profit if they feel that such an organisation is taking responsibility for its sustainability in a more proactive manner, instead of depending on donors and external funders alone.

- Another reason for the move towards a more professional and commercial look and method of operation by non-profits is due to the fact that government funders are increasingly seeking out more professional and self-sufficient NPOs on which they can rely to provide the social services that they can no longer provide. Thus, it is in the best interest of NPOs to appear and operate as professionally as possible so as to attract the attention of significant government (and commercial) funders. For-profit enterprises and grant-providers are now becoming more interested in the value they can accrue from their partnerships with non-profits, than on the quality of the programs offered by these NPOs. This signals a progression to donor and beneficiary relationships in which the donor (or business/government agency) is also concerned about what they can get out of the relationship with the beneficiary (or NPO), beyond a simple donation from the donor to the beneficiary without any attached conditions or requirements. In this way, the changing dynamics in the donor-beneficiary relationship is pushing NPOs to become more commercialized and professional in order to attract continuous funding that will ensure their sustainability.
- Finally, non-profits are taking on a more commercialized approach because they are increasingly in competition with other non-profits, as well as commercial and government agencies, and thus the move toward commercialization is seen to be a way of equipping them with a competitive edge. Since all these types of organisations are competing for funding for the provision of similar social services, whatever can be seen as a method of gaining some kind of edge is immediately (and often, unquestioningly) adopted.

Many NPOs have being making the move toward commercialization and professionalization simply to continue to attract funding amidst growing competition and declining funding. Others have adopted such an approach simply because they see other non-profits doing it and assume that it is something they must do as well. Competition has also led non-profits to establish commercial enterprises through which they can derive a constant source of income, instead of having to continuously compete with others for funding.

Besides the above points suggested by Dees (1998) as to possible reasons for why non-profits are becoming increasingly similar to for-profit organisations, we have to also consider how for-profits are becoming more socially orientated in nature. Social work or development is often

conceived of as the domain of non-profits and government departments alone, but many of the commercial enterprises today either engage in some social development initiative/s, or allocate funds to social programs/projects, while others contribute funds directly to the NPO itself. For this reason, and because the commercial world is beginning to appreciate such social contributions as being an important part of the work they do, for-profit organisations are increasingly making use of social accounting methods.

Quarter, Mook and Richmond (cited in Richmond, Mook, & Jack, 2003, p. 309) define social accounting as " a systematic analysis of the effects of an organization on its communities of interest or stakeholders, with stakeholder input as part of the data that are analyzed for the accounting statement." Such 'communities of interest' are not limited to the organisation's contribution to social initiatives alone, but does not preclude such initiatives either. The emphasis is on understanding the effect of the organisation (and its related operations) on the people they come into contact with and acknowledging such effects (both positive and negative) in the "social account" which is provided as a supplement to the financial accounts and statements (Richmond et al., 2003). Social accounts are more relevant to non-profit organisational operation and accountability because many of the positive outcomes of the NPO cannot be measured financially. A non-profit that distributes mosquito nets to poor families in malaria infested areas can calculate how much the nets, traveling expenses, consumables, etc. of such a mission will amount to, but they cannot truly calculate a numerical figure for the benefits derived by the assisted families. The same reasoning applies to for-profits engaging in social initiatives, thus enhancing both the for-profit's and non-profit's need for social accounts that document the social benefits that they have brought about, not just the financial transactions that they have engaged in in the course of their operations.

As the partnerships and networks between non-profits and government and commercial enterprises grow, non-profits are finding it more necessary to discover and utilize the knowledge and expertise demonstrated and possessed by the for-profit or private sector (Lewis, 1998) in an attempt to remain sustainable and competitive. However, while adopting a more professional and commercialized approach may improve a NPO's effectiveness and sustainability, the adoption of such approaches can erode the very essence of the non-profit form, thus blurring the boundaries between not-for-profit and for-profit organisations even further.

2.8 Adoption of business practices and models by non-profits

It is undoubted that there has been an increasing tendency for NPOs to utilize business practices in their day to day operations (Lewis, 2003b; Maier, Meyer, & Steinbereithner, 2014; Myers & Sacks, 2003; Pomerantz, 2000). These business practices could be considered as any tool, mechanism or process borrowed from the world of commercial enterprise and business management which is then applied *ad-hoc* to a situation arising in the NPO. Such tools, mechanisms or processes could also be slightly or majorly adapted to fit the unique context or situation relevant to the NPO.

The adoption of business principles and practices is a bone of contention that emerges repeatedly throughout the literature on non-profit management (Anheier, 2000; Fourie & Froneman, 2009; Kaplan, 2001; Kim, 2014; Lewis, 2003a, 2003b; Myers & Sacks, 2003). Some authors present the adoption of business practices and principles as antithetical to the main reason for the establishment of NPOs. They believe that NPOs and the functioning and management thereof should not make use of business practices as they are uniquely distinct from for-profit organisations due to their allegiance to the promotion of a particular social cause. Thus, their main aim is not to generate a profit and in this way the adoption of business practices that are geared towards the generation of money, is perceived as unbecoming of the 'true' non-profit form. I would call this group the 'Purists' simply because they believe in the notion of a pure NPO that remains dedicated to traditional or simple methods of operation in order to promote their social mission. An example would be charities that rely on the kindness of donors for gifts of money and/or time. These 'Purists' react to the adoption of business practices with great disdain believing that such practices threaten the very essence of their organisation.

The other group I would call the 'Amalgams' based on their acceptance and utilization of one or many business practices in the operation and management of the NPO/s. This group sees the benefits of adopting certain business practices as beneficial to organizational performance (Pinho, Rodrigues, & Dibb, 2014) as compared to the drawbacks of utilizing such practices. Thus, they amalgamate or incorporate certain business practices and principles into the day to day operation and management of their NPO. Non-profits that utilize the services of consultants in developing strategies for their operation and survival could be included in such a group. A more common example includes non-profits that sell particular services or products to generate a profit that can be used to fulfill or further their social missions.

According to Lewis (2003b), the adoption of business and management practices by a non-profit often stems from its desire to appear as if it can effectively handle large and complex projects in order to attract the resources of external or international funding agencies. In fact, the business-like management of development projects is often seen as attractive to funders as they equate a NPO that utilizes management and business practices as being more 'professional', and thus more effective, efficient and trustworthy in nature. Such a perception is likely to attract more funding from a greater variety of funding agencies, thus enhancing the attractiveness of the adoption of business and management practices by NPOs.

NPOs can range in size and complexity from small, community-based organisations to large, international non-profits with centers throughout the world. In this evolution from small to larger and more complex organisational structures, the NPO may find the adoption of business practices to be an effective means of handling the increasing complexity that such an evolution brings, and a worthy tool for dealing with more complex managerial issues (Lewis, 2003b).

In addition, the increasing number of NPOs all competing for the same scarce resources has ensured that the organisations that can guarantee funders efficient and effective utilization of their donations (for example through mechanisms ensuring accountability and effective performance standards) will be more likely to receive such donations (Kaplan, 2001). This sense of competition has also encouraged non-profits to seek other avenues of income generation such as the sale of certain goods or products, which require good business and management practices, in an attempt to sever their dependency on donations and funding alone (Lewis, 1998).

The notion of the Amalgams as mentioned above, represents the idea that the adoption of business and management practices and methods of operation need not be an either/or dichotomy. NPOs can incorporate certain business practices into their daily functioning should they see their operations as being compromised without the use of such practices. They may also do so as a means of balancing the tension of fulfillment of their social mission with their ability to remain financially sustainable (M. Sanders & McClellan, 2012).They may choose to apply existing business principles to certain aspects of their functioning (such as the management of finances, human resources, etc.) or to their overall functioning. This will ultimately depend on the decisions and evaluations of those in management and leadership positions in the organisation as to whether the organisation they manage requires business practices to improve

its functioning or not. The adoption and utilization of particular business practices by non-profits who wish to remain relevant and successful is known as the copy-cat principle (Anheier, 2000).

Purists should not throw the baby out with the bath water and should be open to learning from the for-profit sector, especially if this can improve the efficiency and effectiveness with which they uphold their social cause or mission. Adoption of business practices can be crucial in allowing the organisation to remain sustainable and competitive in an ever-changing environment (Mahmoud & Yusif, 2012). However, in cases in which the organisation is run by people who admonish the use of business practices, this will entail a significant change in the collective mindset of the organisation. This would have to address the seemingly irreconcilable tension between business practices, and concepts exemplifying the essence of the non-profit sector, namely that of philanthropy, altruism, compassion, voluntarism and public welfare (Anheier, 2000). However, even the Purist perspective of opposition to business and management practices is understandable given the tendency of management models to focus on profit generation as the bottom line (Anheier, 2000), a bottom line that is ill-suited to NPOs.

The choice of whether NPOs should or should not adopt business and management practices is a contentious one, which shall not be resolved easily, if at all. Although the boundaries between the for-profit and non-profit sectors are becoming increasingly blurred, the application of business models, tools and practices, as is, to the non-profit context remains questionable. A further argument against this adoption is the need for NPOs to be aware of their unique identities and contexts in which they are embedded, and the unique factors influencing them as compared to for-profit organizations (such as dependence on donors, contribution to a social mission, etc.), and in the process, develop their own tools and techniques (Myers & Sacks, 2003), which may prove to be more effective in ensuring their sustainability.

As Moore (2000) contends, non-profit and governmental organisations cannot focus on financial performance alone, they have to also ensure that they are constantly producing some social value as stipulated by their social mission which serves as the prime reason for their existence. This has significant implications for the application of business and commercial models of operation and management to the non-profit sector and in fact, could be the fundamental reason for the existence of the tension between the use and non-use of such models by NPOs in the first place. However, essentially the focus in this debate about whether to adopt business and management practices should be on attempting to find a middle path that accommodates the beneficial aspects

of the business world, without compromising the organisations social endeavors. As Dees (1998, p. 67) states: "The challenge is to harness these social impulses and marry them to the best aspects of business practice in order to create a social sector that is as effective as it can be."

However, this tension between social mission maintenance and financial sustainability is an inherent and inescapable part of the functioning and sustainability of all NPOs (Nickel & Eikenberry, 2009; M. L. Sanders, 2012). The social mission of a NPO is the reason it exists as it serves to guide the organisation and those in it as to exactly why they are doing what they do. For example, the social mission of an old-age home is to provide for the needs of the elderly and to assist in their day to day care. However, in order to fulfill its social mission effectively, the organisation must also have the financial resources to do so; thus creating a contradictory tension that needs to be dealt with to ensure the sustainability of the NPO. Effective non-profit management may in fact depend on "recognizing, understanding, and managing this tension." (M. L. Sanders, 2012, p. 182).

An amalgamation of business and non-profit principles and methods of operation is most readily evident in the growing incidence of organisations popularly known as 'social enterprises'. These are organisations that may possess a mix of commercial and philanthropic motives by functioning like a business, while also contributing to some social cause or the other (Dees, 1998). The table below situates social enterprises in the middle of a spectrum between purely philanthropic and purely commercial organisations, to indicate its borrowing of principles, motives and methods of operation from both these types of organisations:

Table 2-3: The Social Enterprise Spectrum (Dees, 1998, p.60)

Purely Philanthropic ←————————————→ Purely Commercial

	Purely Philanthropic		Purely Commercial
Motives, Methods, and Goals	Appeal to goodwill Mission driven Social value Economic value	Mixed motives Mission & Market driven Social & economic value	Appeal to self-interest Market driven
Beneficiaries	Pay nothing mix of full payers & those who pay nothing	Subsidized rates, or	Market-rate prices
Capital	Donations & grants mix of donations and market rate capital	Below-market capital, or	Market-rate capital
Workforces	Volunteers mix of volunteers & fully paid staff	Below-market wages, or compensation	Market-rate
Suppliers	Make in-kind donations mix of in-kind & full price donations	Special discounts, or	Market-rate prices

Viewing NPOs as being operated for the purpose of achieving some social mission, while at the same time recognizing its continuous plight for financial viability will also contribute to research that is more inclusive and realistic in the sense that it will include the two most important aspects (i.e. social mission and financial viability) that play a crucial role in the NPO's quest for sustainability. Such research will assist in better understanding how the human resources and structures in such organisations deal with these tensions in a productive manner and this understanding can then be applied to other contexts that experience the same tension (M. L. Sanders, 2012), for example, commercial businesses that engage in social work. This is especially relevant considering that commercial, non-profit and governmental organisations are now becoming much more similar in their operations and management (Frumkin, 2002), and thus experience similar tensions and challenges.

2.9 Dilemmas facing NPOs

Like any other type of organisation, NPOs also encounter a number of general challenges. The non-profit's position and survival is somewhat more precarious due to its dependency on funding from outside actors and agencies such as the public and business and government agencies. Added to this, is that more and more organisations are registering with the Department of Social Development in South Africa as NPOs, thus increasing the pool of organisations needing funding (Du Plessis & Petzer, 2011). According to the Department's website, there currently exist approximately seventy one thousand registered NPOs in South Africa alone (http://www.dsd.gov.za/).

As discussed earlier, the NPO's attempts to remain sustainable and survive in such demanding and turbulent times often leads them to adopt business principles in an attempt to operate more efficiently and effectively. However, this decision is often fraught with tension due to the perception that the adoption of business practices will negate the unique identity of the NPO as it will indicate a desire for financial sustainability over the achievement of a social mission, take the focus off the social mission of the organisation, or even subvert the social mission entirely (Foster & Bradach, 2005).

According to M. L. Sanders (2012), this 'organizing tension' is an inherent and inescapable part of every NPO, and instead of seeking ways of removing it, such organisations should rather embrace this tension and aim to utilize it to their advantage. The matter of how this can most effectively be done poses a more challenging, and as yet, insufficiently answered question in the non-profit literature. Perhaps it would be most useful to use this organizing tension between attempting to create avenues for income generation and social mission maintenance to redefine the identity and role of NPOs by moving away from the common stereotype of such organisations as helpless and dependent. This will then create a vision of them as empowered, responsible agencies capable of generating their own funding, thereby reducing their dependency on external actors.

The operation of NPOs is also challenged by human resource matters such as the difficulty in attracting skilled or sufficiently experienced volunteers (Stirling, Kilpatrick, & Orpin, 2011). In addition, retaining such volunteers on a regular or full-time basis is another problematic issue. This is especially problematic when insufficient human capacity affects the public perception of the NPO, for example when a lack of personnel with finance and auditing skills contributes to

incorrect, inadequate or insufficient financial records, thus creating the perception that such an organisation cannot handle its finances appropriately, or even worse, is dishonest in its dealings. In addition, NPOs often do not have the resources to employ outside experts and consultants and experience great difficulty in attracting these professionals to manage their books without charge (Mzini, 2011).

The difficulty in attracting dedicated and sufficiently skilled personnel and volunteers bleeds over into the area of the leadership and management of NPOs(Leuvennink, 2010). A non-profits ability to attract and retain suitably skilled and qualified leaders, managers and board members for a long period of time is often dependent on the established reputation of the organisation, as well as highly dependent on luck. Even NPOs desperately require passionate, visionary, intelligent and hardworking leaders, managers and board members to guide the overall functioning of the organisation, especially due to the various complexities and uncertainties they are bombarded with. However, NPOs must often deal with the reality of leaders, managers and board members that come and go, that are not dedicated or passionate enough about the social mission of the organisation and/or that do not have the necessary skills or knowledge to deal with their organisational roles and responsibilities (Dees, 1998; Mzini, 2011).

The human resource dilemma is further intensified by the fact that personnel and volunteers in a NPO often play many roles at the same time due to a lack of the needed numbers of skilled personnel and the cost of paying new recruits. This is especially true of start-up or small NPOs, while larger and more financially stable organisations with developed infrastructures and capacity enjoy the privilege of sufficient numbers of personnel with specialized roles and responsibilities (Schuh & Leviton, 2006). As Schuh and Leviton (2006, p. 176) note: "…a more vertically differentiated organisation will have specialists in human resources, budget, communications, fund raising and management information systems. By contrast, in less developed agencies, it is common to find the executive director cleaning offices, sending notices to the board, and at the same time, preparing the financial report."

Multiple roles played by a single person contributes to organisational ineffectiveness and inefficiencies, and prevents the person from utilizing their unique skills for the benefit of the organisation. It may also result in burn-out, disillusionment, boredom and/or unhappiness in non-profit personnel. However, NPOs depend significantly, if not entirely, on the service of volunteers at the grassroots level (those directly involved in public campaigning initiatives and

projects) right up to those in management and leadership positions who direct the organisation as a whole. This, combined with the non-profits need for a continuous source of volunteers to remain operational and efficient, means that NPOs cannot be very selective or demanding in terms of the people they employ (Du Plessis & Petzer, 2011).

Also, volunteers may take on roles within a NPO enthusiastically at first, but as time wears on and the hardships of life in such an organisation or the personal circumstances of volunteers take their toll, such passion and enthusiasm could fade, resulting in these people leaving the organisation in search of greener pastures. This is aptly explained in the following quote from a volunteer from a NPO known as Second Life: "Eventually, that first adrenaline rush wears off, or the conflicting demands of one's first life and second life come to the fore, and the individual realizes that something has to give. Some very dedicated and talented volunteers decided to drop out of Second Life completely, either for a limited time or, as far as we know, permanently" (Panganiban, 2007, p. 24).

In addition, professionals with a commercial or business background may be ostracized by individuals or groups within the organisation who are highly committed to the social mission of the organisation, simply because they are perceived as belonging more to the business or for-profit world, than the non-profit one (Dees, 1998). They may also avoid supporting such a person due to their fear that the business professional may push the organisation away from its social mission in lieu of financial gains and reporting, marketing, commercialization, etc.

Organizational capacity refers to the ability of the organisation to begin or undertake a new project (Schuh & Leviton, 2006) and as such will depend significantly on the availability of human resources within the organisation. It is often assumed that organizational capacity is at its greatest when a new project starts, but in reality, this capacity is greatest when a project has been completed or is close to completion because it is then that most of the staff members have served their function, processes have been put into place to streamline functions and the project is an integrated part of the organisations overall operation (Schuh & Leviton, 2006). This has important implications for the sustainability of the overall organisation in that the organisation must not take on too many projects as this will result in the excessive depletion of its organizational capacity to the extent that the overall functioning of the organisation is negatively affected. However, we must also consider that NPOs engage in such projects in order to attract or accrue financial resources to ensure sustainability. Often this is their primary concern when

taking on many projects, with consideration of organizational capacity taking a back seat. Therein, lies a further challenge of the non-profit form as there needs to be a balance between the number of projects engaged in or undertaken by the non-profit, and its overall organizational capacity.

Central to NPOs' fight for survival is the immense difficulty in attracting a continuous source of revenue for all of projects and operational costs (Greenlee & Trussel, 2000; Mosley, Maronick, & Katz, 2012; Mzini, 2011; Weerawardena et al., 2010). Since the NPO must depend on donations, gifts and grants from external providers, its financial welfare and sustainability is highly turbulent, and inherently uncertain. The financial position or vulnerability of the NPO is determined by a number of factors such as whether the organisation has equity, the quality and quantity of its funding sources, the types of funders that contribute to it, whether it possesses adequate operating margins, whether its administrative costs support the infrastructure of the organisation, etc. (Schuh & Leviton, 2006).

In addition, it must also compete with for-profit and government organisations for financial resources, especially when the non-profit offers the same services or products as the other organisations (Dees, 1998; Ryan, 1999). Thus, its financial position can fluctuate between being stable at times and unstable at other times depending on changes in its environment, more specifically, its funding environment (Schuh & Leviton, 2006), contributing to the non-profit occupying a very precarious position (Morris et al., 2007). Undoubtedly, all non-profits experience this quest for constant funding as a major and ongoing challenge.

With regards to funding, NPOs also have to be extremely cautious in the acceptance of funding and the sources thereof. Some funders and donors may attach certain conditions to the utilization of their contributions and the non-profit must then ascertain the suitability of accepting or declining such funding. With commercial and government funding partners, non-profits run the risk of having to surrender control over financed projects and programs which in itself can threaten the social mission of the organisation, especially if the organisation is managed by weak, passive or greedy leaders who are not sufficiently committed to upholding the mission of the organisation(Pulgar-Vidal, 2002). This becomes particularly problematic when the NPO desperately requires financial resources, but the acceptance of which may endanger their reputation or not be congruent with its social mission (Dees, 1998).

A common challenge for non-profits who receive funding is the allocation of such funding. Most often than not, funding is provided for particular projects only (Lewis, 2003b; Ryan, 1999). What they fail to consider are the numerous operational and administrative costs in running such projects, such as the water and electricity charges for office space, equipment needed to ensure the project is effective, transport costs, etc. Operational and administrative costs may seem insignificant and beyond the scope of the funder's concern, but without them, a successful project is impossible. Imagine receiving the financial resources to feed an entire village, only to not have enough money to arrange transport to such a village or the necessary office equipment or administrative capacity to facilitate supportive networks to get the food to its destination.

Funding that comes with such conditions can also not contribute to improving the operational capacity and overall effectiveness of the organisation (Ryan, 1999), even though it is these very aspects that can greatly determine the success or failure of the implementation of such projects. Added to this, is the rising cost of both tangible and intangible resources which requires NPOs to be extremely cautious and strategic in the allocation of funds, grant monies and donations (Weerawardena et al., 2010) for projects and for the overall functioning and operation of the organisation.

An associated challenge in attracting funding is how the NPO represents itself to the greater public (Schuh & Leviton, 2006). There exists a preconception that non-profits are much less professional, organized and competent than their for-profit counterparts (Leuvennink, 2010; Pulgar-Vidal, 2002; Ryan, 1999). As Leuvennink (2010, p. 32) states, " Some business people still have the outdated perception of the non-profit sector as 'charity work' badly run by bored volunteers. They see the sector as peripheral, and dependent on the generosity of others." This means that NPOs often lose out on valuable funding due to this perception and the accompanying perception that for-profit agencies are more competent and effective than not-for-profit ones (Ryan, 1999).

This plays an important role in the debate around the adoption of business and management practices with advocates basing their argument on the view that because non-profits are perceived as unprofessional, unorganized and incompetent they should utilize business and management practices borrowed from the for-profit world to 'remedy' this shortcoming. The perception of the non-profit as 'professional' and organized in their operations can influence whether they receive funding, and the extent thereof, thus some organisations may create the

perception that they are actually more professionally mature and organized than they are in reality in order to attract funding. Alternatively, NPOs can downplay their level of professionalism, organisation and funding in an attempt to attract even more funding (Schuh & Leviton, 2006) by trying to convince potential funders that they are in dire need of financial resources and somewhat helpless, thereby eliciting their support through the elicitation of the funder's sympathy. An example from Schuh and Leviton (2006, p. 178) depicts this state of affairs: "As assessment proceeded, it emerged that the agency had a large, profitable subsidiary that did not come up in initial conversations about financial resources. When asked why they did not initially mention the subsidiary, the staff said that they were worried that people would stop giving to the agency if they knew about it."

Undoubtedly, this presents many issues pertaining to the lack of ethicality and the existence of dishonesty in creating a perception that does not match reality, especially with regards to NPOs that are meant to uphold particular social values and virtues. NPOs should be custodians and guardians of particular social values and virtues, but on the other hand, they do need financial resources to survive in order to keep upholding these social values and virtues. Creating the perception of being more professionally mature can help to attract funding as the givers will be convinced by the seeming professionalism of the organisation that their donations, gifts and grants will go towards the projects indicated by the non-profit. In this way, the NPO will attract more funding with this 'false' image than if they had revealed their shortcomings to funders, thus perpetuating such dishonesty even further. Thus, there exists a vicious reinforcing loop in which both donors and non-profits encourage the false representation of the organisation as a means of ensuring financial sustainability.

2.10 Complexity and the NPO

The NPO's dependence on donations, gifts and grants and other types of funding from sources outside of the organisation itself, makes it vulnerable, especially since it must also compete with its for-profit counterparts in the race for financial and other resources (Ryan, 1999). Added to this is the highly uncertain, turbulent and complex environment, brought about by the rapid advancement in technological innovations, globalization and the birth of the knowledge age, in which all organisations, including NPOs are embedded (Bradshaw, 2007). Patel (2012, p. 33)use the acronym 'VUCA' to refer to a world that is volatile, uncertain, complex and ambiguous and

thus has many implications for the organisations embedded in such a world. Although, they mainly refer to organisations in a general sense, volatility, uncertainty, complexity and ambiguity are also trademarks of NPOs, as well as the environments in which they are embedded. In fact, non-profits are even more vulnerable to these forces as they do not have as many resources at their disposal as do conventional enterprises to mitigate the effects of VUCA. Thus, the survival of a NPO is dependent on many factors specific to the internal operation of the organisation as well as (and even more so) factors arising from the environment in which it is embedded. This is especially relevant if we consider donors, volunteers and government assistance as arising from this external environment as the non-profit sector depends on these agencies as sources of funding for continued existence and sustainability and thus, maintaining good relationships with these stakeholders is of utmost importance (Chen & Bozeman, 2012).

As the size of the NPO increases, the number of functions needed to be performed to keep the organisation operational increases as well, both in number and specialization. This increase in number and specialization of operations is also a direct result of the volatility and complexity within and outside of the organisation. The NPO is not detached from the environment in which it is embedded and is thus at the mercy of its influences. In a complex and uncertain world, NPOs often seek and attempt to utilize the models of operation adopted by successful commercial or for-profit organisations, in the hope that this success can be replicated to ensure the sustainability of the NPO(Anheier, 2000), although this is often not the case (Hannum et al., 2011). It is often the uncertain and challenging nature of the environment in which the non-profit is embedded that often spurs the leaders of such organisations to adopt certain business models in the hope of making the organisation more stable, effective and productive. However, this adaption or reconfiguration to a more business-like approach often forces them to compromise their social missions (Ryan, 1999), thus endangering the essence of the non-profit form.

According to M. Sanders and McClellan (2012), organisations must possess a sufficient amount of internal capacity to match the complexity of the environment in which they are embedded in order to survive and remain operational. However, with the rapidly increasing uncertainties and complexities of the environment in which non-profits are located, many NPOs do not possess the necessary capacity and resources to enable them to survive in such environments (Hannum et al., 2011). This is also why the recipes of for-profit success emulated by NPOs do not seem to work for NPOs as both of these types of organisations have different resources at their disposal, and make use of these resources in different ways from each other, thus giving rise to differing state

of affairs in the battle for sustainability. For example, non-profits can appeal to the public for assistance in particularly difficult times due to their dedication to a particular social cause that may appeal to their donors, and thus encourage them to support the non-profit. However, for-profits cannot follow the same approach as the public is very unlikely to donate toward their profit motives. They must therefore rely on the marketing and sale of products or services to ensure their future sustainability.

NPOs often have to deal with much uncertainty regarding their funding environment and potential funders, including increasing competition with other NPOs over such funds(Omura & Forster, 2014). Even when a non-profit has sufficient funders, it must then deal with the complexity that arises from catering to each of its funder's requirements and stipulations regarding the use of the donated funds. Even though it is often assumed that NPOs possess no bottom lines, it is their constant need to balance their social missions with the mechanisms they utilize to maintain financial and operational sustainability that often contributes to them having several (sometimes conflicting) bottom lines, thus making their pursuit of sustainability more complex than commercial enterprises (Anheier, 2000). This complexity is heightened by the constant interactions between, and relationships with, various different stakeholders including the board of trustees, volunteers, employees, government funders, commercial partners, etc. as depicted in the diagram below adapted from Hannum et al. (2011, p. 8), without which the non-profit cannot survive:
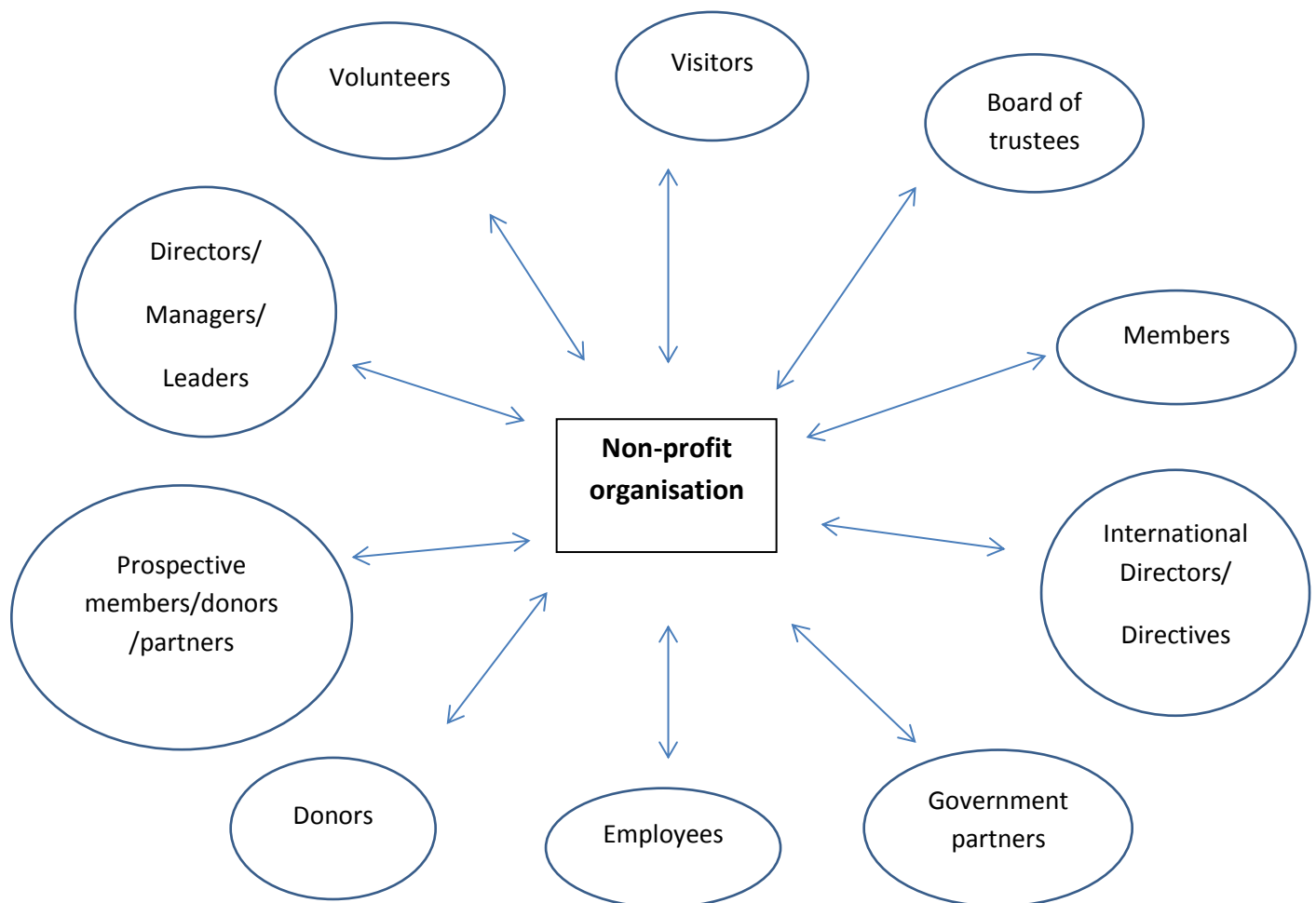
Figure 2-1: Various stakeholders contributing to complexity in, and for, the NPO

Even though each stakeholder as presented in the diagram above is often conceptualized as being disparate, we must realize that the effectiveness or lack thereof of the NPO's functioning will depend on the energy that is created via the collaboration of all the above stakeholders. Thus, non-profit organisational effectiveness can be interpreted as the emergent property of all interactions with, and between, the various stakeholders and this 'energy' is greater than the energy that can be generated by any of the stakeholders alone. This is similar to the idea of

'emergence' in Complexity Theory in which the behavior and nature of a particular system can be attributed to, or emerges from, the collective interactions of multiple agents (Omura & Forster, 2014), and none of the agents can produce the same system-wide behavior alone.

This is one of the reasons why attempting to understand the NPO by simply examining a single aspect of its existence (such as its relationship with funders, volunteer capacity, leadership ability, etc.) is incapable of rendering a complete and accurate picture of that organisation. Such a perspective ignores the other factors that influence non-profit functioning, as well as downplays the importance of the interactions between the organisation and all those factors impacting it. Such an approach would undoubtedly be much simpler, but it would not be able to accommodate the multiple complexities that NPOs must deal with, and which give rise to their overall behavior and functioning.

There are multitudes of internal and external factors that play a role in determining and influencing the sustainability of NPOs. Previous research has focused on specific factors relating to NPOs such as organisational culture (Lewis, 2003a), management (Lewis, 2003b), worker well-being (Benz, 2005),entrepreneurship capabilities (Dees, 1998), partnerships with corporate entities (Huxham & Vangen, 1996), strategic performance management (Kaplan, 2001), social accounting (Richmond et al., 2003), etc. but there has not been an examination of the holistic forces that contribute to the sustainability of the NPO. This is the gap in the existing literature which this research proposed to address, namely: the NPO's quest for sustainability in a complex world.

The complexities impacting the NPO from the multiple environments and systems in which it is embedded are partly captured by the following quote from Lewis (2003b, p. 331):

> *"Many developmental NGO's operate in unstable, risky or conflict prone areas or operate alongside predatory or 'failing' states which may view their presence with suspicion. The context also includes the cultural dimensions of management, since many operational NGOs work with communities very different from themselves and may increasingly combine staff from a wide range of different backgrounds. The NGO context also includes the aid industry and its changing practices, as well as the often precarious political and geographical environments in which development NGOs operate."*

As is evident from the above quotation, it is possible for political, cultural, social, educational, financial and environmental factors from within and without the non-profit to exert an influence on its overall functioning.

2.11NPOs& Sustainability

The term 'sustainability' can be interpreted in many diverse ways when applied to, or understood within, an organisational context and is a term that is drawing increasing attention from the non-profit, for-profit and government spheres (Lamberton, 2005; M. Sanders & McClellan, 2012). It is possible for different stakeholders and types of organisations to have differing understandings of the term, making agreement on its meaning difficult, or sometimes impossible (Lewis, 2003a). In addition, the term is vague and unclear in itself (Lamberton, 2005) lending itself to a plethora of misinterpretations. Thus, to deal with such vagueness and prevent misinterpretations, any investigation into, or based upon, sustainability should begin with a clear description of what the term 'sustainability' actually means.

The term first appeared around the eighties and was used to encourage organisations, large companies, governments and countries to ensure that their operations did not harmfully impact the environment (M. Sanders & McClellan, 2012), thus ensuring their sustainable development. This is the understanding that is most common when one hears of the concept of sustainability. Hence, sustainability is often interpreted as an economic objective that seeks to reduce social or environmental impacts of a harmful nature (Lamberton, 2005).

This understanding of the term aptly applies to sustainability efforts in general, as well as to sustainable development in commercial or for-profit organisations in the sense that these organisations must ensure that the manner in which they create profits will not have negative consequences for present and future human populations and the natural environment. However, within the context of NPOs, sustainability refers to the ability of the NPO to survive and thus, ensure that its social mission is carried out effectively by meeting its commitments to its customers, funders and the community in which it operates (Weerawardena et al., 2010), including the international arena in the case of international non-profits. It is this perspective on which this particular piece of research is based. Thus, this research examines non-profit organisational sustainability by identifying the factors involved in the NPO's quest for survival, of which, fulfilling its social mission adequately is a pivotal issue. This concept of sustainability

shall go beyond financial sustainability alone to encompass both monetary and non-monetary factors, which according to (Iwu, Kapondoro, Twum-Darko, & Tengeh, 2015)are equally important in determining the effectiveness of a NPO. Sustainable development in this case, will not refer to the impact of the non-profit on the natural environment, but will rather pertain to the development of the non-profit in such a way so as to ensure its survival into the future. Therefore, if such a non-profit has the resources and the circumstances to allow it to progress successfully into the future, it can be regarded as being 'sustainable' or of developing sustainably.

The sustainability of the NPO is especially perilous and complex due to its dependence on outside entities (government, community members, companies, etc.) for funding and other resources. Thus, the means of measuring the sustainability of a non-profit would be extremely beneficial in understanding the present and future development of the organisation itself. However, measuring sustainability is in itself a difficult and subjective task (Friedman et al., 2005; Timothy & Tanya, 2011) made even that much more difficult in the non-profit context as the social contributions of NPOs are impossible to adequately quantify. This is a problem that is often also encountered by for-profits in their attempts to chart their social impact as noted by Omura and Forster (2014, p. 46):

> *"Companies sometimes consider social impacts more difficult to measure than financial results because they are often intangible, hard to quantify, and difficult to attribute to a specific organization, and they have a long time horizon. This difficulty often presents obstacles to producing compelling evidence of impact and mission achievement."*

Thus, attempts to measure the sustainability of an organisation can and does present many challenges for non-profits and for-profits alike.

The understanding of the sustainability of an organisation is often attributed to its financial status since it is often assumed that the sustainability of a NPO will be most crucially determined by the amount of financial resources at its disposal (Weerawardena et al., 2010). Thus, there do exist certain measurement tools that can be used to assess the financial sustainability of a NPO. One of these measurement tools is Tuckman and Chang's (1991) four ratios which can be used to determine whether a non-profit is what they term "financially vulnerable". Financial vulnerability refers to a NPO that is "likely to cut back its service offerings immediately when it

experiences a financial shock" (Tuckman & Chang, 1991: p. 445). Therefore, financially vulnerable non-profits do not have adequate resources at their disposal to withstand major financial crises and mission fulfillment is influenced by their financial status.

According to Tuckman and Chang (1991), such ratios are determined by working out: " (1) equity (assets minus liabilities) divided by total revenue, (2) total surplus (revenue minus expenses) divided by total revenue, (3) administrative expenses divided by total expenses, and (4) by determining the Herfindahl index of revenue concentration (assessed by dividing all revenue sources by total revenue, squaring all the ratios and adding the squared amounts)" (Bowman, 2011, pp. 38-39). Other means of measuring the performance of non-profits include assessing its net earnings minus its expenses, total expenditures of the organisation, the amount of money raised, operational productivity and even long term mission accomplishment (Kirca et al, 2005 & Wood, Bhuian and Kiecher, 2000 cited in Morris et al., 2007).

Based on the numerous contributions of the non-profit sector, ensuring the sustainability of this sector becomes an issue of significant importance. As Hannum et al. (2011, p. 4) assert:

> *"...non-profits organisations play an important role in our society and the need for that role is growing...".*

However, NPOs are faced with immense challenges as they need to depend on financial resources from benevolent providers. Such benevolent providers encompass domestic and international government agencies, donors, volunteers and funders. It also encompasses those who are willing to dedicate their time, skills and energy to a NPO even though they will receive less remuneration for their work than they would from conventional business or government employment, or no remuneration at all, as is the case with volunteers. Therefore, the sustainability of a NPO depends on a number of internal and external factors, the availability and eagerness of benevolent providers to provide the finances for their operations being one of them (Panganiban, 2007).

A recent American report indicated that forty six percent of NPOs had financial resources that would last them less than three months into the future (Cornelius, Moyers, Bell, Brown, & Scott, 2001). If this is an indication of the prospects of the sustainability of non-profits in America then it would be logical to assume that the circumstances of non-profit sustainability would be worse

in the South African context as America is a developed nation with more financial aid and skilled human resources at its disposal.

The issue of the sustainability of the non-profit sector becomes an important issue to examine considering that this sector takes on the responsibility of confronting complex social issues without a steady flow of resources and infrastructure (Hannum et al., 2011). In the context of both for-profit and NPOs, the sustainability of the organisation pertains to the issue of whether the organisation can accrue sufficient returns on its investments to justify the amount of time and the cost of resources it spends (Panganiban, 2007). If it does gain sufficient returns, then the organisation will be able to sustain itself and survive. On the other hand, if the organisation is unable to accrue sufficient returns on its investments, it will no longer be able to survive, as it will not have the resources to do so.

In their attempts to remain sustainable, NPOs may utilize particular survival or adaptive tactics that will enable them to survive or adapt to changed or difficult circumstances. These tactics are determined by a combination of the organisation's structural characteristics (age, size, etc.), managerial characteristics (leaders with advanced training, managers with knowledge of strategy and related fields, etc.) and financial characteristics (financial stress, leaders perception and handling of financial difficulties, decline in funding sources, etc.) (Mosley et al., 2012).

According to Mosley et al. (2012), these characteristics together determine what kind of adaptive or survival tactic/s the non-profit will eventually select including one or more of the following:

- Addition of new programs to increase sources of revenue and funding
- Reduction of existing programs or staff members to save money and cut back on expenses
- Collaboration with other entities (commercial enterprises, government actors, etc.) to improve efficiency and increase funding sources
- Engaging in commercial activities to diversify revenue sources, and/or
- Increased involvement in advocacy initiatives to attract more attention and donors, and promote the social mission of the organisation

Each of the above tactics present both unique opportunities and challenges depending on the nature of the NPO utilizing them, but they do nevertheless enable NPOs to remain sustainable amidst financial and environmental uncertainty. However, the reality is that even despite using

such tactics, NPOs may still be unable to weather bad times sufficiently and may then have to reduce the nature of their operations or cease operations altogether.

While the sustainability of a NPO depends greatly on the returns on its investments, a number of other factors, and the interplay of such factors, also influence its sustainability. Schuh and Leviton (2006, p. 171) claim that the state of a non-profits development can be gauged by assessing five pivotal organisational elements, namely its governance, organizational development, internal operations, financial resources and main/core services. Their selection of the mentioned elements was based on their recognition of such elements as common and important to all NPOs.

- **Governance** pertains to the management of the NPO and thus includes the board of directors, legal status of the organisation, quality of the relationships between management and staff within the organisation and the functioning of the organisation (Schuh & Leviton, 2006). These factors change as the organisation develops from a newly created venture to an established organisation (Schuh & Leviton, 2006). For example, the relationship between the board and staff members may be more formal and authoritative when the non-profit is first established, but will become less so as they spend more time working together as the organisation ages. In the case of non-profits that may have several branches throughout a particular country or the world, governance can be particularly complicated as the boards of the various branches of the parent organisation will ultimately have to abide by the policy decisions taken by the parent organisation (Schuh & Leviton, 2006). In addition, with regards to the governance of non-profits, it so happens that it can suffer from a "founder's syndrome" which occurs when the organisation and its operations are dominated by the ideas or vision of a particular leader/s and cannot develop or move in any other direction beyond that which is proposed by such a leader, thus hampering the overall sustainability and development of the NPO(Schuh & Leviton, 2006).

- **Financial Resources** are the monetary resources required by the organisation to fulfill its social mission/s adequately and thus to ensure its sustainability over time (Schuh & Leviton, 2006). If the organisation does not have adequate money to facilitate its various projects and operational requirements, then it will not be able to accomplish its social

mission and will therefore, not be sustainable. The more financial resources a non-profit has at its disposal, the more likely it will be to be sustainable. In addition, if a non-profit is financially secure, it will have more flexibility in choosing funding sources that are more congruent with its social mission (Schuh & Leviton, 2006). The term 'financial vulnerability' denotes the extent of an organisation's abilities to remain operational despite changes in the organisation and financial pressures encountered by it (Greenlee & Trussel, 2000). This will depend on whether the organisation has sufficient amounts of equity to weather financial storms, adequate sources of funding and funders, reasonable operating margins and administrative costs that support the infrastructure of the organisation (Greenlee & Trussel, 2000; Schuh & Leviton, 2006; Tuckman & Chang, 1991).

- **Internal Operations** includes all the elements relevant to the internal functioning of the organisation such as administrative functions, logistical support, skill and expertise levels of employees, technology and role differentiation or the separation of tasks among those within the organisation (Schuh & Leviton, 2006).

- **Core Services** refers to the specific services offered, or social work done by the NPO through the various projects it implements(Schuh & Leviton, 2006). These services will differ from non-profit to non-profit depending on its social mission. For example, the core service of Child Line, a NPO in South Africa, is to provide a toll-free line for children needing to report or speak out about abusive encounters and thus gain assistance to deal with such abuse.

- **Organization Development** pertains to the manner in which an organisation is structured in order to meet its mission including the height and width of such structures (Schuh & Leviton, 2006). Organisations with a tall structure have more levels of hierarchy, departments, sub-departments, formal procedures and policies, etc. than do ones with shorter organisational structures; and the nature of these structures can change as the organisation develops and grows (Schuh & Leviton, 2006). However, NPOs tend to downplay the importance of infrastructural development because they perceive the provision of services in the fulfillment of their social mission as a far greater priority

(Letts, Ryan, & Grossman, 1999). This points to their inability to understand the feedback loops and interplay between the quality of their infrastructure and the provision of services or projects as the services they offer will depend on the quality of the organisation's infrastructure. Conversely, (but equally relevant), the extent to which the organisation can improve its infrastructure will depend on whether it can attract sufficient funding, which is ultimately influenced by public perception of the quality of the services it offers or projects it implements. Therefore, the avoidance of the need to improve the organisation's infrastructure will feed back into the system and influence the dynamics of the organisation, eventually compromising the quality of services offered and projects implemented by the organisation. For this reason, the SD approach utilised in this study, which examines feedback loops and their interactions, was especially beneficial in understanding the dynamics relevant to the sustainability of the NPO.

Lewis (2003a) posits the idea of institutional sustainability as comprised of three interrelated levels of sustainability, namely, financial sustainability, organizational sustainability and benefit sustainability:

- **Financial sustainability** which depends on the ability of the projects undertaken by the organisation to generate resources needed by the organisation to keep operating and to reduce its dependency on its funders over time. Financial sustainability is often the main goal of non-profit leaders as they believe it will ensure their future survival, while at the same time ensuring that they are not overly dependent on particular donors (Dees, 1998). For this reason, it is common to find non-profits engaging in commercial activities as a means of generating their own income, thus reducing their dependency on external donors. As Dees (1998, p. 56) states: "Non-profit leaders are searching for the holy grail of financial sustainability…self-funding is the new mantra."

- **Organizational sustainability** refer*s* to whether the organisation possesses the necessary mechanisms to enable it to continuously provide a framework for the delivery of services in line with its social mission. This could include the quality of the organisation's infrastructure, technology, management, human resources, etc.

- **Benefit sustainability** pertains to whether the organisation can ensure that the benefit society accrues from its projects continues even after the projects have being implemented. For example, NPOs that help poor communities to establish farming schemes to enable them to grow their own produce must ensure that these communities, once equipped with the necessary resources, will be able to support themselves. If the non-profit is unable to ensure this, then its reputation will be affected, thus negatively impacting the sustainability of the NPO itself.

Therefore, it is apparent from the above discussions that there is a degree of similarity in terms of the factors that contribute to or influence non-profit sustainability. For example, Lewis' (2003a) idea of financial sustainability is congruent with Schuh & Leviton's (2006)idea of the organisation being sustainable if it possesses adequate financial resources. In addition, while Lewis uses the term organizational sustainability to refer to the presence of organisational mechanisms that facilitate the accomplishment of the NPO's social mission, Schuh & Leviton's understanding of governance, internal operations and organization development all contribute to organizational sustainability as well. Benefit sustainability (Lewis, 2003a) will depend on the core services offered by the organisation, and the quality thereof, thus drawing a further parallel between these authors conceptions of sustainability.

This points to the appropriateness of utilizing these constructs and terms in understanding sustainability among NPOs in general, as these constructs exist in all types of NPOs. This is especially relevant since there does not exist much research on the issue of the sustainability of NPOs and the existing literature is fragmented and insufficiently developed (Weerawardena et al., 2010).

2.12 Systems Thinking

Although "systems thinking" as such has recently being gaining popularity as a novel approach to problem solving, evidence of its fundamental principles of interconnectedness, unity, and holism can be found in a number of ancient spiritual and religious texts and philosophies as evidenced by Reynolds and Holwell (2010, pp. 8-9):

> *" Systems thinking in terms of promoting holistic views…can be traced back to the ancient spiritual traditions of Hinduism (e.g., through ancient texts like the Upanishads and Bhagavad Gita), Buddhism (oral traditions of the Dhama), Taoism (basis of acupuncture and holistic medicine), Sufi Islam (in translations of the*

Kashf al-Mahjub of Hujwiri and the Risala of Qushayri), ancient Greek philosophy (particularly Hericles and Aristotle), as well as being prevalent through the oral traditions of many indigenous tribal spiritual traditions which have existed for tens of thousands of years."

Clearly then, the philosophies of the systems thinking tradition have persisted over time. What is apparent is that these principles are being transferred from the philosophical and religious domains to become the foundation of a variety of systems thinking tools and methodologies which are now being applied to a myriad of social contexts, issues and problems, with largely positive results. The emphasis in including the above quote then, is not only to indicate the sustained usefulness of the principles underlying the systems thinking approach, but rather to also attract attention to the possibility and usefulness of applying such ancient principles to the problems and complex issues that we are faced with in the here-and-now, and in doing so, to provide a means of testing the relevance and strength of the systems thinking approaches for dealing with modern day complexity and turbulence. Thus, whichever systems thinking tool or method is utilized, while being utilized for its perceived strengths is also being tested so as to reveal its underlying weakness or weaknesses in the very same process. This should be an aim of every application of any systems thinking tool so as to ensure that these tools are adapted continuously to deal with the ever-changing nature of the world in which we are embedded, thus ensuring their continued validity and robustness.

Hunt, Timoshkina, Baudains, and Bishop (2012, p. 324) define systems as:

"...a collection of discrete entities within real or conceptual boundaries that are linked by interrelationships and function as a whole."

Inherent in this definition, is the recognition of systems as being not only products of the real, physical world, but as a means of conceptually representing the world as well. Also, explicit in this definition, is the idea that systems are made up of elements or agents that while being separate from each other, still interact with one another in a manner that creates the feedback influences which underlie and sustain such systems. Within the ambit of the systems thinking philosophies, these interconnected networks of feedback influences are referred to as the system's "structure". This lends itself to one of the fundamental principles in understanding social systems which is the belief that the structure of the system determines its overall behavior. However, this will be explored in more detail as the discussion proceeds.

The above definition also emphasizes "interrelationships" which is a pivotal aspect of the systems thinking approach. Not only is it about recognizing the embeddedness of various systems within other systems, but it is more significantly about recognizing the effect they have on each other (Reynolds & Holwell, 2010). This requires one to step back from the details of a particular issue in order to identify the effect such details have on each other- a perception which can only be uncovered by looking at the bigger picture, as facilitated by systems thinking. For this reason, systems thinking represents a shift in mindset from a preoccupation with the details of a problem issue to a more holistic examination of the various feedback influences that contribute to the complexities and continued existence of such problem issues (Senge, 1990).

Systems thinking practitioners make sense of an issue by making use of fundamental systems thinking tools, one of which is causal loop diagramming. Causal loop diagrams (CLDs) are graphical representations of the issue being explored which are based on an awareness of the elements comprising the system as being fundamentally interconnected and in continuous interaction with one another. CLDs are utilized in the initial stages of the SD process to assist stakeholders to make their perceptions and beliefs with regard to their issue of concern explicit, so as to generate meaningful discussion pertaining to the problem issue. The tools generated by proponents of systems thinking are many, but most of them aim at generating a graphic or visual representation of the issue being investigated which fosters a holistic understanding of how the underlying structure of the system gives rise to its behavior. Thereafter, points in the system can be identified which can be adapted, improved or corrected to allow for more effective or productive system behaviours to emerge (Hjorth & Bagheri, 2006). For this reason,Chapman (1998) declares the ability of systems thinking to reveal the component elements of a system or issue, and the manner in which they interact as being at the center of the recent gravitation toward a systemic manner of perceiving the world.Chapman (1998, p. 237) adds to the above definition by stating that the elements that comprise a system *"function together for a common objective".*

The tendency of a systems thinking approach to examine phenomena in a holistic fashion is vastly different from the prevailing scientific tendency to understand phenomena by breaking them up into their constituent pieces and examining the parts in isolation (Hjorth & Bagheri, 2006). Although this approach is beneficial in understanding physical systems such as cars and computers, it is more of challenge when examining living or social systems such as organisations, political systems, societies, etc. Cars and computers can be easily deconstructed,

their parts examined and investigated and "repairs" to the parts that constitute either of these physical products will lead to their effective functioning once they are reassembled. However, with social and natural systems, it is simply impossible to "break them apart" and put the parts together again to produce more effective behavior in the overall system.

For this reason, systems thinking as a field continues to expand rapidly and its proponents have produced a number of systems thinking "tools" that can be utilized to gain a holistic understanding of any phenomena, issue or system being investigated which aim to overcome the reductionist and linear-thinking tendencies that have prevailed thus far. Recognizing how the elements that comprise a system interact through the use of such tools, enables not only a holistic understanding of the issue being investigated, but also enables those engaging in such investigations to understand why previous policies or interventions that were applied may not have produced the results originally anticipated, or may have had no impact within the system (Hirsch, Levine, & Miller, 2007).

The systems thinking assertion of viewing phenomena in a more holistic fashion may present a more difficult task for problem solvers and stakeholders as it requires a commitment to uncovering the deeper issues feeding a problem situation. It also calls upon the courage to move away from the more commonly accepted fragmented approach to problem solving. However, this approach, while presenting a more simplified approach to problem solving, is becoming less and less suited to dealing with the complexity inherent in social systems. As Gharajedaghi (2006, p. 26) asserts:

> *"But, somehow, something is missing with the way we think about our lives. What has become the dominant language of our time produces only a partial understanding of our reality and relates only to parts of our being, not the whole of it. We need a holistic language, a language of systems, which will enable us to see through chaos and understand complexity."*

Thus, systems thinking is proposed as a more beneficial lens through which to view, analyse and understand the social world and the social and natural systems embedded in it (Hjorth & Bagheri, 2006). However, the importance of a reductionist approach should not be ignored as, thus far, it has made important contributions to the fields of science, technology and medicine. In this way, both holistic and reductionist ways of viewing the world have their own unique contributions to make in the understanding of particular phenomena, with system thinking's

holistic approach more suited to social systems which demonstrate complexity, non-linearity and causal ambiguity.

2.13 What is System Dynamics (SD)?

SD can be regarded as methodology rooted in the systems thinking philosophy, a philosophy that is becoming increasingly popular due to its effectiveness in making sense of real world complexity. Systems thinkers try to understand problematic situations in their entirety by not only examining the explicit real world manifestations of problematic situations, but by delving deeper. It is proposed that a deeper investigation of the structure of a system will reveal hidden feedbacks that nourish the problematic situation, hence ensuring its continued existence(Rodrigues & Bowers, 1996; Scholl, 2001).

