

**CHANGE MANAGEMENT IN A
PUBLIC SECTOR ORGANISATION:
A CASE STUDY OF THE SOUTH
AFRICAN REVENUE SERVICES
(SARS)**

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the Degree of**

**MASTER OF BUSINESS ADMINISTRATION
UNIVERSITY OF NATAL**

By

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30 JUNE 2002**

DECLARATION

I declare that this research report submitted in partial fulfillment of the requirements of the degree of Master of Business Administration at the University of Natal, Durban has been completed by myself. This dissertation has not been submitted previously for any degree or examination at any other University.

A handwritten signature in black ink, consisting of a large, stylized initial 'N' followed by a series of horizontal strokes extending to the right.

Nathaniel Mabetwa

Signed on the 30th June 2002

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I would like to thank my parents for supporting and believing in me, my wife Nomvula who is always very supportive.

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Mr. Zandile Jakavula, for making time available for me and allowing me an opportunity to learn from his experiences of turning SpoorNet around.

Most of all I want to give the adoration and praise to the Almighty God, without whom I am nothing.

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ABSTRACT

This study was an evaluation of the approach to change that is used in the public sector. The approach that is chosen ultimately has a bearing on the management of change in an organisation. The study used a case study method to explore the key question of the approach using the six dimensions of change. The South African Revenue Services (SARS) served as a case study typical of a model public sector organisation.

The focus was on the KZN region of SARS where there has been an implementation of a change initiative called SIYAKHA (meaning we are building) recently. The whole process from the birth of this initiative was looked at using the six dimensions to evaluate and answer the question of the approach that was used in managing this change. The six dimensions can be classified into the two main theories referred to as Theory E and Theory O.

It became evident during the study that there was not enough literature on change management in the public sector particularly in the South African context. What further complicated the issue was that the models as applied in the private sector couldn't be imported and applied in a public sector organisation.

The approach that was used in the management of Siyakha at SARS was of a Theory E nature, although not all the dimensions of that theory were applied. In the main the finding was that Theory E approach was used. It also came to light that in the public sector, this might be the logical step to take particularly as the first step to ensure that change does happen. This is because of the unique circumstances that face public sector organisations particularly in South Africa.

At the end a suggestion is made that there should be a sequencing of the approaches where Theory E is applied first followed by Theory O. The researcher also suggests a

different combination of dimensions in the sequencing exercise that will ensure that the public sector's unique circumstances are taken into account.

“.... While the primary stimulus for change remains those forces in the external environment, the primary motivator for how change is accomplished resides with the people within the organisation.”

Benjamin and Mabey (1993:181)

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CHAPTER 1:

INTRODUCTION

1.1 INTRODUCTION TO THE RESEARCH

The putting together of this research report has been more of a personal journey of discovery and learning than a fulfilment of an academic requirement. I say this because as a South African, who has had an opportunity to live in and experience the old and the new South Africa, the issue of change has always been a fascination of mine.

I experienced the old South Africa as a child as a teenager or young adult. As I stood in the long queues on the cold Johannesburg afternoon to cast my first vote, I could not help but reflect on where our society came from, the heroic battles that had to be fought to get us where we were and the negotiated settlement that was applauded by many observers as a milestone in the African history. These changes in our political landscape had to also be mirrored in the business world and other aspects of the South African life.

We have seen the changes happening in the business world, with more and more previously disadvantaged people being given opportunities. The collapse of sanctions has also led to the opening up of markets with local companies facing competition from abroad.

With the political changes, South African companies have to adapt to the changed environment that ranged from repositioning themselves in the local market in the face of overseas competition to changes in the human resources and in the economic environment in general.

The South African Public Sector¹ has not been exempt from the change wave sweeping the country. In an attempt to deliver on the promise of a better life for all, the government has put a lot of focus on the public sector to develop capacity and speed up delivery.

Given the fact that the literature on change management has always been focused on the private sector, the challenge of transforming any public sector organisation is huge. What further complicates the matter is that previous governments have over the years used the public sector as a job creation mechanism. This implies that there could be a political problem if changes will lead to job losses.

The pressure to deliver is not only coming from the Government's side, but from the public who are continuously demanding a higher level of service from the public sector.

The South African Revenue Service (SARS) is finding itself in a position where they have to collect the optimum revenue for the Government and at the same time provide excellent service to the taxpayers.