Simply zeroing into a particular aspect of a problematic situation and attempting to deal with the explicit symptoms, may bring temporary relief, but in the long run, such symptoms may reappear in a more extreme form (Forrester, 1994a, 1994b) The corrective actions instituted may even bring about unintended consequences (Forrester, 1994b)which plunge the system into greater disharmony, or fail to improve its performance to the degree desired by the policymakers. Therefore, systems change represents a concerted effort to delve deeply into the root causes of a problematic situation, in order to bring about positive systems-wide change through the utilization and application of particular actions, policies or infrastructures (Hirsch et al., 2007).

In the above regard, system thinkers are tasked with a mammoth task in attempting to understand a particular problematic situation in its entirety, especially since it is often the easier route of viewing problematic situations as fragmented pieces which can be easily "handled" that is more often utilized by those in the business world. Thus, as Senge (1990)asserts, systems thinking encourages those engaging in it to avoid the tendency to dissect problem situations into their constituent parts and to move away from the silo mentalities and narrow perspectives often utilized in, and encouraged by organisations. Inherent in this philosophy is the call to focus on and deal with the feedbacks that underlie problematic situations, instead of attempting to cure the symptoms arising from such feedbacks alone.

Essentially, SD examines the structure of a system to identify the information flows comprising and underlying that particular system, with consideration of the fact that it is both the structure of the system, together with its information flows that determines the overall behavior of that system (Forrester, 1994c). It has been be used to understand and deal with the constantly evolving complexity inherent in a diverse range of systems including environmental, political, organizational, medical and engineering-related systems (Hjorth & Bagheri, 2006).

SD provides a methodology that is inherently both qualitative and quantitative in nature. It recognizes that peoples' perceptions of a particular problematic situation are often faulty, in the sense that it is impossible for a single person to know all aspects of a problematic situation fully. It also proposes that the perceptions and understandings that are held by individuals cannot fully grasp the wide array of information flows and feedbacks inherent in a problematic situation. This is often termed "bounded rationality" indicating that the human mind and its mental models (or its ways of perceiving the world) are severely limited in understanding large degrees of complexity (Simon, 1990, p. 6), such as the complexity evident in problematic situations.

Engagement with the stakeholders involved in such problematic situations, through for example interviews or group sessions, is aimed at fleshing out each of the stakeholders perceptions of the problematic situation. Once this is done, these disparate perceptions are collated in the form of feedback loop diagrams or stock and flow diagrams. These are basically visual representations of the problematic situation displaying explicitly the information or feedbacks underlying the problematic situation. It is this aspect of the SD process that is thus decidedly qualitative in nature as it is the views, opinions and perceptions of each of the stakeholders that will give rise to the visual representations of the problem situation. It may be that the picture of the problematic situation that emerges is very different and more revealing than each of the stakeholders perceptions alone, thus indicating one of the many strengths of this approach.

While SD is the systems thinking tool that shall be utilized for this study for reasons which shall be explained in more detail later, the whole array of systems thinking tools are aimed at understanding a problematic situation in a holistic manner, thus negating the deficiencies of a fragmented view. These systems thinking tools go further by recognizing that the perceptions of a problematic situation do not lie with a single stakeholder, or group of stakeholders, but rather that greater understanding emerges from the collective perception of a problematic situation

which can only emerge through the active engagement and discussion among all relevant stakeholders.

2.14 Qualitative SD

Qualitative SD relies mainly on the identification of problem issues, and the examination thereof via a process of graphical description in the form of CLDs or stock-flow diagrams, or a combination of both. Therefore, the emphasis moves away from the quantification of variables perceived as contributory to the problem issue and the subsequent simulations of the computer based model (Wolstenholme, 1985, 1999).

SD was originally a purely computer-based art as its main premise was to utilize the power of emerging technology in the form of computer simulations in order to understand and analyse complex socio-economic issues (Wolstenholme, 1999, p. 422).Stock-flow diagrams were initially developed to be merely a graphical representation and manner of organizing and housing the model equations for ease of access at later stages of the simulations. CLDs were introduced so as to make the feedback relationships between the elements of the model explicit and understandable. Initially, CLDs were constructed after the computer simulations to demonstrate identified feedbacks, but in recent times, the SD process often begins with construction of such CLDs in order to infer or hypothesize feedbacks and to infer the mode of behavior, or the behavior of the system over time (Jack Homer & Oliva, 2001, p. 347).

As the merit and power of investigating problem issues via the use of causal loop diagramming became more apparent, more support was given for the sole use of these graphical representations in the structuring and solving of problems, without the use of computer mapping and modeling. This led to the development of a branch of SD thereafter referred to as Qualitative SD which espoused the benefits of utilizing the qualitative or graphical aspects of the SD process without moving into the quantification and simulation stages. This development also promoted the use of causal loop diagramming as a key facet of recent approaches to organisational learning which become known as "systems thinking"(Wolstenholme, 1999, p. 422). The central tenet here being the use of such diagrams to infer the behaviour over time of the system being investigated, rather than calculate such behavior (as was and still is the case with quantitative approaches to SD). This was, and is, especially beneficial to people who may be more inclined in the art of inference, rather than calculation.

Currently, SD software programs such as iThink,Vensim, etc. allow for the construction of stock-flow diagrams which can then be supplemented with the necessary equations and parameters. These diagrams must first be constructed and thereafter the equations and parameters are entered into the various stocks, flows and converters, thus making the diagramming phase of the SD process an absolute necessity.

2.14.1 Considerations in the choice of a qualitative approach to SD

The qualitative aspects of the SD methodology thus consist of the representation of the problem issue in graphical form either in the form of CLDs or stock-flow diagrams, or in some cases both. This may be considered by some as not engaging the full capabilities of the SD methodology and tools, but an emphasis on the qualitative aspects of the process has its own unique merits (Wolstenholme, 1985, 1999):

The entire SD process from conceptualization and boundary identification of a problem issue to policy implementation on the basis of the learning from the simulations provides an extremely powerful tool for those aiming to look for long-term solutions with the least negative real-world consequences. However, the simulation and parameter estimation phases of the SD process are highly technical requiring mathematical equations and a high degree of mathematical understanding on the part of the modelers, as well as their audience, although some SD proponents would argue otherwise (Morecroft, 2007; Sterman, 2000) . More often than not it is assumed that if the modelers can run and understand the simulations that they will automatically be able to communicate their findings to their audience. This is not always the case. A bigger boundary to understanding the learning coming out of the repeated simulations is the mental capacity of the audience itself. Wolstenholme (1999, p. 423)believed that:

> *"...managers fall into distinct qualitative and quantitative ability groupings and the non-quantitative audience is much larger than the quantitative."*

The discoveries emerging from the simulations can be very powerful, but only if the audience understands the full complexity of the learning emerging from the simulations. This is often a challenge for people from a non-SD background, or who are not inclined to understanding knowledge of a technical nature as that warranted by the simulation phase of the SD process. It is then up to the SD modeler to gauge the skill and understanding level of his/her audience and if

it is determined that their mental frameworks may limit their understanding of the technical aspects of the SD process, than more emphasis on the qualitative aspects of the SD process, i.e. qualitative SD, may be a more beneficial approach, especially if it facilitates greater understanding and communal learning on the part of the audience.

As Wolstenholme (1985, p. 1049)states:

> *"The people who perhaps need an appreciation of systemic methods are rarely the ones who find highly quantitative approaches very compatible with their own philosophy. Hence, persistence with full SD studies is a strategy which does not penetrate the whole market of potential users."*

SD is not a very well-known methodology, especially in South Africa. Therefore, the audience and stakeholders often have to be "taught" about the process and equipped with the skills needed to immerse themselves in systemic thinking, so as to produce adequate information to the modelers to enable the construction of appropriate models. The process of converting all that is transmitted from the stakeholders to the modelers (via interviews, questionnaires, diagramming sessions, archival data, etc.) must then be reviewed and investigated multiple times (often by multiple people on the SD modeling team) and then integrated and synthesized into a stock-flow diagram and model (with accompanying parameters and equations) that most accurately represents the behavior of the system being investigated. Thereafter, the modeling team subjects the model to repeated runs or simulations to understand how the system will react to the implementation of particular policies. The process does not end there as the modeling team needs to ensure this learning is transmitted back to the stakeholders in a manner which is not only understandable, but simple enough for them to implement by themselves once the modeling team has left. Logically then it can be assessed that a full SD process will be time-consuming for both the modelers and those they are working with. In addition, it may be "too slow a method of facilitating change in many types of systems" (Wolstenholme, 1985, p. 1049).

Focusing on the graphical representations that underpin the problem issue being investigated, instead of rushing straight into the simulation stages, enables more time to be spent on ensuring that the influence or stock-flow diagrams are the most accurate representation of reality possible. Via collaborative engagement and rich communication around these graphical representations (and the increased awareness and understanding of the problem issue that emanates thereof), stakeholders are more empowered to conceive of, and practically implement change by

themselves (Wolstenholme, 1985, p. 1052).This may not happen as easily or readily if they have to first take the time to learn how to operate the simulations themselves, conceive of possible policies in the language of modeling, revise the model based on such policies, learn from the subsequent simulations and then craft policies that will be able to practically bring about the change observed in the computer simulation. This entire process and the time and energy required of it may detract them from even engaging in the SD process in the first place. Therefore, qualitative SD is one attempt to present a more appeasing form of the science that will be more readily accepted by those not inclined to understanding their worlds in parameters, equations and graphs.

Qualitative approaches to SD call upon all stakeholders involved to collaborate about the problem they are seeking to understand through engagement and discussions with the SD facilitator and one another. This process encourages the explication of mental models (or personal ways of perceiving the problem situation) which are regarded as sources of vital information, especially with regard to attempts to come to system wide interventions for the setting being examined. By organizing their mental models into CLDs, stakeholders are able to see the manner in which their perceptions of the problem situation relate to that of their peers, colleagues and superiors. This activity also enables stakeholders to get into the mind of those they are working with by seeing their thoughts in a visual format which is easy to understand and which they can then interrogate in order to clear up misunderstandings or confusions with regard to the explicated diagrams.

This can be equated to the idea of a projector and laptop, only the owner of the laptop will be privy to the information he/she looks at on his/her screen and only when a link is made between the laptop and a projector, can others be privy to this information. In the same way, mental models are like the information confined to the laptop and diagramming becomes the link that is able to make such information visible and explicit for all to see, thus opening the door to communal understanding, engagement and interrogation. This deep level of communication between the stakeholders also encourages them to diagnose the problems they are encountering and take ownership of the process of bringing about some degree of improvement in their particular setting (Wolstenholme, 1985, p. 1053).

Converting mental models into diagrams further facilitates the inference of modes of behavior. This is a representation in the form of a graph of how the system may behave over time based on

analysis of whether the loops identified are reinforcing or balancing, or a combination of both (Morecroft, 2007; Sterman, 2000).
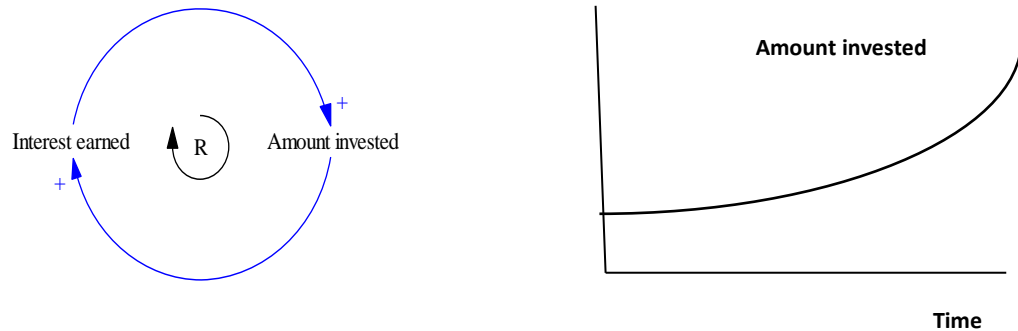
Figure 2-2: CLD and depiction of behaviour over time

In the diagram above, the CLD on the left shows how amount of money invested increases, as interest is earned on it. This larger amount of money then allows more interest to be earned, increasing the amount invested still further. The graph on the right reflects the exponential growth in money invested over time, indicating how a CLD can be used to infer the behaviour of variables over time. In this example, the reinforcing loop is used to infer exponential growth in the amount invested over a time period.

Inferring the behavior of the system over time allows stakeholders to be aware of future states of the system so as to develop strategies to deal with such future states. Even though an understanding of the possible future behavior of the system can be inferred more richly and readily from computer simulations characteristic of the quantitative stages of the SD process, the mental inferences acquired from the CLDs do nevertheless contribute to this aim to some degree. The investigation of these loops can also form the basis of identification of generic system archetypes which reveal the unintended consequences of particular actions or policies, thus facilitating the implementation of more effective policies (Wolstenholme, 1999, p. 424). These generic archetypes and their mobilization in the above aim will be explained in greater detail later.

A firm grasp of the understanding required to build and simulate a full SD model has become relatively easier with the advent and continuing development of a number of software packages

such as iThink, Vensim, etc. However, for beginners and those unaccustomed to thinking in stocks, flows, equations and numbers, the process of constructing a model, simulating it, understanding what the model is "saying" and making the subsequent policy and model adjustments to produce better system behavior over time can be daunting, difficult and time-consuming. It is also important to recognize the SD process as one that must involve all stakeholders intensely. Therefore, they must be able to understand and engage with every stage of the SD process. However, since *"the blend of skills for expert modelling competence is difficult to find…"*(Wolstenholme, 1999, p. 425),a qualitative SD process that relies more on diagramming rather than the arduous construction, simulation and understanding of computer models may be more suited to a non-SD inclined audience, especially if the time to develop their quantitative SD skills and subsequent computer models, is limited.

Another much debated concern with regards to SD computer modelling is the challenge in converting soft variables (for example: organisational performance, motivation, qualification levels, stress level, etc.) into numerically based equations, which is an absolute necessity when it comes to the simulation phase of the SD process (Royer & Zarlowski, 1999; Swilling & Russell, 2002).Each converter, stock and flow must be supplemented with numerical figures and/or equations without which the stock-flow model cannot be simulated.

 It often happens among SD practitioners that the difficulty in numerically defining soft or psychologically-based variables can lead them to hazard "guesses" or to produce erroneous or illogical equations to the detriment of the model as a whole (Royer & Zarlowski, 1999), with Coyle (2000) asserting that the quantification of such variables is next to impossible. In such circumstances, a model is produced that may not accurately reflect the reality the SD team is investigating, or even worse, which produces knowledge which is "plausible nonsense" as Nuthmann (1994) likes to call it. When we throw into the mix an audience or stakeholders who are not totally savvy in the ways of SD equation writing, this could ultimately contribute to a computer model and subsequent simulations that are highly flawed, thereby affecting and/or hampering the learning emanating from these simulations.

The importance in the above challenge is the identification of the lack of the needed skills and understanding on the part of both the audience and the SD team in dealing appropriately with the quantification of soft variables, especially since these variables are often crucial components of all social systems and problem issues. Therefore, not being able to properly quantify them, or not

being able to understand the quantification of soft variables can become a major hindrance in developing an "accurate" SD model and in disseminating the learning that emerges from the quantification process and subsequent simulations to stakeholders. This obstacle can be prevented by taking a more qualitative approach to the SD process by engaging with the problem issue through causal loop and stock-flow diagramming, especially when dealing with stakeholders that are not mathematically inclined, those who have a very limited SD background, or none at all (Jack Homer & Oliva, 2001; Royer & Zarlowski, 1999; Swilling & Russell, 2002). In fact, the move towards a more qualitative approach has been an attempt by SD practitioners to increase the utilization and relevance of SD, especially among senior managers (Wolstenholme, 1993, p. 925).

Causal loop diagramming engenders in the stakeholders the ability to move away from focusing just on the direct explicit problematic behaviours in their organization (or other context) and develops in them the capacity to recognize the complex array of feedbacks underlying the problem situation, i.e. the structure of the problem. As Jack Homer and Oliva (2001, p. 349)assert:

> *"Their usual intent is to improve the process of thinking about the structure underlying a problem-including feedback loops and perhaps time delays, accumulations, and nonlinear effects…"*

This is facilitated by both causal loop diagramming and stock-flow diagrams, as well as a number of other systems thinking graphically-based tools such as Wolstenholme and Coyle's Modular approach or Checkland's Rich pictures (Jack Homer & Oliva, 2001, p. 349).There is also merit in using these diagramming tools in combination with one another to contribute to a deeper interrogation of the problem issue, decrease the weaknesses of each alone and promote knowledge capture and learning (Wolstenholme, 1993, p. 929).

Although engaging in a SD process that incorporates both the quantitative and qualitative aspects mentioned earlier has more merits than engaging in each of these alone,

> *"…there is clear value in helping a client recognize the existence of delayed responses and self-reinforcing side effects and possible sources of policy resistance*

that, without a process of mapping, would remain mere unarticulated concerns,

vague observations, or simply ignored altogether."

(Jack Homer & Oliva, 2001, p. 353).

Thus, policy decisions based on a partial understanding of system structure and feedback influences (as that emerging from the qualitative approach to SD), may not incorporate a full understanding of the dynamics of the system over time, but will nevertheless produce better policy decisions than those based on no understanding of feedback structures at all.

2.15 Methodological considerations and critiques

One methodological issue to consider with regards to the distinction between qualitative and quantitative SD is that although many authors propose and adopt an either-or approach in terms of alignment to the merits of either a qualitative or a quantitative approach, qualitative and quantitative SD methodologies are not totally divorced from one another. There are qualitative (or meaning-related) aspects and quantitative (or numerical) aspects in many of the stages that are defined in the literature as definitely "quantitative" or "qualitative". Below is a table indicating the researcher's perception of the qualitative and quantitative aspects of the various stages of a conventional SD methodology:

Table 2-4: The overlapping of qualitative and quantitative aspects in the SD methodology

Stage of the SD process	Description	Nature of the process
Problem articulation/Problem definition	Involves engagement with stakeholders& relevant data to define & articulate the actual problem being encountered.	Qualitative
System conceptualization/Creation of the Dynamic hypothesis	Probing deeper into the causative factors of the problem situation & identification of the feedback relationships between such factors.	Qualitative

Model formulation/model representation	Conversion of the above information into stock and flow computer-based models which are then repeatedly simulated	Qualitative &Quantitative
Testing/evaluation of the computer model	Subjecting the computer model to particular tests to determine its robustness or validity	Qualitative and/or quantitative
Policy formulation	Using the discoveries from the repeated simulations to craft policies for better improved system performance	Qualitative & Quantitative

The problem articulation stage is perceived as being qualitative in nature because the defining of what the "problem" is, is often done by the SD practitioner in tandem with the stakeholders. This information could be derived from typically qualitative data gathering tools such as interviews, focus group sessions, open-ended questionnaires, etc. This may also be facilitated through investigation of key documents, policies, archival data and any other source that provides valuable information pertaining to the problem situation. Information gathering for the construction of CLDs, stock-flow diagrams and the subsequent computer simulations usually relies on a combination of these approaches to get the most accurate, in-depth picture of the problem situation as is possible. Quantitative data in the form of numerical data, statistics, financial reports, etc. may aid this process, but the ultimate aim is looking beyond the superficial manifestations of the problem situation to understand the deeper lying feedback relationships that give rise to, and sustain the identified problem-an aim made more possible by qualitative engagement with the stakeholders.

This emphasis on qualitative engagement bleeds over into the next stage of conceptualizing the system via the creation of a dynamic hypothesis. Essentially, this entails identifying all the variables involved in the problem situation with special consideration of how these variables

influence one another. This is often in form of CLDs that depict each variable and the nature of the relationship between them as either reinforcing or balancing in nature. This process involves ongoing and intensive engagement with stakeholders and related archival data and other organisational documents, thus making it a process that depends on rich qualitative data.

The system dynamicist then utilizes all the data and learning about the problem situation that emerges from the previous two stages to construct stock-flow diagrams. Once these stock-flow diagrams are constructed, each stock, flow and converter is supplemented with numerical parameters which can range from simple numbers to more complex equations, to depict the nature of the relationship between the connected variables. Therefore, while the construction of stock-flow diagrams depends largely on the qualitative data acquired from the previous two stages, its eventual operation in the form of computer simulations requires numerical input and equations, or quantitative data. For this reason, the table above depicts the model formulation stage as being quantitative and qualitative in nature.

Once the model is created and simulated, its efficacy and validity is often evaluated using a combination of tests. Model validation can take the form of a myriad of tests depending on the preference and/or needs of the modeler and the context being investigated. However, most validation tests combine both qualitative and quantitative evaluations of the model in order to determine its validity (Patel et al., 2007, p. 186).Qualitative in the sense that the structure of the model is evaluated by for example, checking whether the stock-flow diagram is an accurate description of reality, possibly through engagement with stakeholders, and quantitative by assessing the correctness of the model equations in the process of simulating the model. However, the reliance by the modeler on either qualitative or quantitative methods of testing the model will vary depending on the test/s they decide to use to assess model validity & their philosophical assumptions with regard to the issue of validity in general.

It is important to recognize though that this distinction between qualitative and quantitative testing is less "black and white" as it appears to be because when assessing the validity of the qualitative structure of the model, the modeler may consult both qualitative and quantitative data. For example, they may refer back to archival data, statistics and existing theoretical knowledge to assess whether the model depicts reality sufficiently well. Similarly, to assess the validity of the quantitative parameter equations, the modeler may have to consult a combination of existing literature and numerical data. Thus, we can see that model validation can possess

shades of grey in terms of being neither solely quantitative or qualitative in nature, but by drawing on aspects of both these approaches.

Validation is also not a once off process to be done straight after the model is "completed", although it may appear as such in explanations of the stages of the SD process (Patel et al., 2007, p. 184). Every stage of the SD process, and all subsequent changes to the model structure and parameter equations, should be assessed for validity so as to determine whether it is actually and accurately reflecting the system or issue being investigated. Building confidence in the purpose and usefulness of the model must be done before and even after policy recommendations are implemented (Patel et al., 2007, p. 184).

This is the only way to ensure validity in a methodology that is highly iterative in nature. Validation of policy recommendations requires continuous examination of whether the models behavior is satisfactory or not in repeated simulation runs. This stage is also prone to the shades of grey phenomenon described earlier as simulations that will produce more desirable behavior will require adjustments of possibly both the model and the parameter equations requiring the use of supplementary qualitative and quantitative data.

Based on the above argument, the SD process consists of an inter-mingling of both qualitative and quantitative aspects. Thus, we can revise the earlier figure depicting certain stages as being purely quantitative or qualitative in nature to a more accurate representation, depicted below, which recognizes that both qualitative and quantitative approaches to SD progress in a very similar fashion:

Qualitative

Problem articulation

Development of a dynamic
hypothesis

Formulation of a model

Testing/Running of the model

Implementing the findings/policies

Quantitative

Qualitative and
Quantitative SD
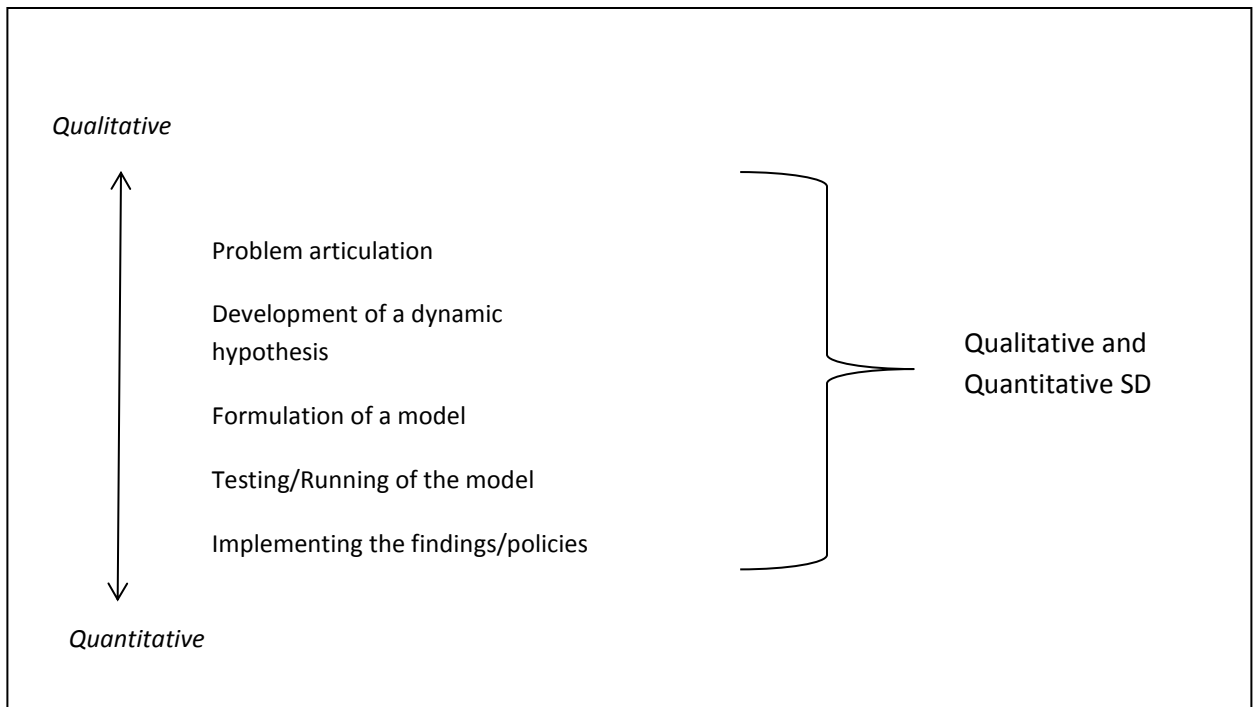
Figure 2-5: Qualitative and Quantitative aspects exist throughout the SD process

In the case of Qualitative SD, the "model" will in most cases, refer to CLDs, with "testing/running of the model" referring to close examination of the loop structure to possibly infer behaviour over time and/or generic archetypes, after which the findings that emanate from such an examination can be applied to the area of investigation.

Another critique regarding the SD methodology is the extent of its interpretive nature (Jackson, 2000, p. 145). This pertains to the idea that much emphasis is put on the fact that SD, whether quantitative or qualitative in nature, focuses primarily on the structure of the investigated system, and it is this structure that is advocated as being responsible for the overall behavior of the system. The opposing standpoint is the fact that the behavior of the system actually arises from the manner in which people interact on the basis of the meanings they attach to the situation, rather than from the feedbacks governing the situation itself (Jackson, 2000).

Especially when the CLDs and stock-flow diagrams are the outcome of an empirical inquiry process consisting of intense engagement with stakeholders, we cannot refute the idea that it is the feedback structure of the identified problem that results in overall system behavior. However, the variables identified as comprising such feedbacks is entirely dependent on the stakeholders' perceptions and interpretations, thus lending a degree of credence to the idea of

interpretive tendencies in the modeling and diagramming process. Added to this, is that SD is often used to model complex social systems and realities and these systems and realities are by their very nature constituted of various ways of thinking, perceiving and acting upon the world. As Jackson (2000, p. 154) concludes:

> *"...interpretive and emancipatory systems thinkers…cannot forgive its attempt to present itself as an objective and neutral approach in the domain of social systems where "objectivity" and "neutrality" are simply impossible to obtain."*

For this reason, interpretive systems thinkers aim rather to make the perceptions surrounding an issue and the meanings attached to it explicit, rather than attempting to model the entire system. Qualitative SD which focuses more on the graphical representation of the feedbacks contributing to a problem situation is more geared toward such an aim as it does not force the SD researcher/facilitator to move onto the computer simulation phase of the process. More attention is given to constructing CLDs indicating the main variables in the problem situation and how they influence one another. When these "variables" are extracted from empirical work such as interview data, such diagrams can be highly interpretive in nature since they are based on the meanings the interviewees have ascribed to the phenomenon being investigated. Even in the case of archival data and documentation (as was utilized in this study) it is important to remember that these documents were also constructed based on a person's or team's conception of the issue on which the document was based, and will thus be subjective in nature.

In addition, the person who constructs the CLDs and stock-flow diagrams also bring to the diagramming and/or modelling process their own set of assumptions, motivations and perceptions which naturally will influence the very nature of the diagram itself. For this reason, it is possible for the diagram and/or model to reveal more about the perceptions and interpretations of the modeler, than about the situation being modeled (Jackson, 2000, p. 155). Therefore, we have to question whether such efforts actually do explicate the actual structure of the system being investigated, or whether our denial of the subjectivity inherent in the elements making up such diagrams and models makes us ignorant of the interpretive nature of all diagrams and models.

This "interpretive" aspect is further lent credence by the idea of group model building, which Vennix(1996, p. 145)defines as using teams of people to build SD models in an attempt to foster team learning, bring about consensus and to encourage commitment to improving the problem

situation. Central to this is the idea that each person has their own way of looking at the problem situation and thus their own understanding of it, and it is through the group coming together and engaging in building the diagrams and models from the earliest stages of conceptualization, that group consensus can be achieved. It is this coming together to create a shared interpretation of the situation that also hints quite explicitly to the idea of system behavior as being generated by people's behavior arising from the meaning they attach to the situation, rather than from system structure alone. There are also contentions around Vennix's idea of the group automatically and eventually coming to some sort of consensus, as this does not always happen. In some cases, consensus can be perceived as being forcefully brought about by the group modelling facilitator which some would regard as unethical.

All SD processes whether quantitative and/or qualitative in nature must begin with engagement with the stakeholders to define what the "problem" is and to construct the CLDs. Even with group model building as described above, these stakeholders tend to be those most knowledgeable with regard to the situation being modeled. This is often assumed to be the people in the higher echelons of the organisational structure who have a broad overview of the problem situation. For this reason, people at lower levels are often omitted from the diagramming and modelling phases of the SD process. The fear here, especially for emancipatory systems thinkers is that the views of the ones who possess the most power in the system are privileged over the voices of those with comparatively less power, thus leading to models entrenched in this power differential. Such models may eventually lead to policies that serve to further entrench the status quo and privilege those in power.

Thus, extra caution and responsibility must lie with SD practitioners to ensure that as many views are incorporated in the diagrams and models, and that models that further entrench the status quo are avoided. How this is to be done remains a complicated endeavor, especially when the system dynamists is often only given the authorization to collaborate with particular people in the organisation, and prohibited from procuring the viewpoints of all others. This is worsened by the fact that "*this does not worry SD experts who too often see their role as being limited to offering solutions before disappearing, leaving the decision makers to do the implementation*" (Jackson, 2000, p. 155).

Qualitative SD's emphasis on the creation of CLDs is based on the recognition that in bringing all relevant stakeholders together some degree of consensus can be achieved in defining what the

problem actually is, in recognizing how all their problems are linked and in co-constructing ways in which to go forward in terms of dealing with the problem (Jack Homer & Oliva, 2001, p. 349). Since this methodology is often applied to complex or "messy" issues, consensus among the stakeholders involved in the complicated problem situation, is regarded as the first stepping stone to more effective management and (hopefully) resolution of the problem situation. Thus, clearly the qualitative approach has much significance in such messy problems. However, the corresponding danger is that as more views are incorporated to increase the chances of consensus among all stakeholders, the CLDs become more complicated for the non-SD inclined stakeholders to understand. Therefore, without the assistance of a skilled facilitator who can bridge this gap in understanding, the stakeholders may struggle to understand the findings and implement the recommendations once the facilitator leaves.

While modes of behavior (or how the system will behave over time) can generally be discerned through the examination of simple CLDs, this task becomes relatively harder as the diagram becomes more complicated (Jack Homer & Oliva, 2001, p. 350), as more and more ancillary data and the views of additional stakeholders are incorporated. This reduces the "dynamic" nature of the methodology, in the sense that if we cannot examine the structure of the system with a view towards inferring the behavior of the system over time, which is the crux of the SD methodology, how able are we to say that we did justice to the SD methodology overall and to what extent can we actually call this process "SD"? However, many proponents (Jack Homer & Oliva, 2001; D. C. Lane, 2000; Wolstenholme, 1985, 1999, 2003) argue that the qualitative aspects of the SD methodology, i.e. the explication of mental models via the use of diagramming and efforts towards attaining consensus among stakeholders, is of utmost value in the overall SD methodology, whilst also possessing great strength as a sense-making device in of itself. While computer simulations are obviously better predictors of the future behavior of a system, CLDs do have the capacity to provide an idea of the system's future behavior, albeit not as powerful or accurate as that generated by the computer simulations.

Another significant methodological consideration is the fact that the gamut of tools and methodologies falling under the "Systems Thinking" umbrella is relatively recent and thus still not completely understood amongst the audiences it is utilised with, especially when considering the African context of this research. This extends to the SD methodology with evidence being the lack of any knowledge of this approach among the research participants involved in this study. This sometimes contributes to a recurring tendency in which recommendations are not

easily accepted and implemented because of *"the separation between decision makers and analysts while the latter are away building and testing elaborate computer models"*(Jackson, 2000, p. 142).

However, especially in the above context, this separation arises due to the differential created by the research participants with their lack of, or limited awareness of the methodology on the one hand, and the researcher with their in-depth knowledge of the methodology on the other. This may lead to situations in which the researcher may deem the educating of the participants on the methodology a time consuming process, time which the participants themselves may not have available to dedicate to the process, while the research participants may distrust the findings and recommendations emanating from the study, because they do not understand the process from which they were derived. This would make them less likely to implement the findings and recommendations, and contribute to the perception that the methodology in itself was ineffective. Thus, the utilization of methodologies like SD in contexts in which little or nothing is known about them, can be a challenge requiring a plethora of skills from those wishing to utilize such methodologies.

This also presents some support for why the qualitative approach in SD was utilized in this study. Not only did the researcher have to take into consideration that this was not a well-known methodology, but she also had to ensure that when the findings and recommendations were produced, that her audience would have sufficient knowledge of the process to be able to implement, or at the very least, to understand such findings and recommendations. For someone who was a novice in utilizing the SD approach, she understood firsthand how difficult it would be for the research participants to understand the SD process, especially since they had no prior SD knowledge. Therefore, instead of utilizing all the quantitative elements which would have made it necessary for her to spend many hours divorced from the setting from which she acquired the data, to be able to construct effective and workable simulation models, she chose to involve the participants as much as was possible so that they could get some understanding of the more easily comprehendible qualitative aspects of the process. Thus, while they may have not been directly involved in the construction of the CLDs, it was a choice made by the researcher to employ the use of such diagrams to generate the findings and recommendations, instead of the computer simulations which may have been too complicated for the participants to understand. This is not to say that people cannot be taught to understand feedback relationships,

stocks and flows, nonlinearities and time delays (Sterman, 2002, p. 511), but rather that it requires much time, training and practice.

2.16 Conclusion

Based on the extant literature and considering the context of this study, "sustainability" was taken to refer to the NPO's ability to survive and operate effectively into the future whilst remaining dedicated to the efficient fulfillment of its proposed social mission. According to Weerawardena et al. (2010, p. 354),

> *"...the need for sustainability has made a tremendous impact on NPOs forcing*
> *them to adopt a strategic orientation in all activities undertaken by them."*

Thus, the striving for sustainability can be regarded as being at the heart of non-profit organisational operations and management and is directly related to their ability (or inability) to fulfill their social mission. If the non-profit cannot sustain itself, it cannot produce the social benefits it promised and this will impact the very reason for its existence. Thus, the issue of sustainability is imperative to the survival of all NPOs, especially since such organisations occupy a more uncertain and perilous position than conventional organisations (Morris et al., 2007). The issue of sustainability should therefore be uppermost on the agenda of non-profit managers and leaders as it will determine the manner in which they do business and whether or not they will ultimately survive (Mesch, 2010).

This chapter also examined the methodology employed in this study, namely SD generally and the qualitative approach to SD specifically. The Qualitative SD methodology served as a guiding framework for the manner in which the data was analysed, with specific emphasis on identifying the variables operative in the sustainability of the Oxfam GB affiliate in SA. The next chapter shall provide more detail as to how this study was designed to ensure an effective investigation of the issue of non-profit sustainability in a particular organisation from a Qualitative SD perspective.

CHAPTER THREE: RESEARCH DESIGN

3.1 Introduction

This chapter highlights the manner in which the research was designed in an attempt to meet the research objectives and answer the research questions adequately. It shall cover aspects such as the essence of the research problem, the approach taken to the research, the sources of data utilised, selection of the research sample, considerations in the pilot interviews, strengths and limitations of the research tools/data sources, the analysis of the data, the manner in which the reliability and validity of the findings were ensured and ethical considerations in the study.

3.2 Research Approach

3.2.1 A Holistic approach

It was recognised that in order to investigate the issue of the sustainability of a NPO a broader framework or methodology had to be employed. This is because, as stated before, the sustainability of an NPO is a complex issue resulting from the interplay of various variables both internal and external to the actual organisation. Examining any of the aspects alone, would undoubtedly lead to learning of some sort, but in terms of the overall sustainability of the NPO, it would only provide a fragmented perspective. For instance, exploring how the financial dynamics within the NPO influences its sustainability would produce knowledge and learning on just the financial sustainability of the organisation. However, even well-funded organisations can sometimes demonstrate operational inefficiencies that negatively affect their overall sustainability.

Thus, it is important to recognise that "sustainability" is a complex issue that arises from the interplay of a number of functions, operations and spheres that constitute the organisation and therefore it was imperative to utilise a framework that could make sense of, and properly deal with, all the complexity and intricacy of the issue of non-profit organisational sustainability. As Jackson (2000, p. 1) states:

> *"Complex problems involve richly inter-connected sets of "parts" and the relationships between those parts can be more important than the nature of the parts themselves. New properties, "emergent" properties, arise from the way the*

parts are organised. Even, if the parts constituting a complex situation can be identified and separated out, therefore, this may be of little help because the most significant features, the emergent properties, then get lost."

Systems thinking is proposed as a more holistic way of examining such complex social problem issues because it is centred on the philosophy of Holism. Holism states that it is important to examine all the aspects of a problem issue as it is the interaction and relationships between these various aspects that gives rise to the problem issue (Jackson, 2000, p. 2). However, Systems Thinking is an umbrella concept encompassing a wide range of philosophies, tools and methodologies all based on the principle of holism, but different in varying regards. The full depth and breadth of the philosophies, tools and methodologies constituting "Systems Thinking" is not the focus of the study and would be far too lengthy a discussion to include here. This study was guided by one of these Systems Thinking methodologies known as System Dynamics (SD). Thus, SD served as the theoretical framework guiding this research.

SD is based on the premise that systems are constituted of more than just particular variables, but rather that the behaviour of the system as a whole is governed by the feedback processes between such variables, thus it becomes critical to have a deep understanding of the structure of the system, in order to understand its behaviour and implement effective problem solving policies (Jackson, 2000, p. 139). Since the emphasis is on the structure of the system as the root of all problem issues and examining the system holistically is a priority, SD moves beyond the common tendency in the field of management to place blame for organisational ills on the employees, managers and/or customers (Milstein & Homer, 2006, p. 3).

When it comes to the issue of the sustainability of a NPO, often the spotlight falls onto the head of the organisation to ensure that the organisation remains competitive and survives all external turbulence and complexity. However, organisational "sustainability" is a multi-faceted and multi-dimensional concept arising from the feedbacks between a myriad of human actors, various strategies, organisational processes and departmental functions. It is not simply something that emerges from the actions and strategies of leaders alone. Therefore, the SD methodology which recognises and respects the interconnectedness of all variables comprising a system, as well as the feedback processes at play in a system's behaviour, seemed to be a suitable framework for investigating the sustainability of the NPO in this study, namely the Oxfam GB affiliate in SA.

According to Milstein and Homer (2006, p. 2), SD as a methodology addresses the following five lines of inquiry:

- *What aspects of a system's behaviour are of concern?*

When examining the sustainability of this affiliate of Oxfam, we had to focus on extricating the variables most involved in the overall issue of the organisation's sustainability as this was the particular behaviour of the system which this research sought to investigate.

- *Why are those features changing in those ways at those times?*

Beyond simply identifying the variables involved in organisational sustainability, we had to recognise how these variables interacted with one another and the feedback processes at play between them, thus giving us an indication of why the system behaves as it does.

- *Where is the system headed if no new action is taken?*

By being aware of why the system behaves as it does and the variables at play in this behaviour, it was possible to identify the consequences of particular organisational dynamics (through identification of generic system archetypes) that would influence the organisation's overall sustainability.

- *How else can the system behave, if different decisions are made?*

Insight into how the system will behave allows policy makers and stakeholders to assess for themselves whether such behaviour is satisfactory or non-conducive to the organisation's well-being (and overall sustainability). Thus, they are able to investigate how the system will behave under the influence of various decisions or policies. Policies that produce unintended, negative consequences can in this way be avoided before they are implemented, thus saving the organisation time, resources and unwarranted embarrassment. This is of particular importance in the case of non-profit sustainability, as time and resources are often in short supply in these types of organisations. Thus, any attempts to implement policies that bring about overall sustainability, without depleting the NPO of its resources will be an extremely beneficial approach to investigating the sustainability of such organisations.

- *Who has the power to move the system in a more desirable direction?*

In the case of non-profit sustainability, which is a complex and multi-layered issue, it can be extremely difficult to pinpoint a particular person as being responsible for the entire system or organisation. This is heightened by the belief that it is not a single person, or group of people

that influence system or organisational behaviour, but rather the feedback relationships between them, and between the multitudes of variables influencing the organisation's sustainability. The issue then becomes not really "who" has the power to move the system in a more desirable direction, but rather which "areas" or particular variables can be manipulated to produce more beneficial system behaviour that will ultimately encourage organisational sustainability. The issue of "who" will then pertain more to who has jurisdiction over those particular areas or variables so as to be able to influence them more readily than other actors within the same system.

3.2.2 A Qualitative approach

Besides being guided by a holistic, system thinking approach, this study was also conducted from within a qualitative framework. Qualitative research refers to an approach to research which produces data that is not quantitative or numerical in nature (Thorne, 2000, p. 68). It is underpinned by the belief that the nature of reality is subjective and that the investigated reality:

> *"...is that which takes place in subjective experience, in social context and in historical time."*

(Thorne, 2000, p. 68)

Qualitative data can be acquired using research tools such as open-ended questionnaires, focus groups, interviews, documents and/or textual material, video footage, photographs and personal or autobiographical accounts of events or particular phenomena. The focus is on using one or a combination of the aforementioned research tools to extricate information pertaining to the subjective experience of a particular issue, problem or phenomenon from the research participants. The emphasis is on extracting data that reveals the perspectives and "voices" of the respondents by revealing their mental models, in other words, their ways of perceiving, or their personal interpretations, of the particular issue, problem or phenomenon being investigated.

A central element of the qualitative research approach is its reliance on an inductive method of producing, interpreting and structuring the findings of the research process. The inductive approach often utilised by qualitative researchers refers to the use of data to generate ideas about a particular issue or phenomenon (Thorne, 2000, p. 68). Therefore, for instance, the qualitative researcher who conducts interviews and focus groups will use the data acquired from such interviews and focus groups to make pronouncements about the phenomenon they are

investigating. This study relied on textual data, as well as the data emanating from lengthy interviews with pivotal members of the Oxfam GB affiliate in SA, in order to generate discoveries about the organisation's sustainability.

Interpretation is inherent to a qualitative research approach, both on the part of the researcher and the research participants. As Baumard (2001, p. 81) asserts:

> *"...the qualitative approach allows for both the subjectivity of the researcher and that of the subjects at the same time."*

Thus, each research participant possesses a particular interpretation or perspective of the issue under investigation which the researcher must respect and accommodate in the study. The researcher therefore needs to interpret the subjective meanings which the research participants ascribe to the issue under study. However, the manner in which they do so will depend on their own ways of thinking about the issue being studied and their ways of thinking about social reality in general. This exemplifies the notion of the inherent subjectivity of the researcher which is especially recognised and accommodated in qualitative research approaches.

It is important to point out here that the qualitative nature of the study fits appropriately with the SD approach mentioned earlier. Qualitative research focuses on the research participants' subjective interpretation of a particular issue. SD (and most systems thinking methodologies) seek to extract such interpretations (what they call "mental models") in order to get the most accurate understanding of a problem issue as is possible because those embedded in and dealing with the problem issue will have the most accurate perceptions of it.

> *"It is through the iterative process of making a participant-observer's perceptions or 'mental model' explicit they say, that improved learning, understanding and policy formulation arises."*

> (Radzicki & Trees, 1992, p. 549)

SD accords such a high degree of importance to the extrication of mental models that it goes as far as proposing that the quality of a SD model is directly and inherently dependent on the

quality of the mental models that were made explicit during the process of engaging with stakeholders and/or research participants (Radzicki & Trees, 1992, p. 549).

Creswell's (2009, pp. 175-176) investigations into the qualities of qualitative inquiry reveal a number of characteristics common to all qualitative research. The table below depicts these characteristics with a brief description of each characteristic and its relevance to this particular study:

Table 3-1:Core characteristics of qualitative research and relevance to this study

(Creswell, 2009, p.175-176)

Characteristic of Qualitative Research	Description	Relevance to this study
Researcher as key instrument	It is the researcher in qualitative research that takes responsibility for the collection of data. They may use a particular instrument such as an interview schedule but it is the researcher themselves that must conduct the interviews and gather the information. This differs from quantitative inquiry in which research instruments such as surveys are distributed widely and it is the instrument itself that gathers the data. Also, qualitative researchers tend to construct their own research	The researcher conducted interviews with key role players in the Oxfam GB affiliate in SA. Interviews were based on the sustainability issues of this NPO. Therefore, the researcher was responsible for collecting all the data emanating from the interview process. In addition, she consulted archival and textual documents and analysed this for the purpose of understanding the organisational processes of the NPO. The interview schedule was developed by the researcher and was not based on an existing

	instruments, instead of relying on those constructed by other researchers.	template. In addition, the researcher analysed all the data retrieved from the interviews, and the archival and textual documents.
Multiple sources of data	Qualitative inquiry usually relies on data acquired from more than one source such as a combination of interviews and focus groups for instance. This is an attempt to verify the authenticity of the data. All data is examined and common themes that emerge from all the sources form the basis of the research findings.	This study acquired data from the examination of existing documentation pertaining to the NPO Oxfam, as well as interviews with key role-players in the sustainability issues of the organisation. The analysis of both these sources allowed the researcher to recognise commonalities between them which served as the findings of this study.
Inductive data analysis	Qualitative researchers generate knowledge via an inductive approach. They utilise the data they acquire through particular research instruments and/or analysis of textual/audio/visual data to generate theories about the issue or problem they are investigating. This represents a bottom up approach beginning with the dataset and moving up towards the creation of abstract	The data emanating from the interviews, together with examination of the documentation formed the basis of the inductive approach to the issue of NPO sustainability. From an examination of these data sets, major themes were extracted-themes that were common across both sets of data. These themes then formed the basis of the findings and diagramming (to be

	themes that exemplify the essence of the data.	explained later) emerging from this study.
Participants' meanings	Emphasis is on the research participants' perceptions and personal opinions of the problem issue. It becomes the responsibility of the qualitative researcher to extract these perceptions and opinions so as to get the most accurate view of the problem issue.	This study centered specifically on the perceptions held by members of the NPO regarding their sustainability. These perceptions were extracted via lengthy interviews with key members within the organisation. In addition, a SD approach was utilised and a core element of this approach is the explication of the mental models of the stakeholders. Thus, the effectiveness of SD as a research methodology is predicated to a large extent on the researcher's efficacy in extracting such mental models.
Emergent design	The qualitative research process may follow a plan, but is not confined to adherence to such a plan. Thus, the research design is often emergent and may change if a particular step in the plan warrants it. For example, interview questions may change to foster better understanding, additional interviewees may be targeted, additional research instruments may be used, some	This study was guided by a particular plan which remained amenable to slight changes as the study progressed. For instance, time constraints, limitations in understanding on the part of the research participants and the complexity of the full SD approach prompted the researcher to undertake the research from a qualitative SD approach, rather than engaging in the time

	may be discarded, etc.	consuming and complicated quantitative aspects of the SD process.
Theoretical lens	Qualitative researchers often view their research through a particular lens or framework which will ultimately influence how they interpret and represent their findings. For this reason, it is good practice to state this theoretical lens at the outset of the research so that the readers or audience can make sense of the findings against the backdrop of the assumptions underlying such a lens or framework.	Systems thinking and the associated SD approach formed the theoretical lens for this study. Especially relevant to this case, was SD's core principles of seeing the big picture (holism), interconnectedness (feedbacks and feedback loops), the importance of individual perceptions of the problem issue (mental models) and the recognition of problem issues as arising from the interaction of all the variables comprising a system (emergence).
Interpretive	Interpretation is at the core of the qualitative process. The researcher interprets everything they see, hear and read through their own ways of perceiving the world, research participants interpret the problem in their own way and even the reader or audience will interpret the research outcomes from their own point of view. Thus,	The emphasis of the SD approach on mental models underscores the fact that each person will interpret a particular situation or problem from their own point of view, thus being complementary to the idea of the interpretive nature of a qualitative inquiry. Thus, how research participants interpreted the particular issue of their organisation's sustainability was

	qualitative research acknowledges the role of interpretation in the inquiry process and recognises that the researcher, participants and audience are all influenced by their particular backgrounds, histories and contexts.	respected and formed the basis of this research. It was also acknowledged that while the diagramming aspect of the SD process was based on the interpretations of the participants, it was constructed by the researcher, and was thus influenced by the researcher's interpretation of a combination of the situation, organisational documents and the empirical data.
Holistic account	Qualitative inquiry always attempts to provide a holistic picture of the issue being investigated. Therefore, this type of research often produces models that encapsulate the essence of what was learnt via the research process. A holistic perspective entails fully representing the perspectives of the participants, revealing all variables involved in the problem issue and adopting a big picture approach to the learning and knowledge that emanates from the research process and empirical work.	As explained earlier, SD is based on holism which encourages researchers to see problem issues as being composed of a number of variables and the interactions or feedbacks between them, instead of studying a single or a few variables in isolation. By basing all discoveries and diagramming on the mental models of participants, this study represented the perspectives of the participants. Engaging with stakeholders and existing documents, enabled the researcher to identify all the variables involved in the problem situation

		at that particular moment in time. Integrating all the participants' perspectives and the learning from the organisational documents allowed the researcher to develop a big picture perspective of the problem issue (in the form of the causal loop diagrams, to be explained in the ensuing chapters). Thus, this study provided a holistic account of the sustainability of the Oxfam GB affiliate.

3.2.3 A case study approach

In addition to the holistic and qualitative approach adopted by this study, a case study approach was utilised. The aim of this research was to essentially probe into the deeper lying mechanisms at play in a non-profit organisation's attempts to remain sustainable and operating effectively. For this reason, a case study approach was seen as a complimentary approach to the systems thinking perspective adopted by this study which also emphasises a deeper interrogation beyond the superficial symptoms of a problem issue or phenomenon.

According to Flyvbjerg (2006), it is of more importance to attempt through research to understand the underlying causes of a particular problem, for which a case study approach is most effective, as such approaches are able to provide a plethora of perspectives and in-depth knowledge of a case. He goes on to challenge the oft forwarded argument against the use of case studies based on their lack of generalizability(Royer & Zarlowski, 1999) by stating that not only is "generalizability" overrated in the research world, but not enough importance is given to research that produces exemplars within a field-of which case study research is most effective at doing. To proponents who argue that case study research is prone to high levels of subjectivism, Flyvbjerg asserts that even quantitative methods demonstrate the same bias, for example in the

choice of variables and categories the researcher chooses to include and exclude in his/her research instrument. For these reasons, case study research has just as much merit, and demonstrates no less rigor, than quantitative methods (Flyvbjerg, 2006).

In this study, a case study approach was facilitated by focusing the investigative aims on one particular case, in this regard, a single NPO. The NPO selected was Oxfam, an international NPO with branches throughout South Africa. The focus of the study was on the Oxfam GB affiliate in SA specifically.

The Oxfam website (www.oxfam.org) declares the contents of the following table as the Vision, Purpose and methods of achieving such a purpose, as a guiding framework for Oxfam organisations throughout the world:

Table 3-2: Vision, Purpose and means of achieving the purpose of Oxfam (www.oxfam.org)

Our Vision

1. Oxfam's vision is a just world without poverty. We envision a world in which people can influence decisions which affect their lives, enjoy their rights, and assume their responsibilities as full citizens of a world in which all human beings are valued and treated equally.

Our Purpose

2. The purpose of Oxfam is to help create lasting solutions to the injustice of poverty. We are part of a global movement for change, one that empowers people to create a future that is secure, just, and free from poverty.

Achieving our Purpose

3. Oxfam uses a combination of rights-based sustainable development programs, public education, Fair Trade campaigns, advocacy, and humanitarian assistance in disasters and conflicts. In doing so, we seek to be innovative and practical, and to learn from others in ways which will increase impact on a larger scale.

4. Oxfam challenges the structural causes of the injustice of poverty at global, regional, national, local, community and household levels, within the framework of rights-based development. We link local to global, and we work with partners at all levels. We do so through direct and alliance- based advocacy and campaigns, by strengthening and empowering local organizations, by helping people where necessary, and by assisting the development of structures which are accountable to and directly benefit people living in poverty.

5. Oxfam recognizes the critical importance of gender justice, diversity, active citizenship, transparency, good governance, and effectively responding to the environmental and other crises that confront vulnerable communities and developing countries.

6. In the pursuit of its purpose Oxfam will be accountable to all stakeholders, especially those living in poverty. We will be positive, optimistic, and committed, and will reach out to engage and include others.

While the organisation's main aim is the alleviation of poverty and injustice, Oxfam is involved in the following endeavors throughout the world:

- Assistance in emergency hit countries such as those affected by droughts, famine, conflicts, etc. with the purpose of helping poor people to deal with, and recover from, such crises.

- Raising public awareness through global and domestic campaigns regarding the root causes of poverty and empowering the public to take action in dealing with it.

- Intense engagement in advocating for equitable human rights, especially with regards to females and children, as well as to challenge practices and policies that perpetuate poverty and injustice.

- Engagement and collaboration in long-term and/or international projects and programs to alleviate poverty and counter injustice.

- Involvement in research and analysis through joint collaboration with domestic and international partners regarding policy and practice perpetuating poverty and injustice.

- Intense involvement in uplifting the status, rights and living conditions of women and children as marginalized members of the international community, with an aim to securing gender and child justice.

- Involvement in lobbying for more equitable land policies, especially in cases of land grabbing

- Support of "green" initiatives that highlight climate change and lobbying against policies and parties that perpetuate environmental destruction of any kind

- Lobbying and support for policies and practices which promote access to basic services and rights, such as the right to education, the right to health services, the right to be treated fairly, etc.

(Source: www.oxfam.org)

Human rights and the protection thereof, is at the heart of what Oxfam affiliates around the world do. Thus, the Oxfam Annual Report (Nuthmann, 1994) highlights the following five rights as forming a pivotal framework for all of Oxfam's social work throughout the globe:

- The right to a sustainable livelihood and decent living and working standards, especially for women. Some instances include campaigning for fairer trade rules and for the protection of natural resources.