The spin-offs of an efficient tax administration are that the country will be able to pay off its debt and free up resources for spending in improving the lives of all South Africans. Failure to achieve the revenue targets could spell disaster for the whole country.

SARS as a revenue collection administration interfaces with all the aspects of society, from the man in the street corner selling newspapers to big conglomerates. This puts a strain on the capacity of the organisation to be able to deal with both the simple and complex taxpayer equitably. This also means that SARS has to keep up breast with the changes taking place in the business world so that they can be effective in discharging their mandate.

¹ A Public Sector organisation is defined for the purpose of this study as any organisation that is a creation of government to enable it to discharge its responsibility to its citizens. This would include parastatals such as Eskom, Transnet etc.

There has been several change initiatives in SARS aimed towards addressing some of the issues identified above.

1.2 OBJECTIVES OF THE STUDY

The objective of this study is to examine the change management approach at SARS. The recent transformation at SARS will be looked at and examined at the pilot site in KwaZulu-Natal (KZN). This change process is referred to as SIYAKHA, a Zulu word meaning ‘**We are Building**’.

The focus will be only on the approach that was followed in managing this change. The following dimensions of change, which give an indication on the approach, will be studied:

LEADERSHIP

- Top-down
- Bottom-up
- Participative

FOCUS

- Structures
- Culture

GOAL

- Efficiencies
- Organisational Capacity

REWARDS

- Leading Change
- Fair pay in Exchange for For work

PROCESS

- Planned
- Emergent
- Experimenting and spontaneity

CONSULTANTS

- Analyse problem and provide solutions.
- Analyse problem but do not provide solutions
- Provide support to the organisation

1.3 SCOPE OF THE RESEARCH

The study will focus on one region of the SARS which at this stage is the only site where Siyakha has been rolled out to. The study will be limited to SARS and it intends to use SARS as a typical public sector organisation. This is thought appropriate as SARS has administrative autonomy.

1.4 RESEARCH METHODOLOGY

A case study method will be used as in an attempt to answer the research question on what approach was used to manage change at SARS.

Qualitative and quantitative methods of collecting data will be used. The area of focus will be SARS (KZN) which is the pilot region for the implementation of Siyakha. The respondents will be from KZN and Head Office. The Head office respondents are selected on the basis of their involvement with the planning of Siyakha. The KZN respondents are chosen on the basis of the impact that the change has had on the sections.

1.5 IMPORTANCE OF RESEARCH

The approach to change has been debated in the private sector and to a large extent there is convergence on which approach is appropriate. This debate has not taken place in the public sector organisations.

There is pressure to formulate an approach to change management in the public sector as the environment dictates that these organisations must change as well. The study will kick-start the process of looking at the approach to change management in the public sector and possibly draw lessons that can be used in changing public sector organisations in South Africa.

The findings can also be critically evaluated against theory to enable SARS to adapt its approach with subsequent rollouts of Siyakha.

1.6 RESEARCH QUESTIONS

The research question that the study will attempt to answer is on the approach to change management that is in use in the public sector. SARS will be used as a case study with the hope that some generalisations may be drawn at the end of the study to influence the management of change in the public sector.

The research question that will be answered in this paper is:

What is the change management approach that is used in the public sector?

The change management approach chosen will determine the manner in which the entire change is managed or led. In the exploration of the question on the approach to change, there will be use of the six dimensions of change, which are:

- **The Goal of the Change**

In this instance the thrust behind the change will be looked at to examine whether it is driven by the need to produce financial results or develop the organisational capabilities. The answer to this question will give an indication on the approach and the manner in which management will handle decisions on change.

- **The Leadership of Change**

An examination is made on the leadership style used in the change process. This also gives some insight on the approach and the manner in which the change is managed.

- **The Focus of Change**

This gives an indication on what part of the business were the changes aimed at. Was it the structures and systems or the culture of the organisation?

- **The Process of Change**

This addresses the process that is followed in the change programme and explores whether the change is emergent, evolving or experimenting.

- **The Reward System used in the Change program**

This dimension explores whether the incentives and rewards were used to lead or lag the change process.

- **The use of Consultant in the Change Program**

The level of reliance on the consultants will be explored. The level of reliance will shed some light on the approach.

CHAPTER 2:

LITERATURE REVIEW

2.1 INTRODUCTION

This section will examine the literature on change, the types of change and the six dimensions of change mentioned in the previous chapter. These dimensions will be used in determining the approach that is being used in the change management process.