- The right to basic social services such as health, education, clean water, etc. Oxfam often provides clean drinking water and health education and training programs to needy communities, as well as funding schools and training teachers.

- The right to life and security, especially in the aftermath of natural disasters and during political conflicts by for example, providing shelter, proper sanitation, food and clean water, as well as assistance in rebuilding destroyed homes and facilities.

- The right to be heard by empowering the poor and marginalized to speak up against poverty and injustice, as well as compelling those in power to listen and act. Encouraging women to speak out against inhumane working conditions and empowering poor farmers to lobby against unethical land grabs would be two examples.

- The right to an identity and to be treated as equals, especially when it comes to marginalized social groups such as women, children, disabled people and/or members of an ethnic or religious minority, especially since these groups tend to be the hardest hit by poverty and injustice due to their partial or full exclusion from, and discrimination by, larger society.

According to Yin (2003, p. 5), the choice of research strategy employed by the researcher will depend on three considerations, namely:

(1) What kind of research question the researcher wishes to address through their research

(2) The degree of control, if any, that the researcher has over behavioural events, and

(3) Whether the research focuses on recent or contemporary events

Case studies are employed when the researcher wishes to answer a "how" or "why" kind of research question, when they have no control over behavioural events and when the research seeks to examine an issue that is contemporary in nature (Yin, 2003, pp. 5-11). Therefore it seemed an appropriate fit with this kind of study because:

- The researcher sought to explore "why" sustainability is important to the particular NPO and "how" it could be promoted. It sought to identify "how" the NPO defined "sustainability". The study also explored what variables were involved in this organisation's sustainability and "how" these variables interacted to impact on the overall sustainability of the organisation. In addition, it explored "how" the changing external environment in which the NPO was embedded would influence the sustainability of the organisation.

- The researcher was an outsider with regards to the research setting as they were not employed by the particular organisation. Thus, they had no control over the behaviour of the organisation, its employees, nor operations within the organisation.

- The issue of the sustainability of NPOs can be regarded as a fairly contemporary issue, especially with the number of NPOs increasing every year, as well as the rapid closure of increasing numbers of NPOs due to struggles to remain sustainable in an increasingly complex and competitive environment. In addition, since the non-profit sector is now taking on the roles and responsibilities of the private and public sector, ensuring their sustainability has become an imperative focus.

Yin (2003, p. 13)goes on to define a case study as:

> *"An empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."*

This study therefore, with its focus on intensive empirical engagement and collaboration with the research participants, (namely key members within the NPO), its focus on the contemporary issue of NPO sustainability, its engagement with participants in the setting in which they operate and the fact that investigating the sustainability of this organisation (phenomenon) depends entirely on investigation of the organisation itself (context) qualify this study as a case study.

3.3 Sources of data for case study research

The sources of data or evidence for this case study included the investigation of existing documentation relating to Oxfam and its operations, and lengthy interviews with key members

of Oxfam. This combination of data sources were utilised as a good case study often is dependent on the complementary use of multiple data sources (Yin, 2003, p. 85) which allows the weaknesses of each one alone to be lessened, thus strengthening the reliability and validity of the overall research findings.

3.3.1 Organisational Documentation

Documents relating to the setting or organisation being investigated is of pivotal importance in any type of research generally, but specifically more so with regard to case study research (Yin, 2003, p. 87). This is because the sole focus of the research will be that particular organisation or setting, and thus it becomes imperative to understand the setting as much as is possible, as well as the dynamics at play in that setting, to be able to make valid pronouncements about the setting.

The investigation of documentation relating to Oxfam and its operations was of vital necessity in this study, as the researcher was an outsider. Thus, it was acknowledged that the inner working of the organisation was cloaked in vagueness which the researcher had to attempt to remove. One such attempt was via intensive engagement with and examination of Oxfam's existing documentation and archival material. This included all material available on their official website (www.oxfam.org), as well as a combination of reports, communiques`, strategy reports and articles from their online internal repository. Lists of all documents examined are included as an appendix(Appendix 3).

3.3.2 Interviews

Face to face interviews formed the core research tool used for acquiring data regarding this study. They were regarded as a worthy tool for revealing the respondents' views, opinions and interpretations regarding their organisation's sustainability and in this way served as a mechanism for the explication of their mental models regarding this issue. Before such interviews were conducted, a sample had to be selected.

3.3.2.1 Selection of the research sample for interviews

Interviews were conducted with members of the Oxfam GB branches in Johannesburg and Pretoria. Organisational members who were closely acquainted with the issue of this NPO's sustainability were the prime targets of such interviews. The sampling methods utilised to select

research participants were based on two types of Non-probability sampling known as Convenience and Judgemental sampling:

Convenience sampling is the selection of a sample (or a group of interviewees) on the basis of convenience and accessibility to the researcher (Lunsford & Lunsford, 1995). Thus, Oxfam GB members were selected due to the fact that they were in relatively close proximity to the researcher and because they were eager to engage in the research process and made themselves readily available to the researcher before, during and after the fieldwork.

The researcher's desire to engage in this study with an international NPO with local branches, to investigate an NPO of sufficient size and complexity, and to engage with respondents who possessed a global and holistic perspective regarding non-profit organisational sustainability rendered a sample based also on Judgemental sampling methods. Judgemental sampling occurs when the researcher makes particular judgements about characteristics that the sample should possess and/or exhibit in order to contribute to "better" research (Lunsford & Lunsford, 1995) such as the ones mentioned above.

Both convenience and judgemental sampling methods however, introduce a great degree of researcher bias or subjectivity into the research since they are based on the researcher's personal preferences or choice of a research sample (Lunsford & Lunsford, 1995). Thus, the researcher immediately influences the direction the research will take and the quality thereof, by making these choices. However, stating why they have selected the particular sampling strategy (as done here), will assist in acknowledging and thus, reducing the influence of this bias on the research process.

It was recognised that targeting only members of the Johannesburg and Durban branches of the Oxfam affiliate in SA would not reveal the overall dynamics at play in the sustainability of the whole Oxfam Confederation. However, this was the only viable option considering the time and resource constraints of the study.

Even though only members internal to the organisation were interviewed, while external stakeholders such as funders, government and corporate agencies, etc. were excluded, internal members were able to provide ample information regarding the dynamics between Oxfam and its external stakeholders. However, future studies may wish to address this limitation in order to

allow a more complete picture of the NPO's sustainability in the context of its external stakeholder environment to be etched.

3.3.2.2 The Interview Schedule

The interview schedule (Appendix 2) was formulated by the researcher and did not use an existing template. This was due to the fact that the investigation of non-profit sustainability using a systems thinking approach was non-existent at the time of the study and therefore, no prior templates had been developed for this purpose. It was also a challenge to formulate questions that would be "systemic" in nature as there existed no guidelines as to how this should be done. However, interview questions were crafted in such a way so as to elicit from respondents as much information as possible on the variety of factors at play in the NPOs sustainability and the dynamics or relationships between such factors.

Interview questions were all open-ended meaning that they could not simply be answered with a yes or no reply, but required more in-depth and lengthier answers from the interviewees. This exemplified the qualitative and interpretive nature of this research as it attempted to understand the varying interpretations and perceptions held by key members regarding Oxfam's sustainability. The open-ended nature of the questions also encouraged interviewees to reflect on the questions before providing their answers and provided the space for them to voice their personal insights regarding the area/s covered by the questions, as well as to point the researcher in the direction of relevant sources of data and/or other key informants. This was all conducive to the extraction of the mental models pivotal to the SD methodology as mentioned earlier. In addition, all interviews were audio recorded and transcribed for reference by the researcher after the interviews were concluded.

Although, the researcher formulated specific questions to be asked during the interviews, interviewees were allowed to digress from the questions asked when the researcher felt that such digressions could provide valuable information. Thus, the interview process was semi-structured and open to adaptations as the interview proceeded. This required the researcher to pay attention during the course of the interview at two levels (Yin, 2003, p. 90): firstly, to focus on the actual line of questioning as indicated by the interview schedule and secondly, to listen closely to what the respondents were saying so as to formulate follow-up questions when the circumstances warranted deeper exploration of what was revealed by the respondent. This enabled data to be obtained that moved beyond superficial answers to the questions in the interview schedule, to

responses of greater depth, meaning and consideration on the part of respondents. This kind of data was especially important when trying to identify the deeper lying feedbacks involved in the state of sustainability of the NPO. Thus, the interview schedule was an extremely beneficial and effective aid in contributing to learning about the sustainability of Oxfam GB.

The questions asked during the interviews were closely aligned with the objectives this study sought to achieve and the interview schedule was constructed with the purpose of answering the research questions. The table below indicates which interview questions in the schedule (Appendix 2) were meant to answer which research questions:

Table 3-3: Relationship between research questions and interview questions

Research question one: **How does the Oxfam GB affiliate in SA define 'sustainability'?**	1) How would you define 'sustainability' generally? 2) How would you define sustainability from a non-profit organisational perspective or context? 3) In what way is non-profit sustainability different from the sustainability of conventional businesses or enterprises? 4) How is it alike? 5) Is there something unique to your understanding of the concept of sustainability that is not included in the normal conception of it? If so, elaborate.
	6) What factors inside your organisation influence its sustainability? 7) What factors from outside the organisation

	influence its sustainability?
Research Question 2:	8) Your organisation is a single branch of an international network…how does this setup impact your sustainability…does it support your sustainability or hinder it, or both, and how so?
What factors impact the sustainability of the Oxfam GB affiliate in SA?	9) Are there any historical factors that support or hinder the sustainability of your organisation? If so, what are they?
	10) Describe any global/international factors that support or hinder the sustainability of your organisation?
	11) What are some of the factors unique to your domestic environment that influences the sustainability of your organisation?
	12) Rate these factors (as identified above) in order of most to least important in terms of their impact on the sustainability of your organisation.
Research Question 3:	13) You have identified a number of factors earlier as impacting the sustainability of the NPO…are these factors linked, do they influence one another?
	If yes, how so? If no, why do you think so?
How do these factors influence each other in impacting the sustainability of the Oxfam GB affiliate in SA?	How do these factors influence one another to influence the overall sustainability of your organisation?
	14) Why do you think these factors are linked?
	15) Do you think that the sustainability of your

	organisation depends on any one single factor, or multiple factors, mentioned earlier? Which one/s? Explain why.
Research Question 4: **How does the complex environment in which the Oxfam GB affiliate in SA is embedded influence the functioning of such an organisation?**	16) Your organisation is embedded in an 'environment' that refers to everything outside of your organisation, but that nevertheless influences your organisation's sustainability. If you had to define such an 'environment' in the context of your own organisation, what would it consist of? 17) What are some of the things from this environment that influences the sustainability of your organisation? 18) Does your organisation exert any influence over this environment? How so? Why do you think so? 19) What would an 'enabling' environment or an environment that promotes the sustainability of your organisation look like? 20) What is the biggest environmental challenge to your sustainability? Why do you think this is so? 21) Your organisation is the domestic unit of an international NPO. How does this influence your operations? How does it influence the funding you receive/ What kind of funding model has this created for your organisation?

	How does this influence the manner in which you use this funding?
	22) Are you often awarded funding or grants that provide the resources for a project, but do not cover the operational costs (water, electricity, rent, equipment costs, petrol, etc.) of such a project?
	How do you feel about this?
	Does it influence the success of the project in any way? How so?
	Does it create any dilemmas or difficulties with regard to the project/s, or for your organisation?
	How does this issue influence your organisation's overall sustainability?
	Are you satisfied with this state of affairs? If not, what do you believe should rather be done?
Research Question 5: **What lessons can we derive from the examination of the sustainability of the Oxfam GB affiliate in SA, through a SD framework?**	This question was answered by the researcher once the SD methodology was applied to the data acquired from the interviews and the analysis of existing documentation and archival data. Therefore, it was not a question for the research participants themselves.

3.3.2.3 The Pilot interview

A pilot interview is an interview that is conducted with an interviewee or respondent, or multiple interviewees or respondents, that will not be part of the final sample of people to be interviewed. The purpose is to gauge the effectiveness of the interview in eliciting the appropriate information from the interviewee. It also serves as a mean of assessing the interviewees' level of understanding of the interview questions, as well as picking up on any apprehensions they may demonstrate towards particular questions. Challenges in understanding the questions, or apprehensions towards answering them, will prompt the researcher to adjust the problematic interview question so that it may be more easily comprehended by the interviewee, or they may decide to remove it altogether if there is no way to do this. These adjustments, revisions and/or omissions are facilitated by the feedback the pilot interviewee provides to the researcher, as well as any observations on the part of the interviewer. For instance, if during the course of questioning the interviewee, the interviewer notices that they are uncomfortable, or apprehensive about answering a particular question, they may explore why the interviewee feels this way and discuss how the question can be changed to elicit a better response rate. Thus engaging in the process of conducting pilot interviews is of crucial significance in the fieldwork process, especially when interviews are the main source of data collection as was the case with this study. The iterative process of conducting the pilot interview, receiving feedback from the interviewee and adjusting the interview schedule accordingly can contribute to an interview schedule that is more effective in eliciting vital data, thus strengthening the research as a whole.

With regard to the pilot interviews conducted in this study, most questions were understood by the pilot respondents. Some suggested that the interview schedule was too long, in response to which it was shortened. There were also some areas which they felt were not adequately covered in the schedule, such as the dynamic created by funding provided only for projects without recognition of operational costs. Therefore, questions of this nature were then added in.

There were a few Systems Thinking concepts that arose through conversation with the interviewer (ancillary to the interview schedule, but not included in it) that had to be clarified, especially since the respondents were not familiar with such terminology. This was explained in the course of the interviews. Concepts specific to SD were not utilised in the interview schedule so as to avoid confusing the respondents. This did not hinder the discoveries emanating from the interview process as the researcher was focused more on identifying the factors at play in the

organisation's sustainability and the feedback relationships between them, for which it was not necessary to use systems thinking or SD-specific concepts.

3.4Strengths and limitations of the data sources and research tools

Interviews and the examination of organisational documentation formed the basis from which data was accrued by the researcher, thus contributing to the findings of this study. The rationales for the selection of these tools were explained earlier, but now we shall focus on additional strengths of these data sources and research tools, as well as their limitations or weaknesses.

Researchers typically select particular research tools and sources on the basis of their strengths and appropriateness to the issue being investigated. However, it is equally important to acknowledge their weaknesses as it is these weaknesses that may influence the quality and nature of the data. The following table demonstrates both the strengths and weaknesses of the data sources that were utilized in this study(Creswell, 2009; Yin, 2003, p. 86). The manifestation of these strengths and weaknesses in the context of this particular study will also be highlighted.

Table 3-4: Strengths and limitations of research tools and data sources utilized in this study(Creswell, 2009; Yin, 2003, p. 86)

Research tool/ Data source	Strengths and Limitations	Manifestation of strengths and limitations in this study
Face to face Interviews	**Strengths:** Data obtained immediately	This was especially important as the organisation was in a different province/state than the researcher. Thus, immediate data collection while at the research site was highly beneficial to the

		researcher.
	Researcher is allowed control of the questions asked and the manner in which they are asked.	The researcher was able to gauge, as the interview process with each interviewee proceeded, what questions to ask and was able to adjust the manner in which they were asked, especially with regard to questions that interviewees were apprehensive to answer and ones that they needed more clarification on. This iterative nature of adjustments to the interview schedule was discussed earlier.
	Participants can reveal historical information and point the researcher in the direction of key informants and vital information as the interview proceeds.	As the researcher engaged in interviewing the respondents, a relationship developed between them in which respondents would often suggest to the researcher other people or sources of information that they could consult to deepen their understanding, thus contributing to the researcher's understanding of the

		organisation's sustainability issues.
	Targeted: specific interview questions are capable of eliciting data that can answer the overall research questions.	Interview questions are amenable to being constructed so as to directly seek answers for the overall research objectives/questions. Thus, in this study, interview questions posited to the interviewees were effective in eliciting data that was able to answer the overall research questions stated earlier.
	Limitations: Researcher bias or subjectivity in the construction of questions/interview schedule.	Since the questions asked during the interviews were constructed by the researcher, such questions were influenced by the researcher's perceptions, opinions and ideas regarding NPO sustainability. This influenced the nature of the data emanating from the interview process and thus the overall findings of the study. The presence of the researcher may have also influenced the interviewees' responses to the questions, especially since the

		researcher was an "outsider".
	Responses highly subjective	Responses to the interview questions were highly influenced by the interviewees' perceptions, opinions and feelings regarding their organisation's sustainability. These feelings, perceptions and opinions tended to blur or distort the facts of the issue under study, contributing to data that was highly subjective in nature.
		However, in an attempt to reduce the amount of question and questionnaire bias, questions were kept as neutral as possible and respondents were informed that they did not have to answer questions which they did not understand or which they did not want to answer.
	Articulation, comprehension and perception abilities of respondents' can influence the quality of responses	The respondents in this study were sufficiently competent in answering the questions in the researcher's language (i.e. English). They were able to comprehend the questions,

		properly articulate their responses and adequately put their perception of their organisation's sustainability issues into words and sentences. Thus, this was not a limitation with regard to this study. However, the articulation, comprehension and perception levels differed from respondent to respondent, thus influencing and producing variations in the quality of responses, but not to the extent of not being able to utilise the interview data.
Documentation and Archival data	**Strengths:** Can be accessed at a time and place convenient for the researcher	Reports, documentation and archival data were utilised in the study to acquire background information on the research site, namely: Oxfam . These sources of data were retrieved from the organisation's official website and from the repositories of the organisation itself. An added benefit was that the documents could be taken and examined at the researcher's place of convenience and in

		her own time. This source of data was also pivotal in increasing the researcher's understanding of the research site as she was an outsider to the organisation.
	Allows the researcher to become immersed in the language and words of the respondents.	Since these documents are constructed by the members of the research site, engaging with them enabled the researcher to become privy to the way in which such members perceived of, "talked" about and understood the sustainability issues of their organisation.
	Contains exact names, historical details, contact information and other relevant information regarding the research site.	From examination of the documents pertaining to Oxfam and Oxfam GB in SA and its operations, it was discovered that the documents provided rich, detailed data that was useful in adding depth to the study. This was undoubtedly due to the fact that much time, thought and effort was taken in compiling such documents.

		The limitation with empirical work is that it elicits data about a phenomenon in present time or based on the recent past, especially in the case of interviews. Respondents tended to speak about the sustainability issues that their organisation was encountering at the time of the interviews with a small focus on past and future perspectives. Documents and archival data were able to provide insight into the historical perspective regarding the organisation's sustainability, as well as future considerations. In addition, valuable information such as the contact details of people and institutions that could be contacted to provide perspectives on the organisation's sustainability was found in the examination of documents and archival data.
	Stable: it does not change and can thus be reviewed repeatedly over time	Reports, archival data and documentation relating to Oxfam remained relatively

		stable in that they were not constantly adapted or revised too often. Thus, they provided a stable source of data to inform the research over the course of the research process.
	Limitations:	
	Can be biased by author/s	Documentation and archival data tends to also be influenced by the author/s. This was considered when examining them as sources of data in this study.
	Difficulty in retrieving documents and/or restrictions on access	In terms of this study, no problems were encountered in accessing documents and reports. Most of the reports were available online on the organisation's website and intranet. In addition, the organisation allowed the researcher access to their repositories of information and to their intranet system
	Requires printing, downloading and/or scanning to save and transport information	The documents and reports linked to the organisation's sustainability were relatively ample, requiring the researcher to spend much time

		attempting to save, download, print and scan documents for future reference.

3.5 Analysis of Data

According to Creswell (2009, p. 183):

> *"The process of data analysis involves making sense out of text and image data. It involves preparing the data for analysis, conducting different analyses, moving deeper and deeper into understanding the data (some qualitative researchers like to think of this as peeling back the layers of an onion), representing the data, and making an interpretation of the larger meaning of the data."*

Thus, it is during this stage that the researcher moves away from reliance on existing perceptions of the issue being investigated, to a more personal interpretation of the subject. Also, although it is believed that this is the stage at which the reader or audience will be able to hear the voice of the research participants, it is important to bear in mind that with all types of research, the data is analysed and interpreted through the researcher's selected theoretical framework, as well as being filtered through their own mental framework or means of perceiving the world around them. Thus, while the writing up of the analysed data does reveal a whole lot about the perceptions of the research participants with regard to the issue being investigated, we must not see these discoveries in isolation from the presence and influence of the researcher/s conducting the study.

Data for this study was obtained from interviews with members of the Oxfam GB affiliate in SA, and investigation of Oxfam's documentation and archival data. The focus was on analysing the data in a holistic fashion by viewing the data emanating from the interviews and documentation together, thus contributing to the construction of causal loop diagrams and a qualitative SD Model. Thus, the analytical process was inductive (as discussed earlier) in that theory regarding the organisation's sustainability was generated from the data emerging from interviews and the analysis of such documentation.

The analysis of data in this study was guided by Creswell's (2009, pp. 185-190) explanation of the analysis and interpretation of qualitative data as involving six generic steps to be found in most qualitative analysis methods and procedures. These six steps are encapsulated in the following figure (adapted from Creswell, 2009, p. 185):
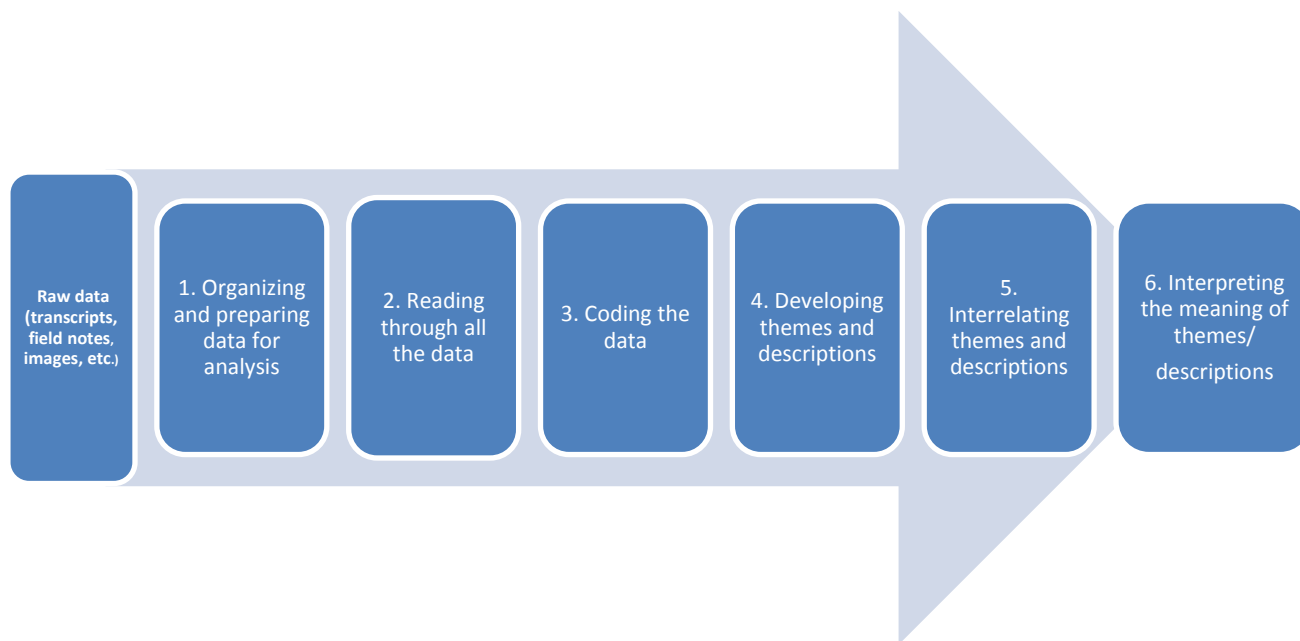
Figure 3-1: Steps in qualitative data analysis and interpretation

(adapted from Creswell, 2009, p. 185)

The steps shall now be discussed with special emphasis on how they manifested in the context of this study regarding the analysis of the raw data emanating from the interviews and examination of organisational documentation:

3.5.1 Step 1: Organizing and preparing data for analysis

This involved transcribing the interviews and incorporating all notes made by the researcher during the course of the interviews. This was done by inserting the notes into the transcribed interview data at the time and/or question in which they were observed. This ensured that when the researcher read through the transcribed interview data, she was able to be simultaneously aware of the contents of the interview, as well as ancillary information relating to what was

perceived by the researcher in response to particular questions in the interview such as the respondents' body language, attitude, apprehension, etc.

With regard to this step for the data acquired from the examination of documentation and archival data, information found on the organisation's official website and online internal repository was printed, read and saved for later reference.

3.5.2 Step 2: Reading through all Data

This step involved reading and re-reading through all the transcribed interviews with their ancillary notes, as well as a re-examination of the significant points in the documentation. The first reading allowed the researcher to get a general idea of what emerged from the fieldwork and documentation analyses. The second reading enabled linkages between the various interviews, as well as between data from the two different sources, to emerge. In this way, a more holistic picture began to emerge of the sustainability issues encountered by, and influencing Oxfam. This also allowed finer discrepancies between the various interviews to be noticed, which is important as the recognition of data that differs from the rest of the data set is especially significant in qualitative studies.

3.5.3 Step 3: Coding the data

Coding of the data occurs when the data is analysed and categories are delineated from the whole data set. It is a method of organizing the learning emerging from the data set via the use of key words, tags or labels that are able to exemplify the essence of the category of data they are allocated to (Basit, 2003, p. 144). These codes are then compared across the data sets in a method known as the Constant Comparative Method (CCM). According to this method, once the data is coded into particular categories, the data is then compared to similar pieces of data, as well as ones that are different in order to determine the linkages between them (Thorne, 2000, p. 69). This basically means that all pieces of data are compared with each other to ascertain whether there are any relationships between them and if so, what is the nature of such relationships and what implications does it have for the data set as a whole.

In this study, once the interviews were transcribed and read, the researcher began to compare each interview with the next. This began initially within the mind of the researcher as she read and re-read through all the interview data. Therefore, linkages already began to emerge in the organizing and reading stages mentioned earlier. This was a good indication of the fact that

analysis of the data is not fixed in a particular stage or step, but occurs from even before the fieldwork commences and persists long after the data is analysed. Thus, analysis is an on-going process and often also happens parallel to the process of acquiring the data in the first place (Thorne, 2000, p. 68).

Since the analysis was guided by the CCM, each interview was compared to all the others, as well as with the data from the examination of the documentation and archival data. Similarly, organisational documentation were also analysed using the CCM.

Generally in the study of social phenomena, the researcher allows the codes to emerge through the organizing and continual reading of the data (Creswell, 2009, p. 187), instead of conceptualising codes before these activities are performed. This was the case with this study, as the researcher was guided by her readings of the data to formulate codes that were closely linked to the raw data, instead of enforcing codes onto the data set prematurely. Such codes were recorded on the transcribed interview manuscripts, often in the margins or to the side. In the case of the documentation analyses, codes were recorded in the margins of the documentation and sometimes in a separate journal.

The CCM is not a uniquely novel method for data analysis in itself, but is rather at the heart of many other data analysis strategies such as reading and re-reading strategies, memo writing, coding, data matrices, diagram construction, etc. (Boeije, 2002, p. 391) because they all rely on the constant comparisons to make sense of the raw data and to be able to identify common themes across the data set. For this reason, it is an effective tool for analysing all kinds of qualitative data and in assisting in the generation of theory relating to the study findings. In this study, the CCM was effective in identifying themes within the interview data set, as well as the data from the organisational documentation. Further, it provided an efficient framework for the comparison of codes and themes across all these data sets, allowing findings to be emerge that were closely related to the raw data.

Coding was stopped when the researcher felt that the "saturation point" was reached. This implied that the researcher could no longer identify any new codes and the codes generated were adequate in covering and representing all the raw data (Glaser, 1965, p. 441). This was not a once off task because the researcher first coded the raw data, and then revised her codes as she proceeded to get deeper into the findings. She did this again upon examining the lists of codes she had generated in order to ensure that that there were no repetition of code words and/or

phrases, or unnecessary coding. This made the process of constructing themes from such coding a more efficient process.

3.5.4 Step 4: Construction of themes and descriptions

Once the data is coded and reviewed, similar codes form the basis for the generation of themes, or groupings of similar kinds of information. In this study, once the data was coded using particular keywords and/or phrases, lists and tables were drawn up encapsulating all the codes so that the researcher could see at a single glance, the commonalities between them, as well as any disconfirming data that was different from the commonalities. These commonalities then allowed the researcher to identify particular themes emerging from the raw data. These themes in turn became the core focus of the study, and thus of the Findings and Discussion chapters to follow.

Coming back to the qualitative diagramming method utilised in the SD approach (which will be explained in the SD chapter to follow), these themes allowed the researcher to begin to identify the feedbacks inherent in the problem issue, i.e. the feedback relationships influencing Oxfam GB's overall sustainability. Thus, the researcher used the emerging themes from the interviews and documentation to construct a Qualitative SD Model constituted of graphical descriptions of the feedback relationships found to be operative in the sustainability of the organisation.

3.5.5 Step 5: Interrelating themes and descriptions in the qualitative narrative

In addition to the construction of the CLDs to depict the nature of feedback relationships pertaining to Oxfam GB's sustainability, links between the themes emerging from the interviews were also made explicit by the researcher to depict the interconnected nature of all the interview data. Links between the data emerging from the various data sources (i.e. the interviews and the documentation) were also made to ensure that all the data was viewed holistically instead of analysing the data from the various data sources in isolation from one another. This was regarded as important by the researcher in exemplifying the holism approach to the study discussed earlier, as well as due to the fact that "sophisticated qualitative studies go beyond description and theme identification and into complex theme connections" (Creswell, 2009, p. 189). The identification of these connections facilitated a deeper interrogation of the meaning of the themes and descriptions emerging from the study.

3.5.6 Step 6: Interpreting the meaning of themes and descriptions

Once themes and descriptions were identified, the next step involved the researcher's interpretation of the meaning of such themes and descriptions. This process of sense-making of the analysed data formed the essence of the research. The researcher also always kept in mind the overall research issue at the core of the study, namely: the issue of investigating the NPO's quest for sustainability in a holistic fashion. The lessons learnt from the analysed data is often shaped by the researcher's personal interpretations as influenced by their worldviews, their history, culture, experiences, perceptions, etc. (Creswell, 2009, p. 189), thus such learning is not the product of the data analysis stage alone. Therefore, interpretations of the data are always made through the framework or lens which the researcher uses to view social reality, as well as the theoretical lens they choose to utilise as a guiding framework for the investigation, thus influencing the nature of the interpretations that emerge.

Figure 3-2: Analysed data is influenced by theoretical frameworks and the researcher's personal view of reality

3.6Adaptions to the analysis process to facilitate the SD perspective

The above analysis procedure was useful in explicating themes from the raw data. However, the focus with the SD methodology is on identifying the feedback influence between particular variables. Thus, once themes were identified via the procedure discussed earlier, the data was read again, this time not to identify over-arching themes, but rather to investigate such themes at a deeper level in order to identify (1) the variables at play within the auspices of such themes,

(2) how such variables influenced one another and (3) the overall behaviour created though these feedback influences.

This enabled the construction of CLDs pertaining to each theme, which were then combined to create a Qualitative SD Model depicting the overall feedbacks at play when all identified themes interacted with one another. In this way, a picture of the organisation's sustainability was created in line with the SD methodology, contributing to systemic insights with regard to its overall sustainability.

In addition, while it was hoped that a full SD methodology could have been carried out from problem articulation to computer simulation, this was not possible. This was because the methodology itself was complex requiring much time and effort to master, time which was not available to the researcher. This was compounded by the fact that the researcher's sole mentor was not available to guide her through the quantitative aspects of the SD methodology, thus serving as an additional deterrent to engaging in the full SD methodology. For this reason, only the qualitative aspects of the SD methodology were utilised in this study.

3.7 Reliability and validity of the research findings

In qualitative research, the definitions of "reliability" and "validity" take on different meanings as to how they are commonly understood by quantitative researchers. According to Creswell (2009, p. 190):

> *"Qualitative validity means that the researcher checks for the accuracy of the findings by employing certain procedures, while qualitative reliability indicates that the researcher's approach is consistent across different researchers and different projects."*

To assess both the validity and reliability of the findings, the following reliability and validity procedures were utilized in this study (Creswell, 2009, pp. 190-193; Gibbs, 2007; Mays & Pope, 1995, 2000):

Table 3-5: Reliability and Validity procedures employed in the study

(Creswell, 2009, pp. 190-193; Gibbs, 2007; Mays & Pope, 1995, 2000)

NATURE OF PROCEDURE	UTILISATION IN THIS STUDY
Reliability Procedures	
(1) Examine transcripts to ensure no mistakes were made during transcription.	Transcripts were examined and no mistakes were identified. Transcribed material matched the audio recordings of the interviews.
(2) Ensure there is no drift or changes in how the codes are defined in the process of coding, by constantly comparing with the data and recording notes on the nature of each code used.	The codes and coding scheme utilised were examined for consistency by the researcher as well as by an additional person uninvolved in the study. It was agreed that there was consistency in the coding of the raw data.
(3) Cross check codes used by different researchers on the same data set.	Since this study was conducted by one researcher only, this procedure was not applicable to this study.
(4) Allow another person to cross check codes (intercoder agreement) to attain consensus of the codes used by the researcher.	The codes used were cross examined by another researcher uninvolved in the research. Consistency and appropriateness of the codes utilized by the researcher was ascertained.

Validity Procedures	
(1) Triangulate or compare the data emerging from different data sources or research tools to identify coherence among the data sets	This was done by comparing the data emerging from the interviews, and from the examination of archival and other documentation relating to the organisation. Coherence among these data sets was identified which allowed an effective grounding for the identified themes.
(2) Member checking, i.e. giving the final report of the findings and/or themes and descriptions to research participants to determine accuracy.	Time constraints on the part of the researcher and research participants did not allow member checking to be utilised in this study.
(3) The use of thick, rich descriptions to convey the essence of the findings.	The Findings and Discussion chapters of this study were richly supplemented with direct quotes, examples of case studies, report extracts and statistics, etc., thus enhancing the narrative quality of the study.
(4) Make explicit the bias of the researcher as influenced by their background, worldviews, gender, cultural background, etc.	Where relevant, the researcher ensured that she took a reflective approach by stating how her assumptions, worldviews, approaches to the study, background, etc. influenced the nature of the research. This was dispersed throughout the study, not just in the discussion of the

	findings.
(5) Ensure that negative information, or information that runs counter to the rest of the data, is made explicit	Information running counter to the identified themes was mentioned to ensure that recognition and respect was given to all data emerging from the study, not just information that corresponded or that was similar in nature.
(6) Utilize Peer Debriefing, i.e. a process in which a colleague/s provides feedback about the study and guides the researcher as to how the study is perceived by other "outsiders"	In the case of this study, the supervisor of the research project served as an effective peer debriefer as he provided worthy feedback regarding every stage of the study. The supervisor was regarded as an outsider because he was not directly involved in any stage of the study, but did examine the outcomes of each stage and provided the researcher with constructive feedback much as a peer would.

In addition to the above, Thorne (2000, p. 70) asserts that a significant means of increasing the rigor of qualitative research is by ensuring that all the steps leading to the findings of the research are made explicit, including the trajectory from conceptualisation of the issue to be investigated right to the conclusions emanating from the research process. Thus, the emphasis is on making every step taken by the researcher explicit, transparent and open to critical scrutiny, thereby enhancing the overall rigor, reliability and validity of the study. It is hoped that the details and descriptions provided in this chapter were able to achieve this aim.

3.8 Ethical considerations in this study

Ethical considerations and measures taken in this study were for the purpose of protecting the fundamental human rights of the research participants, to develop a relationship based on trust and respect of their viewpoints, to promote the overall integrity of the study, and to ensure that

no harm was done to the research participants or the organisation they were embedded in (cited by Isreal & Hay, 2006 in Creswell, 2009, p. 87). This was ensured through the following measures:

- The proposal for this study was presented to, and accepted by, members of the Higher Degrees and Research Committee of the University of KwaZulu-Natal. They were made aware of the research topic, objectives, methodology and literature relating to the topic of NPO sustainability.

- Once the interview schedule was constructed, it was sent to the University's Research Office for examination as to whether any of the questions would cause any harm or infringe on the rights of the research participants. Ethical clearance documents were also completed by the researcher and sent to the same committee for examination. This documentation specified the research topic, site, objectives, sampling strategy, methodology and other information regarding the overall ethicality of the study. Approval from the Committee was demonstrated by the receipt of a letter of Ethical Clearance (Appendix 5: Ethical Clearance Document).

- An Informed consent form was constructed as a tool for ensuring that each respondent's explicit consent was obtained as indicated by their signature on the form (see Appendix 1: Informed Consent form). This form also indicated that they could withdraw from the study at any time, that they would not receive any compensation for participation, that their identity would remain confidential and that the data relating to their interviews would be kept safe at the University. They were also made aware of the research topic and given a brief description of the nature of the study.

- A Gatekeeper letter was obtained from the research site which in this study was the Oxfam GB affiliate in SA. This letter indicated that the research site had granted the researcher permission to conduct their research at the particular site. This document was issued after the researcher had requested the organisation's permission to be involved in the study, after the relevant members had read and discussed the nature of the intended research and after consultations between the researcher and particular members of the organisation to address their concerns. Permission was granted by the organisation once they had ensured that the study would not harm them or their reputation, cause any disruptions in their operations nor cause any

undue harm to their employees and management, thereby enhancing the ethicality of the study.

- Prior to commencement of interviews, the researcher discussed the nature of the research and the research design with each respondent, as well as their role in the study. She allowed time for them to ask questions and voice concerns regarding the study and their participation in it. She provided them with the Informed consent form mentioned earlier and afforded them some private time in which they could decide whether they wanted to withdraw at that stage or to commence with the interview.

- Once the research was completed, ethicality was ensured via the researcher's declaration in the opening pages of the research dissertation, that all the information provided was the researcher's own work and wording, unless otherwise referenced. This declaration also served as the researcher's assurance to the reader, audience and the research participants that she they did not suppress, falsify or invent findings to meet the objectives of the research (Creswell, 2009, p. 92).

It was hoped that the above measures would collectively enhance the ethicality of the overall study, as well as ensure readers, audience members and research participants that no individuals and/or organisational processes were harmed in the construction of this dissertation.

3.9 Conclusion

This chapter has outlined the manner in which the research was designed in order to answer the research questions in the most effective way possible. The preceding chapter shall reveal the overall findings of the study.

CHAPTER FOUR: FINDINGS

4.1 Introduction

The findings of this study were derived from qualitative analysis of the interviews and documentation relating to Oxfam. All the data sources were analysed and common themes began to emerge according to the data analysis procedures described in the Research Design chapter (Chapter Three).

The systems thinking approach utilised in this study emphasises engagement with stakeholders and stresses the importance of the personal perceptions held by each stakeholder (mental models) as being crucial in understanding the issue being investigated (Sterman, 2000). Therefore, these findings were supplemented with direct quotes from stakeholders, as well as rich descriptions from the organisational documentation.

The many variables identified as influencing one another within the auspices of each theme were the starting point for the construction of CLDs depicting the nature of the relationships between such variables. This was also in keeping with the systems thinking approach guiding the overall study.

However, in this chapter we shall show how the raw data in the form of interviews and documentation pertaining to the organisation contributed to the identification of particular variables, which formed the basis for construction of the CLDs and the eventual Qualitative SD Model presented and discussed in the next chapter.

4.2 Presentation of the findings

The following inter-linked themes were identfied from the interviews and organisational documentation as being pivotal to the sustainability of the organisation:
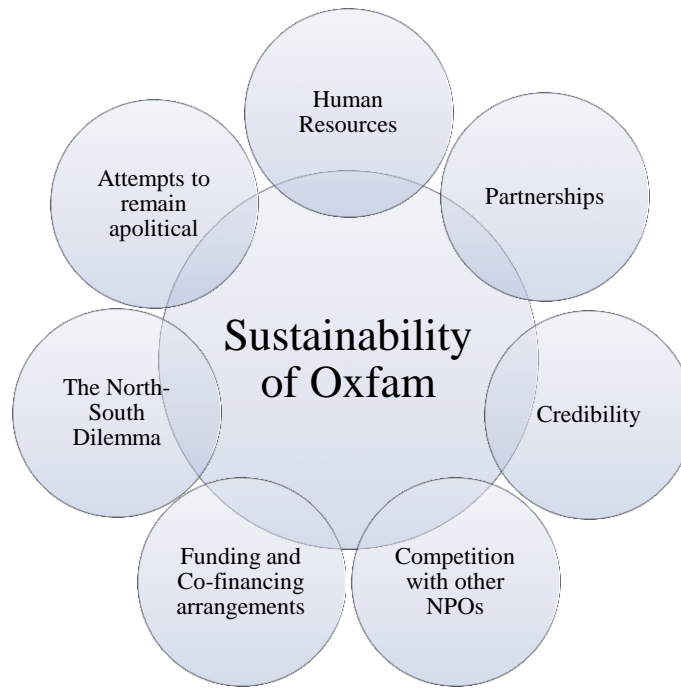
Figure 4-1: Major inter-linking themes in the sustainability of Oxfam GB in SA

- Human Resources

- Partnerships

- Credibility

- Competition with other NPOs

- Co-financing

- The North-South Dilemma, and

- Attempts to remain apolitical

4.3 HUMAN RESOURCES (HR)

The employees or Human Resources (HR) within the NPO, Oxfam GB were identified as an important contributing factor to its overall sustainability. At a deeper level, many variables contributed to the HR dynamics within the organisation, namely:

- Attractiveness of the work Environment: which refers to how potential employees perceive the favorability of working in the organisation based on its "*ability to recruit and retain competent, experienced development workers, policy advisors, etc…thus creating a key enabling environment.*" (Int. 1)

- Worker Commitment: pertains to the extent to which the employees "*actually love what they do*" (Int. 4) and their commitment to the issues which the organisation represents as expressed in the following quote:

  "*…so a lot of people that work with this NGO are also quite commited to the issues, so they kind of give more than they should be giving because they also care about the issues…*" (Int. 2)

- Quality of Work Output: produced by the employees was cited as a variable

  "*…that would stand out above a lot of the others…producing good quality work will make a difference…it is also picked up by donors and the reputation of the organisation spreads as often this stuff is by word of mouth in this area of work.*" (Int. 2)

- Salaries: refers to the amount of money employees receive for the services they render, which is dependent on the Funding available for Salaries which can, if insufficient, affect project delivery and implementation as stated here:

  "*...we may not be able to assign appropriate number of staff to work in such projects as we may not have sufficient funding to cover such expenses.*" (Int. 5)

- Attrition: refers to a gradual reduction in the number of employees in an organisation due to them resigning, retiring and/or sometimes due to death. This results in the loss of qualified and skilled workers who cannot be easily replaced.

  "*NPOs lose very skilled people every day because these people look for better paying conditions, better working conditions, and also due to the fact that there is an assumption that there will be security elsewhere…*" (Int. 3)

Therefore, it is a significant issue in NPO sustainability as "*it is very difficult for a non-profit to retain talent…particularly against government. We can't compete with governmental salaries.*" (Int. 6)

In addition, the Oxfam Southern Africa Regional Funding Strategy cites internal staff capacity as a significant organisational challenge affecting work output in the form of inadequate or inefficient project/programme delivery and implementation, and especially hindering the production of quality proposals for donors and funding:

> *"The inadequate capacity of staff coupled with prolonged vacant posts remaining unfilled due to difficulties in finding qualified people with the right skills is still one of the biggest challenges the country and regional teams have been facing. Consequently, with such a limited staff capacity and not finding the right skills, it sometimes has become a challenge to the teams to deliver on the agreed programmes as well as to develop quality proposals that have a high rate of success."*

(Kim, 2014, p. 12)

According to this strategy document, staff turnover and attrition rates are considerably high, particularly with regards to the Funding teams in the organisation,

> *"...with almost half of them recruited in the last six months."*

(Kim, 2014, p. 12)

In addition, low partner capacity was identified as a significant factor impairing the efficacy with which projects are implemented, thus contributing to consistent underspends:

> *"...we had underspends of approximately forty percent in the last fiscal year. Some of the causes of underspends are: (1) Low partner capacity which affects the pace at which projects are implemented..."*

(Kim, 2014, p. 9)

The most significant result of this has been a decline in the timing and development of donor proposals and reports, two important aspects of accruing funding and donations. Donor proposals of good quality will facilitate funding, while reports of good quality will ensure the continuation of such funding. Therefore, both have a significant influence on the funding received by the organisation, and the sustainability of such funding sources. Donors/funders rely

on the NPO for regular reports about how the funding is being utilised and it is the obligation of the NPO to not only provide reports, but to ensure that such reports are of high quality as well.

High quality reports that are submitted on time tells donors that the organisation is committed to using their donations or funding in an accountable and transparent manner and speaks to the level of efficiency of the organisation (Quality of work output). However, the Southern African regional affiliates of Oxfam manage to submit just sixty one percent of all donor reports on time as depicted in the following table obtained from the Southern Africa Regional Funding Strategy (2013, pg.13).

Table 4-1: Number and percentage of donor reports submitted on time and not submitted on time (Southern Africa Regional Funding Strategy, 2013, p.13)

	On Time Submission		Overdue Submission		Total Reports
	Reports (#)	Percentage(%)	Reports (#)	Percentage(%)	Submission(#)
Angola	3	38%	5	63%	8
Malawi	36	78%	10	22%	46
Mozambique	0	0%	4	100%	4
South Africa	0	0%	8	100%	8
Zambia	8	67%	4	33%	12
Zimbabwe	55	65%	29	35%	84
DRC	0	0%	5	100%	5
Total	**102**	**61%**	**65**	**39%**	**167**

As the quality of work output drops, for instance through the late submission of donor reports, donors are likely to contribute less funding, or to not donate at all, being dissatisfied with the organisation's level of inefficiency. This eventually contributes to a smaller portion of funding that is allowed to be channeled into the human resource component of the affiliate or programme. This interferes with Oxfam's endeavours to offer a:

"...total remuneration package that is relevant to the local market but includes broadly similar offerings across the countries where Oxfam operates."

(Pinho et al., 2014, p. 32)

From the above, we can deduce that the following are some of the variables operative in the HR dynamics within the organisation:

Table 4-2: Variables influencing HR dynamics in the organisation
Salaries
Attractiveness of work environment
Worker commitment
Quality of work output
Funding available for salaries
Attrition
Qualified workers

We shall discuss the feedback structure created by these variables in the following chapter.

4.4 CREDIBILITY

The organisation's credibility was identified as a second major contributing factor to its overall sustainability. Credibility here refered to whether the organisation was perceived, based on its reputation, as being trustworthy enough to receive donations and funding from the public and other actors. A number of factors were involved in the credibility dynamics in the organisation, including:

- Transparency: refers to the extent to which donors and funders are aware of what is being done with their donations and funding because:

"*When receiving funding from certain donors, there are usually a number of rules to follow including the way the funding should be spent. Certain reporting has to be in place in order to ensure transparency and donor/funders' requirements."* (Int.5)

- Accountability: is closely linked to the public's perception of the organisation as credible and transparent:

"*Transparency and accountability are some of the driving factors around Oxfam sustainability. The credibility it derives from the impact it makes is a major factor and contributor in my opinion…and of course you then have the issues of transparency and accountability." (*Int.1)

- Public recognition: is based on how popular the Oxfam brand or organisation is perceived by the public because *"even though we (Oxfam) are not a profitable organisation, we are a brand as well."* (Int.6), while consensus with regard to brand building in South Africa was that *"Oxfam will still need to do a lot in brand building."* (Int.1)

- Funding: or the financial resources received by the non-profit is directly influenced by all the factors described above as substantiated by the following quote:

"*Because we want to still be getting money, but we can only be getting money if we are doing the business well. So it forces us to raise the bar in terms of how we deliver the results and how we report back."* (Int.5)

In this case, how they "deliver the results and report back" can be interpreted as the extent to which the organisation is transparent and accountable with the funding or donations they receive.

- Perception of Prosperity: The reputation of Oxfam as a well known international NPO contributed to it being perceived as automatically and undeniably "prosperous" or financially well-off. However, this perception contributes to less funding from donors and the public, because they believe that the organisation does not require their assistance and financial support.

*"If I approach any person and say 'Oxfam would like you to support them with money or with your skills', they look at me like Oxfam doesn't need that. Oxfam comes from a very rich country, so why would they want such help in South Africa?…So the name itself makes it a challenge for Oxfam to look internally, in South Africa for any form of sustainability, when it comes to resources." (*Int.3)

The Oxfam GB Partnership Policy reiterates that this sense of accountability is not only between Oxfam and its donors, but should also exist between Oxfam affiliates and those whom they provide assistance to, and vice versa. The essence of this striving towards accountability, transparency and credibility is driven by the effective management of financial resources given to Oxfam by its donors.

> *"All parties involved in the partnership recognise the need to be accountable to people experiencing poverty or affected by disaster and to other stakeholders including donors and governments…Oxfam GB and partners are serious about the importance of good financial management, as we hold in trust money given by others in good faith, and for which we are jointly responsible. Genuine mutual accountability is rooted in an understanding and recognition of the diversity of resources brought to the relationship."*

> (Dyson & Chang, 2005, p. 5)

Oxfam's commitment to accountability and transparency is also entrenched in it's Strategic Plan for the next six years (Oxfam Strategic Plan 2013-19), which again emphasises their dedication to be consistently accountable to the public, government donors, the communities they assist and institutional funders:

> *"Oxfam takes the stewardship for the public monies entrusted to us very seriously, whether from the public or governments. We will continue to strengthen accountability to all stakeholders, the communities we work with, the donating public and institutional funders."*

> (Coyle, 2000, p. 20)

Oxfam as a confederation of international affiliates engaging with donors, partners and communities around the globe see accountability and transparency to all these stakeholders as an effort to not only create balance and synergies between such stakeholders, but also as an indication to them that they are respected and acknowledged for their contribution to the Oxfam Confederation.

> *"Oxfam is primarily accountable to people living in poverty but we take our accountability to all stakeholders seriously, and we strive continously to balance*

the needs of different stakeholders. These include partners and allies, staff and volunteers, donors and supporters, coalitions and alliances, suppliers, governments, the private sector, academic institutions and the wider public. We believe that stakeholder engagement and feedback can inform our work and bolster our efforts towards greater impact and efficiency."

(Nuthmann, 1994, p. 57)

Thus, the following variables can be identified as being influential in the Credibility dynamics in the organisation:

Table 4-3: Variables influencing Credibility dynamics
Credibility
Public Recognition
Funding
Accountability
Transparency

4.5 PARTNERSHIPS

Oxfam's partnerships with an array of actors, affiliates, organisations, departments and local and international networks was cited continously as a major influencing factor in the organisation's sustainability. What was defined as "partners" included the following:

"*We engage government and private sector…we engage the governments of Europe, South African government and other African governments, African Union, SADC…the structure of our income flow is mainly through bilateral donors, partnerships be it DFID, European Union, individual supporters from these countries, but also Oxfam Great Britain and other Oxfams."* (Int.1)

"We engage policy makers, government and parliament. To a limit and extent, private sector and research institutions that we work with to generate research or as evidence to support our policy actions." (Int.1)

In addition, the organisation engages in partnerships or creates networks for several different reasons as indicated in the following quote:

"Our partnerships play different roles. There are partnerships that are funding partnerships with donors. The other partnerships could be for networking, so that we can achieve much together. The other partnerships are those that assist us in delivering work on the ground. So how well we manage all these partnerships, helps in our sustainability." (Int.5)

In addition, the ability and tendency of all partners to influence one another was encapsulated in the following:

"All our stakeholders, both internal and external, are linked or interlinked, any changes and/or directions of each and every stakeholder can either directly or indirectly influence the organisation's ability to be sustainable." (Int.5)

Thus, the recognition of the importance of the organisation's partnerships with other stakeholders, as well as the ability of the organisation to influence, and be influenced by, such partners and stakeholders is apparent.

The following factors were identifed as influencing the Partnership dynamics in the organisation:

- Funding: refers to the financial support received through the creation of partnerships with the above parties. Since the amount and extent of financial resources available to the NPO is a significant indicator of future sustainability, such partnerships need to be handled with care and much effort needs to go into establishing and maintaining strong funding partnerships as this will influence the success of the projects the organisation engages in (Project Success) as exemplified in the following quote:

" So, how well we manage these partnerships helps in our sustainability, because if we manage our relationships with donors well, we leverage more funding, and when we manage the networking well, we are able to achieve the deliverables well

and also if we manage the partnerships with other partners that deliver our pieces of work on the ground, that will help us to achieve results on the ground." (Int.5)

- Credibility as explained earlier refers to whether the organisation was perceived, based on its reputation, as being trustworthy enough to receive donations and funding from the public and other actors. Credibility was perceived to have been linked to partnerships in the sense that partners could assist in exemplifying project success, thereby improving the reputation and credibility of Oxfam itself:

" It will definitely have a huge impact…the way in which we represent ourselves through our partners. It will definitely be a success because they (partners) can include it on their websites and Oxfam's logo will be there, which will also create awareness to other people." (Int.4)

As the credibility of the organisation's reputation is enhanced through such partnerships, and its influence expands, it is more able to secure financial resources for smaller NPOs which it partners with, because they lack the ability to attract donors in the way in which Oxfam is able to do so, based on its credible reputation:

" Often we would rather partner with the local, because we have the resources and the ability to tap into bigger money which they could benefit from. ..Sometimes it is easier for us to access money, whereas a smaller non-profit might not be successful. So we would rather partner with them and allow them to access more funding." (Int.6)

- Oxfam's strong international reputation and credibility has enabled it to have a wide sphere of influence which allows it to attract partners, as well as facilitates partnerships with donors which they anticipate working with on projects:

"...the Oxfam brand contributes significantly to Oxfam's recognition by funding partners in South Africa and globally." (Int.1)

"We get naturally recognised by both state and non-state actors in terms of our thinking and our reflection and our constructive engagement." (Int.1)

- Learning is an additional significant outcome of the partnerships Oxfam creates with other partners, as well as through partnerships with its own affiliates from around the world. In some cases, learning is generated through research partnerships with one or several affiliates and/or organisations throughout the world, or through partnerships with other NPOs:

"What we do is like in every home country, within the head office, there's a unit for research…so in instances where research needs to be done, that unit would support us and then, maybe we would collaborate with local researchers. We then tender out for a research component or conduct research in partnership with other organisations…Depending on what kind of research you want to do, so we would partner with local NGOs that are purely research institutes as well." (Int.3)

"It fosters cross-country learning for example there could be specific country influences so let's say with us and Brazil, looking at what Brazil's done to bring about equality so we can learn from them in that regard, so there's that kind of learning…but also looking at what other organisations are doing, which we can use to deliver better." (Int.2)

This learning between partners also extends to the private sector especially with regard to Oxfam educating private sector partners such as companies and organisations on the ethicality or lack thereof of their methods of operating with regards to Human Rights laws and the general laws of the country in which they operate:

"We come from the perception that they (organisations) are not always aware that what they are doing contravenes particular laws, so we will also share details with them." (Int.3)

Whomever such partnerships are created with, Oxfam recognises the importance in such partnerships for creating networks of collaborative learning, knowledge sharing and capacity building, which ultimately contributes to more effective project delivery and implementation.

"We agree together how we learn from our joint work, with the aim of incorporating learning, communicatios, and the sharing of knowledge into the

design and delivery of projects and partnerships…we have a specific responsibility to encourage active sharing of knowledge with and among partners."

<div align="right">(Dyson & Chang, 2005, p. 5)</div>

However, such partnerships also cause the organisation to become dependent on their partners for funding (Dependency). This is especially the case with the Oxfam affiliates in Southern Africa and is an issue of much concern in the transition to Oxfam South Africa (SA). It is feared that the withdrawal of funding by particular big institutional donors will affect the ability of the Oxfam SA affiliate to remain sustainable. Therefore, finding alternative sources of funding is a critical priority as the affiliates transition to the Oxfam SA structure.

"Oxfam in Southern Africa has been working mainly with big institutional donors and Oxfam affiliates. This dominant situation is not healthy as it can create instability in income distribution due to overreliance on a certain number of major donors…By not diversifying and/or expanding our donor portfolio, it is risky that when the big institutional donors withdraw resources from the region, Oxfam in Southern Africa would possibly face a shortage in funding which would consequently affect the implementation of the programmes."

<div align="right">(Kim, 2014, p. 15)</div>

This is a particular dilemma for the transition to a South African affiliate of Oxfam (which will be explained in more detail later) as the affilates currently in South Africa are foreign ones (E.g: Oxfam Great Britain, Oxfam Australia, Oxfam Italy, etc.), therefore they receive partial funding from their offices of origin. The transition to Oxfam South Africa would mean that they can no longer depend on such sources of funding and will have to generate funding without such partnerships:

"I foresee a huge challenge, going forward by 2016, we won't have the back-up of other country partners anymore…it (Oxfam SA)will need the South African public to help it to have the resources to be sustainable. It's going to be a hard challenge, just with the public."   (Int.3)

Partnerships between Oxfam and smaller NPOs also create dependencies on the part of these smaller organisations:

"The second challenge we are going to be facing is with other NPOs because for a very long time we have been in partnership with other NPOs, but in more instances, we have been the ones that came with the resources that are needed to do whatever intervention that we saw fit to be done in South Africa." (Int.3)

- Pressure to be Accountable: As Oxfam engages with various partners, there will be a greater need for accountability from them, especially with regard to funding partnerships in which partners will want to know exactly how their funding was utilised so as to avoid corrupt activities and/or transactions. Being accountable to donors will further aid in building relationships of trust and ensuring successful project delivery and implementation.

"Accountability is closely linked to program quality and anchors our work in integrity and in earning and maintaining the trust of communities, donors, campaigners and other stakeholders. Building our culture of accountability is fundamental to development effectiveness, to the trust we enjoy as stewards of public funds, and our mutual accountability as individual affiliates working collectively to deliver the (Strategic) Plan."

(Coyle, 2000, p. 22)

- Accountability: is closely linked to the public's perception of the organisation as credible and transparent:

*"Transparency and accountability are some of the driving factors around Oxfam sustainability. The credibility it derives from the impact it makes is a major factor and contributor in my opinion…and of course you then have the issues of transparency and accountability." (*Int.1)

"*…and also, even how well you actually deliver the work on the ground once you receive the money, because in some instances, donors only give money after you have already delivered the work."* (Int.5)

There also exists a tension between the need to be accountable and committed to international affiliates and partners, while also serving the interests of local partners:

" You are kind of torn between two worlds. There are international obligations that you have, within the international office. You are supposed to also be part of some working groups that involve people from around the world…then you also have local partners, where you are working on purely South African based issues, so there are those two operational worlds." (Int.3)

Oxfam GB's Partnership Policy speaks of the need to collaborate with others as central to what they do and in recognition of the fact that each affiliate can only do so much, but together they can do much more. Here again, accountability to partners and respect of the roles they play in the Oxfam Confederation are emphasised as being of significant importance. Partnerships are seen as a central factor in not only the development work that Oxfam does, but also in bringing about sustainable, long-term solutions to issues affecting the global community.

" 'Working with others is central to our mandate. While we can achieve much as Oxfam GB, we can achieve so much more working in partnership with others. This policy is a significant foundation for us all to ensure that we build partner relationships that are inclusive, accountable and empowering-and based on openness, trust with respect, and equality."

(Dyson & Chang, 2005, p. 1)

"All partners, including government and the private sector, are central to creating the conditions and structural changes necessary for effective people-centered, sustainable change and development…The knowledge, skills, reach, and experience that we offer each other means that, together, we can make more of a difference than if we worked seperately."

(Dyson & Chang, 2005, p. 3)

Thus, the following variables can be identified as being influential in the Partnership dynamics in the organisation:

Table 4-4: Variables identified as influencing Partnership dynamics in the organisation
Partnerships
Funding
Project Success
Credibility
Influence
Learning
Pressure to be accountable
Accountability
Dependency

4.6 COMPETITION WITH OTHER NPOs

It was recognised that there was a degree of Competition between Oxfam affiliates in SA and other national NPOs for financial and other resources:

> "*It's like competing with national organisations and its usually not positive...they think we are likely to compete with them in terms of access to resources, even though they see value in our policy, advocacy, research and global diplomacy.*" (Int.1)

This fight for Funding and resources is enhanced by the rapid increase in the number of NPOs in SA.

> "*I think nowadays we are seeing a mushrooming of NPOs. There are just so many out there, so that alone puts pressure on how we do our business, how easily we are able to mobilise resources and funding...*" (Int.5)

Diminishing sources of financial assistance, together with the rapidly increasing NPO sector has meant that Oxfam is put under pressure to improve their work quality, which means that they have to focus more attention on delivering effectively in terms of the quality of their work output, as well as ensuring that the perception of this high quality work output reaches the public, and existing and potential partners. This in turn will influence their overall Credibility, thus opening up more opportunities to receive additional funding from existing and new Funding sources.

> *"These funding sources are shrinking…we actually have to put extra effort and extra structures into place in order to compete with other players and access money…we can only get money if we raise the bar in terms of the quality of the work we do on the ground and we have to cascade the quality to other players that we work with on the ground, like the local partners."* (Int.5)

> *"In Southern Africa, we intend to be innovative and creative in fundraising as the funding pot is shrinking yearly, while at the same time competition accelerates rapidly on the same donors who have been supporting Oxfam's country and regional programmes for the past years."*

(Kim, 2014, p. 25)

> "*More competition from consultancy firms with capacity to deliver large projects is another important external challenge that NPOs need to take into consideration…There is also increased competition from other similar INGOs like Save the Children, Care International and Action Aid which have also intensified their fundraising efforts and always pose huge competition in the market.*"

(Kim, 2014, pp. 18-19)

This competition also extends to competition between different Oxfam affiliates in SA. Therefore, different affiliates may approach the same donor, putting the donor in the dilemma of only being able to fund one affiliate. This also leads to confusion amongst donors, as they may not understand why different affiliates are approaching them for separate donations, even though they are all representative of Oxfam.

"...the confusion that sometimes are there in the eyes of the donors. Because Oxfam Australia may go to a donor, and then Oxfam GB might go to the same donor, and sometimes the donors may be confused and that also puts pressure on us...how to compete with our own affiliate partners." (Int.5)

However, they recognise the need for all Oxfam affiliates to work coherently together in order to achieve their vision of a world without poverty and injustice. This recognition has been the impetus behind the development of their Single Management Structure (SMS) and in the South African context, has encouraged the transition to the establishment of an Oxfam SA affiliate.

"Oxfam's new Plan is built on a clear recognition that the different affiliates and all their partners across the world and especially the citizens with whom we work, have a critical and complementary role to play in order to rid the world of poverty and injustice."

(Nuthmann, 1994, p. 11)

Thus, the following variables were identified as being influential in the Competition dynamics in the organisation:

Table 4-5: Variables influencing Competition dynamics in the organisation
Competition
Pressure to improve work quality
Quality of work output
Credibility
Funding sources
Competition between affiliates
Confusion amongst funders
Funding
Transparency

Public recognition
Number of NPOs

4.7 CO-FINANCING

Co-financing occurs when funders agree to fund a particular percentage of the amount required to deliver and implement a programme or project on the provisio that the Oxfam affiliate receiving the funding, will contribute the remaining percentage.

> *"Some institutional donors will finance programmes only if Oxfam affiliates make a financial contribution to the programme/project to cover 100% of the budget. This is called matching funds or co-financing."*

(Pinho et al., 2014, p. 25)

> "*So one more debit we use is co-financing, we get money let's say from European Union for example maybe for a project of five million, then they would then give three million so we will contribute two million to the project."* (Int.1)

This is a way of encouraging commitment to the programme or project, and accountability in terms of transparency in how the funds were used.

> "*Currently you even find funders who will now request co-financing from whomever they are funding…so it is a form of showing your commitment to the project. Also, it is a form that you believe in this project because you are also putting your own money into it. You will find that Oxfam will raise the other percentage and put in the work and do the project properly.*" (Int.3)

As mentioned earlier, the organisation is perceived as being a credible organisation if it is transparent and accountable with how it uses donor funding, especially with regard to monies it accrues from co-financing. Credibility then enhances its recognition by public and potential donors, thus enhancing it chances of receiving co-financed support for project delivery and implementation.

Thus, the following variables can be identified as being influential in the Co-financing dynamics in the organisation:

Table 4-6: Variables influencing Co-financing in the organisation
Co-financing
Commitment
Accountability
Credibility
Public Recognition
Funding
Quality of work output

4.8 THE NORTH-SOUTH DILEMMA

The North-South dilemma refers to the challenge encountered wherein Northern ways of operating, managing and implementing projects and strategies are tried to be forcefully fitted to affiliates of Oxfam in the South. It also refers to the overwhelming prescence of Northern affiliates in the South. North here is meant to indicate the influence of affiliates and organisations situated in the Northern hempishere, while Southern affiliates, actors and organisations are from the Southern hemisphere. For example, the dynamic created by an Oxfam GB or Oxfam Italy (Italia) in South Africa.

This is a particular challenge for the Oxfam affiliates in South Africa, because even though they may be international affiliates they are still embedded in a unique South African context and need to be aware of the issues encountered in, and the dynamics of, such a context. Alignment to Northern models of operation and the resultant lack of consideration of contextual realities in the South will hinder Project success.

"*Alot of the time, the northern developed world assumes that methods of a program or strategy which works there will apply to the southern hemisphere countries. That is not the case. It is often a big challenge with multinational corporations as how to implement a global strategy to a local region...you cannot always take from the north and implement it. It does not work. Be it anything from staffing to program work to priorities to causes. If you think of Europe, environmental management is very high. Their climate changes are very high on their list, whereas in SA and a lot of African countries, health service is more of a priority, but that's because those Governments have stronger healthcare systems than we do. So it is taken that northern standards in trying to implement to the South, doesnot always work.*" (Int.6)

"*But when you look at how the projects then get implemented in the different countries, that is where you start seeing the difference. They become successful within their particular circumstances…it becomes very difficult because environments are different, so what works there, may not work here. How then do we rate the global succcess of that project?*" (Int.3)

Project success, as explained earlier, is intricately linked to whether the organisation is perceived to be a credible organisation (Credibility), thus ultimately influencing the extent to which it is recognised by the public, potential and existing donors (Public recognition). If the organisation is visible in the public domain, it will be more likely to receive Funding. At the same time, a more Credible organisation, fosters a stronger reputation which ultimately gives the organisation more leeway in the choice of alignment or non-alignment.

However, it was recognised that countries, communities andperspectives from the South have to be inculcated into the way in which Oxfam operates and represents itself to the rest of the world in order to make the confederation more balanced, and thus more effective, reputable and competitive.

"*We also share a commitment to become a more globally balanced organisation that brings people from the North and South together more equally. This means having stronger representation, power and influence from the global South.*"

(Chief Executive Mark Goldring's Communique` October 2013, pg. 2)

"The deliberate effort to link citizens in the global south and north as part of one movement presents an important opportunity for Oxfam to attain lasting impact."

(Nuthmann, 1994, p. 11)

In addition, while it was acknowledged that the international affiliates in SA had to adhere to the directives and policies emanting from the international headquarter countries, especially with regard to resource mobilisation, it was also pointed out that Southern campaigners and advisors were becoming more common, especially in affiliates based in the Southern hemisphere. Indeed, this was the one of the motivations behind the impending establishment of an Oxfam South African affiliate in South Africa, as well as in other Southern located countries as well such as Brazil and Mexico.

"*So it is becoming a trend within these organisations (Southern based NPOs) that there are lots of southern campaigners and southern policy advisors now occupying and living in context (in SA) and driving the focus of this organisation even though we still use mostly our northern partner offices for mobilising resources and agenda setting. But with the transition to Oxfam SA we are moving into another phase, this is changing...a board has been put into place made up I think of about sixty percent South Africans and two non-South Africans, but they are also from Africa...so there is a transition happening now.*" (Int.1)

"*Oxfam has always been mostly Northern driven, but now there are Oxfam Brazil, Oxfam Mexico and soon Oxfam SA...so it represents a counter voice, a counter balance."* (Int.1)

Thus, the following variables were identified as being influential in the North-South dilemma discussed above:

Table 4-7: Variables identified as influencing the North-South Dilemma
Alignment to Northern models of operation
Consideration of contextual realities
Project success
Credibility
Public recognition
Funding

4.9 ATTEMPTS TO REMAIN APOLITICAL

This refered to the organisation's attempts to not affiliate with any particular political party, political viewpoint and/or policy in SA.

However, it was noted that any and all social environments have some degree of political agendas and it is therefore very difficult to operate within such an environment, without taking on some political overture or the other, even if it is not done purposely. Trying to convince the public of their apolitical or neutral stance is thus a great challenge for Oxfam affiliates in SA, especially since they rely on funding from government agencies as well. Even in circumstances in which they are taking a neutral stance, it is not always perceived as such by the public:

"*It is very hard, it is a challenge trying to be apolitical. Human nature is political, but being political as in the real politics is also another thing, but being neutral helps us to be objective in the ways in which we do our business. While it so happens that you are engaging in a cause objectively, but to some extent we may not appear like this to the universal masses.*" (Int.5)

"The original idea was to make sure that whoever becomes a board member is almost seen as "apolitical", although that ideal doesn't really exist, but we always fool ourselves and say, 'There are some people who are seen as apolitical". Currently most of our Board members have some political ideas or the other. How do we build a different perception of external stakeholders where they feel like Oxfam has first and foremost, the best interest of SA at heart and whatever they are going to be doing is not influenced by any other forces?...it goes back to where your money comes from."   (Int.3)

As Oxfam affiliates in SA transition towards the establishment of Oxfam SA of particular concern is the political stance of the board members of the new affiliate, as it is believed that this will influence the funding Oxfam SA will or will not receive:

"We cannot run away from the fact that Oxfam operates in a political environment. That political environment will determine the success of Oxfam going foward. It starts with who we choose as our Board members and who are they affiliated with or connected to? That will shape the views of external stakeholders and funders going foward." (Int.3)

However, making the public aware of the mission and vision of Oxfam, and of its devotion to keeping the interests of the public at heart first and foremost was cited as an important endeavour in emphasising the apolitical nature of the NPO and in enhancing its overall credibility and reputation:

" ...we will need to navigate this very carefully and also each time when we present ourselves we need to have a very clear message that first and foremost our commitment is to South Africa's development as a country. Whether it is led by this one or that one, that is really not our worry. Our main focus is to ensure that the Constitution benefits all citizens of SA and that is how we should in fact try to position ourselves politically." (Int.3)

The stance of Oxfam affiliates in SA is to try their best to remain apolitical or neutral so as to not be seen by the public of possessing hidden political agendas, as it is feared that this would negatively affect the Funding it receives and its overall Reputation and Credibility.

"*To a large extent, Oxfam tries as much as possible not to be partisan in politics. So we do not take part in siding with particular thoughts in terms of political affiliations, we try to be neutral I would say*." (Int.5)

"*That is why we sometimes intend to remain independent and objective...although this becomes a source of discomfort for our partners. They say you must take sides with social and political movements...but we try to always remain somewhere in between, we always say we want and need to be pragmatic at the end of the day. We will support our partners, we will negotiate and engage, but we will not, or atleast try our very best, to not get involved politically*." (Int.1)

However, there also remains a need for Oxfam representatives to engage with government stakeholders as influencing policy to abolish poverty and injustice cannot take place without engagment with the political domain. This is exemplified in Oxfam GB's navigation of the political sphere in the UK in an effort to influence decisions around policy relating to poverty and global injustice:

"Oxfam maintains relationships with senior figures in the coalition government and opposition political parties, including the Prime Minister and Deputy Prime Minister, Secretaries of State and Ministers and their shadow counterparts, and other MPs. We do this as part of our work to influence UK government action around the world so that it contributes to ending global poverty-and so that it doesnot harm poor people."

(Oxfam GB Policy Positions: UK Government Relations, pg.1)

The following variables were identified as being influential in the organisation's attempts to remain apolitical:

Table 4-8: Variables identified as influencing the organisation's attempts to remain apolitical
Attempts to remain apolitical
Discomfort of partners
Funding
Reputation
Credibility

4.10 EXTERNAL FACTORS

Oxfam as an international NPO and its affiliates are embedded in certain social, political and economic contexts regardless of the part of the world they operate from. These contexts exert an influence upon the organisation and its affiliates from beyond the the organisation itself. Therefore, they are referred to here as "External factors" or factors that influence the dynamics of the organisation's sustainability from beyond the organisation. The following external factors were identified from the data:

- Donor perceptions of SA as economically prosperous or a middle-income country

- Influence of the economic climate

- Political influences

4.10.1 Donor perceptions of SA as an economically prosperous or middle-income country

It was consistently noted that South Africa's status as a middle-income country was a significant factor influencing the amount of funding received by donors, and especially by other Oxfam

affiliates. The relative degree of the country's development and the perception of it as"economically prosperous" influences donors and affiliates to channel less funding towards the Oxfam affiliates in South Africa. However, this depicted ignorance of the high levels of poverty and inequality still present in the country:

> *"Half of the countries where Oxfam has programmes in Southern Africa region are no longer considered as low-income country. A number of donors have been withdrawing and/or reducing the amount of funding available especially for those countries like Zambia, Angola and South Africa which are now categorized as middle income in the region. The recent evidence was the announcement by the British International Development Agency (DFID) that it will end the UK's direct aid to South Africa in 2015."*

> (Kim, 2014, p. 17)

> *"It is the perception or reality that South Africa is a middle income country is a factor because everyone thinks that there is no need for additional resources to champion or advance developmental causes."* (Int.1)

> *"They see SA as a middle income country and think that they have got enough resources which means NPOs might get much less I think. The same with the EU (European Union) you know, they planning to, in the next few years to not really invest money in SA so these things play a role because it leads to your funding basis being reduced and then you need to start looking for alternatives and so it is a major bearing on sustainability."* (Int.2)

> *"How do we live within these two ambiguities and still influence what is happening for the better of all South Africans? I've seen sometimes when we are looking for United Nation(UN) resources, we will find that South Africa is excluded on the basis of either we are a developed or an undeveloped country...With so much high levels of inequality, do we still see ourselves as a developing country or a country that has developed? Where are we...because depending on where you sit in SA you will have a different experience."* (Int.3)

4.10.2 The influence of the economic recession on funding

The influence of the economic recession in drastically reducing funding pools both locally and internationally was cited as an important variable influencing the sustainability of Oxfam affiliates throughout the world. Therefore, Oxfam affiliates were forced to do more, but with less financial resources at their disposal. Funding fron international donors, funders and affiliates was reduced as the impact of the recession was felt throughout the world, even by individual donors who were more likey to use their personal income for survival, rather than on making donations to NPOs. Oxfam affiliates also received less Unrestricted Funding or funding that carries no stipulations with regard as to how it must be used. The result of all these budget and funding reductions was a greater need and desire to be innovative with regards to finding alternative means and methods of raising funds for the organisation.

> *"Global economic instability since 2008 has continued to bite most European countries, US and other continents including Africa. This has led to a shrinking in funding available to civil society, including the Southern Africa region. International aid has been in a declining state as a result.*

> *"More precisley, international aid and financial assistance from the donor countries that have been affected by the financial and economic crisis fell by 20 to 25 percent and will bottom out only in the next decade after the crisis hits."*

> (Kim, 2014, p. 17)

> *"...but also unfortunately when there is an economic recession it means less resources being channelled towards essential services, less development, official development assistance gets channelled away...so it means more work for Oxfam with less resources."*(Int.1)

> *"That influences sustainability, so for me one would be the economic environment. The economy influences how much people are able to give as individuals, but also as governments, you know a lot of European governments are in a major financial crisis themselves for example, and have cut down on funding by about fifty percent because they do not have the money."* (Int.2)

"...the non-ending recession that is happening everywhere, we are seeing almost a 20-30 percent cut from the pots, the unrestricted pots. It is a reality that we are currently dealing with. Oxfam is trying to look at different models. In fact, they opened up a competition to ask all staff to send their ideas on how we can save some of the resources that we have and what will be the new working models...and some people came up with some very bright ideas...People tend to look at 'Do I have enough for the month?' whereas before, people would just donate anyway, it is a reality that we have to live with on a daily basis." (Int.3)

4.10.3 Political Influences

The political environment in South Africa was cited as being highly influential on the operation of Oxfam affiliates in the country. It was acknowledged that the types of political actors they networked with would influence how they were perceived by the general South African public, with perceptions being that they would be influenced by the political actors that they received funding from.

"The donor fund is dwindling very quickly. The Government is taking over a huge amount of the international money; then you either decide as an organisation, do you apply to government? But there is the issue that when you apply to Government as well, because the more money you get from them, the more you are giving them a leeway and they can take you over." (Int.6)

However, it remained important for them to attempt to be apolitical in the sense of not siding with any one political party or position, and to remain commited to their vision, mission and purpose. However, it was acknowledged that trying to find a middle ground between those who are against the government and those who support it, seemed the most ideal position, but remains a complicated endeavour especially since the political sphere exerts such a strong influence.

Another complicated issue that was recognised was the fact that while they acknowledged that aligning to national priorities would increase the funding they could receive from government, they would have to deal with the possible consequence of having to adhere to conditions provided by the political funding agent or organisation. It was believed that this would threaten

their attempts to remain apolitical and thus negate their overall credibility. This remains a dilemma that they struggle with:

> *"We cannot run away from the fact that Oxfam operates in a political environment. That political environment will determine the success of Oxfam going forward. It starts with who we choose as our Board member and who they are affiliated or connected to.That will shape the view or views of the external stakeholders going forward."* (Int.1)

> *"Then obviously your alignment to national priorities is significant, particularly in this country. A lot of the corporate trust foundations and government funding will be granted only if you align with national goals. If you do not, it does put a risk of funding against you. Then that comes with its own set of problems because you are being expected to operate like a government facility as well, which is not always possible"* (Int.6)

4.11 ADDITIONAL CONSIDERATIONS

The findings now presented represents data from which specific variables for the CLDs could not be readily identified. Nevertheless, they were of importance in understanding the overall sustainability of Oxfam. The issues indentifed included:

- Interpretations around the definition of sustainability to the NPO's own organisational context

- Considerations in the impending transition to a South African affiliate in South Africa, i.e. Oxfam SA

- Considerations of the recently rolled out "Single Management Structure" (SMS), and

- Issues with regard to restricted and unrestricted funding

4.11.1 Towards a definition of sustainability

Many aspects comprised the answer to the question of how organisational members would define "sustainability". Most believed that at a basic level, sustainability was measured by the sufficiency of resources at their disposal to be able to do what needed to be done on a project delivery and operational level. Sustainability was also perceived as being representative of the sustained success of projects over an extended period of time, especially against the background of an ever-changing and compex world environment:

> "*In true essence, what sustainability means in the non-profit, is where the resources that you need to do the work that you are passionate about are available and being able to deliver projects on a yearly basis without having to think, 'Where am I going to get the resources that I need to do my work?'...because in the non-profit sector, the beneficiaries are unable to pay whatever the costs for the services they get...so there is always the concern that with non-profits who is paying and how long is that person going to be paying? "* (Int.3)

> "*It is about how we sustain our programs within a changing contemporary context where there are always innovation, new ideas, new ways of engaging the world, but it is essentially about resource mobilisation."* (Int.1)

The issue of sustainability extended to beyond simply having resources at the organisation's disposal, but also encompassed how such resources were utilised, as well as recognition of the importance of decisions taken when things did not seem to be particularly beneficial to the organisation:

> "*Sustainability is also about being able to use whatever money or resources we have cost effectively in order to reach that end point, but also looking to take appropriate measures when you know that that's not happening, to make decisions about if something is not working...when that is not the right direction we should be bold enough to say let us take another different direction."* (Int.2)

Oxfam's status as an international NPO with affiliates and partners throughout the world meant that some attributed it's status as a relatively sustainable NPO to its excellent communication infrastructure with affiliates and partners, locally and abroad:

"So far from what I have seen, I think because we are working hand in hand with so many countries, the communication aspect of the whole organisation should always be on point. Because, I mean, that is what keeps Oxfam sustained, so to say...because if that aspect lacked a bit or was weak, I do not think they would be sustainable in the way that they are." (Int.4)

Others could not divorce the concept of sustainability from that of "project sustainability" seeing the success of their programs and the empowering of communities over a long term, as being indicative of the overall sustainability of the organisation:

" ...in order to make our program and our services sustainable we should be able to deliver our programs properly and be able to fill the capacity of the people on the ground level to be able to continue the work without having the presence of the NPO after implementation..." (Int.5)

Some were of the opinion that the secret to NPO sustainability lies in their ability to operate more like conventional businesses and in their propensity to apply sustainable business practices in the organisation in the sense of creating a Sustainability fund or trust in which sufficient funds could be collected and stored for difficult times. However, it was acknowledged that the adoption of business practices in a NPO presented many challenges and was a difficult process:

"In any non-profit, it is important to be able to run the organisation like a business, because like any business, it makes a profit, it is just that that profit goes towards its cause. The aim in any NPO is to have atleast three to four years worth of funds available in a sustainability fund if they were ever at a risk financially. However, the concept of putting sustainable business practices within the NPO and changing the way they monitor and manage is very difficult, almost unachievable. " (Int.6)

Other elements perceived to be constitutive of the concept of sustainability in a NPO included those below:

"...its principals around transparency, accountability, mutual respect, co-creation are some of the driving factors around Oxfam sustainability. " (Int.1)

"...and meeting the contractual obligations of the donors." (Int.2)

There was ultimately consensus on the fact that the quest for the sustainability of the NPO was a continuous and complex process sustained by various feedback influences much similar to those proposed in the systems approach to social systems:

"*The sustainability question or definition is never-ending for non-profits. It is something that you worry about on a daily basis because you know that you are running a project but that this project has a timeframe. You have raised all these expectations and acted as if you can provide such services to the beneficiaries, but you have to deal with the reality that come 2020 for example, you will not have the means to deliver any more."* (Int.3)

"*When you tie this back to the issue of sustainability, it just becomes another animal because when you try to address one aspect, then another one pops up. When you address this, then another one pops up...because if you think about it, everything is linked, so I tend to agree with the "systems" view of looking at things."* (Int.3)

4.11.2 The mobilisation of a Single Management Structure (SMS)

Oxfam rolled out a Single Management Structure (SMS) beginning in 2010 whereby each country housing Oxfam affiliates would have a single managing affiliate which would co-ordinate the work of all other affiliates in that same country. The purpose of migration to a SMS was in an effort to streamline and align processes and communication between all affiliates in a particular country, as well as attempt to work together to mobilise more resources for the benefit of all affiliates.

"In each country where Oxfam works, a single Oxfam affiliate will have responsibility for managing the work in that country, with up to three other affiliates supporting the delivery of that work."

(Oxfam Wiki Page: What does one Oxfam mean for Oxfam GB and me?, pg.1)

"*The SMS process was in fact a way of trying to align all the Oxfam's within a country. In the case of SA, it was Canada, Australia, GB and Italia aligning themselves to working from the same script. Then that script is dictated by the Oxfam Global Strategy, so within Oxfam, we choose a package of five areas. Each Oxfam can work within any of the five areas but not beyond what is on the Oxfam*

strategic framework. Thus, there is some uniformity within the different Oxfams because of this plan." (Int.3)

"*We are now going into a phase of Oxfam in SA where we have what we call SMS, were we are trying to harmonize and collaborate between all the affiliates, between Oxfam GB, Oxfam Italy, Oxfam Canada, etc. to maxisimise resources because it can be very confusing for people...having so many different affiliates in one country. People will come and say they spoke to someone from Oxfam, but we will not know who they spoke to because that person is from another affiliate in some other part of the country, so this is such an example of confusion because people would then tell you we are confused about which Oxfam is which.*" (Int.1)

Besides the benefits of this structure as encapsulated above, it was found that SMS also was effective in streamlining internal processes and of enhancing programme delivery:

"*So what we have been trying to do in the last five years is to have the same management. For instance, we meet annually and all Oxfams look at the programs and we have got one country program strategy now so it helps with delivery of programs because we can all come together and decide on who takes on what...we are more efficient after that...*" (Int.1)

Oxfam has engaged in several transitions over the years, all of which have contributed to greater efficiency within the entire Oxfam international confederation-an indication that Oxfam is an NPO that continues to adapt in response to internal and external challenges and changes. The transition to Oxfam SA represents another such transition. The SMS has in this way enhanced the reputation of Oxfam, cleared up confusion with regards to the Oxfam Confederation, paved the way for the mobilisation of more resources and ensured greater alignment in programme management and delivery across all affiliates in SA.

"*That is the direction that Oxfam is taking right now. For the past maybe five years, the direction of Oxfam moved from affiliate type of working where we could have maybe four or five affiliates working in a country, but each of them working independently. Then a decision was made about five years ago to move to a single minded approach where all the Oxfams needed to do a joint strategy and share the work to deliver it as an integrated program. So that helped to focus the way wework*

and to brand Oxfam as one Oxfam. But then after a few years they discovered that they hope that there is more that we can do. Now where we are heading is having within a country, only one affiliate, so that will help clear up people's confusion about the different Oxfams and resources will probably be more than before, so that helps in sustainability." (Int.5).

4.11.3 Transition to Oxfam SA

Oxfam currently exists in SA in the form of several different Northern affiliates such as Oxfam Great Britain, Oxfam Italy, Oxfam Netherlands, etc. However, they are currently in a transitional status towards the development of an Oxfam South Africa in South Africa itself. Thus, as it stands Oxfam SA has observer status and will become a fully fledged independent Oxfam affiliate and NPO once they are registered with the Department of Social Development in SA. This process is anticipated to culminate in 2016.

In response to the North-South dilemma explained above, almost sixty percent of the board will be South Africans. In terms of the relationship between Oxfam SA and the other international affiliates currently in SA, such international affiliates both locally and internationally may choose to assist Oxfam SA to fund particular projects or programs which they feel aligns with their own programs or projects, or if they feel particularly dedicated to being involved in a specific project, then they are free to assist.

> "*The difference from an independent Oxfam is that it (Oxfam SA) will have a national board which is exactly what will happen in 2016 is that it will have South African headquarters which will be in SA. Decisions will be taken by the board, it will be part of the global confederation and will also co-create the global strategy, but will mobilise its own resources. The resources that might come from Oxfam GB, Germany and others will be based on will, or if there is a need to support areas of different programs...the challenge then will be that it will have to do extra to mobilise resources domestically.*" (Int.1)

> "*It will be Oxfam SA. They will have to mobilise their own resources. Oxfam International might give it some money. Oxfam GB and Australia might decide to*

contribute some money if there is anything which they think relates to their projects and/or programmes." (Int.1)

Such a transition is a long process with many benefits, but also many challenges. This includes the effort required to mobilise its own resources and funding, as well as increased competition with other NPOs in SA because they will all be competing for funds from the same funding pool. This sense of rivalry is enhanced by the fact that the transition to Oxfam SA will allow the organisation to raise funds from the public via individual donations (which it does not currently do), therefore it will be perceived by other NPOs as competing for funds from the shrinking pool of individual donors. This may lead to animosty between Oxfam SA and other NPOs whereas before the transition they would have been more likely to be partners.

> "*So this transition will be both internally and externally and will have consequences both positive and negative because no longer will we be just extensions of other affiliates like how the Joburg office is an extension of Oxfam GB and the Durban office is an extension of Oxfam Australia.* " (Int.1)

> "*It will now be only our responsibility to mobilise resources so we will essentially be competing with other national NPOs and this will not be very positive as they will think that we are likely to compete with them in terms of access to resources..*" (Int.1)

> "*We normally fundraise from institutional donors, trusts and foundations, corporates and the private sector, but not from individuals. The emerging structure that is coming, has the mandate that it can open up to sourcing funds from the public. To Oxfam SA that will be an additional funding source, but on the other hand it also presents a pressure on the other players that are already there to compete to mobilise resources from the public.*" (Int. 5)

How to align Oxfam's global priorities and strategies with the local South African context and realities was also identified as another challenge requiring much thought before the final establishment of the SA affiliate. Creating a South African affiliate that is best able to cater to South African society and its unique needs was also a dilemma being encountered in the transition to Oxfam SA.

"*The biggest challenge we face is aligning the global priorities of Oxfam as a global international non-governmental organization to suit SA, and what is going to be the best benefit for the South African market. What can we offer that is going to benefit the South African community the most? That sounds like a small statement but there are masses of work around that concept.*" (Int.6)

Transitioning from the current arrangement of having several Northern affiliates operating in SA to a single Oxfam SA entity also presents the difficulty in deciding who stays in the emerging structure and who does not:

"How the other affiliates deal with their offices is being discussed between the board. We have no obligation to take on Oxfam GB, Oxfam Australia or any of the rest of them, but that would not be right either. We want to remain committed to carrying on those programs so how we get that balance right in terms of who to keep and who not to keep is a challenge, so we have to constantly ask ourselves...how do we get that right?" (Int.6)

In spite of the above challenges involved in the transition, there were a number of things to be hopeful about as well. A major benefit was the fact that the good and credible reputation of Oxfam as an effective, efficient and accountable international confederation of NPOs would influence the public to think favourably of the upcoming Oxfam SA affiliate, but it would be the responsibility of the organisation to implement and deliver programs effectively in order to sustain such a reputation:

"*But it will also draw the attention of smaller NPOs to Oxfam SA as well, because they will see the value addition in our policy, advocacy, research and global diplomacy and experience...*" (Int.1)

" *...the Oxfam brand name globally bequeaths to Oxfam SA a good name. It would then depend on how it then manages its programs and its engagement with the external world and continues making a dent on poverty and inequality. So as long as it does that and advances the cause it should be able to generate sufficient resources..."* (Int.1)

The establishment of an Oxfam SA in SA itself will also contribute to ending much confusion on the part of public, private and individual donors as the current arrangement of having several Northern affiliates in SA tends to contribute to. Donors who previously were suspicious of donating or funding a Northern affiliate in Southern terrain, may be more willing to donate to or fund a South African affiliate which is perceived to be representing the welfare of South Africa more readily. Where previously there existed a degree of competition for resources amongst the various affiliates in SA, the establishment of a South African affiliate would reduce such competition as funding will then be able to be channeled into just one Oxfam affiliate, instead of many different ones. The transition to Oxfam SA will allow the organisation to raise funds from the members of the public, something which the current Oxfam affiliates were not mandated to do. This provides the opportunity of increasing the funding at the organisation's disposal, thus enhancing its overall sustainability:

> "*Currently, the different Oxfams have different programs and internally there is competition within the Oxfams. But now with the establishment of one Oxfam (Oxfam SA) all those resources out there within Southern Africa would be at the disposal of one Oxfam, so that provides more room for more funding for the emerging Oxfam SA structure*." (Int.5)

> *"It will probably elimanate the confusion that sometimes are there in the eyes of donors...but if we only have one Oxfam, we will all have one strategy and it will be more focused on our approach to the donors."* (Int.5)

The establishment of the Oxfam SA affiliate will only be finalised by the year 2016. However, the process has begun in earnest with the head or Executive Director of the Oxfam SA affiliate already been selected. Current employees of several affiliates voiced their support of this individual with many pointing to her strong leadership abilities, vast experince in the non-profit sector and fearlessness in voicing her opinions as strong indicators of her future success as the head of Oxfam SA:

> *"Well, fortunately we have a very strong Executive Director. She is a South African woman who has gone through a lot of social justice so she has got a good South African grounding...she is a strong person. She certainly has the ability to take it back to the North, so in other words, switching it around instead of them imposing on us. She is quite vocal. She is an advocate. So I think that the person that is*

leading the organisation needs to be in the driver's seat, the type of person you take
is important." (Int.6)

4.11.4 Restricted and unrestricted funding

The funding received by Oxfam affiliates can be divided into two types of funding, restricted and unrestricted funding.

The uniqueness of restricted funding lies in the fact that it is awarded provided all stipulations regarding how the funding is used, is adhered to by the organisation or affiliate receiving the funding. Thus, the organisation will be told exactly how much funding can be used on the various aspects of a programme and its delivery such as how much can go towards salaries, project operational costs, project delivery, etc.

> *"The restricted funds will be your funding that you have received from external*
> *people, so your EU (European Union), your US Aid and all these other external*
> *funding agencies that are there...that pays for project implementation, human*
> *resources...but the trick is that it is attached to programmes. The programme might*
> *be for three, five, ten or fifteen years programme, but you know for that period of*
> *time there will be restricted funding available to do that particular kind of work."*
> (Int.3)

Restricted funding often depends on the number of funding proposals that are deemed to be successful and sometimes is awarded on the condition that the donor will provide a certain ratio of funding, while the NPO must provide the remaining percentage. This is considered to be a means of determing the level of the NPO's dedication to the project, of fostering accountability on the part of the NPO and of preventing dependency of the NPO on the donor/s:

> *"Restricted funding depends on the number of successful proposals that we have*
> *sent out..."* (Int.3)

> "*It depends on who your donors are, but most donors these days stipulate a split of*
> *how much will go into personnel within the project and also the actual project's*
> *implementation costs. They sometimes have a formula of some sort, maybe a 15-85*
> *or 40-60 ratio or formula of some sort. Currently, you even find funders who will*

now request co-financing from whomever they are fundin,g so if they give you an amount of 80 percent, they expect you to raise the other 20 percent as a form of showing your commitment to the project...it is a way of saying that you believe in this project because you are also putting your own money into it." (Int.3)

Unrestricted funding includes any money raised by the organisation or affiliate itself, generally from local donors, as well as from trust foundations and individual contributions. Once such funding is awarded, the affiliate can decide independently as to how the funding will be utilised depending on their requirements. In this way, it is different from restricted funding and requires less accountability to donors since there are fewer or no stipulations attached to this type of funding.

"The unrestricted pot of money, in the case of Oxfam will be any monies that Oxfam has raised themselves from your normal, local people so it is monies that they raise by standing on the streets or from shops that Oxfam operates. Sometimes we find that people leave bequests or something that they are issued." (Int.3)

"So there are no conditions on the money. What people want to see is that Oxfam continues with the work that it says that it does, so they do not come back a year later and say: 'Oh Oxfam, where is my ten rands or pounds? What did you do with my money?'. So then that is what unrestricted funding allows. " (Int.3)

Because it allows the organisation greater flexibility and innovation in the manner in which it uses the funding, unrestricted sources of funding contribute in a more meaningful and impactful way to the overall sustainability of the organisation:

"...so I find then that the unrestricted component of our funds is the one that really impacts on the sustainability of a country with Oxfam. Because it always available every year of the budget, sometimes it is more and sometimes it is less but atleast it is there." (Int.3)

"There are some donors who will just fund you for the programme element...this can be mitigated by the unrestricted funding that we get, because we get unrestricted funding that can be used for any projects that we have. So once this type of scenario happens, then the unrestricted funds are crucial, so it is about how

well you manage your other unrestricted funds that can help you to blend it with the restricted funds that are only earmarked for program work." (Int.5)

"The idea of tying yourself up with restricted funding does not make good business sense. My strategy for the way I want to move foward is a higher proportion of unrestricted funding versus restricted funding." (Int.6)

Unrestricted funding is awarded not solely for projects but rather on the strategy, reputation, credibility and perceived efficiency of the organisation or affiliate as a whole. Thus, much depends on how the organisation or affiliate markets or presents itself, which will depend on how effectively it manages pivotal aspects of its operations such as its governance, finances, etc.

"It is not granted on the basis of projects. It is granted based on the organisation. Ideally you would look at the organisation and how much unrestricted funds versus restricted it needs. Alot of that again is based on strategy. So depending on what you want to do in your strategy will define the amount of unrestricted funding you need and eventually get." (Int.6)

"You sell your organisation. You do not sell a program when you are going for unrestricted funding. Your governance needs to be in place. Your audited financial statements need to be in place. Your registration documents need to be in place." (Int.6)

However, the balance between restricted and unrestricted funding was encoached in the more important issue of ensuring that Oxfam affiliates would be able to put structures in place that would enable them to receive and generate enough funding to be able to ensure adequate project delivery and implementation in the pursuit of global poverty and injustice reduction.

"Oxfam must match its ambitions to overcome poverty to the resources that are available. We have put much greater strategic emphasis on building resources at the affiliate level in order to match our collective ambition and organizational requirements."

(Coyle, 2000, p. 30)

4.12 CONCLUSION

This chapter has explored the convergence of both data sources, i.e interview and organisational documentation, thus facilitating discovery of the variables at play in the issue of Oxfam GB's sustainability. This was done in three ways. Firstly, we identified seven core themes and looked at the variables contributing to the dynamics in each of those themes. Secondly, we identified a number of factors that influence this NPO's sustainability from outside the organisation itself (External Factors) and lastly, we identified a number of ancillary issues that nonetheless have some stake in Oxfam's quest for sustainability (Additional considerations).

The diagram below thus represents a helicopter view of the issues influencing Oxfam GB's sustainability. A helicopter view refers to the fact that this diagram lets us know at a glance what the pivotal issues in the organisation's sustainability are. The smaller circles in the diagram depict the core themes identified, and the boxes on the left and right of these circles identify external influences and additional considerations which also exert an influence on the organisation's sustainability(as depicted by the arrows).

In the next chapter, our helicopter will zoom in to a lower level of aggregation to allow us to see deeper into how all the themes, external influences and additional data interweave to create the tapestry that is Oxfam GB's sustainability.
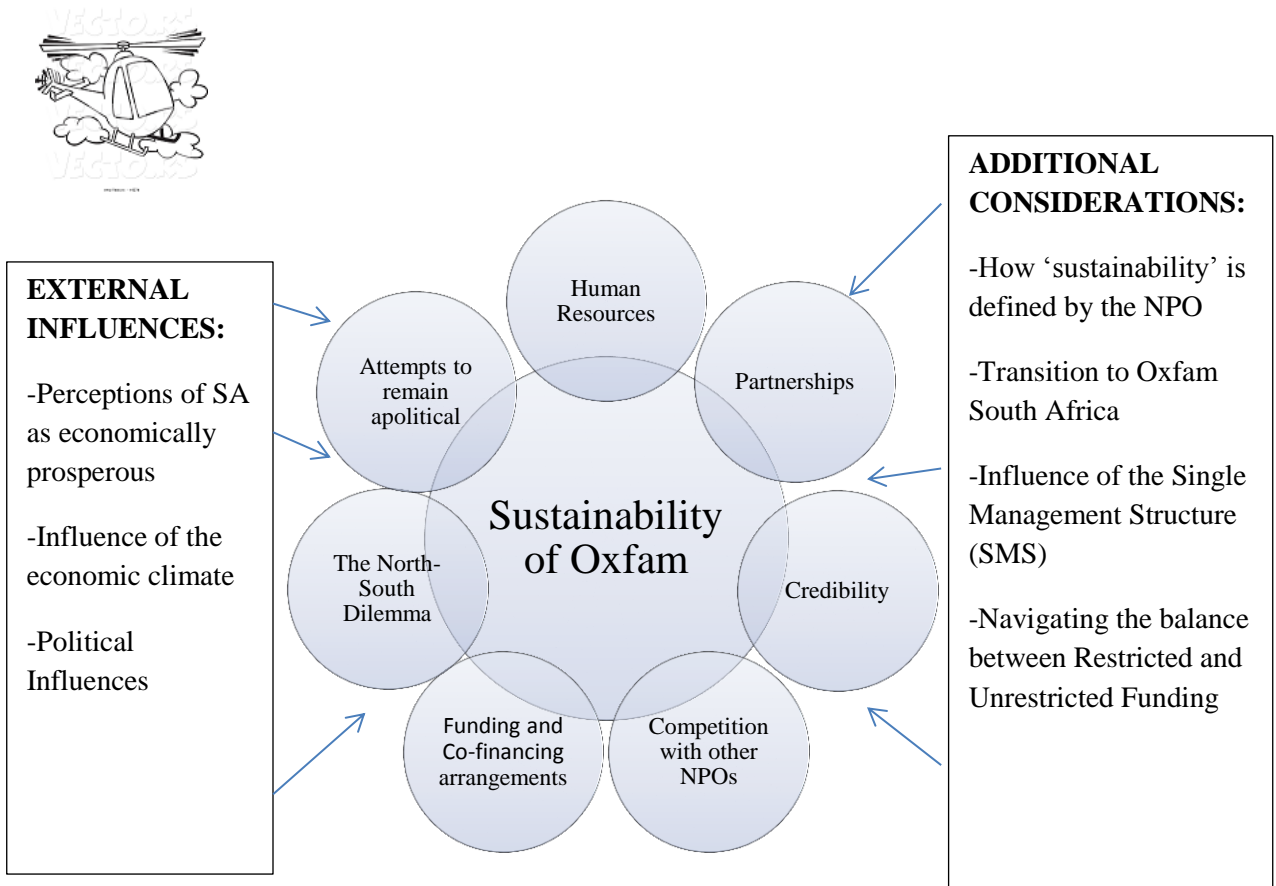
Figure 4-2: Core themes, external influences and additional considerations in the sustainability of Oxfam GB

However, even the external influences and additional considerations do not exist and function in isolation from the central themes, but are intricately related to them, and together they influence the overall sustainability of the organisation. These linkages will be explored in more detail in the following chapter via the use of causal loop diagramming and the presentation of a Qualitative SD Model.

CHAPTER FIVE: DISCUSSION

5.1 Introduction

In the previous chapter, the data from the interviews and Oxfam organisational data were analysed holistically. As common themes were identified, particular emphasis was on the identification of variables that could form the basis of the construction of causal loop feedback diagrams. This was in keeping with the systems thinking approach guiding the overall study. These variables were highlighted in the previous chapter. The purpose of this chapter is to demonstrate the manner in which the variables interact with one another creating feedback influences, and to discuss the implications of these feedbacks for the sustainability of the Oxfam GB affiliate.

The part of this chapter which presents the findings in the form of CLDs, followed by an explanation of the variables comprising the loops, and the nature of influence between each variable, was written in a particular "language". This language, associated with the construction and explanation of causal loop diagramming, shall be explained in greater detail below. The explanation of data identified as "external influences" and "additional considerations" in the previous chapter shall be integrated into the explanation of the various themes as they are all linked and should not be interpreted in isolation from the rest of the data. This further exemplifies the systems thinking nature of this research.

Also, certain CLDs may seem obvious or intuitive at first glance. However, these CLDs were still presented and explained so as to ensure that the reader was aware of the nature of the feedback influences in every loop comprising the overall Qualitative SD model which is presented later.

5.2 Definitions of Sustainability

Sustainability for Oxfam is the synergy created by the seven themes that were identified earlier, namely, by human resources, credibility, partnerships, funding, competition, attempts to remain apolitical and finding a unique identity as Northern affiliates operating in an African context.

Sustainability was defined as being achieved if the organisation/affiliate:

- Possessed enough resources to ensure adequate project delivery, implementation and monitoring over an extended period of time
- Was able to survive ever-changing and turbulent environmental changes due to a surplus of resources and funding at its disposal
- Had a network of reliable partners and funders who were able to ensure sustained funding and other assistance
- Possessed a well-developed communication infrastructure between itself, its affiliates, and its local and global funders and partners
- Was able to utilize certain business practices and models to generate revenue and maintain organisational processes, without sacrificing or negating commitment to the original social mission and vision of the organisation
- Was consistently ethical, accountable, committed and transparent in the pursuit of their social mission, projects and programmes.

It was also recognised that the definition of "sustainability" is highly dependent on, and influenced by, those attempting to interpret it, and therefore is in constant flux as to how it is defined generally (M. Sanders & McClellan, 2012, p. 15). However, examining the sustainability of this Oxfam affiliate from a systems thinking perspective has shown that there are many variables that interact in particular ways (reinforcing or balancing behaviours), and thus "sustainability", or the lack thereof, is the product of all these variables and the manner in which they influence one another. In addition, environmental changes or changes from outside the organisation cannot be ignored as they have the potential to influence everything within the NPO, especially when it comes to the funding the organisation receives (Schuh & Leviton, 2006, p. 176), which in itself bears a major influence on its sustainability.

Sustainability then becomes about whether the NPO has the capacity to survive in such a changing, turbulent environment with the resources at its disposal. According to Merino and Carmenado (2012, p. 967):

> *"Capacity is defined by the existence of resources, networks, leadership and group process skills, and capacity building is a cyclical concept related to the development of human, organizational, institutional and social capital."*

Thus, capacity is quite a robust term encompassing many dimensions much in the same way sustainability is a single term with multidimensional meanings. This multidimensionality adds to confusion regarding a single, universal definition for "sustainability" and makes the "measurement" or accurate assessment thereof, a challenging feat (Merino & Carmenado, 2012, p. 967). This also extends to consideration of the social impact of the NPO as the social good it does is an important part of its sustainability and the initial reason for its existence. Difficulty in measuring social impact (Omura & Forster, 2014, p. 46) hinders recognition of the extent to which such social impact contributes to the overall sustainability of the organisation.

Added to this is the fact that the term is not black and white in the sense that NPOs can exist on a continuum by demonstrating different degrees of sustainability. They are not either sustainable or not sustainable, but rather should be seen as moving on a scale either closer to, or further away, from sustainability depending on how they manage the variety of internal and external influences they are privy to.

The systems thinking view of the Oxfam GB affiliate's sustainability has demonstrated that a multitude of variables and the manner in which they influence one another are responsible for the organisation's state of sustainability or lack thereof. This challenges the common assumption of assuming that sustainability in NPOs automatically refers to financial sustainability and dedication to a social mission (Dees, 1998, p. 56; Moore, 2000). It is true that if the NPO has sufficient financial resources at its disposal and is committed to a particular social mission, that they are more likely to be "sustainable", but as we shall see in the dissection and explanation of the Qualitative SD Model, the focus should not be on funding and social mission alone, as there are many variables that influence funding specifically, and sustainability of the overall organisation generally. Dees (1998, p. 58)asserts that creating a thriving, sustainable NPO is not an easy feat. The number of variables identified as influencing non-profit organisational sustainability in this study, together with consideration of the fact that there may be many more factors in existence that were not identified in this study, gives some insight into why the sustainability of NPOs is such a conundrum requiring more than simply funding and commitment to a cause.

In addition, while these variables are generally present in other NPOs, they may influence each other in a different manner than the manner in which they influenced the sustainability of the Oxfam GB affiliate in this study. Therefore, whether an NPO is sustainable or not moves beyond

the simple identification of certain criteria which it fulfils, and embraces acknowledgement of how such criteria reinforce or balance each other out. In this way, strategies to make an NPO more sustainable need to take cognisance of the many variables at play in sustainability and will need to ensure that such variables influence each other in ways that will be beneficial to the overall organisation. This presents a complex endeavour indeed, but not an impossible one.

We also need to bear in mind that every NPO is situated in a different context. This is especially relevant to the structure of the Oxfam Confederation (or any international NPO for that matter) as it has many affiliates throughout the world. Therefore, such organisations may have a common strategy, vision and mission, they need to be cognisant of how these differing contexts will influence how they interpret such strategies, mission and visions, as well as being influential in terms of project implementation and delivery.

5.3 Language of the causal loop diagrams (CLDs)

With regard to the CLDs utilised to present the findings, we shall use the following example taken from Sterman(2000, p. 143) to depict the main elements comprising such loops in order to enable understanding of the findings:
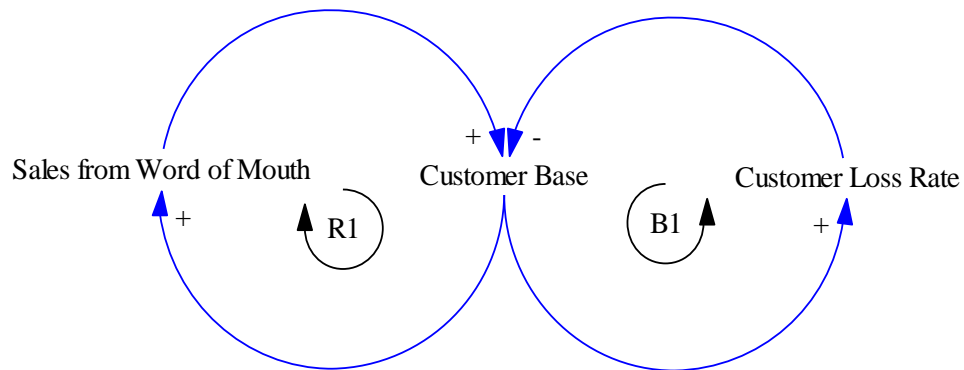

Figure 5-1: Causal loop diagram depicting the nature of feedback (Sterman, 2000, p.143)

The basic elements of a causal loop will be the variables that comprise it, in this case, this includes three variables, namely (1) Sales from word of mouth (2) Customer base and (3) Customer loss rate.

The nature of the influence between the variables follows the direction of the arrow. Therefore:

- As **Customer Base** for example increases, **Customer Loss Rate** will also increase because the more clients you get, the more you can lose as well. Therefore, there is a plus sign (+) at the end of the arrowhead to indicate that both variables influence each other in the same manner.
- As more customers are lost (in other words, as **Customer Loss Rate** increases), the **Customer Base** drops. This indicates an opposing or balancing relationship as indicated by the minus sign (-) at the end of the arrowhead.
- As **Customer Base** increases, **Sales from Word of Mouth** also increases, as there are more people using the product and therefore more people to speak about it to others, hence the (+) indicates that the two variables reinforce each other.
- As **Sales from Word of Mouth** increases, more people become customers, thus increasing the **Customer Base**, another reinforcing relationship (+).