The practical application of the theory will also be looked at and finally the context of the current study will be mapped in relation to literature or theory available on the topic.

2.2 CHANGE MANAGEMENT

*Understanding the theory and practice of change management
is not an optional extra but an essential requisite for survival
(Bernard Burns, 1996)*

Organisations big and small are slowly waking up to the reality that they have to “change or die” in this fast paced economic world that we live in. Beer and Nohria (2000) contend that although there is agreement among managers, consultants and academics that there is a need for change to be managed, they have different views on how this should be done. Strictly speaking, change management is the application of management discipline and rigor to the process of change (Seeley, 2000).

In an article written for knowledge management review, Seeley (2000) contends that change management is an approach for planning, guiding and executing the process of changing from where you are to where you want to be.

The manner in which the function of managing change is discharged has far reaching implications for organisations. In a study conducted by Umist it was found that even though most managers understood and supported change, they were anxious about the outcome of change and the change process itself. (Ezzamel et al, 1994). The anxiety created during the period of change can lead to uncertainty and resistance. This could affect the effectiveness of the change process.

There are multiple aspects of change (Peggy et al, 1999)

- Business Process Reengineering(BPR)
- Strategic Change
- Information Technology Improvements
- Organisation Structure
- Leadership
- Organisational Culture

The multifaceted nature of businesses in the modern age makes the management of change more difficult. The issue is further complicated by the fact that a combination of one or more of these can take place in the organisation at the same time.

Anderson et al, (2001) identifies the drivers of organisational change as:

- Changes in environment
- Inability of organisation to perform using existing strategy,
- Organisational design, culture, behaviour, and mindset
- Mismatch between the organisation and needs of its environment leads organisations to embark on a change process.

2.3 THE TYPES OF CHANGE

Linda Ackerman Anderson (1986), identifies the three most prevalent types of change as:

- Developmental Change
- Transitional Change
- Transformational Change

2.3.1 Developmental Change

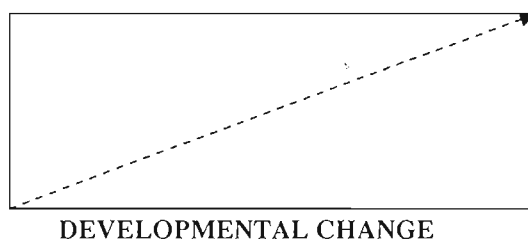
This is a change that improves on an existing skill, method or performance standards.

Developmental change is the simplest of the three types of change. In it, the new state is a prescribed enhancement of the old state, rather than a radical or experimental solution requiring profound change. Developmental change is usually a response to relatively small continuous need to improve current operations (process improvement). (Linda Ackerman Anderson, 1986)

It brings about very little stress and pain and it is easy to communicate. This type of change can be done through the involvement of staff who will know how best to bring about improvements (Besco et al, 1993).

This change navigates a know path with a known destination. There will be very few surprises. Figure 2.1 shows a predictable path through which this kind of change would go as it moves from one point to another. The straight line shows a predictable and incremental nature of this change.

Figure 2.1



Source: Beyond Change Management, Linda Ackerman Anderson (1986)

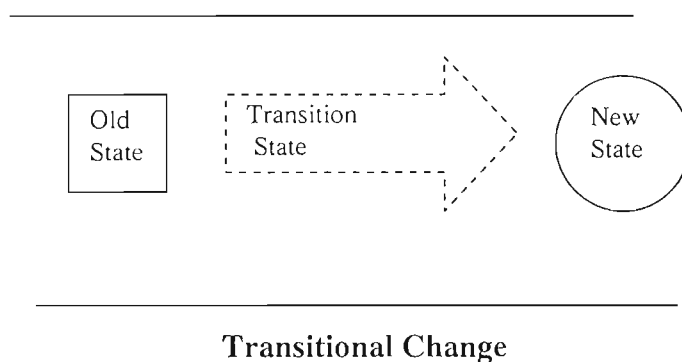
2.3.2 Transitional Change

This change is more complex and requires a replacement of the old with the new. Transitional change requires the dismantling of the old state and the creation of a clearly designed new state, usually achieved over a set period of time, called the transition state.