Therefore, two interacting feedback loops are created: A reinforcing (or positive) loop on the left, indicated by **R1**, and a balancing (or negative) loop on the right, indicated by **B1**. In other literature, reinforcing loops may also be denoted by a **snowball image** or a + , while Balancing loops are often represented by a **see-saw image** or a **-**. However, the loops depicted in these findings shall make use of the signage in the example above (i.e. R and B with accompaning numbers).

Finally, the smaller arrow loop around the R1 and B1 indicates the direction in which that particular loop must be read. Therefore, Reinforcing loop 1 (R1) is read in a clock-wise direction, while the other loop (B1) is read in an anti-clockwise direction. The example above represents a simple CLD, with diagrams becoming more complex as more variables and the feedback relationships between them are added.

In order to make the logic of the CLDs explicit and understandable, initial variable behaviours were assumed to increase or decrease. However, this was an attempt to indicate how the behaviour of the organisational system is influenced by its underlying structure. Therefore, in the

real world, the variables mentioned may operate inversely to what was mentioned in this write up. The essence however, is in understanding the nature of the relationships between the variables.

However, it also important to bear in mind that as the influence around the loops are explained, we are essentially exploring what the loops tell us about the structure of the system (Sterman, 2000). Even though we describe how the variables influence one another, this is always based on the assumption that such variables will change. Such assumptions will be stated before the loops are explained.

5.4 THE QUALITATIVE SD MODEL

As variables were identified from the main themes that emerged from the data, they were arranged into CLDs. When these CLDs were merged and the relationships between the various loops were identified, a Qualitative SD Model was created. This model was able to provide a holistic picture of the feedback structure involved in the sustainability of the Oxfam GB affiliate in SA.

Although it is the creation and running of a computer simulation model that reinforces the scientific and "dynamic" aspect of SD, the system's behaviour over time can also be inferred from the recognition of system archetypes, especially with regards to Qualitative SD which does not progress to the simulation stages. Although such archetypes do not provide explanations of possible future system behaviour with as much precision and scientific validity as would a computer simulation, they do provide insight regarding such future behaviour nevertheless, as shall be seen in the ensuing discussion.

The Qualitative SD Model highlights the deeper lying feedbacks in the issue of this affiliate's sustainability. Therefore, if we recall the imagery of the helicopter used at the end of the previous chapter, we are now taking our helicopter lower to see more of the details of the view we are looking at, in this case, we want to see what feedbacks are at play within each of the themes identified, and we want to see how each of these thematic feedbacks influence one another. This understanding is facilitated by the following Qualitative SD Model:
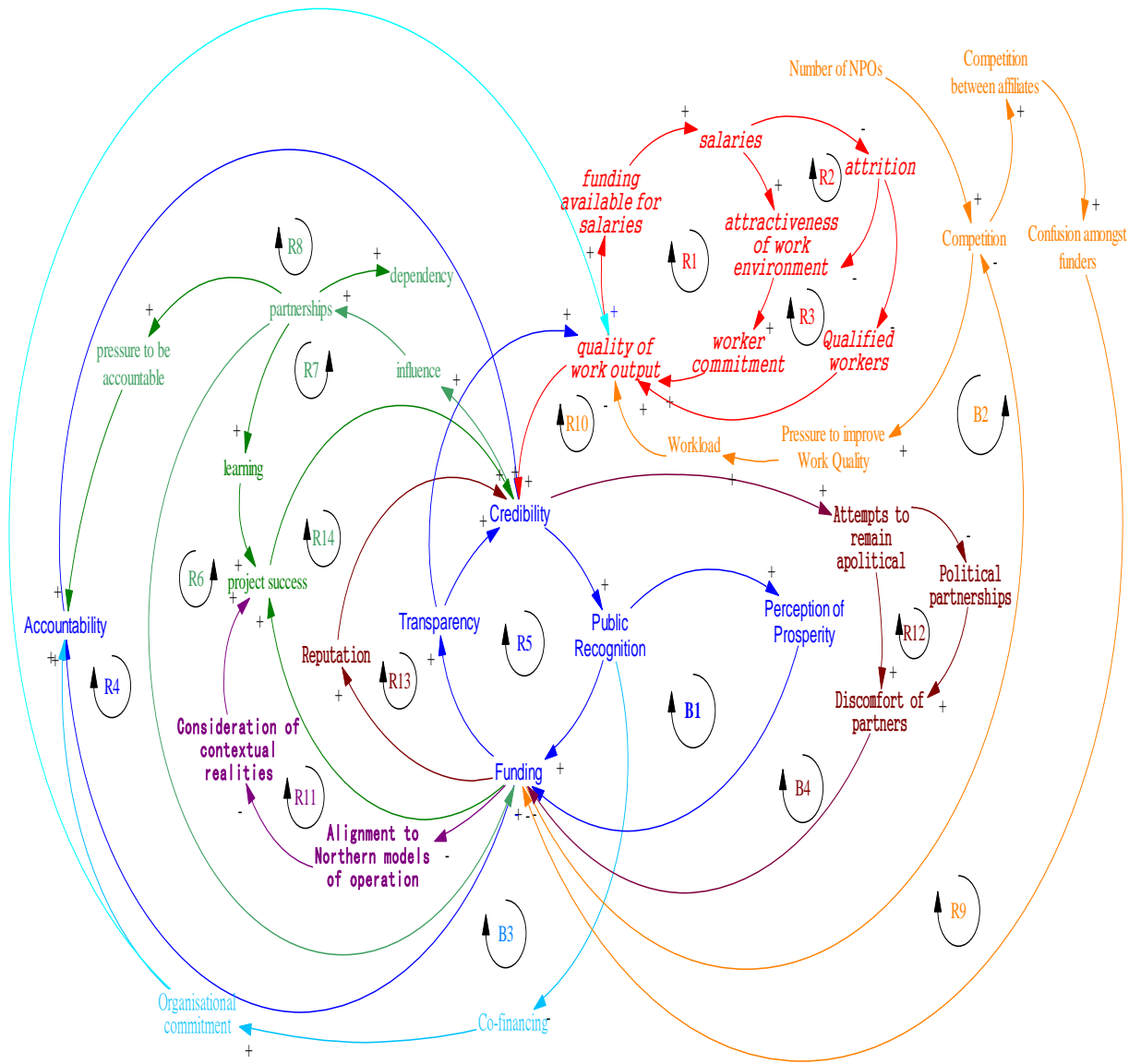
Figure 5-2: Qualitative SD Model of Oxfam GB's sustainability

The Qualitative SD Model was constructed by building up and combining model fragments pertaining to each theme. To make the model easier to understand, I shall now explain each fragment (and thus, each theme) as the Discussion proceeds. The Model was provided here because although each theme is explained separately, they all influence one another to impact the sustainability of the organisation and such influence can only be recognised by viewing the model as a whole. Thus, even though the explanations are organised according to themes, the manner in which such themes inter-relate and influence one another shall be explained in the course of the discussion.

5.4.1 HUMAN RESOURCES (HR) LOOPS (R1, R2 and R3)

In the findings chapter, the following variables were identified as influencing the HR dynamics within the organisation:

Salaries
Attractiveness of work environment
Worker commitment
Quality of work output
Funding available for salaries
Attrition
Qualified workers

The above variables interact to contribute to the feedback structure represented in the three reinforcing loops (Loops R1, R2 and R3) depicted below:
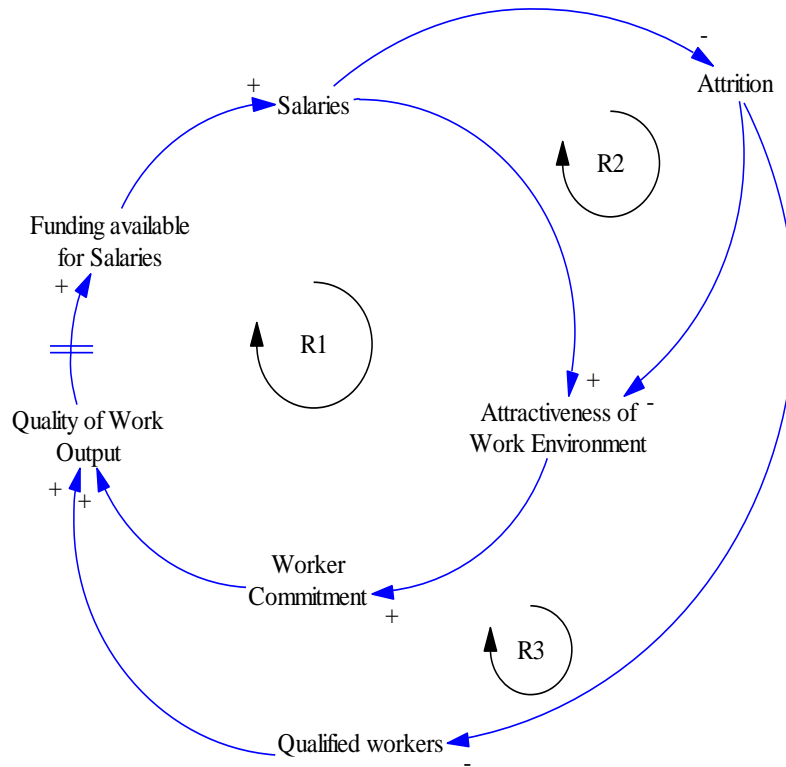
Figure 5-3: Reinforcing loops (R1, R2 and R3) involved in HR dynamics

In line with current trends in the non-profit sector, we shall assume a decrease in **Salaries**, in order to explain the nature of the influence around the two loops as all other variables remain constant.

5.4.1.1 Reinforcing Loop 1:

As **Salaries** decrease, the organisation is perceived by potential employees to be a less attractive place to work (**Attractiveness of Work Environment**). As the **Attractiveness of the Work Environment** falls, workers become less committed to their organisational roles and duties. Less **Worker commitment** then results in workers not giving their best in the workplace, resulting in a declining **Quality of work output**. As the news of poor quality work outputs on projects and programmes spreads, funders contribute less to the organisation or allocate less funding to the Human Resource function in projects and programmes (thus, less **Funding available for**

Salaries). This occurs after a prolonged period of time has passed, indicated by the two dashes on the connector between Quality of work output and Funding available for Salaries. Less **Funding available for Salaries** means that **Salaries** drop, making the work environment seem even less attractive, and the influence around the loop begins once again to contribute to a Reinforcing loop (R1).

Salaries also has an influence on another dynamic within the organisation, namely **Attrition** which as stated previously refers to a gradual reduction in the number of employees in an organisation due to them resigning, retiring and/or sometimes due to death. Considering the influence of Salaries on Attrition creates another Reinforcing loop (R2) which is depicted above. The explanation of this loop now follows:

5.4.1.2 Reinforcing Loop 2:

As **Salaries** decrease, the number of people leaving the organisation **(Attrition)** increases. As more people leave or resign from the organisation, a negative impression of the organisation is created, thus making it less attractive to potential employees **(Attractiveness of Work Environment).** This then introduces employees in the workplace who are less committed, therefore resulting in a work force that has a comparatively lower level of **Worker Commitment** than would a committed work force. A less committed work force contributes to a lower **Quality of Work Output.**

After a delay of time (indicated by the two dashes on the line between **Quality of Work Output** and **Funding available for Salaries**), as potential donors and funders are partially or not satisfied with the **Quality of** the organisation's **Work Output**, the chances of the organisation receiving more funding which it can then channel into salaries **(Funding available for Salaries)** becomes less likely. Reductions in Salaries or less competitive **Salaries** will then reduce the **Attractiveness of the Work Environment** and increase the **Attrition** rate because people who perceive themselves as working too hard for the amount of money they receive are more likely to leave the organisation. This then stimulates the reinforcing nature of the loop (R2) once again.

Even if one had to assume a increase, the nature of influence between the variables would remain the same. So for example, if we assumed a increase in **Salaries,** this would lead to a increase in **Attractiveness of the Work Environment.** Therefore, the relationship is still reinforcing in nature, but in the opposite direction. Similarly, a increase in **Salaries** will contribute to an decrease in **Attrition** rates which shows that these two variables still have a

balancing effect on one another, but in the opposite direction. This also represents a method of checking the vailidity of the loop polarities (+ or **-**) in the CLDs(Sterman, 2000).

5.4.1.3 Reinforcing Loop 3:

As more workers leave the organisation (as **Attrition** increases), workers who are higly skilled and experienced (**Qualified workers**) decrease. This contributes to either fewer workers left to work on particular project, or new workers are employed. These new workers will require on the job experience, training and capacity buiding which will take much time. In both cases, HR capacity is reduced, thus affecting the overall **Quality of work output**. Once again, this will negatively impact the **Funding available for Salaries**, thus reducing potential **Salaries**, and increasing the **Attrition** rate.

The loops above demonstrate the dynamics at play within the HR aspects of Oxfam's functioning. It does not detail every aspect that influences HR dynamics in the organisation because the loops emanated from the data acquired from respondents. Thus, these issues stood out as being significant in what they perceived as HR dynamics influencing their organisation's sustainability.

Typically one would understand the link between Funding available for Salaries and Salaries. The funding available for salaries will determine how much we are able to pay our employees. That is logical to assume. However, these loops also show how Salaries can also influence the funding available for salaries because here the emphasis moves beyond the bi-directional relationship between these variables, to examine how they all influence each other in feedback influences, i.e through reinforcing or balancing behaviours.

Therefore, moving beyond the understanding that funding available for salaries will determine actual salary amount, we can see through the explanation of the loops above how initial salary amounts, attrition, the attractiveness of the work environment, workers' levels of commitment, the quality of their work output, the number of qualified workers in the organisation and the funding available for salaries all influence each other.

Understanding these influences also allows HR managers to see how cultivating a more robust HR unit or strengthening HR capacity to sustain an organisation's sustainability is not simply

about increasing the salaries of employees or encouraging a higher standard of work output, but also about keeping attrition rates stable, creating an attractive work environment, building worker commitment and enhancing the organisation's or affiliates' ability to attract committed, experienced and highly qualified personnel. This is an issue of particular concern for Oxfam affiliates in Southern African as they are prone to insufficient staff members, inadequate capacity of such members and posts that remain vacant for a prolonged period due to the difficulty in finding sufficiently qualified employees (2014, p. 12).

Salaries and the funding available for salaries are dependent on the amount of funding the organisation or affiliate receives from international and local donors, as well affiliate headquarters. Therefore, there is not a great degree of control over such variables beyond allocating a particular amount for salaries from the overall funding received. The benefit of viewing the HR dynamics in the form of CLDs allows us to identify variables that can be leveraged to bring about positive change in the system being investigated. In this case, while funding available for salaries can be considered beyond the immediate influence of Oxfam managers, they do have a degree of control over how they market the attractiveness of their work environment to potential and existing employees.

The attractiveness of the work environment serves as a powerful leverage point in any organisational setting, but especially so in NPOs. This is because NPOs tend to attract people who have altruistic tendencies, meaning these kind of organisations are often staffed by people who have a strong desire to contribute to the world or assist some sector of society (Chen & Bozeman, 2012; Ortmann & Schlesinger, 1997, p. 103). They want to be involved in an organisation that creates some kind of social value and they want to be involved in the organisational processes that make such "social value production" possible. This intrinsic motivation exists at all levels of the organisational hierarchy, not just ground level employees and they perceive this value creation as being even more important than the financial aspects of the NPO:

> *"Non-profit managers want to talk in terms of the social value of particular missions rather than of the profitability or financial sustainability of the enterprise. They like the idea that there is an important public value beeing created above and beyond the willingness of clients to pay for the services."*

> (Moore, 2000, p. 199)

This implies that people who work in NPOs are intrinsically motivated by more than how much they are paid in terms of salaries, but that they may derive satisfaction from producing a service that is socially beneficial, from promoting the social mission of the NPO or from being involved in the creation of a public good for the betterment of society (Benz, 2005, p. 156). This assertion is strengthened by the studies of Benz (2005, p. 173) who concluded:

> *"...non-profit workers were generally more satisfied with their jobs than for-profit workers, a finding that is difficult to explain by material differences between the sectors, but is consistent with the view that non-profit firms offer substantial intrinsic work benefits."*

This includes volunteers or people recruited to assist the NPO and who receive no compensation for their services. Such volunteers are extremely beneficial to NPOs because they provide assistance without requiring payment and therefore further the social mission and initiatives of the organisation, while keeping expenses down (Du Plessis & Petzer, 2011, p. 271).

According to Du Plessis and Petzer (2011, pp. 270-271), people donate to NPOs because they emphathise with the cause, want to contribute to society in some way, desire to give back to those who are less fortunate, in reaction to the illness suffered by a family member, colleague and/or friend, due to religious obligations such as tithing,etc. However, these may also be possible motivations behind the altruistic tendencies of people who wish to work in NPOs. Therefore, they empathise with the mission of the organisation and feel that they can contribute to society through the upliftment of, or assistance to, particular groups of the population through the NPO's mission and vision.

Therefore, the desire to bring about some social good seems to be more of an incentiveto such employees than competitive salaries. As Kaplan (2001, p. 358) substantiates:

> *"Many people who become employees of these (non-profit) organizations voluntarily accept below-market compensation because they believe in the mission of the agency. Their personal values motivate them to do good and to contribute to society through the agency's programs. This is wonderful and a great source of strength for the non-profit sector."*

Therefore, while salaries may be beyond direct control of management, appealing to the altruistic tendencies of existing and potential employees can be a more effective route of improving the quality of work output in the organisation. If the organisation is able to market itself to appeal to the altruistic tendencies of potential employees, then such employees are more likely to possess a strong commitment to achieving the vision and mission of the NPO. Committed employees are more likely to perform more effectively in their work roles and duties (Knutsen, 2012, p. 631), thus increasing the quality of their work output. Higher quality work output, for example, in the case of better developed donor proposals, reporting to donors more timeously, etc. will increase the chances of projects being delivered, implemented and monitored more effectively. It will also enhance the overall credibility of the NPO and attract more donors and funders. These increases in funding, or bigger unrestricted budgets for projects could filter down to increased salaries for employees.

Therefore, we can see how shifting the focus from acquiring more funding for salaries, which in itself is a timeous venture, to attracting a more committed workforce can create a positive reinforcing behaviour for many aspects of the organisation beyond HR itself. The CLD below shows how attracting potential employees who are likely to be more committed due to their altruistic tendencies will enhance the quality of work output, increase chances of project success, heighten the long-term probability of increased funding for salaries, enhance the credibility of the overall organisation/affiliate and enhance altruistic tendencies. This is based on the assumption that those who wish to contribute to society in some way, upon seeing the fruits of their actions, will be even more encouraged to put increasing levels of effort and commitment into further contributing to society, thus enhancing their own altruistic tendencies.
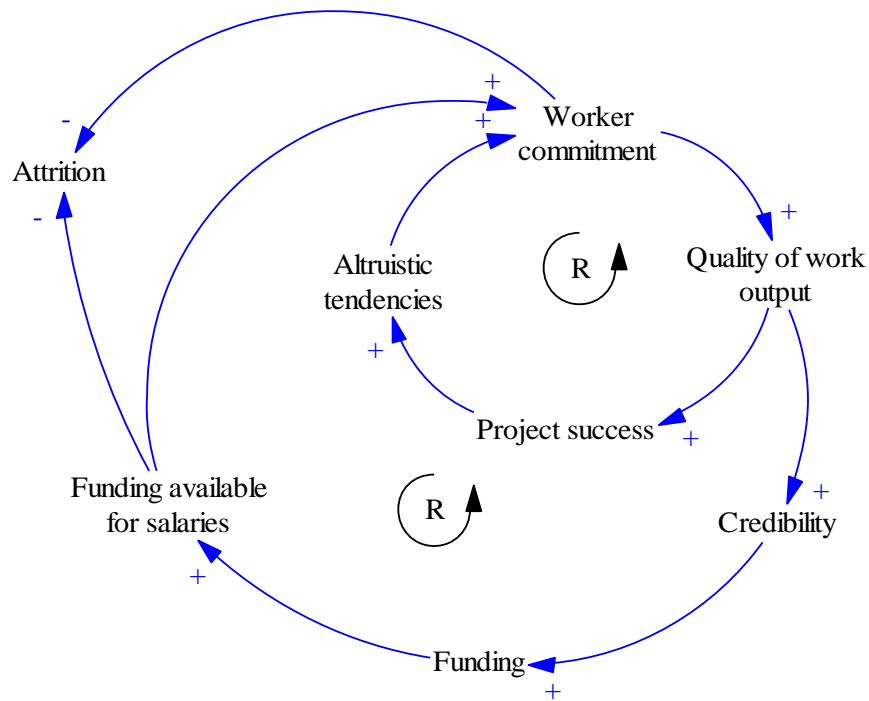
Figure5-4: CLD indicating the effect of attracting workers with strong altruistic tendencies

It is also important to bear in mind that volunteers do not work for monetary compensation and they can thus be regarded as being even more committed to the organisation's social mission. This would also indicate that they possess altruistic tendencies as well, making the above CLD suitable for understanding the role of their altruistic tendencies in the quality of work produced (or rather assistance provided), project success, enhancing the organisation's credibility, improving its chances of attracting funding and even attrition. Attrition in the context of volunteerism would imply the reoccurence (or lack thereof) of assistance provided by the volunteer s as some volunteers continue to assist on various projects, while for others it is a once off activity. The point being, that even if we do not consider salaries in the above loops, they would still function as reinforcing loops making them apt for understanding the influence of volunteers' altrusitic tendencies on the other variables depicted in the CLD above.

Each country possesses people who are committed to improving the welfare of some aspect of the society and/or environment of which they are a part of. The question then becomes how

would Oxfam affiliates attract such people. Attracting potential employees on the basis of certain levels of experience and/or qualifications is relatively straightforward because these requirements can be advertised in vacancy posts in newspapers, online sites, word of mouth, etc.

However, attracting potential employees who are naturally empathetic, altruistic and committed to the betterment of society is a more complex endeavour because these are qualities that cannot be readily assessed through a curriculum vitae or interview. A possible way to attract such employees, partners or funders can be through enhancing the reach of Oxfam affiliates. This refers to the fact that Oxfam is a confederation of affiliates throughout the world. They contribute to the betterment of society through many programmes aiming at poverty alleviation and the reduction of global injustice and inequality. Oxfam has a strong reputation in the Northern parts of the world such as in the United Kingdom, United States of America and Europe based on the many projects and programmes they are or were involved in. Affiliates in the South do not enjoy the same recognition because Oxfam and the work it does is not recognised by the public to the same extent as in the North.

Therefore, Oxfam affiliates (in the South especially) need to find ways to publicize the work they do in order to improve their reputation among the public. If they are able to strengthen and widen their reach, the chances of attracting altruistic employees will be enhanced. As potential employees hear of Oxfam's success stories in communities around the world and are made aware of Oxfam's dedication to reducing poverty and injustice, they will desire to get involved in such efforts and see their involvement with the Oxfam affiliates as a means to do so. In fact, many of the respondents had cited that they were attracted to working in an Oxfam affiliate because they had heard of the work the organisation was engaged in and the social development they were responsible for, which lead them to be committed to working for Oxfam, despite significant reductions in salary.

Making the public aware of the reputation and credibility of an organisation is no longer limited to being spread through word-of-mouth alone. As the world changes, there has emerged a whole range of technologies and social media tools that can be effectively utilised to make the world aware of the organisation's reputation, credibility and socially beneficial ventures. As individuals, organisations, institutions and funders become more aware of the work that Oxfam does, they are more likely to be attracted to supporting the organisations' or affiliates' cause through, for example, donations, funding, partnerships or seeking employement in the

organisation. Knowing about the work that Oxfam does will engender commitment in any involvement and assistance to Oxfam, thus enhancing the quality of work output, project success and affilate effectiveness, and improve the overall reputation of the relevant affiliate and of the organisation as a whole. This enhances the reinforcing nature of the loops identified in the CLDs above, as well as the reinforcing loops in the Qualitative SD Model presented later.

The presence of several Northern Oxfam affiliates in the South African context is particularly confusing for outsiders. Added to that is the lack of their visibility in the public domain. Despite researching this organisation and its affiliates, before engaging with them, I was unaware of their presence in SA and the work they do here and overseas. In addition, I was unaware of the many different affiliates operating in the country and once aware, was very confused as to how they operated in relation to one another. If I, as the researcher, experienced such confusion and lack of knowledge about the prescence of Oxfam in SA, it is logical to assume that many other citizens, potential donors and institutions may be in the very same state of confusion and ignorance. This does not serve the Oxfam brand nor its affiliates because ultimately it negates the work they do by preventing what they do from being made more visible. Therefore, attempts to enhance their reputation through media, communications, partnerships and the utilisation of technology and social media avenues should be greatly encouraged, especially in the current transition to an Oxfam SA affiliate in SA which will have to depend on donations from individual donors as well.

The more effective use of technology in NPOs and their capacity to attract employees based on the social missions they propogate is seen by Mesch (2010, p. 174) as a trend in the management of human resources in NPOs which will ultimately influence how they are organised and how reporting takes place within them:

> *"Better use of technology, younger generations who desire challenging work and self-select into non-profits because of the mission, and workers'desire for more autonomy will fundamentally change the hierarchical structures and reporting relationships of non-profits."*

5.4.1.4 Quality of work output

Quality of an organisation's work output can be determined by how effectively three components of engagement with donors were handled, namely:

- How effectively proposals to donors, or proposals for funding were developed

- How effectively donor contracts were handled for the duration they were granted

- And how efficiently and effectively the status of projects were reported back to donors, i.e: the extent to which the organisation was accountable to it donor/s

Considering that the Southern African Oxfam affiliates cite continous construction of poor quality donor proposals, ineffective donor contract performance and inefficient donor reporting (the region submitted 39% of donor reports after required due dates) as recurrent and insidious causes of poor quality work output (2014, p. 13), finding ways of dealing with them seems to be a crucial need for such affiliates, especially since they have a such an important influence on project implementation.

Oxfam believes in investing in it's employees and volunteers as they are the heart and hands of the organisation. This is encapsulated in its commitment to improving its HR capability through "attracting, retaining and developing the people needed for delivery of the Strategic Plan" (2014, p. 32). Therefore, when it comes to increasing HR capacity to produce attractive and accurate proposals, handle donor contracts efficiently and report back to donors timeously and effectively, training and upskilling in these aspects is of critical importance.

The implications of the Qualitative SD Model does not negate the importance of training and upskilling in any way. In contrast, it actually provides further motivation for the significance of these means of developing human resources because it shows clearly how the quality of work output does not just engender a favourable or unfavourable attitude and perception of donors towards the NPO, but also how the quality of work output influences almost all of the other variables in the model.

Therefore, by viewing the model we can now see how the quality of work output is involved in the dynamics of, for example, whether the organisation is perceived as being credible or not (Reinforcing loop 5), its quality and extent of involvement and accountability in partnerships (Reinforcing loop 8), its attempts to being seen as apolitical (Balancing loop 4), the amount of

funding available for, and chaneled into salaries (Reinforcing loop 1), and various other dynamics that can be gauged by examining the model. Herein, lies one of the benefits of the model in that we purposefully move away from the current trend in research on NPOs and their sustainability of viewing aspects in isolation and move toward a holistic view of the organisation's sustainability. In this way, we are able to see how everything happening within and outside the organisation, at different levels, are all connected and all interact to give rise to the sustainability, or lack thereof, of NPOs generally, but in this study, of Oxfam GB in SA specifically.

This interconnectedness is recognised to an extent in Oxfam's Logistics, Purchasing and Supply Manual in which it is asserted that projects can only be delivered effectively and on time through efficient coordination and collaboration between technical departments, logistics, finance, HR and funding (2015, p. 7). However, the qualitative model shows how project delivery and implementation (i.e. quality of work output) is nested within a much larger network of interconnections. Therefore, the quality of project delivery and implementation is emergent from the variables operative within such interconnections. In this way, ensuring more effcient and successful projects require interventions at many other levels beyond simply ordering employees to improve the quality of their work output.

5.4.2 CREDIBILITY

The following variables were identified as influencing the Credibility dynamics within the organisation:

Credibility
Public Recognition
Funding
Accountability
Transparency

Examined together, the above influence the Credibility dynamics in the organisation in the following manner, as depicted in the CLD below:
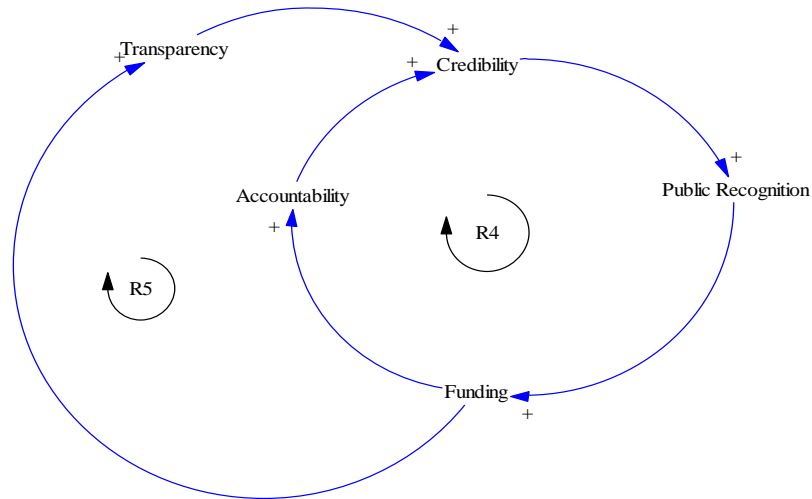
Figure 5-5: Two reinforcing loops (R4 and R5) involved in the Credibility dynamics in the organisation

We shall also assume an increase in Credibility to explain the nature of influence through the various loops:

5.4.2.1 Reinforcing Loops 4 and 5:

As the organisation commits itself to ensuring heightened standards of **Transparency** and **Accountability**, the overall **Credibility** of the organisation increases. As the credibility of the organisation as a trustowrthy NPO is established and increases, the public takes more notice of the organisation (**Public recognition**). More people and potential donors aware of the organisation and who see the organisation in a positive light means that its chances of receiving **Funding** increases. However, more funding, especially from bigger donors such as international donors and bilateral and multilateral networks, creates a need for the organisation to be more **Accountable and Transparent**. The organisation's commitment to being accountable and transparent to such donors, increases its credibility even further, thus contributing to two reinforcing loops that continue to build on one another (R4 and R5).

Considering that NPOs depend on international and local donors for funding that will enable them to pursue their social missions, accountability to such donors is of utmost importance in the overall sustainability of the organisation. From the CLDs above we can see how accountability, and the NPO's pursuit thereof, will influence whether it is perceived to be credible, the extent to which it is publicly recognised based on such credibility, the amount of funding it attracts, how transparent it is perceived to be and how transparent it needs to be, all of which feedbacks to either enhance or reduce the public's perception of its accountability. Thus, all these variables reinforce each other and can do so either positively or negatively.

Mahmoud and Yusif (2012) claim that accountability refers to the extent to which the organisation is able to demonstrate ethical behaviour and correct morals in their dealings. The non-profits ability to demonstrate such accountability has a significant bearing on whether it is received favorably or not by members of the public. This public domain also encapsulates potential and existing funders and donors as funders and donors will assess the NPO's level of accountability and use the assessment in deciding how much funding to allocate to the NPO, if any at all, and the prescriptions or obligations they should attach to such funding to ensure further accountability and transparency from the organisation. The bottom line is that funders and donors want an assurance that their donations have brought about the intended outcomes proposed when the NPO sought funding for a particular project, and that the project has brought about both long and short term benefits to the individuals and/or communties concerned (Buckmaster, 1999, p. 188).

Accountability of the NPO then becomes an endeavour that should be high on the agenda for ensuring the organisation remains sustainable over a long duration and in turbulent future environmental conditions. Accountability and transparency in the context of NPOs is not only confined to donors alone, even though a lack thereof tends to affect this group of stakeholders first resulting in declining donors and funding (Leuvennink, 2010, p. 33). In order to be sustainable and competitive, NPOs also have to strive to be accountable to all employees, boardmembers, partners, communities involved in projects and volunteers (Mesch, 2010, p. 174) and in the case of international confederations like Oxfam, accountability and transparency must expand to all affiliates as well.

However, despite the importance of accountability and credibility in the NPO's sustainability picture, there still remains much confusion as to what exactly "accountability" means in a non-

profit context (Buckmaster, 1999, p. 188). While commercial businesses can interpret accountability from a purely financial perspective in the sense of providing the opportunity for financial audits, NPOs will be limited by such an approach as the focus should also be on the social contributions they make. This does not negate the need for the auditing of financial statements, but rather emphasises the thorough examination of such statements and records in ensuring adherence to the social mission of the NPO and the extent to which it has met its donors' prescriptions regarding the use of funds for projects against the backdrop of its own overall vision and objective.

This commitment to making both the financial aspects, as well as the social impact it facilitates, explicit and transparent can be seen in the manner in which Oxfam compiles its annual reports. Such reports clearly detail the financial incomes and expenditures, as well as the contributions of local and international donors and percentages thereof. However, there is also reporting on the social impact that Oxfam affiliates throughout the world facilitate through descriptions of the projects they are involved in, the progression and/or outcomes of such projects and the lessons learnt that can be utilised by other affiliates, or in other similar projects elsewhere.

This also indicates how non-profits and for-profits or commercial enterprises differ with regard to how they need to report and the manner in which their overall sustainability is interpreted and perceived. For-profits are not under as much pressure to indicate how they have contributed to social upliftment, while for the non-profit this is extremely imperative as this accounts for the reason the NPO exists in the first place.

> *"Non-profits and governmental organizations cannot focus quite so sharply on financial performance. They must make two calculations instead of one. They must focus attention on their financial performance to ensure the future survival and value-creating capacity of the enterprise. However, having made that calculation, they cannot then stop. They also have to attend to the question of whether the enterprise whose survival they have just guaranteed is also producing social value defined in terms of an important mission that they could achieve."*

> (Moore, 2000, p. 195)

Thus, being accountable with regard to how they have contributed to society and how financial resources were utilized in this pursuit are two sides of the same accountability coin; a fitting

metaphor if there ever was one as the extent to which an NPO can prove ethical and efficient use of funds will serve as a means of attracting even more funding their way.

Even though Kaplan (2001, p. 369) asserts that *"non-profitss should be accountable for how well they meet a need in society rather than how well they raise funds or control expenses",* we need to bear in mind that the misuse of funds is a problem not unique to the private sector alone. Therefore, while in a utopian society reporting of the NPO's social impact alone would be sufficent, in the current climate of corruption and the misuse of funds in all types of organisations, making explicit how the NPO uses funds and controls expenses should be an imperative. This is an imperative that could be enforced by state actors as proposed by Habib et al. (2008, p. 39):

> *"Perhaps the answer lies in the need for transparency. It would be entirely legitimate for government to demand, and even legislate, the need for transparency, for it would simply facilitate the accountability of multiple stakeholders to citizens."*

In the South African context, this is facilitated by The Department of Social Development's requirement from all NPOs of both an annual narrative report and an annual financial report (Mzini, 2011, pp. 281-282). The narrative report provides details on the organisation's main activities, achievements, proceedings and details of crucial meetings and any changes to its constitution. The financial report which must be completed by a registered accountant or auditor provides details on income, expenditure, assets, liabilities, cash flow, changes in equity together with the most recent financial statements and accompanying notes (Coyle, 1998, p. 20). Thus, accountability is enforced on both the financial and social aspects of non-profit functioning, thus encouraging financial transparency as well as accountability and commitment to the social mission of the NPO.

As can be seen in the reinforcing loops, even though the interaction of accountability, credibility and public recognition increase the NPO's or affiliates chances of attracting funding and donations, the accrual of such funding forces the organisation to be even more accountable and transparent especially with regard to project funding, or in the case of Oxfam, restricted funding. This is funding that is given provided certain restrictions or obligations with regard to how the funding is utilised, are adhered to.

This is supported by the assertion of Weerawardena et al. (2010, p. 350) that:

> *"project funding is by its nature short term. It is more specifically targeted and often requires more accountability by the funded organization."*

The question of how to engender accountability and transparency in non-profit functioning and organisational processes remains a difficult one to answer. NPOs have to be committed to accountability and transparency from their inception. Indeed they are built on the promise encapsulated in their social mission of operating with the purpose of giving back to some aspect of society truthfully and honestly. Since NPOs cannot exist without those that facilitate the existence of the organisation, namely its staff, employees, leaders, funders and partners, we can assume that for high standards of ethicality, accountability and transparency to abound, such constituents will also need to demonstrate, and be committed to being ethical, accountable and transparent. As demonstrated in the Qualitative Model and substantiated by Habib et al. (2008, p. 40), transparency is a significant influencing factor in overall project success and thus can facilitate greater social impact, while being highly influential in the sustainability of the NPO.

Oxfam and its affiliates are highly committed to ensuring transparency and accountability in all their interactions, financial and otherwise. This they believe is an imperative as accountability and transparency are closely linked and significantly influential in determing the quality of implemented projects, in entrenching their work in integrity and in building trust with donors, partners, communities, campaigners, etc. (2000, p. 22).

Their commitment to accountability and transparency is entrenched in the Oxfam Strategic Plan for 2013 to 2019, thus further communicating the importance with which these qualities are regarded by Oxfam and its affiliates. By the year 2019, Oxfam is committed to strengthening its accountability as encapsulated in Operational Goal three of the Plan:

(2000, p. 25)

The Oxfam Southern Africa Regional Funding Strategy 2013-2015 (p. 10) also states enhancing governance and accountability as one of four crucial areas that shall serve as a priority for establishing and developing collaboration between all affiliates. This signifies that Southern Africa affiliates recognise the importance of being accountable, transparent and credible to all their stakeholders.

The organisation's commitment to accountability is further enhanced by the fact that it is one of the founding members of the International NGO Accountability Charter which strives to create and maintain universal accountability standards for all international NGOs, and ensure compliance to such standards.

5.4.2.2 Perception of SA as a middle-income country

South Africa as a country made up of both poor and prosperous populations places it on a precarious position in terms of how it is perceived by international donors. Generally, most international donors are increasingly perceiving SA as a middle-income country that is relatively prosperous. This means that they are less inclined to fund South African projects and programmes or contribute less to such programmes based on this perception. If donors choose to

make judgements about the level of the country's need based on the prosperity of the developed parts of the country, while being ignorant of the high levels of poverty and inequality that still exist, they will contribute less funding, or nothing at all. Therefore, this presents a great dilemma for all NPOs in the country, including Oxfam, as they must navigate the space between these two extremes in order to decide how to present themselves to potential and existing donors.

This situation is reflected in the withdrawal of funding by many traditionally committed international donors such as Britain's Department for International Development (DFID) which is symptomatic of the bigger picture of the United Kingdom's decision to end funding contributions and aid to SA by the year 2015 (2014, p. 27). This also shows how influences from outside the organisation itself can create significant changes for how affiliates operate, lending credence to the idea of the environment and global contexts in which NPOs and affiliates are embedded as being significant influences to their overall sustainability.

However, the perception of SA as a middle-income country, while being held by external donors, partners and other stakeholders, still influences the dynamics within the affiliate, irrespective of whether those within the organisation hold the same or conflicting beliefs. Therefore, as the **Accountability** and **Credibility** of the Oxfam affiliate or organisation as a whole increases, it becomes more **Publicly Recognised** for its efforts, and for its ethical and efficient reporting of such efforts. While this enhances its chances of attracting more **Funding**, at the same time, donors begin to perceive the organisation as being funded by many donors, and thus of being in a better financial state. This together with the **Perception of the country's Prosperity** insinuated by its label as a "middle-income" country, leads funders to assume that they can withhold **Funding** from the affiliate because it does not really require such funding.

As **Funding** drops, the need to be **Accountable** and **Transparent** also decreases because there are simply fewer donors and stakeholders to be accountable to. Decreasing levels of accountability and transparency then impacts on the credibility of the organisation, decreasing public perception of its credibility and overall recogniton of the organisation. These dynamics added to the Credibility loop identified above will produce the following CLD:
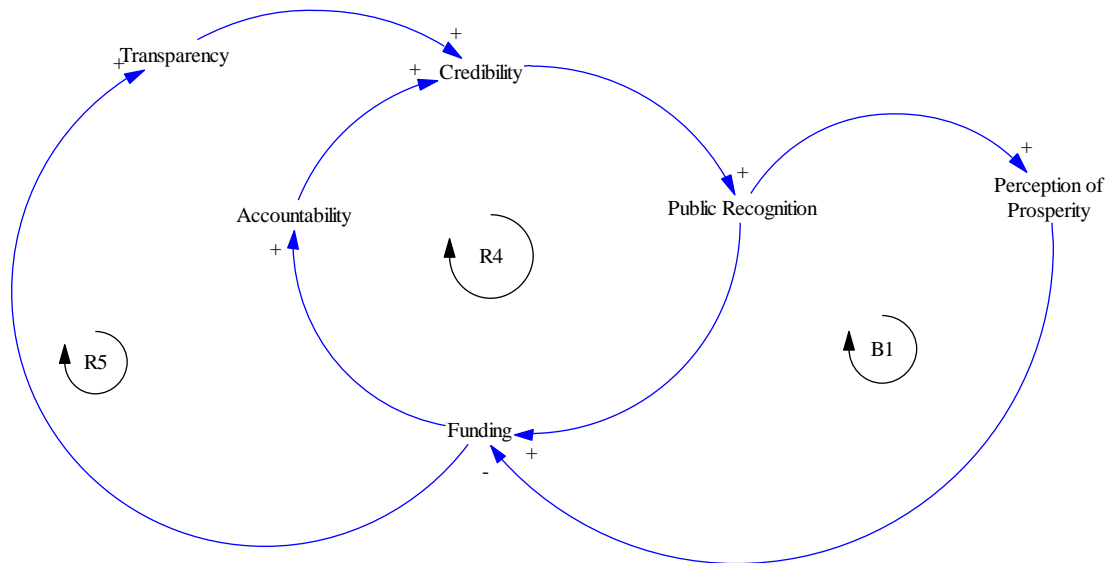
Figure 5-6: Feedback created by the perception of SA as a prosperous middle-income country

The above CLD depicts two reinforcing loops (R4 and R5), as well as a balancing loop (B1). This feedback structure can be identified as a system archetype known as the "Limits to Growth" archetype.

System archetypes reveal generic patterns of organisational behaviour and these patterns are capable of revealing the underlying dynamics of an organisation or situation (Hjorth & Bagheri, 2006, p. 1). The Limits to Growth archetype is predicated on the existence of reinforcing loops that are offset by a balancing loop, as is the case with out Credibility CLD diagram above.

> *"This archetype states that a reinforcing process of accelerating growth (or expansion) will encounter a balancing process as the limit of that system is approached. It hypothesizes that continuing efforts will produce diminishing returns as one approaches the limits."*

(Hjorth & Bagheri, 2006, p. 2)

In the scenario explained above, loops R4 and R5 continue to reinforce each other, but the balancing loop (B1) actually opposes or pushes against the reinforcing effect of both these loops, essentially inhibiting their reinforcing powers. Therefore, while the public's perception of the organisation's credibility, accountability and transparency can increase its chances of being more

publicly recognised and eventually attract more funding (thus creating two reinforcing loops), these dynamics also enhance the public's perception of the organisation's prosperity. This, together with recognition of SA as "economically prosperous" can then function to eventually reduce its chances of attracting funding (via the creation of a balancing loop that opposes the effect of the reinforcing loops). So while there is growth taking place, the "Perception of Prosperity" factor will actually limit such growth.

The implications of such an archetype include the following:

The reinforcing effects (R4 and R5) may continue to grow exponentially over time, but there will come a point when this growth will be impeded by the opposition effect of the balancing loop (B1). The result may be that such growth loses impetus and begins to decline and despite continued pressure from the growth (reinforcing) loops, the growth rate stops and may even reverse (Hjorth & Bagheri, 2006, p. 2).

This archetype draws our attention to the fact that while unlimited growth in any organisation may be very attractive, we must realise that all growth has limits. However, NPO managers/leaders should not be discouraged by this realisation, but should rather focus on what potential limitations could be so as to proactively deal with them before they hamper growth and affect overall sustainability. Therefore, Oxfam affiliates in SA, need to be aware of how this "Perception of the country's prosperity" will undermine its sustainability efforts.

 This is particularly relevant as the Oxfam SA affiliate in SA comes to be established because more funders will withdraw their assistance on the perceived notion of the SA affiliate as having the potential to fund its own operations, especially since it is situated in a middle-income country whose public should be prosperous enough to contribute amply to their own affiliate.

To negate donors' preoccupation with the middle-income status of SA and their perception of the country as not needing their assistance, more awareness needs to be created regarding the actual conditions in the country including the high levels of poverty, inequality, illiteracy, HIV/AIDS, child abuse, etc. The label of "middle-income" blurs over, and in some instances, totally negates the many situations and constituents desperately requiring social and financial assistance from NPOs. Therefore, Oxfam's ability to make the public and donors aware of such situations is one means of attracting attention to the country's dire need for assistance despite its status as a middle-income country.This represents a means of *"removing the limit (or*

weakening its effect) rather than continuing to drive the reinforcing process of growth" (Hjorth & Bagheri, 2006, p. 3) which is cited as a method of limiting the negative effect or consequences of the Limits to Growth archetype.

According to Hjorth and Bagheri (2006, p. 3):

> *"The Limits to Growth archetype (or Limits to Success as it applies) reminds managers to take the time to examine what might be pushing back against their efforts. The counter-force may come, and most likely will come, from either (a) parts of the organization not under the control of the manager or (b) from the external environment."*

Therefore, our recognition in this study of Perceptions of the country as a middle-income and prosperous nation as a counter-force to the other two reinforcing loops, validates the above quote and is also validated by it, in the sense that such perceptions are not under the control of the managers of any of the Oxfam affiliates and emanates from the external environment in which the Oxfam affiliates are embedded. Since such counter-forces are beyond the control of managers, dealing with them and ensuring that they do not negatively affect the sustainability of the organisation or affiliate can be a complicated endeavour.

If we trace the effect around the entire loop, we can identify an overall balancing loop which demonstrates that as perceptions around the organisation's prosperity changes, the amount of funding received by the organisation is inversely affected, which then influences how transparent and credible the organisation is percived to be, thus impacting how well it is publicly recognised, which again influences the public's perception of it's prosperity.

5.4.3 PARTNERSHIPS

The following variables were identified as influencing the Partnership dynamics within the organisation:

Partnerships
Funding
Project Success
Credibility
Influence
Learning
Pressure to be accountable
Accountability
Dependency

A picture of the above variables and their feedback influences involved in the issue of Partnerships will look like this:
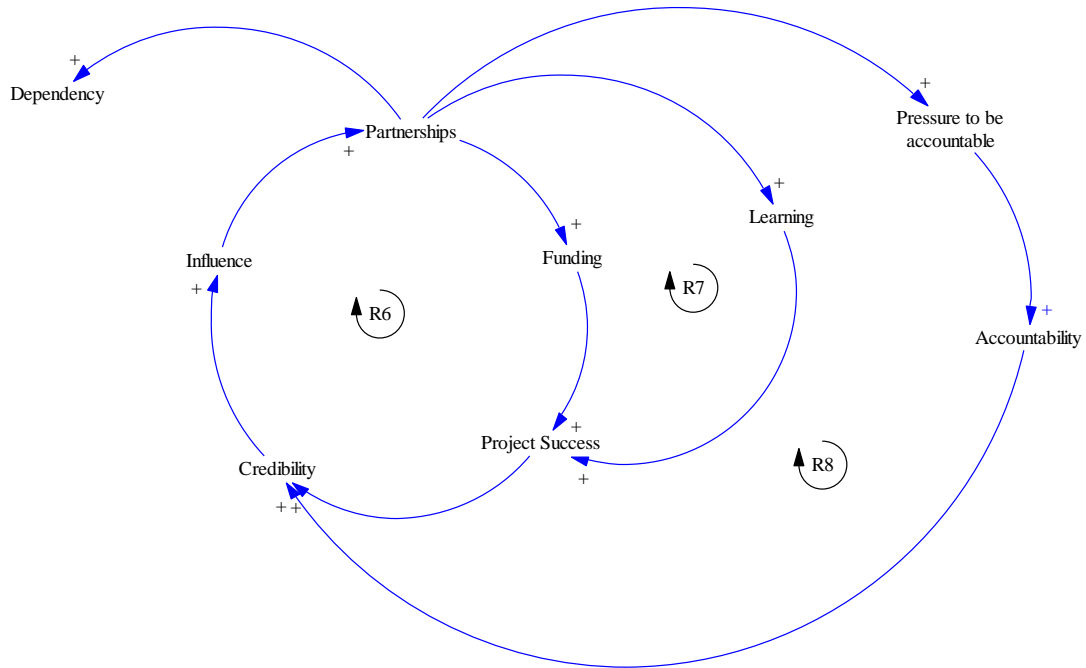
Figure 5-7: Dynamics influenced by the creation of Partnerships

5.4.3.1 Reinforcing Loop 6:

Reinforcing loop six indicates that as **Partnerships** created by Oxfam increase (we shall assume an increase), the amount of funding they receive from these partnerships also increases, thus increasing their overall **Funding** pool. More financial resources at their disposal improves the chances of projects they engage in being successful (**Project Success**). As news of such projects' success rate spreads to the public, the **Credibility** of the organisation improves. This improved credibility of Oxfam then allows it to reach and **Influence** a wider sphere of stakeholders and actors, thus increasing the chances of more **Partnerships** being established in the future.

5.4.3.2 Reinforcing Loop 7:

Reinforcing loop seven indicates that as **Partnerships** are increased and/or strengthened, the probability of **Learning** and knowledge exchanges between partners improves. As the organisation learns from its partners about how to improve its project implementation and delivery, the chances of the projects it currently engages in being successful (**Project Success**) increases as well. This then feeds into an influence as stated in the explanation of Reinforcing Loop 6 above, i.e: As news of such projects' success rate spreads to the public, the **Credibility** of the organisation improves. The improved credibility of Oxfam then allows it to reach and **Influence** a wider sphere of stakeholders and actors, thus increasing the chances of more **Partnerships** being established in the future.

5.4.3.3 Reinforcing Loop 8:

As Oxfam becomes involved in, and creates a bigger network of **Partnerships**, they are put under greater pressure to be accountable to such partners (**Pressure to be Accountable**). Such pressure encourages ethical and transparent behaviour and dealings, thus improving their overall **Accountability**. As more people become aware of the organisation's reputation as an accountable and trustworthy partner, the reputation and **Credibility** of the organisation is heightened, thus lending it more **Influence** and allowing it to be more attractive to current and potential partners. This then increases its chances of forming more **Partnerships** or strengthening existing ones, receiving more funding and reinforcing the other variables as discussed above.

However, **Partnerships** also create and entrench **Dependency** amongst those who are receiving donations and funding, thus contributing to organisations and charities that continue to depend on outside parties, instead of being commited to developing independent structures and means of generating their own revenue and sustaining themselves.

For most non-profits, including Oxfam and its affiliates, creating and managing partnerships are a normal, yet crucial part of their sustainability. However, it also tends to be an area of much contention for all partners involved (Huxham & Vangen, 1996, p. 6; Lewis, 2003b). The creation and management of partnerships goes beyond partnerships for the accrual of funds alone, as they also facilitate the transfer of knowledge, expertise and capacity across organisations and affiliates (Moore, 2000, p. 198).

In the case of NPOs, partnerships can manifest between those they are receiving goods, services or funding from, and those to whom they are contributing goods, funding or services, thus we speak of both beneficiaries and contributors as being "partners" to the NPO. The nature of, and reasons for the kinds of partnerships that are formed will depend on the needs and agendas of all partners involved, thus further enhancing the difficulty in managing such partnerships to create the best possible outcome for all involved. This places much pressure on the NPO, with the result often times being that it cannot effectively serve both of them at the same time (Morris et al., 2007, p. 16).

Oxfam takes the establishment of partnerships with both funders and donors, and communities and constituencies to whom they provide funding, donations and assistance to, very seriously as they recognise that their sustainability and survival depends on them. Thus, fostering robust partnerships for the betterment of society and to achieve the Oxfam vision of alleviating poverty and inequality is encapsulated in the Partnership Policies of each affiliate.

The quality of partnerships established and maintained by Oxfam influences all of the seven themes identified, namely the human resource function, the extent to which the organisation is perceived to be credible, its level and manifestation of competition with others, its funding status, its attempts to remain political and how it navigates the North-South dilemma. Since these themes correspond to aspects of organisational functioning that influence overall sustainability, we can see the crucial significance of partnership creation and maintenance in the non-profit sector, in Oxfam and in its affiliates.

Oxfam Southern African affiliates reported "underspends of approximately 40 percent in the last fiscal year" due to the inefficient pace of project implementation brought about by low partner capacity (2014, p. 9). Partnership establishment and maintenance is a common challenge experienced by many non-profits, but is especially common in circumstances where partners have very little experience in working with one another, which ultimately leads to poor project delivery and ineffective implementation (Huxham & Vangen, 1996, p. 15). The issue of creating more robust partnerships and relationships in a non-profit setting is a complex one, but herein follows some recommendations in the pursuit of this endeavour:

5.4.3.4 Partnerships of Learning and Knowledge-Generation

Partnerships in the non-profit sector are often conceived of as serving the main function of accruing funds for the organisation's operations, projects and overall sustainability. However, such partnerships also have the capacity if utilised properly, to be powerful catalysts in cross-organisational and/or cross-affiliate learning and knowledge generation which ultimately can enhance the overall sustainability of the organisation. Thus, partnership creation and management is a much more complex endeavour than originally perceived, especially if there is effort to create and maintain partnerships that produce more than financial benefits alone. This is particularly relevant to the issue of organisational learning and knowledge-generation for sustainability as emphasised by JH Homer and Hirsch (2006, p. 244):

> *"Those working in the non-profit sector and experts in the field believe that the importance of learning to non-profit organizations is more pronounced today than ever before. One benefit that is seen in incorporating learning systems into the non-profit organization is the development and refinement of services provided followed by the conversion of lessons learned into operating practices and principles that help individuals within the organization to sustain and improve their performance, therefore supporting the high performance of the organization as a whole."*

The benefit of a international confederation such as the Oxfam Confederation is that each affiliate generates their own learning and knowledge as they engage in, and implement projects and programmes both internally within the affiliate, and also with regards to the projects and programmes that they implement in the external world to further their social mission. This contributes to the generation of knowledge at both tacit and explicit levels (Renshaw & Krishnaswamy, 2009, p. 461) which can be tapped into to promote learning and development, and thus enhance the sustainability of other affiliates and non-profits that they partner with. The importance of fostering organisational learning and knowledge generation in Oxfam is supported by the CLD diagram which depicts how learning (or the lack thereof) can influence not just the amount of knowledge in the organisation, but the chances of project success, extent of funding, overall credibility of the organisation, its capacity to influence others and the quality of partnerships as well.

5.4.3.5 Generative Relationships

In NPOs, the quantity, quality and kinds of partnerships formed can have a significant bearing on how effectively the organisation is able to operate on a daily basis, as well as being influential in terms of its overall sustainability. Since Oxfam affiliates are essentially partners to each other, how effectively they are able to co-ordinate with each other, mobilise resources for their separate and joint social ventures and learn from one another will influence the public's perception of them and the overall sustainability of the Oxfam Confederation. Thus, creating partnerships that are sufficiently robust, productive and that will be able to weather the volatile and unpredictable environment in which the organisation is embedded, while creating continous value for all partners, should be the aim of any non-profit.

This comes close to the idea proposed by (Ahmad and Simonovic (2000, p. 228)) of "generative relationships" which are classified as relationships in which partners produce something that could not have otherwise been produced alone, and such partnerships create a source of value that could not have been foreseen in advance. In the non-profit sector, it would be safe to assume that all partnerships fulfill the first criteria in the sense that two or more parties come together and through their interactions with each other (either in the form of funding, personnel assistance, sharing of knowledge, creation of a product or service, etc.), something is produced which would not have been able to be produced without those partners working together. However, the essence of this concept lies in the second criteria, namely that generative relationships create a source of value that could not have been seen in advance. Here the emphasis lies in the acknowledgement of the world in which all systems are embedded (in this context, the non-profit sector generally and Oxfam specifically) as constantly changing and somewhat turbulent in its lack of stability.

In the non-profit context, withdrawal by funders, increasing numbers of needy communities and causes, high turn-over rates, dangerous external conditions due to war and communicable disease, competition between NPOs, etc. all produce an environment that is subject to many disturbances and uncertainties. Therefore, when we speak of such relationships creating sources of value that cannot be seen in advance we are essentially refering to the fact that in light of such environmental uncertainty, the kind of value that is created cannot be determined from where we stand in the present as each shock or change has the potential to change the course of future value creation ventures.

Generative relationships however can be recognised by particular characteristics that they demonstrate (Ahmad & Simonovic, 2000, pp. 228-229):

(a) **Heterogeneity**: They are made up of partners with diverse backgrounds, skills, expertise, viewpoints, training, etc. This allows a diversity of viewpoints and perspectives within the ambit of the context in which the partners are collaborating. In the context of this study, this could refer to projects or programmes designed and implemented by Oxfam to further its social mission. The coming together of partners with such diversity is facilitated by Oxfam's structure as a confederation of international affiliates with differing perspectives and viewpoints based on their contextual differences. It is also facilitated by the recruitment and retention of employees from diverse backgrounds who thus possess different ways of viewing the world, as well as varying capabilities, training and expertise. This sense of diversity allows partners to go beyond their conception of the world and embrace a different way of seeing the world and their particular situation, thus increasing the chances of developing and instituting sustainable efforts that are more able to respond to environmental turbulence.

(b) **Matched Permissions**: Partners have to be able to talk and listen to one other, thus there needs to be clear and open lines of communication. If one party does not have the permission or means to talk to other parties, then communication is inhibited and so too is the potential for generative relationships. Therefore, the central idea is for all partners to have the necessary implicit or explicit permission to communicate with one another, and thus to establish relationships with one another. An instance of this could be cases in which governments or state actors do not wish to entertain the concerns of citizens. If such governments listened to the concerns of their constituents, they would learn more about their own people and countries, allowing them to evolve with the changing circumstances of their context. This would not only garner support from their people, but if they listened well enough they would be able to institute actions and policies that would better the welfare of the country. As the welfare of the country improves, the citizens would reap benefits, encouraging them to perceive the government in a more favourable light. Therefore, they will be more willing to support both the government and their country's growth processes, enhancing such growth processes and strengthening their government, essentially creating a state and citizenry which co-evolve and become the impetus for each others continued development.

(c) **Action opportunities:** However, the above scenario would only be possible if such governments not only talked to their citizens, but also followed this up with action. Therefore, another characteristic of generative relationships is their propensity to move beyond simply talk alone in order to act together to create something of value. There must be concerted effort to collaborate with one another.

(d) **Aligned/Shared directedness**: Partners in generative relationships must see the benefit of working together to create something of value. This will require them to be focused on a singular goal and to align their actions in a common direction. They must not see each other as competitors or rivals as this will inhibit co-creation potential. They must be fully open to hearing what the other partners have to say and be committed to creating something of value together. The danger of Oxfam as a confederation is that affiliates may perceive of each other as competitors, thus inhibiting their potentail to form generative relationships. This is especially true when several affiliates operate within the same geographical area or when they have to attract funding from the same pool of donors. Instead of collaborating to develop a strategy for attracting donors in which they can all benefit, they tend to adopt an 'each one for their own' kind of attitude reducing their collective generative potential even further.

(e) **Mutual directedness:** At a very basic level, partners must be able to seek each other out and be committed to establishing lines of ongoing communication, building trust and respecting each others differences. While trust is required at the outset, generative relationships themselves generate trust as all partners come to realise the value that is being created through their interactions. As trust is generated, the propensity for the enhancement of generative potential increases.

While these are the characteristics of generative relationships, they can be utilised to also increase the generative potential of existing partnerships. I see this as particularly relevant to the non-profit sector which quickly jumps at every opportunity to establish partnerships in order to accrue more funding for their operations, but hardly ever stops to think about strengthening such relationships so as to enable them to generate value beyond funding alone.

On the other side of the coin, we must remember that "partners" in the non-profit context also refers to the communities, constituencies and countries that Oxfam provides aid, assistance and services to. It is here that the potential for creating generative relationships seems even more

critical, especially if more energy is put into enhancing the generative potential of donor-beneficiary relationships, instead of simply channeling resources their way. In the long term these communities, constituencies and countries in conjunction with Oxfam affiliates (or whichever non-profit assisting them), will co-create social value and this co-creation of social value will be even more resilient to environmental change than traditional aid processes, thus being more effective and sustainable for both the beneficiaries and their donors. Although, in such a context, concepts such as 'beneficiaries', 'donors' 'recepients', etc. would not be suitable because sustainability will be co-created through the efforts of all partners and would not be possible by each of them alone.

The Partnerships CLD above also shows how losing a partner, or not managing existing partnerships effectively, not only affects the products of such partnerships (for example, the funding or services received or knowledge generated), but has an insidiuous influence on several other components of the organisation's sustainability. In this study, we identified that the state of partnership management will influence accountability, cross-organisational or cross-affiliate learning and knowledge generation, the amount of funding received, the extent to which projects would be effective, the overall credibility of the organisation, the scope of its influence and dependency on the part of its beneficiaries. These aspects of organisational functioning will be greatly enhanced by the establishment of partnerships with great generative potential.

As the CLD depicts this is not a one-way influence, as all these variables and the manner in which they act upon one another, ultimately reinforces either in a positive or negative fashion the quantity, quality and management of partnerships. Therefore, strategies for partnership creation and management need to see the big picture in terms of these feedbacks, as well as the feedbacks evident in the Qualitative SD Model, in order to create more effective and sustainable methods of partnership management.

5.4.3.6 Dependency in the non-profit sector

The non-profit sector does invaluable work in contributing financial and other resources to individual constituents as well as other smaller, local or recently established non-profits. This applies to the Oxfam Confederation as well, in the sense that besides implementing and delivering its own projects, affiliates provide funding to smaller non-profits or communities requiring their assistance. However, this dynamic also causes such beneficiaries to become dependent on the assistance they receive (Elijah Bitange, 2006; Morris et al., 2007). The natural

outcome to the increasing evidence of beneficiary dependence has been a simultaneous and increasing call for all non-profits and those communities and beneficiaries requiring assistance to engage in activities and ventures that allow them to generate revenue, and thus to become less dependent on their funders and donors (Mesch, 2010; Weerawardena et al., 2010). It is also the sheer frustration of attracting donors, together with a passion to do whatever needs to be done to ensure attainment of their social missions that encourages NPOs to pursue revenue through alternatives other than donations, gifts and grants from donors (Foster & Bradach, 2005, p. 100).

> *"...non-profits leaders are searching for the holy grail of financial sustainability. They see earned-income-generating activities as more reliable funding sources than donations and grants. Many of them now consider extensive dependency on donors as a sign of weakness and vulnerability. Self-funding is the new mantra."*

(Dees, 1998, p. 56)

The issue of dependency in the non-profit sector creates a feedback structure similar to the "Shifting the Burden" archetype. This archetype applied to the issue of NPO dependency can be depicted as follows:
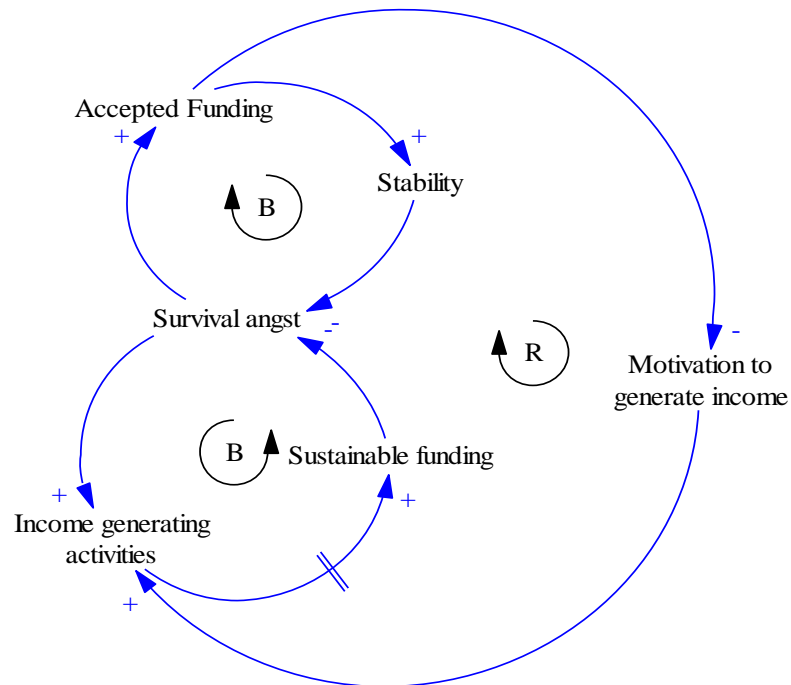
Figure 5-8: "Shifting the Burden" archetype reflecting donor dependency

The Shifting the Burden archetype stipulates that short-term solutions that are applied as quick-fixes create negative unintended consequences which are harder to deal with in the long run, thus emphasising the need for well-considered long-term solutions (Hjorth & Bagheri, 2006, p. 4). Short-term quick fixes are preferred because they do not require much thinking, can be instituted quickly and seem to work once implemented, while long term solutions require collaborative investigation of the underlying causes of a problem (which requires much time and resources) and well thought out solutions that may not bear immediate results, but that will do so in the future. However, such solutions will be more enduring and effective in the long-term because they will move beyond dealing with the symptoms of a problem to target the structural causes of the problem; and thus present the potential for more positive and sustainable systemic change.

Therefore, in the archetype above, as the NPO accepts more funding (**Accepted Funding**), organisational functioning can be relatively stable (**Stability**), while at the same time, the organisation does not have to be too concerned about whether or not it will survive because it can depend on such funding (**Survival angst**). The more Survival angst the NPO experiences, the more likely it is to depend on, and **accept funding** from donors. These dynamics create a balancing loop (B).

In the next balancing loop, such **Survival angst** also has the effect of encouraging the NPO to develop and institute activities that will enable it to generate an income apart from the funding it receives (**Income generating activities**). As the NPO does this, its chances of generating a stream of funding that will persist into the future (**Sustainable funding**) increases, although this may take some time (indicated by the two dashes across the connector). Sustainable sources of funding means that the organisation will experience less **Survival angst** as they will take comfort from knowing that they have a sustainable means of income that can help them to weather any funding shocks or uncertainties.

However, as the organisation becomes more dependent on the funding it receives (**Accepted Funding**), it may see no, or less of a need, to institute activities that are capable of generating an income (**Motivation to generate income**), with the result that it will not institute such activities or reduce its efforts to do so. This will mean no, or less means of, **Sustainable funding**, thus increasing the experience of **Survival angst** in the organisation. As the organisation experiences more angst and gets more desperate, it will rely on donors even more and thus become more dependent on them (**Accepted Funding**), reducing their **Motivation to generate their own**

income even further. This creates a vicious reinforcing loop that keeps entrenching donor dependency while at the same time reducing the NPO's desire and ability to generate its own sources of income-both of which serve to entrench donor dependency.

The Shifting the Burden archetype reveals that while the act of donating and funding charities and other NPOs is a noble pursuit on Oxfam's part (as well as on the part of any other NPO contributing to other constituencies and non-profit sectors around the world in general), we need to be aware of how even noble pursuits such as this can create negative and unintended consequences. In this scenario, funding and donations creates and entrenches donor dependency, while simultaneously inhibiting the receivers impetus to create their own means of income, further entrenching dependency.

According to Hjorth and Bagheri (2006, p. 4):

> *"This archetype states that a problem symptom can be resolved either by using a symptomatic solution or applying a fundamental solution. It hypothesizes that once a symptomatic solution is used; it alleviates the problem symptom and reduces pressure to implement a fundamental solution, a side effect that undermines fundamental solutions."*

Therefore, providing unrestricted and continuous funding to particular charities/NPOs may help them operate in the short term by providing for their needs and requirements, but the act of funding alone will not guarantee their future sustainability, especially since funding agents together with the turbulent economy produce an unreliable and highly uncertain funding environment for the non-profit sector.

The implications of this understanding for an international NPO like Oxfam (or any agent of the non-profit sector for that matter) are that dependency is actually created by donors, together with those who receive such donations. Thus, the responsibility to break this vicious cycle will be based on the collective action and vision of both donors and those to whom they donate or fund. Isolated, short-term solutions, which in this case, would include continued funding and donations to dependent constituencies will provide them with some relief in the short term but will not encourage long-term sustainability, and will in fact, inhibit tendencies that can promote long-term sustainability. Thus, the donors inherently disable or weaken the ability of dependents to build their own internal capacity to respond to their sustainability challenges. It is good to

note that Oxfam together with many other non-profits are now more determined to provide social goods and resources in ways that do not create dependencies because as Dees (1998, p. 56) states:

> *"Even many advocates for the poor or disadvantaged believe that institutional charity can undermine beneficiaries' self-esteem and create a sense of helplessness."*

This dynamic is aptly captured in the Shifting the Burden archetype of donor dependency described above. So while Oxfam and other NPOs cannot just cut-off all funding to their dependencies, a way forward could include encouraging dependents to become more innovative with regard to, and more responsible for, their long-term sustainability. Instead of awarding unrestricted amounts of funding to such dependents, a more productive direction may be to stipulate that a certain percentage of such funding must go towards activities that can build internal capacity or generate income. Therefore, the emphasis is on the donor playing a supporting role in the future sustainability of the organisation, instead of being one of the only reasons it survives. Donors should also realise that as they capacitate and empower their dependents, they are in fact laying the groundwork for less dependency on them in the future which will in the long-term free up more of their resources for use elsewhere.

Oxfam as a world-wide confederation engaged in a multitude of different types of development and social justice projects is a repository of wealth in terms of the knowledge, expertise and experienced personnel at its disposal. Therefore, all affiliates have much more to offer other smaller non-profit constituencies and communities than simply funding alone. By stepping up their contribution of knowledge and expertise to such dependents, they not only increase their motivation to engage in income generating activities, but contribute to their overall long-term sustainability as well. This is also facilitated by the encouragement of dependents who have taken charge of their own sustainability to share lessons learnt and knowledge gained on such a journey with other dependents that may be struggling with, or eager to do the same. This will also, in the long-term, lessen the burden of dependency on them by empowering their dependents to take charge of their own funding and capacity building. Thus, not only is the dependency of Oxfam and its dependents tied to each other, but so too is their sustainability, as can be seen in the following case (1994, pp. 22-23):

If we interrogate the Shifting the Burden archetype of donor dependence at an even deeper level beyond the scope of this study, we find that donations and funding to dependents is not the only thing that creates dependency, but rather prevailing economic structures as well. Describing all the economic structures maintaining poverty and social injustice is too lengthy an investigation to include here, but there is evidence of this dynamic actually contributing to the need for and existence of the non-profit sector, and in the process reinforcing donor dependency and helplessness, thus entrenching such poverty and inequality even further. This provides an interesting point of departure for future studies on donor dependency.

> *"Furthermore, giving is seen to have evolved into purely ameliorative kinds of activities, which assist in alleviating but not fundamentally resolving social problems…Philanthropic giving, it is often argued, does not challenge the status quo. Instead, the philanthropic sector is accused of colluding with the forces of inequality that ultimately reinforce a fundamentally unjust system. It is worth recalling the words of Martin Luther King: 'Philanthropy may be commendable,*

but it must not overlook the circumstances of economic injustice that make philanthropy necessary.'"

<div align="right">(Habib et al., 2008, p. 36)</div>

5.4.4 COMPETITION WITH OTHER NPOs

The following variables were identified as being influential in the Competition dynamics in the organisation:

Competition
Pressure to improve work quality
Quality of work output
Credibility
Funding sources
Competition between affiliates
Confusion amongst funders
Funding
Transparency
Public recognition
Number of NPOs

The above variables influence each other to create the following feedback structure:
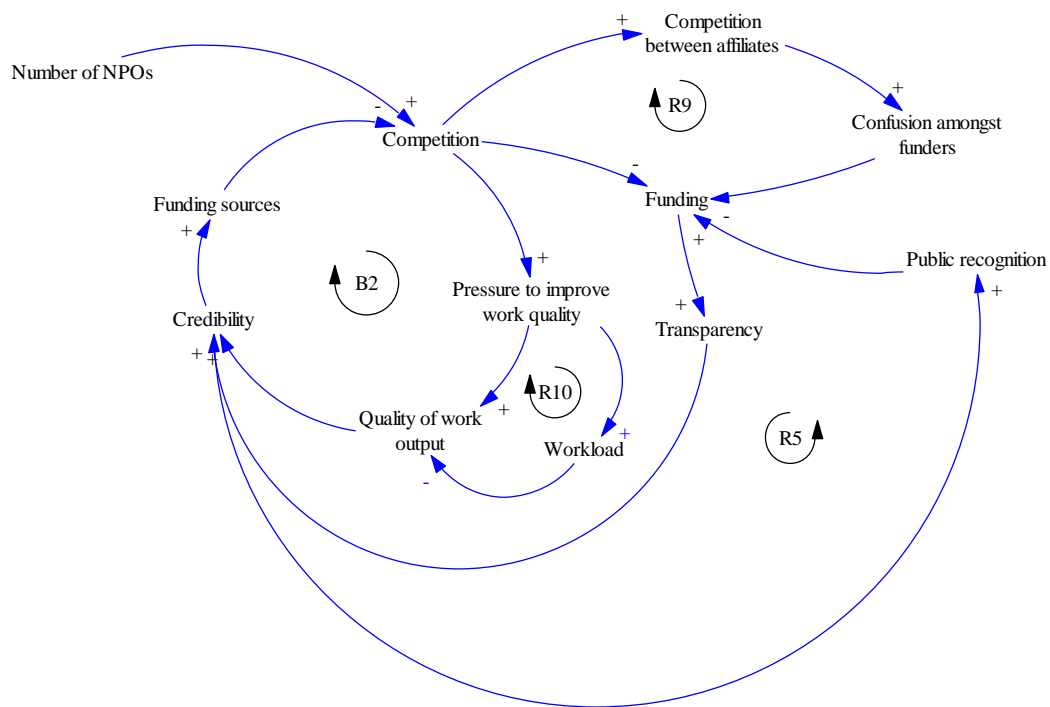
Figure 5-9: Competition dynamics in the organisation

To read the above loops, we shall again assume an increase in the variables.

5.4.4.1 Balancing loop 2:

The heightened **Competition** among NPOs means that less **Funding** will be availabe to each of them alone. It also means that they are put under greater **Pressure to improve work quality**. This eventually forces them to improve the **Quality of their work output**, thus enhancing their **Credibility** amongst existing and potential funders/donors. This then opens up more **Funding sources,** as more people, organisations and institutions will be willing to assist a credible NPO.

As more **Funding sources** open up, **Competition** decreases, because NPOs are now able to source funds from a bigger pool of funders. The dynamics explained here creates a balancing or goal-seeking effect in the sense that as **Competition** amongst Oxfam, its other affiliates and other NPOs increase, the employees are forced to do something that makes them stand out and thus attract the attention of potential donors. The only way in which they can do this, is by improving the **Quality of their work output** in terms of more effective project delivery, implementation and reporting. Doing so effectively will make them seem more credible and effective, thus attracting more donors and therefore more funding opportunities their way.

5.4.4.2 Reinforcing loop 9:

As the **Number of NPOs** increase, **Competition** over existing resources increases because there are more organisations competing over these resources. This leads to more **Competition between Oxfam affiliates** as they too must compete for the same finances and resources. This contributes to **Confusion amongst funders**, as funders may not be able to understand why they are being approached by different affiliates that all belong to Oxfam. As funders get more confused, they are less likey to provide funding to Oxfam affiliates. The desire to be transparent and accountable is directly proportional to the amount of funding provided, therefore less funding will contribute to less pressure to be transparent. This can affect the **Credibility** of the organisation, thereby reducing its **Funding sources** and forcing it to be in **Competition** with a bigger pool of NPOs for resources.

5.4.4.3 Reinforcing loop 5:

In keeping with the inherent connectedness of all these dynamics, Reinforcing loop 5 was identified and explained earlier as part of the Credibility dynamics. In the context of this explanation, the additional link would be the addition of the Competition variable. Therefore, the explanation would be as follows:

As Competition between Oxfam, its affiliates and other NPOs increase, the organisation commits itself to ensuring heightened standards of **Transparency** and **Accountability**. Therefore, the overall **Credibility** of the organisation increases. As the credibility of the organisation as a trustowrthy NPO is established and increases, the public takes more notice of the organisation (**Public recognition**). More people and potential donors aware of the organisation and who see the organisation in a positive light means that its chances of receiving **Funding** increases. This also creates a standard of transparency, credibility and accountability which the organisation needs to consistently adhere to or improve over time to maintain existing donors, attract potential ones and maintain its competitive edge.

Competition between non-profits is increasing due to the rapid expansion of the number of NPOs coming into existence in South Africa, as well as the rest of the world (Du Plessis & Petzer, 2011, p. 269). This situation has been further exacerbated by the effect of the recent global recession which has lead to major cuts in funding allocated to NPOs around the world. Such competition for an ever-shrinking pool of resources, both financial and otherwise, is pushing non-profits to become more innovative in order to attract and generate such resources

and to operate more like for-profit or commercial enterprises to survive environmental shifts and uncertainty (Weerawardena et al., 2010, p. 351). The Oxfam Confederation is no stranger to engaging in commercial ventures to raise funds, for instance, Oxfam shops in the United Kingdom are recognisable in many of the most well-known streets in London. The impending transition to an Oxfam SA affiliate in SA will come with the withdrawal of support from many international affiliates and funders (DFID being one example), thus the Oxfam SA affiliate will have to take more responsibility for its own fundraising as it will also be in competition with other affiliates and NPOs within Southern Africa and beyond.

The manner in which affiliates and Oxfam as a whole decide to engage in revenue generating initiatives needs to be carefully managed, considering that such initiatives may be perceived by the public and donors as a deviation from commitment to the social mission of the organisation, and thus may be met with resistance and suspicion (Dees, 1998, p. 58). In the Competition CLD above, this provides support for the Credibility loop's (R5) reappearance in this explanation of the dynamics created through competition.

Respondents spoke about a sense of competition between Oxfam affiliates despite the Single Management Structure (SMS) and the single Strategic Plan for all Oxfam affiliates around the world. We need to interpret this against the background of a shrinking funding pool and increasing competition in the non-profit sector (2014), which influences even affiliates in the same Confederation to see each other as opponents and contenders for such funding and resources. Added to this is the fact that many donors do not understand the complicated structure of Oxfam and its affiliates and therefore may provide funding to one affiliate only, or choose to fund an NPO with a simpler organisational structure. The establishment of Oxfam SA may help to clear up such confusion, but it will still experience competition from the rest of the players in the non-profit game as well as from the for-profit one, as commercial organisations are increasingly winning tenders for projects previously handled by non-profits (2014).

This sense of competition, whether it is between non-profits and for-profits, between affiliates, or between organisations in the non-profit sector, will be a significant influence on NPO sustainability for many years to come. Since it emanates from the world beyond the organisation itself (though impacting how it operates), such competition can be reacted to, but not controlled. What is under the control of the organisation though, is how it represents itself to positively influence donor perceptions. This is why the effective management of many of the variables in

the Qualitative SD Model beyond the Competition dynamics are influential in how it deals with competition, for example, its credibility, its level of accountability, quality of work outputs, perception of partners, attempts to not be politically biased, etc. are just a few of the variables that can influence how it is perceived by potential donors and thus how competitive and sustainable it will be.

5.4.4.4Pressure to Improve Work Quality as a "Fix that Fails"(R10)

Even though Oxfam and its affiliates have made efforts to improve their work output and the quality thereof in terms of attempting to improve donor contract management, funding proposal development and donor reporting, they still continue to report inefficiencies in the above areas. The affiliates in Southern Africa alone reported below par service delivery with regard to donor contract management, underspends of forty percent (40%) with regard to project and programme allocations, just sixty one percent (61%) of donor reports being delivered on time and just forty five percent (45%) of funding proposals were a success in the fiscal year from 2012-2013 (2014).

This would indicate that despite their best efforts to improve work quality, the situation is not inproving. In fact, its is worsening, with the quality and delivery rates of proposals, reports and projects declining, indicating forces at play that are counter-acting the efforts of affiliates in this regard. While it would be commonplace to assume that this is an HR matter alone, the Qualitative Model shows how even Competition influences the HR dynamics in the organisation, as well as all other compenents of the overall model. One would also assume that competition between Oxfam and its affiliates and other NPOs, would have very little, or nothing at all to do with the quality and delivery rates of proposals, reports and projects. However, if we examine the following aspect of the CLD above, we notice a different and less obvious dynamic at play, namely how efforts to improve work quality actually produces more inefficiency, and thus a lower standard of work output. The two loops that demonstrate this dynamic are Balancing loop 2 and Reinforcing loop 10 as seen in the following figure:
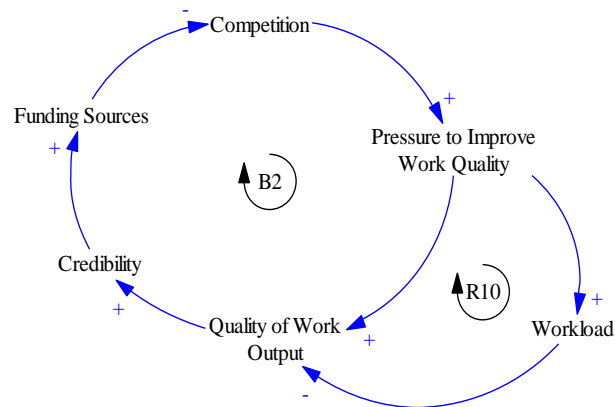
Figure 5-10: CLD of Pressure to improve work quality as a Fix that fails

5.4.4.5 Reinforcing loop 10:

As **Competition** increases, there is greater pressure to improve proposal development, donor contract management and reporting, and project implementation, delivery and monitoring (**Pressure to Improve Work Quality**). As management structures demand better work quality and output, they inadvertently increase employees' **Workloads** as such employees must then devote more time and effort to their existing portfolios and tasks, while still dealing with incoming, and new projects and deliverables. Having less time to focus on specific tasks together with the mental burden of having to juggle a greater number of tasks due to the backlog of tasks that remain partially or fully incomplete, means that eventually the **Quality of work output** will suffer.

As news spreads of the organisation as inefficient, its **Credibility** and reputation suffers which discourages existing and potential donors. In order to compensate for the loss of donors and their funding (**Funding Sources**), the organisation needs to compete with other NPOs or affiliates to accrue funding (**Competition**). As such Competition increases, more pressure is put on

employees and departments to improve the **quality of their work outputs**, which increases their **workloads,** creating a reinforcing loop (R10), which continues to operate in the same fashion.

The above loop structure reveals a systems archetype known as the "Fixes that Fail" archetype. According to this archetype, perceived 'solutions" to a problem address the problem for a short while, but then start to create unintended and negative consequences, therefore the "fix" does not produce the benefit envisioned and is thus considered a 'failure". This typically happens when the underlying causes of a problem are not investigated properly, with the result being that interventions are aimed at dealing with the explicit symptoms of the problem only and not the root cause/s of a problem. Not only do such interventions not solve the problem, but they may also produce results that affect the system negatively.

In the above scenario, in an attempt to deal with increasing levels of competition for funding and donors which are significantly influential in the NPOs sustainability, employees are put under increasing amounts of pressure, which increases their overall workload, thus affecting the quality of their work output. This situation has arisen from a perception that the organisation must increase the quality of its work output in order to attract funding and donors. However, the fact that work quality continues to decline in Oxfam, is evidence of the fact that what has in fact transpired is that such pressure to improve work quality has negatively affected such work quality, instead of improving it. Essentially then,the pressure to improve work quality has become a Fix that has Failed.

The first benefit of identifying such an archetype in dealing with the problem dynamic is that the feedback structure itself reveals to stakeholders how a policy or plan implemented is actually producing negative side-effects for the system as a whole. In this case, we now recognise that the pressure to improve work quality is in fact eroding the employees' capacity to operate efficiently, and is thus contributing to poor quality work output. We must also recognise the interconnectedness of all the systemic components (as depicted in the Qualitative SD Model) in that we could envisage such increasing pressure and workload as impacting negatively on employee morale and well-being, thus contributing to higher attrition rates and possibly more employees taking off days due to health issues brought about by such pressure and workloads, all of which affects the quality of work output even further.

From the identification of such an archetype, we are also able to identify root causes of the problem situation instead of attributing such problems to the symptoms alone. Therefore, it is

not that employees are not doing what they are expected to do in terms of for example, compiling donor reports, managing donor contracts, implementing projects effectively, etc., but rather that they are stuck in a vicious reinforcing loop in which their efforts to be more efficient, while allowing more work to be completed in the short term, actually impedes the quality of work output in the long run. This is because as they spend less time on tasks, more tasks will be completed, but the task will not be performed with the same attention to detail, thus affecting the overall quality of work output in the organisation. In our Competition CLD, we see how the effect feeds further beyond this to affect the credibility and reputation of the organisation, and since Credibility is at the heart of most of the components of the Qualitative SD Model, we can anticipate an effect on the organisation's overall sustainability.

Therefore, this archetype and the explanation thereof challenges the widely held assumption that management must increase pressure on employees when work is not being done efficiently enough in order to improve the overall efficiency of work output in an organisation. The Fixes that Fail archetype indicates that doing so will impede, rather than enhance, the quality of work output. Therefore, it is recommended that management instead of assessing performance and work outptut from a quantity perspective, should rather assess this from a quality perspective.

Coming back to our non-profit context, an example would be assessing the quality of proposals for funding rather than emphasising the number of proposals that are completed. Although in the short term it may appear as if the throughput rate of proposals is decreasing, the impact of comprehensive, well-developed and accurate funding proposals will manifest with time. It is possible to trace the benefits of such an approach through the entire Qualitative Model (a discussion of which would be much too lengthy for this study), indicating how a seemingly small and insignificant intervention can influence the overall sustainability of the organisation.

However, we also need to bear in mind the complex nature of worker motivation and commitment in the workplace. Whether it is a for-profit or non-profit context, if workers do not receive a certain level of pressure from management to perform efficiently, they are likely to perform below their capabilities. The explanation above on the other hand, indicates how too much pressure will impede their performance and eventually affect the overall organisational efficiency. Therefore, the dilemma seems to be for management to determine the balance between these two extremes in which a certain amout of pressure is placed on employees so that they work effectively and reach targets, but not to the extent that the quality of work output

suffers. This draws attention to the importance of having perceptive, empathethic, knowledgeable and experienced personnel in management positions who will be more likely to assess the above situation and identify the level at which employees work effectively, without the quality of work output suffering. If managers, were able to see the many systemic implications of their actions they would be less likely to implement short-term fixes in lieu of solutions that may not bear results in the present, but are capable of solving problems in the long-term so that they do not keep reappearing to hamper organisational functioning.

5.4.5 CO-FINANCING

The following variables were identified as being influential in the Co-financing dynamics in the organisation:

Co-financing
Commitment
Accountability
Credibility
Public Recognition
Funding
Quality of work output

The above variables influence each other to create the following balancing feedback structure:
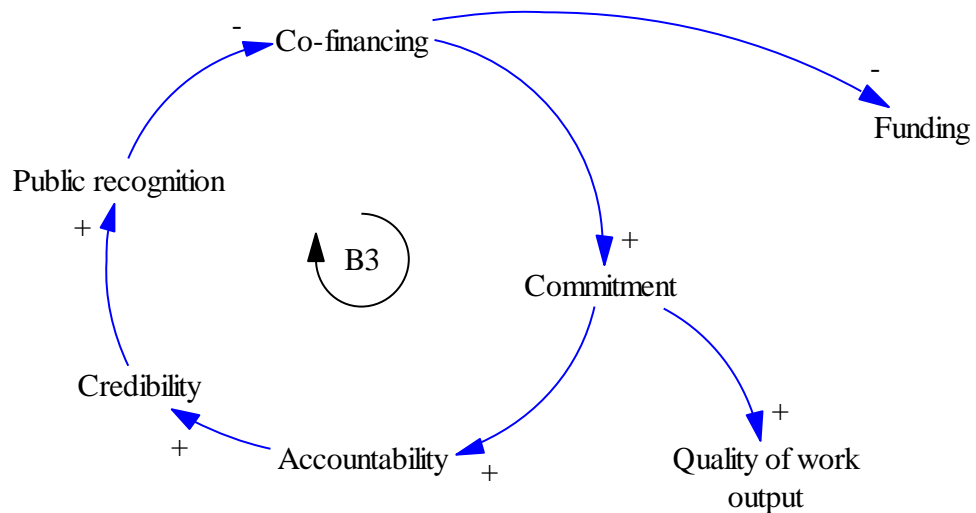
Figure 5-11: Co-financing dynamics

5.4.5.1 Balancing loop 3:

In the Balancing loop above, when an increase in co-financing is assumed:

Then **Commitment** from employees is enhanced as they must ensure that the obligations of the co-financer are met. This means that the **Quality of their work output** must improve, as well as their efforts to be accountable **(Accountability)** with how the funders' money was spent.

Accountability enhances the perceived **Credibility** of the organisation (as explained earlier), thus allowing it to be more publicly recognised **(Public recognition).** As the organisation becomes known for its good reputation, the chances of it receiving funding that covers all the costs of a particular project increases. Thus, its possibility of receiving co-financed **(Co-financing)** types of funding decreases.

At the same time, co-financing arrangements actually reduce the **Funding** received by the organisation because they receive less than what they would have received had the project costs been totally covered by the funder.

In the Qualitative SD Model, there are two variables directly related to finances, namely "Funding" and "Co-financing". The rationale for including these two variables while being similar in that they relate to finances, lies in the subtle distinction between them in the sense that with "Funding", we refer to a flow of money from donors to an Oxfam affiliate or NPO. "Co-financing" however, refers to funding that is partially from a donor and partially from an NPO or affiliate (or more than one affiliate in the case of joint projects or programmes). So for example, a potential donor may agree to grant an affiliate or NPO a particular amount of funding for a project, provided that the organisation covers part of the costs of such a project themselves, such as a 70/30 ratio, in which the donor covers seventy percent of the cost, while the organisation covers the other thirty percent.

The most obvious reason for co-financing is to promote accountability and responsibility over funds given to an NPO by a donor. Donors believe that if the organisation contributes something (in this case, financial resources specifically), to a project, they will be more likey to be committed to ensuring that such donations are used effectively. As we have seen in the CLD above depicting co-financing dynamics, such organisational commitment and accountability can enhance the organisation's credibility, public recognition and even the quality of work produced by employees as they are put under pressure to ensure the co-financer's expectations are met.

Co-financing is not only a mechanism for ensuring greater organisational accountability and commitment, but seems to also be a reaction to the effects of the global recession which has resulted in donors having less resources at their disposal to donate. In the Southern African context, it is a reaction to the perception of such countries as "middle-income" countries and therefore prosperous and capable enough of making some contribution to the project, even if it is a smaller contribution as compared to the donor's contribution. Therefore, it is a way of encouraging NPOs and affiliates to take responsibility for their own projects, and their overall sustainability and acts a means of gradually reducing dependency on donors. The co-financing arrangement of funding is also in reaction to growing perceptions of NPOs as being unreliable, ineffective and even secretive as to how donations, gifts and grants are being used. Thus, co-financing is a mechanism for fostering and ensuring both internal and external accountability.

Internal accountability refers to being accountable (with regard to the manner in which funding is utilised) to other affiliates involved in the same project, or when those involved in a project are accountable and transparent to those they need to report to with regard to how funds were

utilized.This could include affiliates reporting to other affiliates, affiliates reporting to their country headquarters, or employees involved in projects reporting to other employees within the affiliate or to management personnel.

External accountability on the other hand, is when an organisation which received funding is accountable and transparent to the external donor who contributed the funds in the first place. It could also extend to accountability to the general public via accurate and honest reports, as well as to government and regulatory agents such as auditors, domestic revenue services, etc. The emphasis is on accountability to the world beyond the boundaries of the NPO, affiliate or organisation. It is this kind of accountability that is often encouraged (2000; 2005; 2014) as it is an important reflection of the organisation's or affiliate's overall credibility, trustworthiness, efficiency and commitment, and therefore represents a critical factor in it's overall sustainability.

However, all of this emphasis on accountability to external stakeholders has the potential of creating negative feedback with regard to a reduction in qualitative attempts to ensure internal accountability. This could possibly lead to a situation in which an over-encouragement on external accountability could erode the extent to which internal accountability is ensured. This dynamic also highlights a major difference between non-profits and for-profit organisations. For-profits need to be more accountable to those within the organisation than to their clients. They must be able to capture a market of clients in order to generate profits through the sale of some product or service, but making such clients aware of how they do this and how profits are utilized is not necessary. However, they need to report on such affairs to those whom they work with, especially those whom they need to report to, such as management and superiors. For-profits then must ensure high standards of internal accountability and lower levels of external accountability.

Non-profits on the other hand, need to ensure both high levels of internal and external accountability. As explained, being accountable to external donors is of utmost importance in securing funding to ensure project implementation and delivery, and overall sustainability. They also need to report to the Oxfam Secretariat, to other affiliates in the Confederation, to their country headquarters, and to those within their own organisation or affiliate such as managers, superiors, Head of Departments, etc. Therefore, the NPO is caught between the tensions created by having to be accountable to both internal and external stakeholders; and since accountability and credibility exert such an significant influence on the overall sustainability of the NPO (as

seen in the Qualitative model and explanations thereof), finding a balance which still achieves both is of utmost importance.

INTERNAL ENVIRONMENT

EXTERNAL ENVIRONMENT

COMMERCIAL ENTERPRISE OR FOR-PROFIT ORGANISATION

Accountable to:

-CEO/Leader

-Managers

-Line Managers

-Heads of Departments

-Internal Auditors

-Fellow employees/teams

Accountable to:

External auditors

Government Revenue Services

Shareholders

Legislative requirements

Labour Laws/Bodies

NON-PROFIT ORGANISATION

Accountable to:

-CEO/Leader

-Managers

-Line Managers

-Heads of Departments

-Internal Auditors

-Fellow employees/teams

-Partners

-Country Headquarters

-Other affiliates

Accountable to:

Donors

External auditors

Government Revenue Services

General public

Communities/regions involved in projects

Local and International Government funders

Social Welfare Departments

Legislative requirements

Figure 5-12: Internal and External accountability in NPOs and FPOs

When it comes to enhancing both types of accountability and credibility, we come back to the quality of reporting because in a non-profit context, reporting (and thus the quality of reporting) is the mechanism by which whatever happens within the organisation (or in networks with other partners) is able to be communicated to the outside world. This is why the quality of organisational artifacts such as donor reports, annual reports, funding proposals, donor management contracts, etc. is of such great importance.

The employees are responsible for the quality of these reports, therefore we essentially come back to the issue of human resources and whether there are sufficient numbers of well-skilled employees to perform such tasks effectively. Once again we see the beauty of a systems approach as this discussion shows how co-financing is not just something that "happens" between NPOs and donors, but rather that it is a situation involving feedbacks between many variables such as efforts to be accountable, the robustness of HR capacity, the quality of work produced by them, partnerships with internal and external stakeholders, the influence of management, etc.

5.4.5 THE NORTH-SOUTH DILEMMA

The following variables were identified as being influential in the North-South dilemma:

Alignment to Northern models of operation
Consideration of contextual realities
Project success
Credibility
Public recognition
Funding

The North-South Dilemma refers to a sense of distrust and antagonism towards the prescence of Oxfam affiliates from the Northern hemisphere operating in Southern parts of the world, for instance Oxfam Italia in South Africa. The basic perception in this dynamic was found to be the belief that accepting contributions or assistance from Northern donors would result in contextual realities in South Africa being ignored in lieu of foreign interests. Such interests while appearing to serve the welfare of South Africa, would inherently be harmful to the country in the long run. The following CLD traces the effect of such alignment to Northern models of operation:
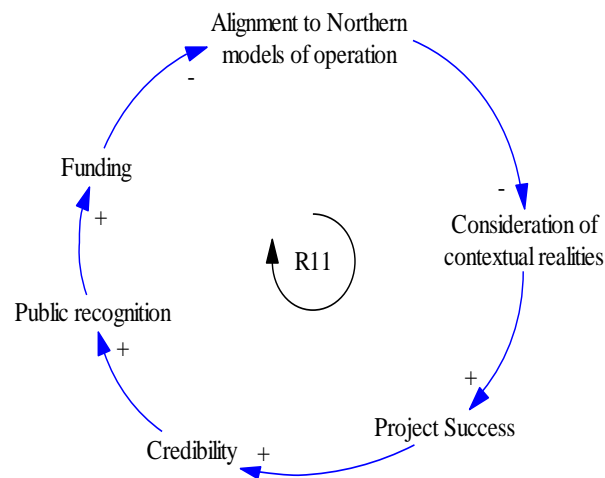
Figure 5-13: Dynamics created by the North-South Dilemma

5.4.6.1 Reinforcing loop 11:

Assuming that the organisation chooses to **Align to Northern models of operation** will indicate that it has chosen to not consider certain realities in which it is operating (**Consideration of contextual realities**). Thus, as it aligns more, it is perceived as negating contextual realities indicating an inverse relationship. This means that the project/s implemented may not be as successful as envisaged (**Project success**) as they ignore certain contextual realities. With declining **Project Success** comes a decline in **Credibility**, **Public recognition** and **Funding** as explained earlier. This then puts the organisation into a situation in which its desperation to

accrue funding influences it to align more readily to Northern models of operation and ignore Contextual realities, thus reinforcing the same behaviour.

5.4.6.2 Navigating the North-South Dilemma

The existing literature points to possible reasons for the perception of international aid, aid institutions and assistance as being corrosive to the overall well-being of Southern countries such as South Africa. Grigsby (2010-11, p. 20)contends that international donor institutions do not understand the contexts of African countries and therefore cannot propose to provide aid that will contribute to the welfare of the continent. Instead, they are motivated by their own economic and political motivations which do not address African developmental issues, even though they claim to do just that.

The structure of Oxfam as having affiliates throughout the world and not just in their home countries could be seen as a solution to such a dilemma because it is based on the assumption that such affiliates will be more effective in addressing the concerns of the countries in which they are situated as they will be embedded in that context and thus will have first-hand knowledge of the situation, dynamics and requirements to promote development that is tailored to such contexts. However, opponents of this proposition such as Igoe and Kelsall (2005, pp. 20-21) assert that such arrangements do not rectify the gap between donors and beneficiaries because foreign NGOs force fit "Western" solutions and cultures onto African contexts and in the process, do not give any or ample consideration to the rights and "indigenous democracy" of countries in Africa. The solution they propose is for international aid to be directed to NPOs indigenous to those countries as they are more likely to be aware of the dynamics of the issues they encounter and therefore will be more equipped to produce a greater level of sustainable development. Other proponents claim that this may be too harsh an option and a better way forward will include combining "foreign funding with local leadership" (Grigsby, 2010-11, p. 21).

The problem with this arrangement is that it assumes that foreign funding will come with no stipulations for its use, which is rarely ever the case. Even Oxfam with its reputation of being an accountable, ethical and credible organisation receives more restricted funding in which such funding comes with certain stipulations regarding its use, than unrestricted funding. Such stipulations may be put into place to ensure greater accountability and effectiveness with regards

to how such funds are used to promote development. On the other hand, such stipulations may also be intinsically geared toward promoting the interests, cultures or philosophies of Western/Northern donors. Much of this apprehension is rooted in the remembrance of the effects of colonialism and Apartheid in SA and Africa in which "foreign" actors enforced their own culture, ways of thinking and operating, philosophies, religions, etc. onto the indigenous peoples in order to serve their own interests, while making it seem as if they were devoted to development of these regions and communities.

Even in current times, in many countries around the world such as India, Pakistan, Afghanistan, Nigeria, Ethiopia, Somalia, Uganda, etc. efforts by NPOs to, for instance, educate girls in these regions is met with strong resistance from patriarchal societies built on the subordination of females. Since many of these interventions are promoted by Western (or Northern) organisations, such societies view their efforts as a means of enforcing their Western culture, while trying to erode the dominant cultures of those societies.

The situation described here is a complex one in which sides should not be taken recklessly. Western and Northern NPOs do good work in the nations in which they chose to offer their services. Development of infrastructure for income generation, education of the youth and empowerment of females are just some of the benefits of the operation of such organisations throughout the world. However, in doing so, they also enforce their own cultures, philosophies and ideologies onto the people, communities, organisations and nations whom they assist. Whether this is done intentionally or unintentionally is a critical issue in assessing the real interests of such contributors, but determing the real motivations behind such assistance is a difficult objective, thus enhancing the complexity of this challenge.

Another point of consideration should be whether we can actually stem or inhibit the transmission of culture, philosohies and ideologies between social groups, as in most cases, this transmission happens naturally through the interaction of social groups. It can be enhanced through deliberate intention on the part of one group, but completely inhibiting such an influence presents a mammoth (if not, unrealistic) task. Adding to this, is the fact that Western contributors come into a development situation with such cultures, philosophies and ideologies already deeply ingrained in them. While the nation or community being helped may be fully aware of such cultures, philosophies and ideologies because they are in contrast to their own, Western contributors may not recognise or be fully aware of the impact of their cultures, philosophies and

ideologies on the people that they are trying to assist. Thus, they may see only the benefits of the development work that they do, while being blind to the underlying corrosive effects of such assistance on the indigenous people. This presents the danger that as the indigenous people become more aware of this corrosive effect, they perceive contributors as enemies, and as the past and present is testament, this can spark violence, political turbulence and widespread discord between nations.

A further complication lies in the suggestion to utilize local leadership (Grigsby, 2010-11). It is no secret that leadership on the African continent is characterised by bouts of inefficiency, corruption, incidents of abuse of power, gross human rights violations and lack of consideration for the welfare and opinions of the people they represent (Spears, 2007). In such a context, it is no wonder that international donors view placing their contributions in the hands of local leaders with much trepidition, indicating another possible motivation behind the operation of Northern NPOs and affiliates in Africa.

However, this issue becomes even more complex when we consider that many of the Northern Oxfam affiliates in Southern Africa are led and managed by people from Southern Africa itself. Despite the apparent autonomy awarded to local staff and leaders in such affiliates, we still see a dependency relationship being continously reinforced. Northern affiliates in SA (for instance Oxfam GB) may be staffed and led by South Africans, but they still have to abide by strict accountability and reporting regulations dictated by their home country and the Oxfam Secretariat. In addition, much of the funding they receive (and the stipulations thereof) emanate from their home country affiliate. This means that the home country affiliate exerts much control over affiliates based in Southern Africa (and in the South) almost creating a parent-child relationship. Therefore, like a parent, Northern affiliates will provide for their Southern dependents, oversee how they operate and how they utilise such provisions and monitor progress and transgressions. The power dynamic created is one of power-over rather than power-with, whether intentional or not, which raises many concerns regarding the operation of Northern NPOs in African contexts.

The issues highlighted above describe just some of the challenges encountered in the North-South Dilemma and in the challenge of trying to align to Northern models of operation for the sake of efficiency and overall alignment, while at the same time considering and being respectful of contextual realities. As the CLD above depicts, navigating the balance between the degree of

alignment and the extent to which contextual realities are considered can influence the organisation's overall credibility, project success, recognition and the funding assistance it receives (as well as many other variables as is seen in the Qualitative Model). Therefore, navigating this dynamic remains a challenge for many international NPOs and Northern-Southern funding structures (Lewis, 2003b, p. 332).

Trying to come to solutions or insight into this complex issue will need to examine the underlying structures which perpetuate the need for aid and assistance in the first place, because it is through the mechanism of providing aid and assistance do Western and Northern contributors have the opportunity to spread their ideologies, philosophies and cultures, whilst (intentionally or unintentionally) eroding that of under-developed or developing beneficiaries. As (Spears, 2007, p. 345) emphasises:

> *"The principal problem is that efforts to solve Africa's many challenges through benevolent leadership, democratization, and intervention do not address the more fundamental structural problems that have been a consequence of the African experience of state-building."*

5.4.6.3 Transition to Oxfam South Africa

The North-South Dilemma and the complexities it presents as discussed above have encouraged the establishment of an Oxfam affiliate in SA. The affiliate will be fully established in 2016 and will reinforce the current trend of greater Southern representation in the South, instead of Northern affiliates overseeing operations and development in the South. This represents Oxfam's dedication to dealing with the issues created by having Northern/Western affiliates operating in Southern contexts, as well as their commitment to having a balanced Confederation in which representation, influence and power are more equally distributed between the Global North and South. This commitment extends to Oxfam's dedication to working with more Southern-based partners, stakeholders and institutions as well.

The transition to establishing greater representation in the South is also fuelled by the realisation that state actors in these countries need to start taking more responsibility in terms of responding to natural disasters and their peoples' suffering in times of such disasters. This is supported by the realisation on the part of Oxfam that Western and UN-dictated models of dealing with such

disasters and the resultant consequences are no longer effective ("Oxfam GB Policy Positions," n.d, p. 3). It is also based on the belief that attempts to align both Northern and Southern affiliates (which the transition to Oxfam SA represents) will allow the Oxfam Confederation to achieve sustainable impact (1994, p. 11). Such alignment is encapsulated in Oxfam's vision of creating "One Oxfam" on which their establishment of a global brand identity, a single overarching strategy for the Oxfam Confederation and the development of their Single Management Structures (SMS) are based.

This transition to a South African affiliate will come with many challenges, some of which include the overall responsibility for raising funds, reduction in the number of existing donors, increased competition with other NPOs in the country, aligning the Oxfam vision, mission and methods of operating to the South African context, deciding who will be retained in the new structure and so on. These represent envisioned challenges, but more may emerge as the journey to the establishment of an official South African Oxfam affiliate in SA unfolds.

It is not far-fetched to envision the issues, themes and feedbacks we have identified in the Qualitative SD model and the discussion thereof as also being influential in the sustainability of the new SA affiliate. The strength, quality and capability of the human resource component in the new affiliate will determine its internal capacity and its ability to deal with environmental turbulence and uncertainty. It ability to remain transparent and accountable in the pursuit of the Oxfam vision will encourage both local and international donors to support its causes, projects and overall ethos, thus increasing its financial resources. In addition, this will ensure that the strong, positive reputation of the Oxfam Confederation is maintained and its global impact will be enhanced. This will enhance Oxfam SA's ability to attract partners and engage in fruitful partnerships which generate funding, knowledge sharing and encourage project success. Competition with other NPOs while initially seeming negative for the affiliate's sustainability, will encourage it to come up with innovative and sustainable means of attracting funding, partnerships and public support, thus enhancing its ability to compete.

The presence of a Southern affiliate in the South will ensure greater representation and identification of the challenges and benefits of applying Western/Northern models to African contexts. This will foster learning and knowledge generation that may lead to the development of methods of operation more suited to, and effective in African contexts, which can then be transmitted to Northern affiliates operating in such contexts to ensure less damage to these

contexts through their developmental efforts. This also has the potential of enhancing project implementation, delivery, monitoring and reporting and will contribute to Oxfam's reputation of having both the South and North's best interests at heart.

Many respondents expressed optimism with regard to the future head of the Oxfam SA affiliate in SA. They cited her strong personality and commitment to the development of Africa as great indicators of her ability to defend the best interests of the nation and to ensure greater representation of the South in Oxfam's agendas. Leadership has the propensity to either direct organisations in fruitful directions or to create more problems than solutions. It is hoped that the future leader of the Oxfam affiliate will belong to the former group and will be able to stand among a majority of Northern affiliates, while still being capable of representing the South effectively and respectfully. Respectfully, because there is much to be learnt from the North and this should not be ignored and refuted just because of the development of an independent Southern affiliate.

Also, such leaders and managers need to be aware of how sustainability is not a linear process or goal to be attained, but rather that it emerges through the interaction of complex feedbacks (as depicted in the Qualitative Model) in which actions and policies can produce negative, unintended consequences, the cause of a problem may lie in the past, while the effect of such problems manifest in the present and solutions instituted in the present may only bear results in the future. Therefore, the leadership and management of the new affiliate is of crucial importance as they will determine to a great extent how the affiliate will navigate these complexities, represent itself to the world and fare in terms of its attempts to be sustainable in the long-term.

5.4.6 ATTEMPTS TO REMAIN APOLITICAL

Respondents in this study kept reiterating the significance of their affiliate's and Oxfam's need to remain apolitical or detached from political parties, standpoints and motivations as it was perceived as being detrimental to the reputation of their affiliate and the Oxfam Confederation. This is because it would create the impression that Oxfam was being used to further the political interests and motivations of political and state-affiliated partners, instead of demonstrating full and unbiased commitment to its social mission.