This change would have a start date and a finish date, and be managed in most cases, on a project basis. There are stages in this change that can be followed and measured (Bechhard, 1987). People issues play a significant role in this change and must be considered for this type of change to be a success.

Figure 2.2 shows a movement from an old state to a new one, note as with the developmental change there is a predictable path that the change would travel. The middle part shows the leap that would have to be made to the new state.

Figure 2.2



Source: Beyond Change Management, Linda Ackerman Anderson (1986)

Transitional change strategies include:

- Communication
- Change planning
- Employee involvement
- Local control on implementation
- Adequate support for employees

Anderson et al, 2001 argue that the most important aspect of the communication should be to clarify and distinguish the old from the new. In light of the fact that this change is done in stages, there is a need to keep business going while the organisation is going through a transition.

Beckhard and Harris (1987) contend that the transition phase be managed on a parallel basis with current business. This can present a challenge to managers, as there could be confusion on what takes priority between getting on with business and implementing the change.

2.3.3 Transformational Changes

This is the kind of change that brings about a radical shift from one state of being to another. The shift is so significant that it will require a shift of culture, behaviour, and mindset. (Anderson, 2001)

Transformational change is very difficult to manage particularly as it will, in most cases involve the entire organisation. It is thought that this kind of change has a life of its own and at best, leaders can only influence and facilitate it. (Anderson, 2001)

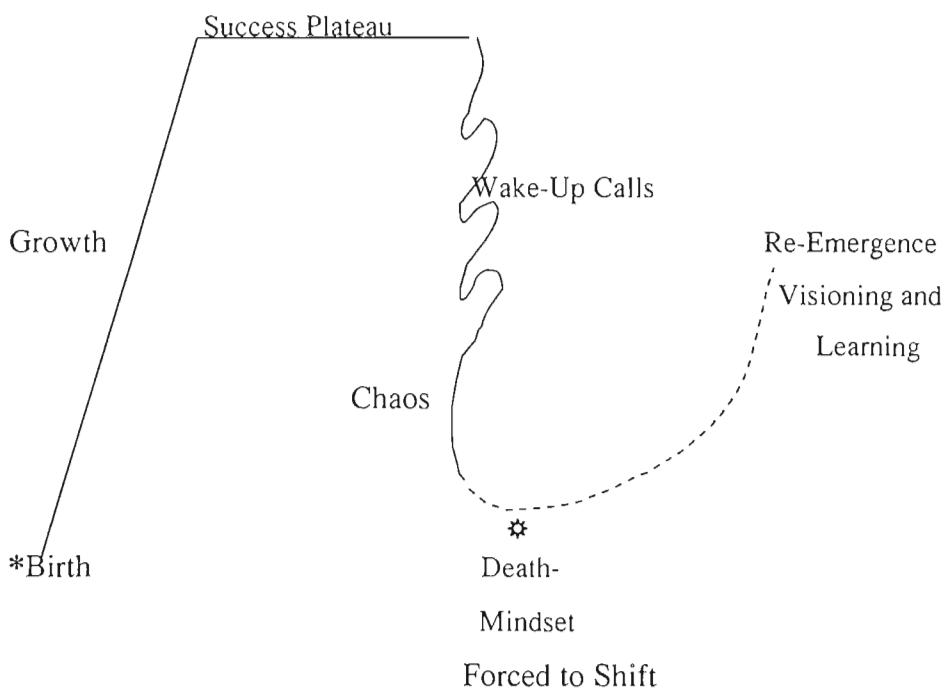
The future state is not always known at the beginning of this kind of change and it would be emergent. A manager would therefore be able to only lead this kind of change and emphasise and facilitate the learning process.

The transforming organisation rises out of the ashes of its old beliefs, behaviour, and form to take on a new direction that, in its New World, raises its performance capability to a much greater level of effectiveness. Armed with new insight, leaders begin to see the possibility of an entirely new direction that better serves their marketplace. All efforts to design the new state are driven by the shift in mindset. (Anderson, 2001)

The key challenge is on getting a paradigm shift to occur at all levels of the organisation in realising that the old order cannot work anymore. This must then be followed by an alignment from top to bottom of the organisation in term of the desired future.

As this is moving from the old to the new, cultural issues must also be addressed in this process. The big question therefore is how you manage such, an unpredictable and emergent process. It is worth noting that the path that this change will follow is not smooth, linear or following a pattern. The process is not as clear as with developmental and transitional change, it is unpredictable. It does not conform to a pattern or stages.