The following variables were identified as being influential in the organisation's attempts to remain apolitical:

| Attempts to remain apolitical |
| Discomfort of partners |
| Funding |
| Reputation |
| Credibility |
| Political partnerships |

The above variables contribute to the following feedback structure:
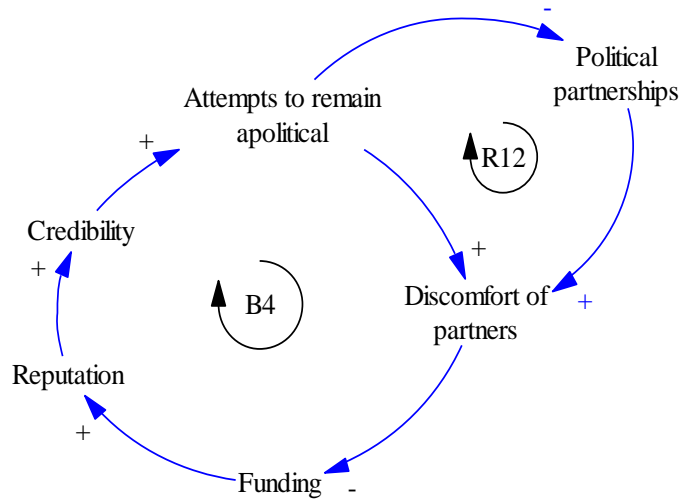
Figure 5-14: Dynamics involved in the organisation's attempts to remain apolitical

5.4.7.1 Balancing loop 4:

As the organisation **Attempts to remain apolitical**, potential partners become more and more uncomfortable with the fact that the organisation is not adopting a specific political standpoint (**Discomfort of partners**). This reduces the amount of potential **Funding** the organisation could

receive from such donors, thereby affecting its overall **Reputation** and **Credibility**. **Attempts to remain apolitical** will then lessen in an effort to secure **Funding** from politically affiliated donors, thus reducing the amount of **discomfort** felt by such partners. This creates the balancing feedback loop depicted above.

5.4.7.2 Reinforcing loop 12:

As **Attempts to remain apolitical** or unaffiliated to political actors, agendas and institutions increases, the extent of overall **Political partnerships** will decline, or not increase. This will reduce the discomfort and suspicion of existing or potential, non-political partners (**Discomfort of partners**), encouraging them to provide **Funding** to the organisation. Such support and partnerships will enhance the **Reputation** and **Credibility** of the organisation, thus bolstering its efforts to remain politically "detached" (**Attempts to remain apolitical**), which essentially translates into fewer attempts to form **Political partnerships**, which then reinforces the effects explained above once again.

The above loop structure reveals another archetype, that of the "Limits to Growth" archetype. According to this archetype, growth can never continue unabated, there will always be some limit that pushes back against such growth and impedes growth at some point or another (Hjorth & Bagheri, 2006, p. 2; Senge, 1990). Therefore, reinforcing loops that are conjoined by a balancing loop (as in this instance) indicate that there is growth, but that there also exists a counteracting force to such growth. Therefore, continuing efforts to promote growth may over time become increasingly ineffective.

The implications of such an understanding demonstrates that Oxfam and its affiliates may try to remain unaffiliated to political actors and institutions because of the sense of distrust and suspicion it generates in partners and the general public, but they must also realise that they cannot continue avoiding such affiliations forever. Therefore, their attempts to remain apolitical cannot continue forever. This is because Oxfam affiliates (and NPOs in general), whether they are stationed in their home countries, or elsewhere, are always embedded in a political system. In the case of affiliates outside of their home countries, they are agents of two political systems simultaneously, that of their own country and that of the country they are operating in. Therefore, for example, Oxfam GB is privy to, and needs to constantly be aware of the political

influences of its home country Great Britain, as well as being influenced by, and needing to be aware of the dynamics of the political situation in SA as well.

In addition, the political environments in which affiliates are embedded exert a strong influence on whether their attempts at development are received with support and enthusiasm, or suspicion and disdain. This is especially crucial in the case of affiliates that operate outside their home countries, especially with regard to Northern affiliates operating in the South. Eagerness to form political partnerships may increase an affiliates chances of receiving sizeable grants, funding and projects through which they can generate revenue, whilst also increasing their visibility in the public sphere and their potential to attract funding and donors. On the other hand, political affiliations may put control of affiliates into the hands of state actors/institutions who wish to further their own interests, instead of promoting the cause of the affiliate or organisation. In recognising this, the public and potential donors may be detracted from contributing to the NPO. Therefore, these organisations may attempt to not afffiliate with political actors and entities because as NPOs they are well positioned to operate "outside traditional politics and national government" (Palmer & Birch, 2003, p. 448), especially if they wish to convince the public of their commitment to their social mission.

However, due to shrinking pools of funding sources for non-profit sectors the world over, more and more NPOs are recognising the benefits of forming political partnerships to further their missions, generate more funding and increase their visibility in these political terrains. Oxfam affiliates receive almost twenty three percent (23%) of their revenue from home government and other government institutions and another sixteen percent (16%) from United Nation (UN) and European Union (EU) institutions (1994, p. 68).

In addition, Government actors have a greater ability to inculcate in the people of a nation the desire to contribute to non-profits and are better capacitated to ensure a steady flow of resources to the non-profit sector, while possessing the clout to ensure such resources are used equitably and honestly to respond to the needs of the poor (Habib et al., 2008, pp. 33-34). Coming back to our archetype, while Oxfam affiliates attempt to remain apolitical for the reasons mentioned earlier, they must also realise that they traverse political landscapes in the operation of their organisations. Therefore, their attempts to remain apolitical, while admirable and understandable, will slowly be eroded by the increasing spread of political involment in all

spheres of society. In this scenario, whether NPOs can ever really be "apolitical deliverers of services" (De Wet, 2010, p. 3) is highly contestable.

The first implication of this archetype for the affiliate's attempts to be apolitical is the recognition that nothing grows forever. As discussed above, affiliates and NPOs must recognise that their attempts to remain apolitical cannot continue forever, without eventually leading to negative consequences for the organisation. Political and state affiliations can be avenues of major funding, far-reaching visibility and much-needed assistance for affiliates and NPOs. According to Mesch (2010, p. 173), NPOs need to *"share responsibilities and funding resources within a new framework of intergovernmental cooperation…"*.As more and more NPOs recognise this, they tend to get less apolitical in nature and begin to embrace political partnerships more readily.

Oxfam GB affiliates in the Southern African regions receive most of their funding from institutional donors such as The European Commission which in 2013 provided seven billion Euros in external aid assistance, from The Humanitarian Aid and Civil Protection Department of the European Commission (formerly ECHO) which provided about forty million Euros to Southern Africa and the Indian Ocean region in humanitarian aid since 2012, and from The UK's Department for International Development (DFID) whose giving is estimated to reach about eleven billion British Pounds by 2015 (2014, p. 27). Other international state donors to Oxfam GB affiliates in Southern Africa include The Canadian International Development Agency (CIDA), The Swiss Agency for Development Cooperation (SDC) as well as the the embassies of Finland, Austria and Japan. As we can see in this instance, Oxfam GB's sustainability depends significantly on the funding it receives from these state or political affiliations.

In addition, Oxfam affiliates in SA continously engage with state constituencies and on state platforms to ensure that the voices of the poor and disenfranchised are heard. Instances include their partnership with the South African government in proselytizing for the prices of life-saving medications for diseases such as HIV/AIDS to be lowered so that they could be more readily available to marginalised communities (http://www.health-e.org.za/2001/02/14/oxfam-joins-the-drug-war/#), their active involvement with other governmental groups in advocating for better responses to climate change at the 17th Conference of the Parties (COP17) to the United Nations

Framework Convention on Climate Change event in KwaZulu-Natal, as well as their on-going participation in stimulating pressing policy debates at BRICS summits in the country.

A second consideration is to be aware of future limits and the pressures or problems that political partnerships will cause. In this case, as attempts to remain apolitical are decreased in lieu of creating political partnerships and affiliations, certain sectors of society or the non-profit sector, may express disappointment in the organisation and be convinced that they are being directed by political interests. This also ties back to the North-South dilemma discussed earlier, as often foreign aid is perceived to be a mechanism for foreign governments to attain control of, and power over, the recepient country, rather than for the purpose of its development (Grigsby, 2010-11, p. 18). Thus, the credibility and reputation of the affiliate will suffer which may cause the withdrawal of existing donors and dissuade potential donors and partners. As can be seen by the many connectors to and from these two variables in the Qualitative SD Model, credibility and funding are two major influences on the organisation's overall sustainability, thus anything that negatively affects them can have an overall negative effect on the sustainability of the organisation, especially since the Qualitative model reveals many reinforcing loops which indicates that as a variable changes it causes the same change in other variables. In this way, changes in one variable can have a domino effect in terms of effecting change in all connected variables, with negative changes creating overall negative system-wide effects.

Thirdly, the way forward with regard to this archetype is in avoiding pushing harder on the growth loop, but rather by looking for ways in which the limit/s can be removed or at the very least, reduced. Therefore, instead of attempting to be apolitical, the discomfort of existing partners and the public wih regard to political affiliations needs to managed more effectively so that the organisation is able to form such affiliations without having to deal with a major backlash from partners and the public. This could include publishing reports and publicising projects in which political and government assistance contributed to the success of projects and to the enhancement of the Oxfam social mission.

Greater accountability and transparency with regard to how such projects were managed and the manner and extent of state involvement would help to maintain the credibility of the Oxfam affiliate, while sending out the message that Oxfam and its affiliates are committed to honest and ethical partnerships and the furthering of their social missions first and foremost. This confers greater responsibility on non-profits in assessing potential political partners true interests to

ensure that such interests align with the mission and ethos of the organisation itself (Dees, 1998, p. 62).

Such political affiliations may also create a space for Oxfam and it affiliates in the political domains of the countries in which they operate. If such spaces are navigated effectively, the organisation may be able to use such a platform to more effectively advocate for policy changes that can contribute to its aim of alleviating poverty and inequality. According to Leuvennink (2010, p. 32), the non-profit sector in SA has navigated this space effectively and now exerts much influence in the political and economic domains of the country. Making their mission and the work they do more visible on such a platform may help to attract more funding and assistance from state partners, which will enhance project implementation and delivery, thus improving the reputation and credibility of the organisation still further. In addition, governments and state actors may also view NPOs with suspicion (Lewis, 2003b, p. 330) as they may not know whether such organisations are trully supportive of them or possibly against them. Therefore, the initiatives above will aid in decreasing such suspicion and make governments more trusting of, and thus willing to support NPOs in their developmental efforts.

This archetype forces managers to not be blindsinded by growth that is taking place, but to also be cognisant of the things that push against such growth in the long term, and which can create negative, unintended consequences(Hjorth & Bagheri, 2006, p. 3; Senge, 1990). In this scenario, we have seen how political partnerships, while reducing the organisation's attempts to be apolitical, also erodes its reputation, credibility and funding, as existing and potential partners become increasingly suspicious of such affiliations. However, the archetype revealed how the apparent solution of reducing political partnerships will not be as beneficial to the organisation in the long-run as reducing the discomfort of non-political partners and the public towards such partnerships. This is especially relevant as most NPOs understand the crucial importance of establishing political partnerships for sizeable grants and donations, and most are to a degree "political" because they engage in advocacy for social causes which they would not be able to do without involvement in, and engagement on, a political platform (Moore, 2000, p. 200).

5.5 Archetypes of relevance to the non-profit sector as a whole

5.5.1SUCCESS TO THE SUCCESSFUL

From the examination of the Qualitative SD Model, we can infer an archetype known as the "Success to the Successful" archetype. This archetype demonstrates dynamics prevalent within the non-profit sector as a whole, especially with regard to well-known NPOs such as Oxfam.
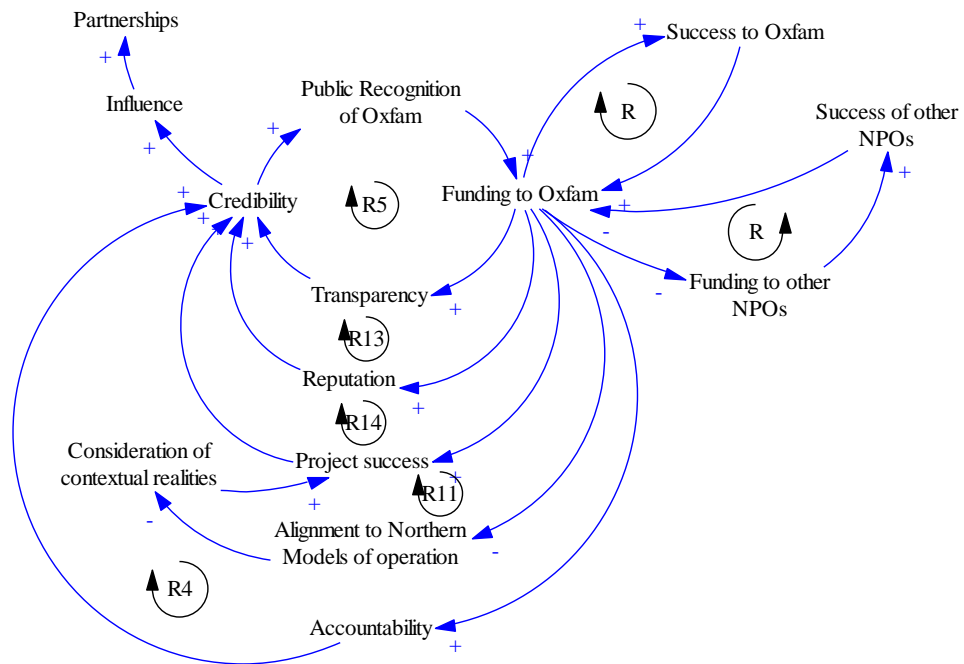
Figure 5-15: Success to the Successful archetype in the non-profit sector

According to this archetype, if one person, group or organisation is given more resources they are more likely to perform better than the other person, group or organisation (Hjorth & Bagheri, 2006, p. 10; Senge, 1990). The implication of this understanding for this instance refers to the idea that Oxfam is a well-known, reputable and highly credible organisation and international NPO. Therefore, funders, donors and even volunteers are attracted to donating time, money and resources to Oxfam without much hesitation, which enhances the overall success of the Oxfam Confederation. As its succes is enhanced, it receives more funding in response to this perceived success. Funding received by Oxfam encourages it to be more transparent and accountable with regard to the use of such funding, enhances its reputation, ensures ample resources for projects

to be successful, and gives the organisation more flexibility in considering contextual realities, which in turn enhances project success and the consequences thereof. All of this enhances the overall credibility of the organisation and allows it to enjoy more public recognition due to its project successes and effectiveness as an NPO. This contributes to it being successful, which in turn allows it to attract even more funding, resources and volunteers, thus ensuring its continued success, in other words, ensuring that it remains sustainable. The notion of Oxfam as a "successful" NPO is supported by the fact that Oxfam is one of the most recognised, effective and popular international NPOs in existence at present due to its extensive development work around the globe, it strong network of partnerships with state actors, donors and beneficiaries, its constant commitment to, and advocacy for poverty and inequality alleviation and its dedication to being ethical in its operations and accountable to donors and funders.

As donors, funders and volunteers devote their time, finances and services to Oxfam, they are depriving other (often smaller, less well-known or newly established) NPOs of the chance to benefit from such time, finances and services, thereby reducing the chances of such NPOs being successful, while enhancing that of Oxfam's even further. The result being that the resources that allow a NPO to be successful (such as funding, volunteer and HR capacity, services, etc.) are constantly given to Oxfam due to it being perceived as being "successful" instead of being given to other NPOs that require such resources even more desperately. In this way, the system permits success (resources) to be given to the successful (Oxfam), while other NPOs that require these very resources to become successful in order to attract further resources, are denied the chance. This entrenches the existing situation even further.

The deeper implications of this archetype challenges the idea that smaller, less well-known or newly established NPOs do not succeed because they do not have the neccesary capacity, skill or commitment. It draws attention to the idea that the reason for their failures could lie in the fact that they are not given the necessary resources they require in order to effectively make use of their existing capacity, skill and commitment. In addition, they operate within a system that continously discriminates against them on this very basis, thus entrenching their failure even further, while at the same time, enhancing the success of the successful.

However, the exception in this case is that Oxfam, despite its success, continues to form partnerships with smaller, less well-known and newly established NPOs either by asking for their assistance in implementing and monitoring particular projects, or by assisting the NPO in

developing particular aspects of its functioning, such as training managers on how to handle the organisation's finances effectively, teaching effective report-writing and donor contract management, etc., or by providing these NPOs with the funding they need to run their own projects under the supervision of Oxfam. Therefore, these partnerships can take a myriad of forms, but the emphasis is on Oxfam providing support and resources to NPOs that otherwise would probably not have been able to attract such support and resources by themselves. Evidently then, success to the successful is not a dire situation if the "successful" are able to recognise the failings of the system in which they are embedded and are dedicated to redistributing some of those resources to their less successful counterparts. This is the case with the Oxfam Confederation which indicates that not only are they dedicated to alleviating poverty, inequality and injustice, but they are also dealing with the systemic mechanisms which allow poverty, inequality and injustice to flourish, which in this case would be the marginalisation of small, less well-known and newly established NPOs.

The systemic mechanisms that allow some players in the non-profit sector to flourish, while disabling the chance of others to do the same, draws attention to the strength of such mechanisms to keep maintaining things as they are and to inhibit productive growth and positive development in such systems. However, seeing the power of systemic mechanisms to hold a particular system in a position in which it does not operate as effectively as it could, begs another question: How do we correct such large-scale systems? Trying to find more effective ways in which an organisational system can function is a complex task, let alone trying to find more effective ways in which a system as large as a non-profit sector can operate more effectively.

 One possible suggestion for effecting system-wide change is to tap into the power of significant players in those systems. In this case, we have seen how Oxfam, a major player in the non-profit, developmental world has utilised different kinds of partnerships as a means of promoting the development of small, less well-known and newly established NPOs who would otherwise have been discriminated against by the very system of which they are a part. In this way, once NPOs in a particular community are capacitated sufficiently to operate by themselves, Oxfam affiliates and their employees will no longer have to devote as much time, energy and resources to that particular community. Therefore, they are challenging a system, capacitating an NPO, developing a region, creating networks for knowledge generation and learning, stemming dependency and enhancing their reputation, all at the same time.

5.5.2 TRAGEDY OF THE COMMONS IN THE NON-PROFIT SECTOR

The identification of this archetype was based on the continuous emphasis by respondents and the organisational data on the importance of funding, and the influence the funding environment has on the NPO and all aspects of its functioning. The issue of funding with regard to non-profits does not exist in isolation, but is further encroached in a wider system, that of the non-profit sector of the country in which the NPO operates, and in the case of international NPOs, of the country of their origin. In this sense, Oxfam and its affiliates are beneficiaries of funding pools in Southern Africa, as well as of their respective home countries, and of the contributions of other international affiliates as well. Therefore, for example, an Oxfam GB in South Africa, can receive funding from its headquarters in the United Kingdom, from funding sources provided by South African institutions, as well as contributions to their projects from other affiliates around the world and from international affiliates based in SA as well. The central idea though is that each country has a pool of funds dedicated to the non-profit sector. Developed countries generally provide bigger funding pools as compared to developing countries, but developed nations tend to also be more involved in giving to other nations than their developing or under-developed counterparts.

The Tragedy of the Commons archetype demonstrates how certain resources that have to be shared between multiple actors (hence "commons"), while being sufficiently large enough for each actor to benefit initially, may be depeleted over time to the extent that not only do actors not benefit as much, but they may also be affected negatively in some way or the other (Senge, 1990; Wolstenholme, 2003, pp. 15-16). Take for example, the issue of traffic congestion. Initially, drivers benefit from using their own cars to work as they save time on commuting to and from train or bus stations, and can thus get to work much faster. However, as more and more people begin to purchase and use personal cars to reap these time saving benefits, the roads become more and more congested, resulting in traffic jams. Delays on the roads cause workers to reach their offices later, and high traffic volumes damage existing road infrastructure to the point of further delays due to maintenance work on such roads, with the result that the time to drive to work in a personal vehicle now takes longer than using public transport.

A Tragedy of the Commons archetype may take the following form when applied to the idea of funding in the non-profit sector:
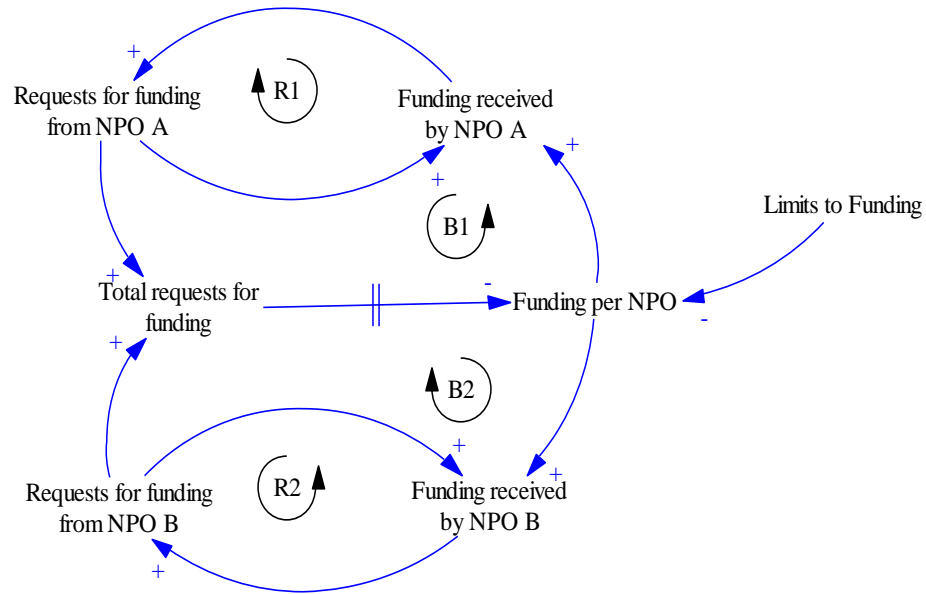
Figure 5-16: Tragedy of the Commons archetype in the issue of funding in the non-profit sector

Reinforcing loops 1 and 2 of this archetype depict that NPO A and NPO B make **Requests for funding** via proposals to institutions that can grant their requests for such funding. As their requests for funding increase, so too will the actual funding they receive (**Funding received by NPO A and B).** As their requests are met, they are more likely to request funding once again, as the receipt of funding tends to make NPOs more dependent on such sources of funding (Guo & Acar, 2005, p. 9). In this archetype, we use the idea of just two NPOs to make the explanation easier to comprehend. However, in the real world, one can imagine thousands of NPOs being involved in the dynamics of requesting funding for their projects and overall functioning.

As NPO A and NPO B (and other NPOs) make more requests for funding, they increase the **Total requests for funding**, and as Total requests increase, the **Funding per NPO** decreases over time because there are more NPOs to share the funding between. Therefore, each NPO begins to receive less when they make further requests for funding. This creates Balancing loops 1 and 2.

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At the same time, the funding pool from which these NPOs request funding is shrinking dramatically year by year, creating **Limits to funding**, essentially reducing the amount of funding available to the constituents of the non-profit sector, and thus decreasing the amount of **Funding per NPO.**

Therefore, this archetype is able to demonstrate how as more NPOs extract funding from this common pool of funding for NPOs, not only does it reduce the overall pool, but so too do organisations themselves receive less funding in the long term, thereby impeding the ability of the system to perform the very same function it was established for in the first place. Added to this, the depiction above acknowledges the effect of "Limits to funding". This pertains to environmental influences that have the ability to significantly impact the amount of funding provided to the non-profit sector within each country, including some of the factors discussed earlier, such as the impact of the global economic recession on giving, dwindling international aid, disinterestedor overburdened governments that do not channel enough resources into their non-profit sectors, insufficient laws/policies that promote giving, lack of funding by international donors due to perceptions of prosperity as nations become more developed, etc. The fact that actors within the non-profit sector (and even nations themselves) have very little, or no control, over these environmental limits to funding means that the pools of funding available to NPOs in every country are extremely vulnerable to environmental changes, thereby making their dependence on this common pool of funding alone an extremely risky venture.

For this reason, more NPOs are gravitating towards income generating avenues as a means of reducing dependency on donors, developing resilience to environmental shocks and ensuring their continued sustainability. It is often presumed that the move towards income generating ventures will reduce the reliance of NPOs on funding from external donors. However, in many cases, NPOs that engage in income generating ventures still continue to request funding from the overall NPO funding pool, depleting this pool even further. This is because the income generated from these ventures may not be sufficient to cover all expenses, operational and project requirements of the NPO, or NPOs may feel that if such funding is available to them, then they need to claim it, irrespective of whether they presently need it or not.

This points to another element of the Tragedy of the Commons-the fact that users of the resource tend to assume that such resources are inexhaustable. Therefore, there is no consideration given to the welfare of the collective (and to ensuring the sustainability of the resource), because

individual organisations/actors are too preoccupied with the benefits they alone can accrue. They do not consider the long-term and system-wide implications of their withdrawal of resources from the resource pool, and thereby erode the system itself and its capacity to respond to such erosion.

However, just as with the environmental limits to funding, we cannot presume to be able to control the propensity of every NPO to make requests for funding and withdraw funding resources from the funding pool. It is possible for governments to limit the amount of funding requested per NPO, but they too cannot force certain NPOs to stop submitting requests for funding. In cases involving entire sectors (as is the case here with the non-profit sector), the management of such systems and the resources they depend on, must come from an entity that wields enough power to organise the actors and institutions in those systems. State actors and governments possess such power, therefore they need to ensure two dynamics are dealt with in this regard.Firstly, governments must ensure that the NPO funding pool either increases, does not decrease or remains stable so that NPOs have a relatively stable funding source to contend with. Innovation and visionary thinking is required on the part of governments and global players in the aid and devlopment game to ensure stable or increasing funding pools for NPOs.

Such innovation and creativity can be seen in the example of the Financial Transaction Tax (or Robin Hood Tax) currently being supported by many governments and is being publicised and advocated for by Oxfam and a variety of other civil society NGOs and global development institutions. The Robin Hood or Financial Transaction Tax refers to an approximately 0.05% tax on certain financial transactions, such as transactions involving stocks, currency exchanges, bonds, gambling transactions, etc. Thus, it represents a way of channeling funds from the rich (who often engage in such transactions) to global development sectors (i.e: the poor), with proposals that a simple 0.05 percent tax on such transactions will produce approximately four hundred billion dollars ($400bn) for tackling poverty and the effects of the recession and climate change both locally and internationally ("Oxfam Briefing Paper-21st Century Aid: Recognising success and tackling failure," 2010, p. 41). Such a tax is being proposed to be instituted globally, but a large percentage (approximately fifty percent) of revenue generated will be dedicated to poverty alleviation and tackling the effects of climate change within participating countries, ensuring that they benefit as well.

Secondly, governments need to ensure that requests for funding by NPOs, do not exceed supply. With regard to the second consideration, we have to consider the fact that non-profit sectors the world over are increasing rapidly in size. Therefore, more and more NPOs are being established, while funding pools are declining. Governments need to be more effective in controlling the rapid surge of NPOs by developing innovative schemes to ensure that the quantity of NPOs coming into existence does not outweigh the capacity of the welfare and development systems to effectively absorb the impact of such a surge, because it is this dynamic that results in a Tragedy of the Commons kind of situation in which every actor loses.

An example could be, instead of allowing every person with a desire to establish a new NPO the opportunity to do so, rather recognise the benefits of directing people with a desire to establish a new NPO to existing NPOs within the same locality and who contribute to society in the same, or similar ways. Therefore, the focus is on the pooling of resources, whether these resources are skills, funding, commitment, employees, etc. rather than facilitating the development of more dependents on the overall funding pool by allowing a new NPO to be established. People who do agree to join with another NPO, and NPOs that facilitate this merging, should be given certain concessions or incentives by the State such as discounts on property rentals, an initial "merging" fee, access to institutional donors, or any other incentive that will detract them from establishing a new NPO. The added benefit of this arrangement, is that it facilitates the transmission of skills, resources, and know-how between actors in the non-profit sector, thus increasing the chances of such NPOs being more effective, sustainable and successful than they would have being alone. However, this idea will require efficient collaboration and effectively functioning governmental departments in order to be a success. Unfortunately, this is lacking in countries which require aid and development the most, pointing to the fact that if macrosystems such as governments, political and economic systems are failing, organisations, institutions and actors embedded in such systems will struggle to function effectively as well.

5.6 CONCLUSION

This chapter aimed to discuss the implications of what was discovered during the analysis of the interview and organisational data. This included an interrogation of the seven themes that were identified as being involved in the sustainability dynamics of Oxfam, including that of HR, Credibility, Partnerships, Competition, Funding and Co-financing, Attempts to remain apolitical

and the North-South Dilemma. This was done via the creation and discussion of CLDs which when combined created a Qualitative SD Model (pg. 200) depicting the feedbacks between them all.Although such themes and feedbacks were specifically linked to the organisation that was studied, it is possible to see them as being operative in, and influential to, the sustainability of a variety of other NPOs, the extent to which can provide the point of departure for future studies.

Systems thinking methods tend to encourage the involvement of as many stakeholders as possible in the creation of such CLDs and models. However, due to geographical distance constraints, as well as time constraints on the part of the researcher and most study participants, this was not possible. Therefore, the interview data was analysed and CLDs and archetypes were inferred from the analysed data by the researcher.

A number of generic system archetypes were highly relevant to the feedbacks discovered in Oxfam's sustainability. Beyond this, archetypes pertaining to the non-profit sector and to the organisation's position in the global NPO sector were also identified such as the Success to the Successful archetype and the Tragedy of the Commons archetype.

In addition, the Qualitative SD Model revealed four balancing loops and fourteen reinforcing loops involved in the sustainability position of Oxfam. While balancing loops attempt to keep the system in equilibrium, reinforcing loops have the potential of pushing the system away from such a point, either enhancing the system's performance (and creating virtuous cycles) or eroding the system's performance in neverending spirals (thus creating vicious cycles) (D. Lane & Husemann, 2008, p. 43).

While interview and organisational data confirmed that the reinforcing loops identified were operating to enhance the sustainability of Oxfam, the organisation needs to be aware of the potential of such loops to "reverse" and become vicious cycles. This means that the feedbacks which once allowed it to be successful can, if not managed properly, be the very reason its sustainability is endangered(Hjorth & Bagheri, 2006), especially since there is a significantly greater number of reinforcing loops as compared to balancing ones.

Therefore, even though this combination of balancing and reinforcing loops may help to maintain the sustainability of Oxfam as an NPO, in the event of such reinforcing loops becoming negative or vicious in nature, even the existent balancing loops will be insufficient to maintain its sustainability. For this reason, even though the large number of reinforcing loops

evident in the feedback structure of Oxfam have allowed it to flourish in terms of sustainability, leaders and managers must continously assess and strengthen these virtuous feedbacks, because once an organisation gets caught up in vicious feedbacks, it is very difficult for it to escape the downward spiral which can be triggered (Akkermans, Bogerd, & Vos, 1999, p. 570).

CHAPTER SIX: CONCLUSION&RECOMMENDATIONS

6.1 Introduction

In the previous chapter, we examined the implications of the analysed data pertaining to the issue of sustainability in the international NPO known as Oxfam, specifically the Oxfam GB affiliate in SA. The process of investigating this organisation's quest for sustainability began by recognition of the struggle to remain sustainable as a common one among NPOs the world over. Thus, particular research questions seeking to understand the dynamics involved in Oxfam's sustainability as a NPO were formulated to guide the study.

It was also recognised that the sustainability of NPOs is a complex issue requiring a methodology that could capture such complexity adequately. The Qualitative SD methodology was then chosen based on its merits in enhancing understanding regarding complex problem issues.

Empirical investigations, together with careful scrutiny of organisational documentation formed the basis of the findings that emerged which pointed to seven themes as influential in the sustainability of Oxfam GB, namely: (1) Human Resource capacity (2) Credibility of the organisation (3) Partnerships (4) Competition in the non-profit sector (5) Co-financing and funding arrangements (6) Navigating the North-South Dilemma and (7) the Dynamics involved in attempting to remain apolitical.

A number of external influences from outside of the organisation were also identified as impacting the NPOs sustainability, including the influence of the political and economic systems in which the organisation was embedded, the impact of donors' perceptions of South Africa as a middle-income or prosperous nation, the external pressures encouraging the establishment of a South African Oxfam affiliate in SA, and the impact of the global economic recession on international aid and development efforts. Overall implications for the NPO sector were also identified including the effect of continuous giving to well-known, "successful" NPOs such as Oxfam, as well as the consequences of an ever-growing NPO sectors reliance on ever-shrinking NPO funding pools.

In light of all that was discovered, we need to identify whether, and the extent to which our research questions were answered.

6.2 Revisiting the research questions

6.2.1 How does the Oxfam GB affiliate in SA, define 'sustainability'?

Oxfam respondents defined themselves as sustainable if their affiliate could fulfil the following criteria:

- Possess enough resources (financial and otherwise) to ensure adequate project delivery, implementation and monitoring over an extended period of time
- Are able to survive ever-changing and turbulent environmental changes due to a surplus of resources and funding at their disposal
- Have a network of reliable partners (including both donors and beneficiaries) who are able to ensure sustained funding and provide other resources to affiliates
- Possess a well-developed communication infrastructure between itself, its affiliates, and its local and global funders and partners
- Is able to utilize certain business practices and models to generate revenue and maintain organisational processes, without negating commitment to the original social mission and vision of the organisation
- Is consistently ethical, accountable, committed and transparent in the pursuit of their social mission, projects and programmes.

The Oxfam GB affiliate in South Africa demonstrated the above criteria at the time of the study being conducted. Therefore, they could be perceived of as being a sustainable NPO. In addition, through analysis of organisational documentation pertaining to the overall Oxfam Confederation, it was found that these criteria were fulfilled by the Confederation as well. Thus, we can deduce that Oxfam affiliates throughout the world do encounter challenges to their sustainability, but overall, the Oxfam Confederation can be regarded as being an effective and sustainable one.

It was also recognised that organisations can exist on a continuum between sustainability and non-sustainability by demonstrating degrees of each. Therefore, there should not exist a stark distinction between 'sustainability' and 'non-sustainability' because most NPOs demonstrate shades of both in different aspects of their functioning. Also, changes in the environment in

which the organisation is embedded can push the NPO closer to, or further away from being holistically sustainable.

The above definition of sustainability as posited by respondents follows a generic pattern in the definition of a concept. It tells us about the characteristics they perceive as belonging to a "sustainable NPO". In this sense, it has merit. However, such a definition does not reveal the complex nature of feedbacks inherent in the emergence of the organisation's state of sustainability. In this way, it tends to simplify "sustainability" and reinforces the notion of it as something that can be simply achieved if the organisation works toward displaying the above characteristics. The achievement of a more sustainable state is never as an easy feat as that implied by such a static definition. This study has revealed that to really understand what sustainability means for a particular organisation, we need to be aware of the many factors, and the myriad of feedback influences between them, that impacts its overall sustainability.

6.2.2 What factors impact the sustainability of the Oxfam GB affiliate in South Africa?

Seven factors were identified as being significant in determining the position of the Oxfam GB affiliate on the sustainability continuum, including:

- Human Resources
  The employees within the affiliate were recognised as pivotal in the operations of the organisation. Every aspect of the organisation's functioning, including the management of the themes identified in this study, require human intervention. How the NPO is perceived by the outside world (most especially by potential and existing donors) depends greatly on how committed the workforce is to the organisation and how effectively they are able to operate to ensure the emergence of a high level of sustainability. Oxfam as a Confederation recognises the significance of the human element and their strategic reports, annual plans and overarching policiesall reiterate the importance of developing their human resources.
  CLDs of the dynamics at play in the theme of HR revealed the importance of possessing and attracting a committed workforce to ensure that the organisation can perform effectively. It was found that a committed workforce can increase the chances of

producing work of a high quality and ensuring project success, thereby heightening public perception of the organisation's effectiveness and credibility. This would ensure a positive reputation and thus more funding, which in turn canincrease salaries in the NPO, making it more capable of attracting experienced and committed employees who can continue to reinforce such an effect.

In the context of NPOs, it was found that the quality of work output is most significantly determined by the interaction of how effectively funding proposals were constructed, how efficiently donor contracts were managed and the extent to which the organisation was accountable to their donors. However, it was also recognised that employees cannot be placed under very high levels of pressure to increase the quality of their work output as this would produce the unintended consequence of eroding such quality even further.

- Credibility of the organisation

Credibility of the affiliate was identified to be closely related to the extent to which it was accountable to both donors and beneficiaries. Accountability with regard to how donations are utilised is critical when it comes to non-profits because they act as intermediaries between donors and beneficiaries. Therefore, they are tasked with much responsibility in this regard. In addition, the extent to which they are accountable significantly influences public perception of the credibility and trustworthiness of the NPO, which in turn plays a role in determining the extent to which they are capable of attracting funding and donations. For this reason, the perceived credibility and accountability of the organisation is one of the cornerstones of Oxfam GB's sustainability. It was also found that donor perceptions of SA as a prosperous, middle-income country not only negatively influences the funding received by the organisation, but can also impact the organisation's overall credibility.

- Partnerships

Partnerships extended beyond funding partnerships with donors alone, to encompass partnerships with beneficiaries as well. In the case of the Oxfam GB affiliate in SA, partnerships with other affiliates, together with an effective working partnership with their country headquarters paved the way for more sustainable development. The benefits of the creation of such partnerships for the NPO extends beyond the accrual of funding as it also facilitates learning and knowledge generation, as well as the potential

to establish generative relationships. Cross-organisational learning and the establishment of generative relationships can make the organisation more innovative, competitive and resilient to environmental change. However, such partnerships may also breed dependency among beneficiaries and thus reduce their motivation to ensuring their own sustainability. This is an issue pivotal to the impending transition to an Oxfam SA affiliate in SA because many donors have withdrawn their funding on the presumption that the newly established affiliate must take responsibility for its own sustainability.

- Competition in the non-profit sector

  As national and international funding pools continue to shrink, NPOs including Oxfam GB find themselves having to deal with increasing competition for the same resources. NPOs have to innovate in order to keep up with increasing competition and to remain sustainable. Within the Oxfam Confederation, affiliates often find themselves competing with one another since they all operate as NPOs. Improvements in work quality were seen as one of the ways in which to be more competitive. However, increasing pressure on employees to perform more effectively so that the organisation can be more competitive, could also produce unintended consequences which in the long run impede work quality.

- Co-financing

  Co-financing was found to be a means of ensuring greater accountability and commitment on the part of the NPO. The global economic recession, shrinking funding pools and the perception of SA as a prosperous nation (among other factors) are pushing donors towards co-financing arrangements. Co-financing encourages NPOs to take more responsibility for their own sustainability instead of depending on donors alone. It also encourages internal and external accountability, thereby improving the overall reputation and credibility of the organisation. Since the credibility of the organisation is pivotal to how much funding it can attract, co-financing arrangements are increasingly becoming a key dynamic in the sustainability of the Oxfam affiliates.

- Attempt to remain apolitical

  The Oxfam GB affiliate, together with other affiliates in the Oxfam Confederation attempt to remain detached from political parties and positions in order to avoid political influences on, and political motivations in, the manner in which they run their affiliates. It is believed that this could negatively impact the reputation and credibility of the Confederation as a whole. However, as NPOs, they cannot deny the need to partner with state donors for funding, as well as to effect the national policy changes which they advocate for. Therefore, the manner in which they manage this dynamic can influence their sustainability greatly.

- The North-South Dilemma

  Northern affiliates operating in the Global South are thought to be proponents of a "Western culture" in those areas. Therefore, they are sometimes viewed with suspicion. This is especially the case if they choose to align to Northern models of operation while ignoring contextual realities that could be pivotal to project success in such contexts in the South. Potential donors who perceive of such a dynamic as being corrosive on local ways of life are less likely to fund such NPOs, thereby decreasing its chances at sustainability. The establishment of a Southern affiliate of Oxfam in SA is hoped to reduce this sense of distrust and to encourage beneficiary countries such as SA to take more responsibility for their own citizens' well-being.

6.2.3 How do these factors influence each other in impacting the overall sustainability of the Oxfam GB affiliate in SA?

The variables operative within the various themes influenced each other to create either balancing or reinforcing behaviours, either balancing out the effect of one another or reinforcing the effect of one another to move the organisation closer to, or further away from sustainability. These influences were depicted in the Qualitative SD Model which indicated the feedbacks between the various themes identified as influencing the sustainability of Oxfam GB.

The quality of the human resource component within the organisation not only influences how effective such an organisation can be, but also the overall credibility of the NPO as seen in the Qualitative model. With regard to the Oxfam affiliates, including Oxfam GB, the manner in which the employees within every affiliate engage with issues of importance, construct funding proposals and donor reports, and remain committed to their duties and to the overall mission of the organisation can have a major influence on the strength of their human resource component and ultimately on the Oxfam Confederation's overall credibility and reputation. This in turn is capable of influencing the nature of human resources they are able to attract and retain.

In an effort to create a credible and accountable organisation, transparency becomes an ideal to which Oxfam strives to live up to in all its dealings, projects and partnerships. This encourages a high quality of work output in the form of effectively constructed proposals and reports and a high degree of accountability to partners, funders and communities. A sustainable organisation with a credible reputation that is perceived favourably by funders is more likely to attract funding and will thus be more likely to engage in partnerships and projects in alignment with its social mission.

As more donors, international and state actors begin to partner with the NPO, avenues for funding, inter-organisational learning and knowledge generation and pressure to be accountable to such partners, increases. All these factors in turn provide the opportunity for the enhancement of the organisation's reputation and credibility which attracts more of the above back to the organisation. The establishment of generative relationships with partners enhances this dynamic and in addition creates unforeseen benefits for the organisation that may help it to survive in an ever-changing environment, thus aiding in its sustainability.

In an attempt to remain competitive, increased pressure may be put onto employees to work faster. This may have the unintended consequence of eroding the quality of their work output by forcing them to adhere to quantitative objectives (such as the completion of more donor reports in a given period), than qualitative (such as reports of high coherency and accuracy). This has the effect of eroding the organisation's credibility and reputation, which will consequently influence its potential to attract funding, strategic partnerships and public acclaim.

An increasing trend is for donors to insist that the organisation to which they are contributing to must provide part of the funding for a particular project. This is in an attempt to encourage internal and external accountability and commitment to the success of the project. Co-financing

arrangements of this sort encourage overall organisational accountability and commitment, thus laying the groundwork for a better quality of work outputs in an effort to satisfy co-financers. Enhanced work outputs will garner public acclaim and attract skilled employees, partners and funding and thereby enhance the credibility and sustainability of the organisation.

In an attempt to attract funding to ensure its sustainability, the NPO may affiliate with political partners and/or negate certain contextual realities and align with Northern models of operation in order to satisfy funders. However, this could influence the public to see the organisation as being more concerned with ensuring its sustainability, than ensuring the fulfilment of its social mission, especially if such affiliations and alignment contradicts the mission of the organisation in some way. Thus, the overall credibility of the organisation is impacted, possibly hampering its ability to attract funding, partnerships and the relevant human resource capacity.

Therefore, sustainability is not a fixed point in the organisation's functioning, but rather is a constantly changing state which emerges from the interaction of all of these factors, in response to an ever-changing global context. The Qualitative SD Model revealed just some of these factors and the nature of their influence based on the case study of the Oxfam GB affiliate in SA.

6.2.4 How does the complex environment in which the Oxfam GB affiliate is embedded influence the functioning of such an organisation?

Previous studies on non-profit organisational sustainability focus on aspects internal to the organisation to determine whether it is sustainable or not, such as the manner in which it is governed, the quality of its leaders or managers, the financial resources at its disposal and the manner and quality of its internal operations in ensuring the fulfilment of its social mission (Schuh & Leviton, 2006).

In this study, it was found that the ever-changing environment in which NPOs like Oxfam GB are embedded exerts a significant influence on the operation of the organisation, as well as on their overall sustainability. In this study, a number of factors emanating from the environment outside of the organisation were identified as exerting an influence on the sustainability position of Oxfam and its affiliates in South Africa.

The effect of the global economic recession has played a significant role in drastically reducing the pool of funds available to NPOs the world over, with the result that such organisations (including the Oxfam GB affiliate) have had to run operations and projects on a smaller budget. Donors who once provided regular and significant financial support are now reducing their contributions or withdrawing such contributions altogether. Therefore, the Oxfam affiliates have had to be more strategic and innovative in ensuring their sustainability in light of the after effects of the recession. In addition, Oxfam affiliates in SA have to deal with the consequences of the growing perception of SA as a middle-income country which should be capable of providing for its own citizens and social issues.

This perception of the country's prosperity and of being capable of meeting its own social needs has led Oxfam to engage in a process of establishing an Oxfam SA affiliate in SA itself. Such a process will be finalised by the year 2016 in which Oxfam SA will have full affiliate status within the Confederation. It is hoped that the establishment of such an affiliate will help to clear up confusion regarding the structure of Oxfam, attract more local donors, reduce donor confusion and provide the mechanism whereby South Africa and its citizens take responsibility for the welfare of their country, instead of being dependent on international affiliates and donors. It will also ensure greater representation in the South for the Oxfam Confederation as a whole which tends to consist of a much greater number of Northern affiliates. In addition, it will aid in reducing the common suspicion associated with Northern affiliates operating in Southern contexts.

The political environment also exerts an influence on the sustainability of the NPO. Affiliates operating in a country that is not their home country must navigate the political influences of both the country in which they are stationed, as well as that of their home country. Associating with political figures and political positions is perceived by the public and donors as being indicative of the organisation being influenced by political motivations, instead of being wholeheartedly committed to its social mission. This sense of distrust can be a source of discomfort to potential and existing donors and may inculcate in the public a sense of suspicion regarding the motives of the organisation. This can negatively impact the funding it receives and its credibility as an NPO, and therefore its overall sustainability.

The Success to the Successful archetype demonstrated how the perception of donors, partners, governments and the general public of the Oxfam Confederation as a credible, trustworthy,

effective NPO assists in attracting funding and resources their way. In this way, if the funding environment favours Oxfam, they are more likely to receive funding and resources as compared to other NPOs. This is particularly significant against the backdrop of a funding environment that is becoming more selective due to dwindling resource pools for the non-profit sector. The Tragedy of the Commons archetype further demonstrates how NPOs' overreliance on such funding and resource pools may lead to a situation in which the capacity of the non-profit sector as a whole is eroded, to the detriment of all NPOs.

6.2.5 What, if any, lessons can we derive from the examination of the sustainability of this NPO through a SD framework?

The SD approach, although being qualitative in nature, contributed to this study in the following ways:

- It provided a methodology and framework for deeper interrogation of the issue of non-profit organisational sustainability by encouraging the investigator to identify the underlying feedbacks involved in organisational sustainability.
- It facilitated the identification of the variables operative in the sustainability of the Oxfam GB affiliate, as well as provided the tools to allow the influence of such variables on each other, to be explicated.
- Through identification of the variables and their influences, it highlighted the idea of sustainability as being an emergent phenomenon, instead of a fixed target that can either be attained or not attained.
- The central idea of SD is that social systems are complex systems whose behaviour constantly changes over time due to the feedbacks operative within such systems. This substantiated the notion of sustainability as an emergent phenomenon which can fluctuate over time in response to changes in internal feedbacks within the organisation, as well as in response to external perturbations from outside of the organisation.
- The use of influence or causal loop diagramming enabled identification and understanding of how the variables involved in the sustainability state of the Oxfam

affiliate being investigated influenced each other, but also revealed generic organisational behaviours (or systems archetypes) in its functioning.

- These generic system archetypes were helpful in revealing the possible unintended or negative side-effects of the policies and actions taken by the organisation and by the non-profit sector in general, thus providing insight into the system-wide effect of such policies and actions in the pursuit of sustainability.

- The SD methodology facilitated recognition of the big picture in terms of this organisation's overall sustainability. It helped to recognise how aspects of organisational functioning that could have been perceived as being separate and unrelated to one other, were actually intricately linked and significantly influential to one another, and contributory to Oxfam GB's overall sustainability state.

6.3 Contributions of this study

This study contributed to understanding the sustainability issues in NPOs from a holistic, systems perspective. Presently, there exists a dearth of information on the sustainability of NPOs specifically. Therefore, this study contributed to reducing this lack of research on NPO sustainability. In addition, there have been no studies done on NPO sustainability from a holistic, systems thinking perspective, let alone from a SD one, thus this study contributes to both of these deficits as well.

In addition, the existing literature on the sustainability of NPOs tends to take a fragmented approach by studying particular aspects of non-profit functioning to the isolation of all others. This approach while being helpful in understanding those aspects further, does not reveal or emphasise the larger network of interactions between the various aspects of non-profit organisational sustainability. They depict the journey to sustainability as a very linear, simple process requiring a few enhancements in organisational functioning to be realised.

This study on the other hand, revealed not only the plethora of variables influencing the organisation's sustainability, but investigated more deeply to find out how these variables influence each other. This was in line with the notion of sustainability as emerging from the manner in which such variables interact with one another in feedbacks which push the organisation closer to or further away from sustainability.

Empirical investigations were based on an international NPO known as Oxfam. Oxfam consists of a confederation of affiliates throughout the world in countries such as Italy, Spain, Great Britain, Australia, etc. The sustainability issues and challenges in an international NPO are more complex than that of a smaller, local NPO. For example, international NPOs have to be able to create strong partnerships between affiliates and have to be able to align themselves and operate uniformly, despite the geographical distances and cultural differences (amongst other boundaries) between them. Even the North-South Dilemma, in which affiliates and NPOs from the North operating in the South encounter particular challenges, is a dynamic that can only exist in international NPOs. Therefore, this study also contributed to understanding the sustainability issues and challenges in international NPOs which operate in both the global North and South, another area in which research is lacking.

Recognition of the influence of the political, social and economic environment on the NPO and its sustainability drew attention to the idea of sustainability as dependent not only on the internal feedbacks within the organisation, but also dependent on how resilient the organisation is to such external influences. In many studies pertaining to non-profit sustainability, the impact of such environmental influences is not considered, or its influence is considered on a particular aspect of non-profit functioning in isolation to the rest.

The identification in this study of sustainability as being the emergent outcome of the variables operative in the seven themes identified (and possibly many more that are yet to be identified), calls for a reconceptualisation of how sustainability is perceived by the non-profit world. Financial stability and some degree of achievement of the organisation's social mission are no longer sufficient criteria for determining sustainability, or the lack thereof. In addition, as mentioned earlier, sustainability is not a static goal to be achieved, but rather organisations tend to traverse landscapes of sustainability by being more sustainable at certain times, while environmental and internal shocks or changes can result in less sustainable outcomes in behaviour at other times. It is hoped that this study will be the impetus for reconceptualisations of non-profit organisational sustainability in this direction.

6.4 Limitations of this study

The first drawback of this study pertained to access to a suitable NPO on which to base the research. Many NPOs did not want to participate in the study for reasons undisclosed with a resultant extended lapse of time between seeking an NPO and being allowed to conduct the study on one. Eventually, all necessary permissions were granted by the Oxfam GB affiliate in SA. However, a possible limitation of this study could be the fact that the researcher was an outsider and therefore, would not be privy to all the dynamics and organisational culture nuances operative within the organisation. In addition, respondents tended to answer questions directed at them (in the interviewing process) in a positive and optimistic light. The result was that the researcher often had to probe until they would reveal more information on the underlying dynamics operative in their organisation's sustainability.

The second limitation was the emphasis on the qualitative aspects of the SD methodology. The SD process is a long one requiring the development of a variety of skills which in turn require much time to be mastered. For this reason, and because it was assumed that proceeding to the simulation phases of the methodology and the outcomes thereof would be too complicated for the organisation on which this study was based to understand, the study was majorly based on causal loop or qualitative SD diagramming procedures. While this was not without its merits as explained above, the researcher acknowledges the benefits and insights that could have been accrued if the process progressed onto the computer simulations SD is famous for. This would have produced insights into the behaviour of the overall system over time, as well as provided a lab for the testing of particular policies envisaged by the researcher. This would have been an additional benefit considering the large number of variables identified as influencing the organisation's sustainability, because with such a multitude of variables and their interconnections, it is impossible for the human mind to comprehend the behaviour of the entire system over time. However, this is something a computer simulation can achieve with ease.

This study was based on a case study approach of investigating a single affiliate in the Oxfam Confederation, namely Oxfam GB in SA. Unfortunately resource and time constraints did not allow the inclusion of more local or international affiliates within the scope of this study. With a case study approach, we cannot generalize findings to other similar settings, but we can learn about similar settings through the investigated context. Thus, while only one affiliate was involved in this study, it is possible to gain some insight into the sustainability issues and

challenges encountered by other affiliates. This is enhanced by the fact that much of the organisational documentation informing the research pertained to the entire Oxfam Confederation. Thus, the Qualitative SD Model is based largely on the experiences of the Oxfam GB affiliate, but also contains elements at play in the sustainability of the overall Oxfam Confederation.

The idea of group model building would have been an insightful addition to the overall empirical process. This would have entailed involving respondents in the process of building the qualitative model and in assessing its accurateness. However, the art of constructing CLDs is a complex one, requiring much effort and time. Respondents simply did not have such time to offer, especially since Oxfam employees tend to travel a lot and thus, getting everyone together would have been a challenge. Involving them in the construction of the model would have produced a more accurate and relevant model, the lack of which can be considered another limitation of this study.

In addition, even though just the qualitative aspects of the SD methodology were utilised, the causal loop diagramming and qualitative model construction processes of the methodology require much skill, understanding and experience to perfect. For the researcher, this was her introduction to the systems thinking way of conceptualising the world and her first attempt at applying the SD methodology. Therefore, while she was able to construct CLDs and the Qualitative SD model to aid understanding of this organisation's sustainability, she recognises that they are amenable to improvements.

The concept of "sustainability" is often equated automatically to the accounting framework known as the Triple Bottom Line of Sustainability, a framework used by conventional organisations to assess their impact in terms of not only the profit they make, but their environmental and social impact as well. Although it was clarified earlier, that the definition of sustainability in this study is different from the meaning encapsulated in the idea of the Triple Bottom Line of Sustainability, the similarities can introduce confusion as to the purpose and outcomes of this study. However, defining the meaning of "sustainability" in the context of this study in the early chapters was an attempt to clear up this confusion.

Lastly, the title of this study could be a bone of contention amongst SD practitioners and academics. The use of the words "system dynamics" is often taken with the assumption that the process will culminate in the construction and running of a simulation model. However, this is

not always the case as can be seen in the plethora of papers which include SD in their titles, but which do not progress onto model construction or simulation (Hjorth & Bagheri, 2006). As Coyle (2000, p. 241) asserts, "…qualitative modelling only fails to be system dynamics under the most dogmatic definition of the discipline" and thus, it must not be assumed that SD is not SD without the quantification introduced by a computer simulation model (Coyle, 2000).

In addition, it is generally the use of the words "modeling" or "model" and not just the term "system dynamics" alone in such paper titles that would predict the existence of the use of a simulation model in such studies, as can be seen in the instance of numerous studies (Ahmad & Simonovic, 2000; Dyson & Chang, 2005; JH Homer & Hirsch, 2006; Minegishi & Thiel, 2000). Thus, the title of this study as "A System Dynamics perspective of the non-profit organisation's quest for sustainability" does not necessarily imply the construction and running of a simulation model, whereas certain SD practitioners or academics may argue otherwise depending on their interpretation of "SD".

As mentioned earlier as justification for the qualitative approach adopted by this study, the SD process does not always have to culminate in the construction and running of a simulation model and it is the researcher's assessment of the discoveries at every stage of the research process that will help them ascertain whether a simulation model is actually necessary. There are instances in which modelling has been found to be impossible or undesirable (Coyle, 1998) as was found in this study in which the researcher concluded that it would be undesirable to proceed onto a full simulation process, the justification for which was explained in Chapter Two (2.15.1. Considerations in the choice of a qualitative approach to SD).

While the quantification process has many merits in demonstrating plausible future behaviours of a system, causal loop diagrams like those utilised in the qualitative SD model in this study, can also be useful in increasing understanding in this regard (as was demonstrated by the identification and explanation of the numerous archetypes presented earlier). This is further supported by the numerous existing studies that have employed causal loop diagramming or qualitative SD modelling techniques to understand possible future behaviours of a particular system and which recognise the merits of such (Coyle, 1998; Hjorth & Bagheri, 2006).

6.5 Recommendations to the organisation

The empirical work of the study was based largely on the Oxfam GB affiliate in SA, but organisational documentation pertaining to the overall Oxfam Confederation was also utilised. Thus, the following are some of the recommendations that emerged from this investigation (arranged according to the seven themes) which can be applied to the GB affiliate specifically, as well as having relevance for other affiliates operating within the Oxfam Confederation:

6.5.1 Human Resource Capacity

- In order to attract the skilled and experienced personnel which the affiliates so desperately require, salaries need to be made more competitive. While this will seem like a major withdrawal of financial resources initially, over time the effect of a well-trained, skilled and experienced work force will feed into the overall affiliate system (as can be seen from the Qualitative model) contributing to improvements elsewhere that will ensure the affiliate is more effective and robust in the long-term.

- NPOs contribute to society in ways which appeal to the altruistic tendencies of people in such societies. Altruism fosters commitment in people and attracts them to organisations and avenues in which they can express such tendencies and their commitment to a cause. Such people tend to produce high quality work outputs and are committed to their daily roles and responsibilities in the organisation as they see this as being contributory to the social mission of the NPO. Therefore, Oxfam should aim to attract such employees (as well as volunteers) through improved and more visible marketing of the social upliftment and development projects they engage in, especially in SA. Attempts to enhance their reputation through media and communication, partnerships and the utilisation of technology should be greatly encouraged, especially in the current transition to an Oxfam SA affiliate in SA.

- Understanding the systemic influences involved in the HR dynamics of the affiliate allows HR managers to see how cultivating a more robust HR unit or strengthening HR capacity to sustain an organisation's sustainability is not simply about increasing the salaries of employees or encouraging a higher standard of work output, but also about keeping attrition rates stable, creating an attractive work environment,

building worker commitment and enhancing the organisation's or affiliates' ability to attract committed, experienced and highly qualified personnel.

6.5.2 Credibility

- In order to be sustainable and competitive, NPOs have to strive to be accountable not only to all employees, boardmembers, partners, communities involved in projects and volunteers, but in the case of international NPOs like Oxfam, accountability and transparency must expand to all affiliates as well.

- NPOs thus have to demonstrate high degrees of accountability, both internal accountability and especially external accountability, as such accountability influences how credible the organisation is perceived to be. In turn, its level of credibility influences, and is influenced by, many of the variables identified in the Qualitative model such as the quality of partnerships formed, the type of work force it is capable of attracting and maintaining, its ability to compete with other NPOs, its ability to remain unswayed by political interests and its ability to operate in areas outside of its home country. Thus, accountability is a significant aspect of the organisation's overall sustainability.

- The Limits to Growth archetype revealed that while Oxfam's reputation as a credible, accountable and trustworthy NPO attracts funding, partnerships, public recognition, dedicated employees, etc. at the same time the perception of SA as a prosperous, middle-income nation limits the growth of such factors. This archetype draws our attention to the fact that while growth in any organisation may be very attractive, we must realise that all growth has limits. However, NPO leaders should not be discouraged by this realisation, but should rather focus on what potential limitations to growth could be, so as to proactively deal with them before they hamper growth and affect overall sustainability. Therefore, Oxfam affiliates in SA need to be aware of how this "Perception of the country's prosperity" will undermine its sustainability efforts.

- To negate donors' preoccupation with the middle-income status of SA and their perception of the country as not needing their assistance, more awareness needs to be created regarding the actual conditions in the country, including the high levels of poverty, inequality, illiteracy, HIV/AIDS, child abuse, etc. The label of "middle-income" blurs over, and in some instances, totally hides the many situations and constituents desperately requiring social and financial assistance from NPOs. Therefore, Oxfam's ability to make the public and donors aware of such situations and constituents is one means of attracting attention to the country's dire need for assistance inspite of its status as a middle income country.

6.5.3 Partnerships

- In this study, we identified that the state of partnership management in the organisation will influence accountability, cross-organisational or cross-affiliate learning and knowledge generation, the amount of funding received, the extent to which projects would be effective, the overall credibility of the organisation, the scope of its influence and dependency on the part of its beneficiaries. As the CLD depicts, this is not a one-way influence, as all these variables and the manner in which they act upon one another, ultimately reinforces either in a positive or negative fashion the quantity, quality and management of partnerships. Therefore, strategies for partnership creation and management need to see the big picture in terms of these feedbacks, as well as the feedbacks created in the Qualitative SD Model, in order to create more effective and sustainable methods of partnership management.

- "Partners" in the non-profit context also refer to the communities, constituencies and countries that Oxfam provides aid, assistance and services to. It is here that the potential for creating generative relationships seems critical, especially if more energy is put into enhancing the generative potential of donor-beneficiary relationships, instead of simply channelling resources their way. In the long term, these communities, constituencies and countries in conjunction with Oxfam affiliates (or whichever non-profit assisting them), will co-create social value. The co-creation of social value will be even more responsive to environmental change than traditional aid processes and will thus be more effective and sustainable for both the beneficiaries and their 'donors'.

- The Shifting the Burden archetype revealed how the contributions NPOs make to their beneficiaries may eventually erode such beneficiaries' motivation and ability to take responsibility for their own survival, thus placing increasing pressure on Oxfam to continue ensuring their sustainability. Instead of awarding unrestricted amounts of funding to such dependents, a more productive direction may be to stipulate that a certain percentage of such funding must go towards activities that can build internal capacity and generate income. Therefore, the emphasis is on the donor playing a supporting role in the future sustainability of the organisation, instead of being one of the only reasons it survives. Donors should also realise that as they capacitate and empower their dependents, they are in fact laying the groundwork for less dependency on themselves in the future, which will in the long-term free up more of their resources for use elsewhere.

- Oxfam as a world-wide confederation engaged in a multitude of different types of development and social justice projects is a repository of wealth in terms of the knowledge, expertise and experienced personnel at its disposal. Therefore, all affiliates have much more to offer other smaller non-profit constituencies and communities than simply funding alone. By enhancing their contribution of knowledge and expertise to such dependents, they not only increase the dependents' motivation to engage in income generating activities, but also contribute to their overall long-term sustainability as well.

6.5.4 Competition

- As affiliates feel the need to be more competitive, managers put pressure on employees to improve the quality of their work outputs. This dynamic revealed a Fixes that Fail archetype which challenges the assumption that management must increase pressure on employees when work is not being done efficiently enough in order to improve the efficiency of work output in an organisation. The Fixes that Fail archetype indicates that doing so will impede, rather than enhance, the quality of work output. Therefore, it is recommended that management instead of assessing performance and work output from a quantity perspective, should rather assess this from a quality perspective.

- Management should be capable of determining the balance between these two extremes in which a certain amount of pressure is placed on employees so that they work effectively and reach targets, but not to the extent that their quality of work output suffers. This draws attention to the importance of having perceptive, empathetic, knowledgeable and experienced personnel in management positions who will be more likely to assess the above situation and identify the level at which employees work effectively, without the quality of work output suffering.

- Since it emanates from the world beyond the organisation itself (although impacting how it operates), competition can be reacted to, but not controlled. What is under the control of the organisation though, is how it represents itself to positively influence donor perceptions. This is why the effective management of many of the variables in the Qualitative SD Model beyond the Competition dynamics are influential in how it deals with competition, for example, its credibility, its level of accountability, quality of work outputs, perceptions held by partners, attempts to not be politically biased, etc. are just a few of the variables that can influence how it is perceived by potential funders and thus how competitive and sustainable it will be.

6.5.5 Co-financing

- Co-financing arrangements often emphasise accountability to external stakeholders such as those contributing the financing. In such arrangements, it is still important for the NPO or affiliate to demonstrate high levels of internal accountability because all of this emphasis on accountability to external stakeholders has the potential of creating negative feedback with regard to a reduction in qualitative attempts to ensure internal accountability. This could possibly lead to a situation in which an over-encouragement on external accountability could erode the extent to which internal accountability is ensured. Therefore, a balance needs to be found between ensuring both internal and external accountability, especially since accountability is pivotal to the NPOs sustainability.

6.5.6 The North-South Dilemma

- A major concern with regards to this dilemma was the impact that Northern ways of operating in the pursuit of aid and development could have on Southern and African peoples and nations. A point of consideration was the extent to which Northern affiliates or NPOs could actually stem or inhibit the transmission of their cultures, philosohies and ideologies onto the Southern communities they assist, as in most cases, this transmission happens naturally through the interaction of social groups. Thus, completely inhibiting such an influence presents a very challenging task. However, Northern affiliates should be extra cautious in this regard so as to reduce the suspicion and distrust around the notion of Northern affiliates/NPOs operating in Southern nations.

- Trying to come to solutions or insight into this complex issue will need to examine the underlying structures which perpetuate the need for aid and assistance in the first place, because it is through the mechanism of providing aid and assistance do Western and Northern contributors have the opportunity to spread their ideologies, philosophies and cultures, whilst (intentionally or unintentionally) eroding that of under-developed or developing beneficiaries.

- This will foster learning and knowledge generation that may lead to the development of methods of operation more suited to, and effective in African contexts, which can then be transmitted to Northern affiliates operating in such contexts to ensure less damage to these contexts through their developmental efforts.

- The leaders of the new Oxfam SA affiliate will have to navigate this terrain very carefully because although it will be a South African affiliate, they will still carry the Oxfam name, a name which has traditionally been indicative of a Western NPO, thus connotative of Western interests and motivations. This could present a deeper lying dynamic contributing to many challenges for the establishment of such an affiliate, or for any Southern affiliate established in the South for that matter.

6.5.7 Attempts to remain apolitical

- The Limits to Growth archetype identified within this theme revealed that affiliates and NPOs must recognise that their attempts to remain apolitical cannot continue forever, without eventually leading to negative consequences for the organisation. Political and state affiliations can be avenues of major funding, far-reaching visibility and much-needed assistance for affiliates and NPOs.

- Political partnerships, while reducing the organisation's attempts to be apolitical, also erodes its reputation, credibility and funding, as existing and potential partners become increasingly suspicious of such affiliations. However, the archetype revealed how the apparent solution of reducing political partnerships will not be as beneficial to the organisation in the long-run as reducing the discomfort of non-political partners and the public towards such partnerships. This is especially relevant as most NPOs understand the crucial importance of establishing political partnerships for sizeable grants and donations, and most are to a degree "political" because they engage in advocacy for social causes which they would not be able to do without involvement in, and engagement on, a political platform.

Recommendations stemming from the identification of systems archetypes relevant to the non-profit sector as a whole were also identified:

6.5.8 Success to the Successful in the non-profit sector

- The deeper implications of this archetype challenges the idea that smaller, less well-known or newly established NPOs do not succeed because they do not have the neccesary capacity, skill or commitment. It draws attention to the idea that the reason for their failures could lie in the fact that they are not given the necessary resources they require in order to effectively make use of their existing capacity, skill and commitment. In addition, they operate within a system that continously discriminates against them on this very basis, thus entrenching their failure even further while at the same time, enhancing the success of the successful.

- Success to the successful is not a dire situation if the "successful" are able to recognise the failings of the system in which they are embedded and are dedicated to redistributing some of those resources to their less successful counterparts. This is the case with the Oxfam Confederation which indicates that not only are they dedicated to alleviating poverty, inequality and injustice, but they are also dealing with the systemic mechanisms which allow poverty, inequality and injustice to flourish, which in this case would be the marginalisation of small, less well-known and newly established NPOs.

- Another possible suggestion for effecting system-wide change is to tap into the power of significant players in those systems. In this case, we have seen how Oxfam, a major player in the international non-profit, developmental world has utilised different kinds of partnerships as a means of promoting the development of small, less well-known and newly established NPOs who would otherwise be discriminated against by the very system of which they are a part.

6.5.9 Tragedy of the Commons archetype as applied to funding in the non-profit sector

- This archetype demonstrates how as more NPOs extract funding from a common pool of funding for NPOs, not only does it reduce the overall pool, but so too do organisations themselves receive less funding in the long term, thereby impeding the ability of the system to perform the very same function it was established for in the first place.

- The management of such systems and the resources they depend on, must come from an entity that wields enough power to organise the actors and institutions in those systems. State or governments possess such power, therefore they need to ensure two dynamics are dealt with in this regard. Firstly, Governments must ensure that the NPO funding pool either increases, does not decrease or remains stable so that NPOs have a relatively stable funding source to contend with. Innovation and visionary thinking is required on the part of governments and global players in the aid and devlopment game to ensure stable or increasing funding pools for NPOs.

- Governments need to be more effective in controlling the rapid surge of NPOs by developing innovative schemes to ensure that the quantity of NPOs coming into

existence does not outweigh the capacity of the welfare and development systems to effectively absorb the impact of such a surge because it is this dynamic that results in a Tragedy of the Commons kind of situation in which every actor loses.

- One idea for ensuring that NPO numbers do not increase exponentially was the suggestion for governments to encourage newly formed NPOs to merge with existing ones that share commitment to the same social mission and operate within the same locality, rather than forming totally independent entities. People who do agree to join with another NPO, and NPOs that facilitate this merging, should be given certain concessions or incentives by the State such as discounts on property rentals, an initial "merging" fee, access to institutional donors, or any other incentive that will detract them from establishing a new NPO, to merging their resources with an existing one. The added benefit of this arrangement, is that it facilitates the transmission of skills, resources, experience and know-how between actors in the non-profit sector, thus increasing the chances of such NPOs being more effective, sustainable and successful than they would have being alone.

6.6 Recommendations for future research

Future research would benefit from investigating the sustainability of other NPOs and comparing it to what was discovered in this study as a means of corroborating the findings and enhancing understanding regarding non-profit sustainability. Targeting other affiliates comprising the Oxfam Confederation would aid in corroborating and enhancing understanding with regard to the sustainability issues in Oxfam specifically.

Future research could be based on ascertaining if there are differences in the sustainability challenges encountered by affiliates operating in their home countries as compared to affiliates operating in other parts of the world. The dynamics encountered by Northern affiliates operating in the Global South also seems to be an area which desperately requires further investigation due to the many challenges encountered by affiliates in such arrangements as touched upon briefly in our explanation of the North-South Dilemma. In addition, there have been no studies to my knowledge on the process and challenges of establishing affiliates in the South, especially with regard to the impending establishment of a uniquely South African Oxfam affiliate in SA. Since

this seems to be an increasing trend, such research would be beneficial to affiliates and organisations engaged in, or soon to be engaged in, such a process.

While abiding by the qualitative part of the SD methodology did provide ample insights, taking the process forward to engage in the computer simulation and policy testing phases of the methodology would be an interesting avenue to explore. This would also reveal the merits of engaging in a full SD process in the investigation of NPO sustainability. The simulations would be particularly effective at assessing the system's behaviour over time as all the identified variables interact with one another, and the effect of the application of particular policies in response to such behaviour. However, converting the qualitative model to a stock and flow diagram (which is required before simulations can take place) will require considerable reworking and the estimation of parameters for each variable before it can be effectively simulated.

Future research with regard to investigating the sustainability of NPOs from a SD perspective would be more accurate if respondents and stakeholders are involved in as much of the SD process as is possible. This could include being involved in the development of CLDs, in the construction of the stock-flow diagrams, in the recommendation and simulation of policy suggestions, etc. so as to produce as realistic diagrams and models as is possible, thus increasing the chances of simulation outcomes leading to high impact learning and improvements in organisational sustainability.

Seven themes were identified in this study as being pivotal to the sustainability of Oxfam affiliates. Although their depiction in the Qualitative SD model would make each theme appear complex, it is suspected that if they provided the point of departure for separate studies, many more variables would have been revealed as being influential within the auspices of each of the themes. This can be enhanced by further empirical work dedicated to each of the themes alone. However, it would still be important to locate the findings within an overall model (such as the Qualitative SD model in this study), so as to ensure that the systemic implications of that particular theme on the organisation's overall sustainability can be identified.

6.7 Considerations in the application of the SD methodology

A unique contribution of this study was the application of a Qualitative SD methodology to understanding the issue of non-profit sustainability. However, in applying such a methodology much was discovered that can either assist future researchers applying a similar methodology, or call to attention particular aspects of the process of applying the methodology that requires deeper investigation:

This study was based on empirical work involving interviews and the analysis of organisational documentation. Although there existed literature on how to convert qualitative data to SD models, the process in practice was a much more difficult and confusing one. Thus, the process from acquiring the raw data to the construction of the CLDs and the overall Qualitative SD Model was an iterative process requiring much creativity and constant adaptions from the researcher. The Research Design chapter describes this process in more detail, and it is hoped such a description may assist others in applying such a methodology and encourage them to think about how to make such a methodology less intimidating and more user-friendly to other researchers, especially non-systems thinking ones.

Much of the methodology was based on the construction of CLDs. This method of diagramming is central to the qualitative approach to SD. Such diagrams are beneficial in their ability to show the feedbacks between variables identified as being influential in a particular issue or problem. However, trying to create one overall model (as is the case with the Qualitative model in this study), can get very confusing and quickly snowball to become an overwhelming experience for the researcher. Thus, it is suggested that smaller fragments of the model be built first, and then once all fragments are constructed, they can be merged with one another. This presents a less confusing and overwhelming method of constructing the overall model. In addition, it is a good method of testing loop polarities because if the loop variables indicate the same polarities when they are joined to other loops, they can be seen as being more accurate and valid in on themselves, as well as to the overall model.

Once all fragments are joined and the overall qualitative model is created it becomes possible to see how each of the fragments feed into and influence one another. This entails interesting and sometimes surprising findings to emerge. However, the bigger the model gets, the more complicated an effort it is to recognise the overall behaviour or dynamics of the system over time. This is where engaging in the computer simulations would have provided more insight.

Attempts to convert CLDs into stock and flow diagrams necessary for the simulations (especially with regard to the qualitative model in this study), is a task made harder by the fact that there are no clear and concise rules on how to do this. This needs to be addressed so as to encourage participation in the full SD process from diagramming to simulation and policy testing.

In the SD literature review chapter, it was proposed that Qualitative SD followed a similar process to that of Quantitative SD and thus, they were not as distinct as the literature proposed. This study confirmed this by showing how the steps identified as being distinct to Quantitative SD, namely: (1) Problem articulation (2) Development of a dynamic hypothesis (3) Formulation of a model (4) Testing/Running of the model and (5) Implementation of the findings/policies, can apply to a Qualitative SD methodology as well. Thus, engagement with the literature and non-profit stakeholders identified NPO sustainability as an area requiring investigation (problem articulation). Empirical work and analysis thereof revealed seven core themes which provided a framework for the construction of CLDs (development of a dynamic hypothesis) and when put together, a Qualitative SD Model was created (formulation of the model). The CLDs comprising the Qualitative Model were tested via examination of their loop structure and by assessing the appropriateness of loop polarities by comparing them to real world organisational data (testing of the model). Generic archetypes in the causal loop structure gave some idea as to how certain parts of the system would behave over time (Running of the model to infer future states). On the basis of the above, recommendations were posited to the organisation as to how to maintain or improve its sustainability state, which it may choose to implement or not implement (Implementation of findings/policies). In this way, advocates of Qualitative and Quantitative approaches to SD should recognise that the general principles underlying each approach are inherently similar, instead of constantly advocating them as totally different and conflicting approaches to SD.

The systems thinking framework encourages attempts at investigating issues or problems holistically. 'Holistically' within the context of this study was found to refer to a consideration of the multiple themes identified in the study, as well as the many feedbacks operative within the domains of each of those themes. Therefore, the systems thinking paradigm encourages consideration of the broad scope of a problem situation, as well as the underlying causes of such problem situations, thereby encouraging investigations that are both broad in scope and depth. The challenge in the application of such a framework then becomes how to navigate this demand

for broadness of both scope and depth. In this study, it proved helpful to read through the data with two mind-sets. The first mind-set was that of looking at the data to identify the broad, over-arching themes operative in the sustainability of the particular NPO. The second mind-set was of examining at a deeper level the variables operative within each of the themes so as to identify how such variables influence each other and what kind of overall feedback behaviours were produced from such influence. This assisted in contributing to findings that were both broad in scope and of sufficient depth, Therefore, this could be a possible tactic for future applications of such a systems thinking framework generally, and the SD methodology specifically.

6.8 Concluding Remarks

The SD perspective utilised here to investigate the sustainability of the Oxfam GB affiliate in SA allowed us to see some of the kinds of complex feedback interactions at play in an international NPOs sustainability. This has shown how the sustainability of a NPO is not a static goal to be worked towards, but rather that the organisation constantly displays different degrees of sustainability as it is impacted by, and responds to, dynamics within the organisation as well as shifts in its constantly changing environment. This is largely due to the fact that its overall sustainability emerges from the complex interaction of a multitude of variables both within and from outside the organisation, some of which were identified in this study.

For this reason, as we have seen from the many archetypes, rational and well-considered attempts to move the organisation closer to sustainability may produce unintended or negative consequences in other parts of the organisation, making the journey to sustainability a complex one for NPOs.

However, the study has contributed to the realisation that non-profit organisational sustainability is not simply about being financially stable and working effectively to realise a particular social mission alone. Aspects of the organisation's functioning such as its human resource capacity, partnerships, perceptions of credibility, its ability to compete with other NPOs, the management of funding received, its ability to remain committed to its social mission despite political influences and its capacity to convince the communities in which it operates of its authenticity and dedication, are pivotal aspects increating the conditions for sustainability to emerge. Therefore, it is through the strengthening of these aspects that the organisation will become more

financially stable and will be better able to fulfil its social mission, while being resilient enough to navigate external shifts and shocks.

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APPENDIX 1: INFORMED CONSENT LETTER

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

PHD Research Project
Researcher: Nikita Singh (031 260 8718)
Supervisor: Dr Shamim Bodhanya (031 260 1493)
Research Office: Ms P Ximba (031-260 3587)

I, Nikita Singh, am a PHD student, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

A SD perspective of the NPO's quest for sustainability: A case study.

The aim of this study is to examine the factors that influence the sustainability of your non-profit organization in a more holistic fashion via the use of a SD methodology.

Through your participation I hope to understand the pivotal variables that influence your sustainability or lack thereof and how these variables impact on one another in order to acquire a bigger, more accurate picture of your organisation's sustainability strategies.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

This interview should take about an hour to complete and will be audio-recorded.

If you have any questions or concerns about participating in this study, you may contact me or my supervisor at the numbers listed above.

Sincerely,

Nikita Singh

Investigator's signature_____ Date_____

This page is to be retained by participant

PHD Research Project

Researcher: Nikita Singh (031 260 8718)

Supervisor: Dr Shamim Bodhanya (031 260 1493)

Research Office: Ms P Ximba (031-2603587)

<u>**CONSENT**</u>

I……………………………………………………………………… (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I also consent to this interview being audio-recorded.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT   DATE

………………………………………………………………………………………………

This page is to be retained by researcher

APPENDIX 2: INTERVIEW SCHEDULE

Research Question 1: How does the particular Oxfam define 'sustainability'?

1) How would you define 'sustainability' generally?

2) How would you define sustainability from a NPO perspective or context?

3) In what way is NPO sustainability different from the sustainability of conventional businesses or enterprises?

4) How is it alike?

5) Is there something unique to your understanding of the concept of sustainability that is not included in the normal conception of it? If so, elaborate.

Research Question 2: What factors impact the sustainability of this NPO?

6) What factors inside your organisation influence its sustainability?

7) What factors from outside the organisation influence its sustainability?

8) Your organisation is a single branch of an international network…how does this setup impact your sustainability…does it support your sustainability or hinder it, or both, and how so?

9) Are there any historical factors that support or hinder the sustainability of your organisation? If so, what are they?

10) Describe any global/international factors that support or hinder the sustainability of your organisation?

11) What are some of the factors unique to your domestic environment that influences the sustainability of your organisation?

12) Rate these factors (as identified above) in order of most to least important in terms of their impact on the sustainability of your organisation.

Research Question 3: How do these factors influence each other in impacting the sustainability of Oxfam?

13) You have identified a number of factors earlier as impacting the sustainability of the NPO…are these factors linked, do they influence one another?

If yes, how so? If no, why do you think so?

How do these factors influence one another to influence the overall sustainability of your organisation?

14) Why do you think these factors are linked?

15) Do you think that the sustainability of your organisation depends on any one single factor, or multiple factors, mentioned earlier?

Which one/s?

Explain why.

Research Question 4: How does the complex environment in which Oxfam is embedded influence the functioning of such an organisation?

16) Your organisation is embedded in an 'environment' that refers to everything outside of your organisation, but that nevertheless influences your organisation's sustainability.

If you had to define such an 'environment' in the context of your own organisation, what would it consist of?

17) What are some of the things from this environment that influences the sustainability of your organisation?

18) Does your organisation exert any influence over this environment? How so?

Why do you think so?

19) What would an 'enabling' environment or an environment that promotes the sustainability of your organisation look like?

20) What is the biggest environmental challenge to your sustainability? Why do you think this is so?

21) Your organisation is the domestic unit of an international NPO.

   How does this influence your operations?

   How does it influence the funding you receive/ What kind of funding model has this created for your

organisation?

   How does this influence the manner in which you use this funding?

22) Are you often awarded funding or grants that provide the resources for a project, but don't cover the operational costs (water, electricity, rent, equipment costs, petrol, etc.) of such a project?

How do you feel about this?

Does it influence the success of the project in any way? How so?

Does it create any dilemmas or difficulties with regard to the project/s, or for your organisation?

How does this issue influence your organisation's overall sustainability?

Are you satisfied with this state of affairs? If not, what do you believe should rather be done?

Research Question 5: What lessons can we derive from the examination of the sustainability of this NPO through a SD framework?

This is a question to be answered by the researcher once the methodology is applied to the data acquired from the fieldwork. It is not a question for the research participants.

APPENDIX 3:

OXFAM ORGANISATIONAL DOCUMENTATION SOURCES

<u>WEBSITE</u>

1) Oxfam-What we do

<u>OXFAM INTRANET</u>

ABOUT OXFAM

2) Governance-Who leads Oxfam GB?

3) What does One Oxfam mean for me?

4) Strategic Plan

5) Single Management System (SMS)

6) Global Brand Identity

7) Meeting of Executive Directors: Vision 2020 communique

COMMUNICATIONS

8) Audience and Supporter segmentation

9) Brand

10) Internal communications: Strategic Framework

11) Update from Mark Goldring: Why undercover fundraising was such an eye opener?

12) Update on Oxfam's Priorities

13) Changing Oxfam to change the world: Towards a stronger and more impactful Oxfam GB in 2020

PROGRAMME MANAGEMENT

ORGANIGRAMS

32) Report: GROW: Growing a better future : Summary

33) Oxfam Discussion Paper: You can't eat electricity (May, 2013)

34) Oxfam Annual Report and Accounts 2013-14

35) Accounts for the year to 31 March, 2014

APPENDIX 4: EXAMPLE OF CODING AND THEME CONSTRUCTION FROM INTERVIEWS & ORGANISATIONAL DOCUMENTS

REPUTATION

- Interview 1- 6/13/15**/20***/23***
- Interview 2- 16*
- Interview 3- 6/7/21/23/24/27 ***
- Interview 4- 3/10/19 */18**
- Interview 5A-4/8 **
- Interview 6- 5-6/13 *

Article 22/25/28/29/30

ACCOUNTABILITY

- Interview 1-6/18/22**/15 (distrust)
- Interview 3- 25/32 ***
- Interview 5A- 10/Questionnaire no. 20 ***

Documents:

Article 18/21/22/24

PARTNERSHIPS

- Interview 1- 7/19/22*/23**
- Interview 2- 3/11
- Interview 3- 1/2/3/6-7/24/26/27/28/29/34 ***
- Interview 4- 3/5/17 ***/18
- Interview 5- 3/5/10/ Questionnaire no.16 ***
- Interview 6- 12*

Documents:

Article no.14/12/20/21/22/24/25

COMPETITION

- Interview 1- 14
- Interview 5A- 4/8/10/12 ***
- Interview 7-3/9/17

Document no. 25/26/27/31

HR

Documents:

Article no. 10/12/14/19/21/22/24/25/27

- Interview 1-23/24
- Interview 2- 6/13
- Interview 3- 5/33-34 **
- Interview 4- 2 *
- Interview 5A-4

APPENDIX 5: ADDITIONAL INFORMATION ON SYSTEM DYNAMICS

Benefits of investigating the sustainability of NPOs from a SD lens

Even though the full SD methodology was not utilised, the following discussion explores the benefits of investigating the sustainability of NPOs from a SD lens to generate appreciation of the methodology as a whole. The merits and drawbacks of utilizing just the qualitative aspects of this methodology shall be explored later.

(a) Seeing the big picture

NPOs have to deal with high degrees of dynamic complexity and are vulnerable to the influence of many variables. In addition, the continuous feedbacks and information flows between these variables can render attempts to examine the sustainability of NPOs from a fragmented or piece-meal approach as ineffective, with policies implemented from this perspective, producing little change, none at all or change that is unintended.

SD is firmly anchored in the systems thinking philosophy of viewing situations from a holistic perspective. According to Sterman (2001, p. 10):

> *"...with a holistic worldview we would be able to learn faster and more effectively, identify the high leverage points in systems, and avoid policy resistance. A systemic perspective would enable us to make decisions consistent with our long-term best interests and the long-term best interests of the system as a whole."*

The sustainability of NPOs is a significantly urgent issue to address, especially now, when non-profits are largely responsible for providing for the needs of disenfranchised and poverty stricken populations, as well as taking on other important social responsibilities such as the protection and preservation of the physical environment, among a myriad of other responsibilities.

The amount of complexity that they have to deal with and the number of factors that influence their sustainability are great. These factors influencing their sustainability (whether it is their dependence on donors, their attempts at marketization, their lack of funds, etc.) do not function

in isolation, but rather influence each other in multiple ways. Ignoring this continuous circular influence or feedback between the factors that play a role in non-profit sustainability will produce only a fragmented view of the sustainability issue, and thus "solutions" that fail to produce results.

This deficiency can be addressed by the ability of the SD modeling process to take a holistic perspective of the issue of non-profit sustainability, as well as its ability to force stakeholders to probe into the deeper lying issues that influence non-profit sustainability so as to "*help us to learn about dynamic complexity, understand the sources of policy resistance, and design more effective policies.*" (Sterman, 2001, p. 10). The large number of NPOs that have to close down indicates that the non-profit sector desperately requires more innovative, enterprising and holistic approaches in the investigation of their sustainability(Dees, 1998). SD presents such an approach as it is specifically geared towards a holistic orientation

(b) Creation of safe learning laboratories for policy intervention

The simulation phase of the SD modeling process involves the creation of a model depicting the stocks and flows identified by stakeholders as pivotal in influencing or sustaining the problem situation. Once the model is complete (which can occur after many cycles of revision, adaption and extension of the model itself), it is simulated indicate how the system will behave over time. If unsatisfactory progress of the system over time is depicted, stakeholders and policymakers (and the modeling team as well) must, based on the time analysis, suggest possible policies that can be implemented so as to contribute to more positive progression of the system over time. These policies are then incorporated into the model, which then undergoes another round of simulations to identify how the system will behave once such policies have being implemented. If it proves to be beneficial, such policies can be applied to the real world system on which the simulation and model was based. If the policies produce no benefits, or lead to undesirable system behaviour, the team must then seek alternative policies that once simulated will produce more beneficial system behaviour.

In this way, such simulations afford the modeling team, stakeholders and policymakers the flexibility to not only make crucial discoveries about the underlying structure of the problem situation, but the simulation process itself allows them great flexibility and freedom in testing out the various interventions they come up with, without fear of the repercussions or wastage of

resources that may have ensued had they applied such interventions directly in the real world setting. As Sterman (2006, p. 511) reasons:

> *"Simulations provide low-cost laboratories for learning. The virtual world allows time and space to be compressed or dilated. Actions can be repeated under the same or different conditions. One can stop the action to reflect. One can make decisions that are infeasible or unethical in the real system. Participants can receive perfect and immediate outcome feedback. In one afternoon, one can gain years of simulated experience."*

In this way, the simulations and the ensuing results of the simulations, enable policymakers and stakeholders in a particular problematic situation, to see directly how their actions and policies will over time influence the entire system in which they are embedded, thus giving them insight into how to enhance the system's overall behaviour (Murthy, Gujrati, & Iyer, 2010).

NPOs who are already dealing with uncertainty and varying degrees of internal turbulence cannot run the risk of implementing policies that may deplete them of their already scarce, and thus precious resources. Therefore, they need to be assured that the policies that they do eventually implement, will produce some kind of benefit and not lead to any more losses than they are capable of dealing with. The repeated simulations will enable non-profit policymakers to be warned of possible deficiencies inherent in particular policies before they are applied in the real world (Murthy et al., 2010; Sterman, 2001) thus preventing the unnecessary wastage of resources such as money, time and energy.

Once the simulated policies are eventually applied in the real world, the implemented polices themselves will lead to changes in the structure of the system which will have to incorporated into the previous model to allow the model to be as accurate a representation of the changed circumstances as is possible. This will create a learning lab for policymakers, as they will be able to adapt the model, run the simulations and continuously assess the behaviour of the system as time progresses both in the real world and the simulation world(Sterman, 2006, p. 511). This will contribute to continuous and active learning in, and about, the organizational system (Sterman, 2001, p. 21)without the need for external consultants who may not be aware of the intricacies of the system or problem situation, and who often disappear once the policies they advocate are implemented, regardless of whether those policies were actually beneficial or not.

(c) Represents a move away from either-or approaches to non-profit sustainability

The combination of qualitative and quantitative tools and methods utilized by the SD modeling process provides a departure from the tendency to investigate non-profit sustainability issues from either a quantitative perspective or from a qualitative perspective alone. As Hirsch et al. (2007, p. 252)assert:

> *"By incorporating both types of variables into a model, SD allows us to treat [both types of insights] as equally valid as empirical research and submit these ideas to logical scrutiny."*

The initial stages of defining the problem, developing a dynamic hypothesis and even the formulation of the simulation model requires active engagement with all relevant stakeholders and policymakers immersed in the problem situation. Here the emphasis is on trying to understand the structure of the problem situation from as many angles and perspectives as is possible so as to develop a model that is highly realistic. The methods used to understand the problem situation at this level of intensity are typically qualitative in nature such as the interviewing of policymakers and stakeholders, focus group sessions with all affected parties and the extraction of themes of major importance from all analyzed data that is eventually accommodated in the model.

The estimation of parameters for each stock and flow comprising the SD model brings into play the quantitative elements of the SD modeling process. However, financial and statistical information of significance is considered throughout the modeling process, even in the initial problem definition stages. This quantitative component, with the accompanying simulations, brings a degree of rigor to the process that some would argue would have being absent if such investigations were based on qualitative means alone. As Radzicki and Trees (1992, p. 543) state:

> *"...because the relevant loops are required to be translated into computer source code, the institutionalist is forced to state them in the precise and universal language of mathematics. This ensures that they can be unambiguously examined for logical consistency, shown to others, debated, but not changed without explicit action."*

It should also be borne in mind that the sustainability of the non-profit sector will not benefit from a fragmented investigation. To understand this issue fully, one has to examine it from both a qualitative and quantitative perspective since both these aspects play a pivotal role in the sustainability of NPOs. Thus, the SD modeling process accommodates both these ways of looking at the world by incorporating numerical and financial data with the relevant stakeholders' tacit awareness and knowledge of a particular problem situation, as is explicated via the initial stages of the modeling process. This goes beyond the deficiencies of earlier quantitative methods which have failed to:

"…make adequate linkages to the mental databases of practicing managers. Traditional quantitative methods have not incorporated the feedback structure surrounding decision-making."

(Forrester, 1994c, p. 21)

(d) Powerful tool for overcoming bounded rationality

The non-profit sector is vulnerable to a great degree of dynamic complexity and there are a great number of variables that play a role in influencing the sustainability of NPOs. With all this complexity, it becomes difficult for the human mind to understand the overall effect of such feedback influences on the system as a whole, a situation sometimes referred to as bounded rationality.

The idea of bounded rationality asserts that humans are unable to make decisions based on all the information available to them, when such information is especially plentiful. In such cases, they process the information available to them in manageable cognitive packages which ultimately are unable to take into cognizance the full array of feedback information flows present in that particular situation, or the time influences and delays inherent in such information flows (Radzicki & Trees, 1992, p. 547).Therefore, their perception of a particularly complex issue, situation or problem tends to be faulty, fragmented and an inaccurate representation of reality. Thus, our cognitive abilities are extremely deficient in dealing with real world complexity (Sterman, 2006, p. 510).

It is the human mind's inability to compute large amounts of dynamic complexity that has served as one of the impediments in understanding the sustainability of NPOs. The models created in the SD modeling process and the ensuing simulations will be able to counteract the

effects of policymakers' bounded rationality. It does so by being able to incorporate a great number of variables, as well as the information flows and time delays between them, and other nonlinearities (Hjorth & Bagheri, 2006, p. 81)into a single cohesive framework that can then be simulated to discover how all these variables and the interactions between them contribute to the behaviour of the system across a particular time period.

In this way, the SD model and subsequent simulations will be able to counteract the inability of the human mind to incorporate and understand the feedback effects between the many factors influencing non-profit sustainability and will contribute to more meaningful findings that could not have been acquired without such a process. This is supported by the fact that simulation-assisted research is now being recognized as the "*third branch of science (after theory and experiment)*" (Sterman, 2006, p. 511)due to its many benefits for the understanding of a wide spectrum of issues.

Distinction between the qualitative and quantitative aspects of the SD methodology

The SD methodology as a whole facilitates the emergence of shared perceptions, the creation of visual representations of the problem situation and the construction of models that are then simulated. It is from the iterative steps of this process that discoveries can be made as to how the problematic situation can be improved. Policies are designed, that can then be tested using the simulation software to identify how they will react when applied in the real world. Such policies can thereafter be adjusted, adapted or even rejected depending on whether they prove to be effective or ineffective in improving the problematic situation as determined via repeated simulations.

In order to understand the application of the qualitative aspects of this methodology, we must first identify how the qualitative aspects are situated within the context of the overall methodology. For this reason, we shall first explore the stages of the overall SD methodology, with a special emphasis on the qualitative aspects employed by this study, as the discussion proceeds.

With regards to the specific stages in the overall SD methodology, experts have proposed a process varying from three to seven differing stages as depicted in the following table by Luna-Reyes and Andersen (2003, p. 275):

Stages identified as comprising the SD process across the literature

The SD process across the classic literature				
Randers (1980)	*Richardson & Pugh (1981)*	*Roberts et al. (1983)*	*Wolstenholme (1990)*	*Sterman (2000)*
Conceptualization	Problem Definition	Problem Definition	Diagram construction and analysis	Problem Articulation
	System Conceptualization	System Conceptualization		Dynamic Hypothesis
Formulation	Model Formulation	Model representation	Simulation phase	Formulation
Testing	Analysis of model behavior	Model behaviour	(Stage 1)	Testing
	Model evaluation	Model evaluation		
Implementation	Policy Analysis	Policy analysis and model use	Simulation phase (Stage 2)	Policy formulation and evaluation
	Model use			

As can be seen, the stages identified by each of the authors do not deviate significantly from one another and thus, there are great similarities in the stages they identify as comprising the SD methodology. According to the most recent formulation by Sterman (2000), all SD processes comprise of five stages including that of problem articulation, the development of a dynamic hypothesis, formulation of stock and flow models, testing of the model and implementation of the relevant policies that have been discovered as being effective in bringing about the desired change.

Problem Articulation

The SD modeling process must begin with identification of a problematic situation to which the tools of the SD process are suited. This pertains to problems that demonstrate a high degree of dynamic complexity, and which are thus difficult to solve. Dynamic complexity refers to the idea that particular problems are comprised of a variety of different variables that influence each other constantly. In addition, these variables, and the way in which they interact, change over time, thus giving rise to circumstances that are highly dynamic and ever-changing (Sterman, 2000). In such circumstances, finding an enduring solution is a complicated endeavor.

For this reason, systems thinkers often use the term "problematic situation" (Bahmani et al., 2012) instead of "problem" because it is assumed that problems have once off solutions, whilst systems thinkers understand that the interventions they come up with and implement may improve the system for a while, but as the system evolves, those very same interventions need to be adapted to ensure that they produce the desired results.

Development of a Dynamic Hypothesis
The development of a dynamic hypothesis entails the construction of CLDs with the assistance of all the stakeholders involved in the problematic situation identified in the previous stage. The dynamic hypothesis is created to make it easier for stakeholders and the modelers themselves to see how the dynamic behaviour of the system is determined and influenced by its causal structure(D. C. Lane, 2000). It is this stage that is highly qualitative in nature as the development of such diagrams requires the active involvement of all affected stakeholders. The SD

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facilitator's main aim is to make the mental models of the affected stakeholders explicit as it is these mental models that can reveal perceptions and beliefs held by such stakeholders that are highly relevant in understanding and effectively dealing with the problematic situation.

It is not only the stakeholders' beliefs and perceptions (mental models) that should inform the construction of the CLDs. Information that can be garnered from archival data, existing documentation and previous research pertaining to the problematic situation can and should be utilized in both the articulation of the problem situation and in the development of the dynamic hypothesis (Sterman, 2000).

CLDs are the primary means of conveying the dynamic hypothesis. These diagrams are constructed by identifying the essential variables comprising the problematic situation, and thereafter indicating how these variables influence one another (Sterman, 2000).Such influence can manifest in two types of loops: *reinforcing or positive feedback loops* in which one variable influences another in the same direction, or in other words, as the cause increases or decreases, so does the effect. *Balancing or negative feedback loops* occur when one variable influences another in the opposite direction, or in other words, if the cause increases, then the effect decreases and vice versa (Sterman, 2000).
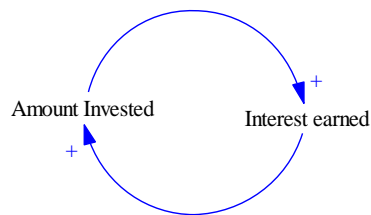
Example of a reinforcing/positive feedback loop (Sterman, 2000)

In the example above, a reinforcing feedback loop is created by the investment of money and the interest earned on such an investment. Increases in the amount invested will contribute to an increase in the interest earned, which increases the amount invested even further, thus allowing more interest to be earned.

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In contrast to this reinforcing effect, a balancing loop (see below) is created by the perception of thirst and the action of drinking water to quench such thirst. As a person experiences thirstiness, they consume more water, but once they have drunk enough, their thirstiness decreases.
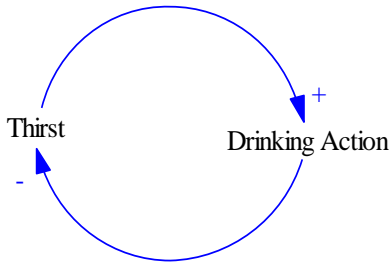
Example of a balancing/negative feedback loop (Sterman, 2000)

Formulation of a simulation model

The formulation of a simulation model signals the transition of the SD process from a predominantly qualitatively based process to a quantitative one. The variables comprising the CLDs are converted into a stock and flow diagram, with stocks representing things that can increase or decrease (such as financial resources, organizational capacity, population, etc.), while flows represent things that are responsible for an increase or decrease of a stock or level (Hirsch et al., 2007). Service backlog for example, is a stock that is increased by an inflow of customer orders on one hand and decreased by an outflow of order fulfillments. Things that increase or decrease the inflows and outflows influencing a stock (service capacity and time per order, in this example) are incorporated in the stock-flow diagram via converters and connectors.
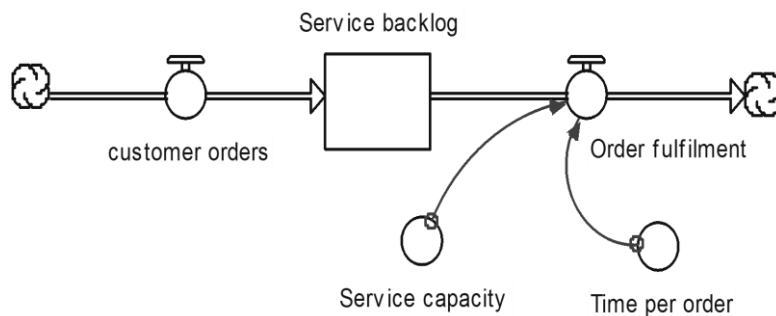
Example of a stock-flow diagram

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Testing of the model

This stage of the SD process entails evaluating the correctness or robustness of the constructed model. Simon (1990) prescribe a multitude of conditions which the model must fulfill to ensure that is sufficiently robust, and sufficient for the task it was designed for. For example, the model must represent the actual structure of the problem situation as accurately as possible so as to be a true representation of the problem situation being investigated. If a model is constructed that does not meet the above criteria, the learning that emerges from the modeling process will not produce the desired effects after implementation because such learning emerged from an inaccurate representation of the problem situation in the first place. Thus, it is the modeler's responsibility to test the model before it is simulated to ensure that it fulfills this criterion, thereby ensuring that any learning that does emerge from the simulations of the model are relevant to, and can have some kind of positive impact on, the problem situation. However, it is also important to bear in mind that a model can never truly represent the structure of a problematic system exactly as it is in reality (Sterman, 2000), especially when dealing with dynamically complex social systems.

The Implementation Stage

Once the various simulations are completed, the modeler will acquire knowledge about how the system will behave over time when various policies are implemented. Thus, the simulation presents a kind of lab in which different scenarios can be experimented with in the computer world, to determine the effect of such scenarios in the real world. In this way, stakeholders can make more informed decisions about the policies they wish to implement by seeing the consequences of such policies directly via the repeated computer simulations. Therefore, such simulations are powerful aids in the stakeholders' decision making strategies regarding how best to deal with, or understand, the problematic situation(Sterman, 2000).

Here again, it is the responsibility of the modeler or modeling team to ensure that the insights gained from the modeling experience are adequately communicated to the involved stakeholders so that they can understand how such conclusions were reached and can therefore accept and implement them effectively (Luna-Reyes & Andersen, 2003). They must also be shown how to use the model itself to engage in future simulations without the assistance of SD professionals so that they may continue to use the model as a basis for future learning, especially since the

passage of time introduces different types of complexity and variables that may not have been included in earlier models and simulations.

The process described above does not end with the last stage because systems dynamic modeling is an iterative process (Mashayekhi & Ghili, 2012; Morecroft, 2007; Sterman, 2000).This means that the steps described above do not always have to follow as neatly as they were described here, but may cycle back and forth many times in order to produce policies that will be beneficial to the system. In the diagram below, adapted from Sterman (2000, p. 87), this iterative nature is depicted by the star in the center of the diagram.
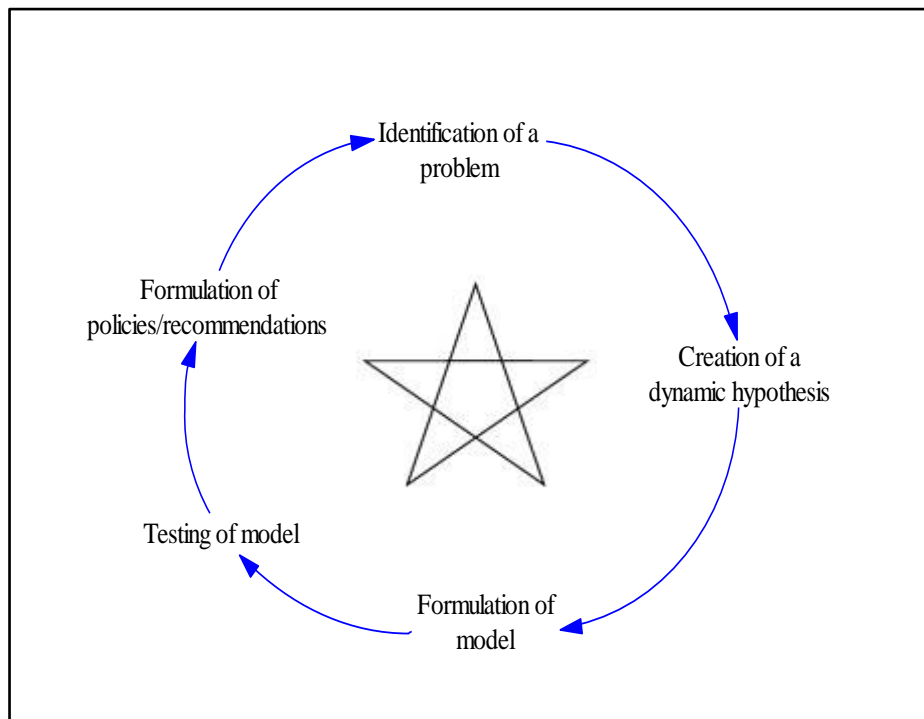

Iterative stages of the SD process (Sterman, 2000, p.87)

Every stage in the SD process is designed to encourage stakeholders and modelers to probe deeper, both into the mechanisms of the problem situation itself and into each of the stakeholders' perceptions of it, so as to reveal the most accurate representation of the structure of the problem situation. The stages mentioned above have been applied to a wide variety of problem situations with positive results(Flyvbjerg, 2006; Ford, 1997; Oliva & Sterman, 2001;

Sweeney & Sterman, 2000), thus signifying the merit of the SD modeling process for those wishing to understand a particular problem situation.

However, not all SD practitioners utilize all of the stages mentioned above. A Qualitative SD practitioner will follow the same methodology, but will not engage in the simulation or modeling phases. Thus, the emphasis is not on developing a stock-flow diagram that can be simulated, but rather in developing the most accurate CLD of the situation. In some instances, a stock-flow diagram may be constructed, but this is usually for the purpose of generating a deeper understanding of the situation, rather than for the purpose of simulation. Thus, the stages of the SD methodology can be thought of as existing on a spectrum with approaches becoming more quantitative in nature as the methodology proceeds. However, it is up to the SD practitioner as to where on this spectrum they choose to situate themselves (in relation to the kind of problem or situation that they are attempting to investigate) that will determine whether the aspects of the methodology they employ will be more qualitative or quantitative in nature.
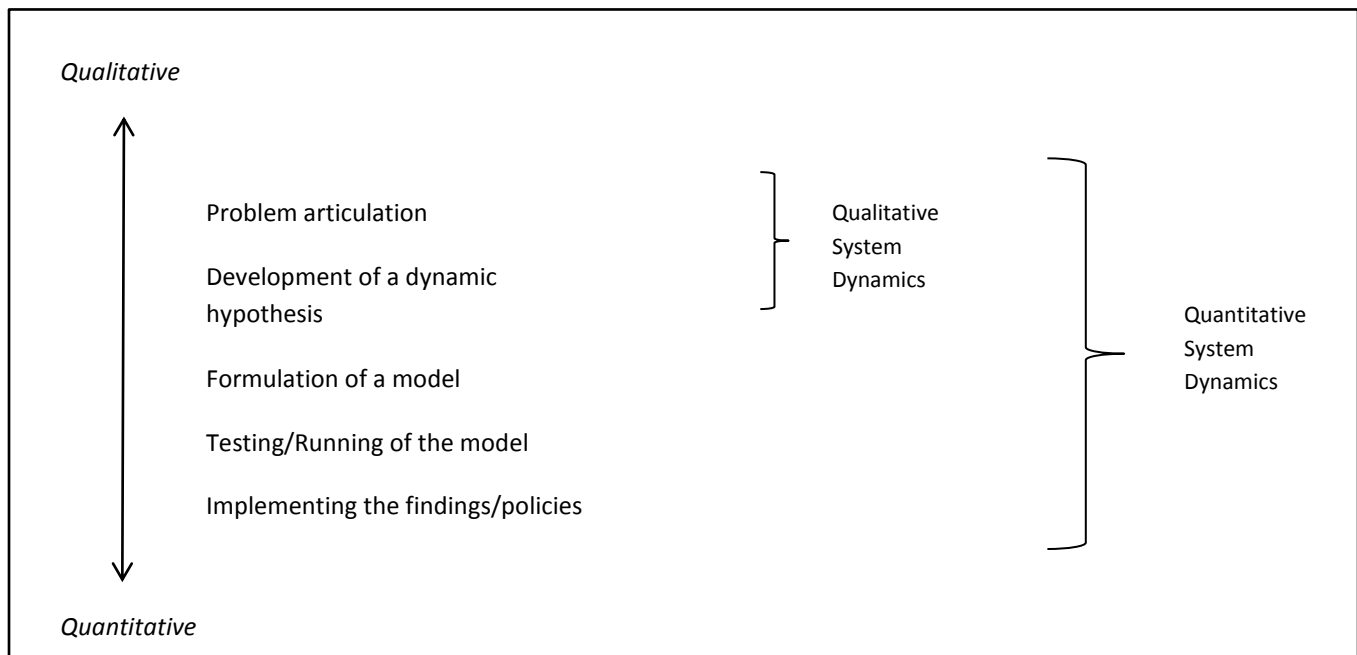
Qualitative and Quantitative aspects of the SD methodology

The failing of the above figure is that it may imply that a qualitative SD approach will end once the dynamic hypothesis is formulated. However, this is not the case, as once the hypothesis is developed in the form ofCLDs, the next step would be the identification of particular system archetypes from the constructed diagram, if this is at all possible. The identified system

archetype would then contribute to a greater understanding of the problem situation which would then provide a foundation for the formulation and implementation of various policies. These "system archetypes" were elaborated on throughout the discussion chapter.