Figure 2.3



Source: Beyond Change Management, Linda Ackerman Anderson (1986)

Figure 2.3 shows a pattern of change that is not predictable. This process moves from the birth to the growth and success stage, it is at this stage that things start to change and the organisation has to adapt to a series of changes. These changes cause them to wake up from their complacent state and have a paradigm shift that will ensure that they can refocus themselves for the change in the environment.

Anderson et al, (2001) suggested that the following must be taken into account in facilitating and influencing this type of change:

No top-down but bottom up

- The Executive / Leadership team must accept that they cannot control the change process.

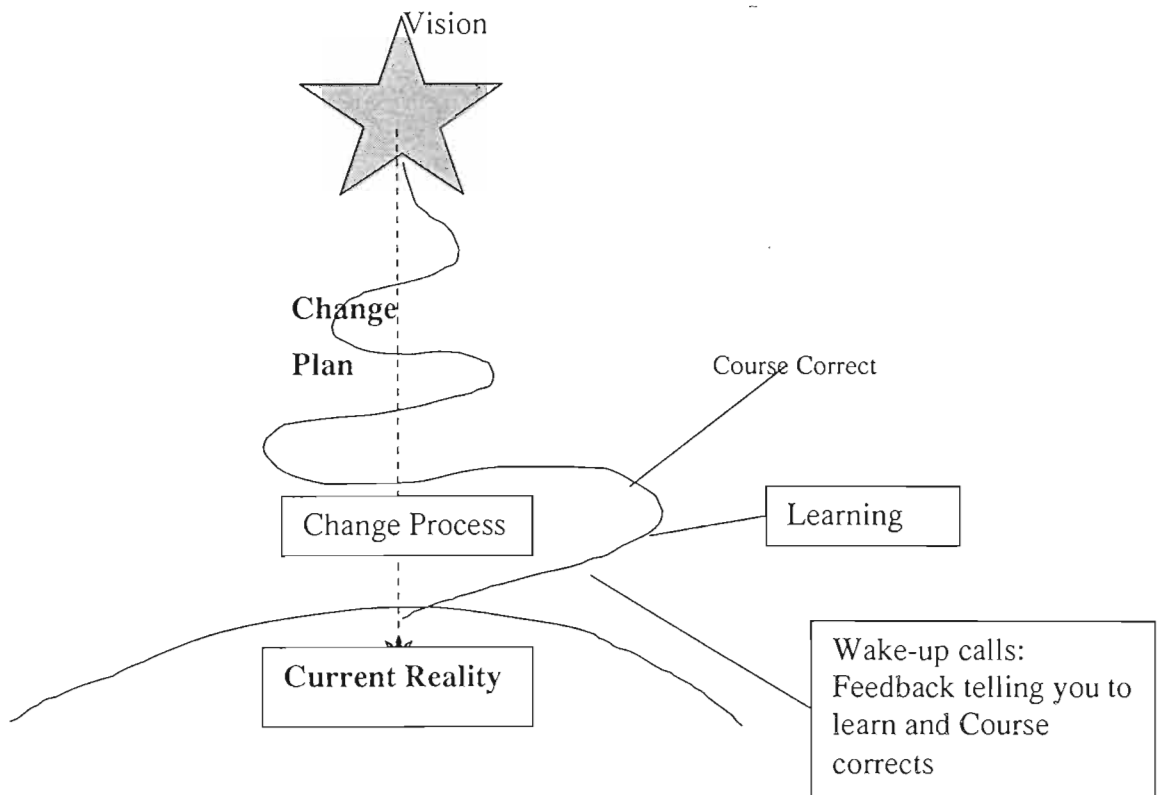
Learning and empowerment at lower levels

- Encourage learning and build capacity to learn (consolidate learning's).
- Use lessons learned to change / correct course taken previously.

Source: Beyond Change Management, Linda Ackerman Anderson (1986)

The important point is that there must be flexibility in the organisation that will ensure that the organisation is able to respond to lessons learnt and put in place corrective action.

Figure 2.4



Source: *Beyond Change Management*, Linda Ackerman Anderson (1986)

Figure 2.4 illustrates this journey and clearly depicts the flexibility that may be required as the organisation learns and empowers employees at all levels to adapt to change.

Irrespective of what would be going on in the organisation, it would be very important for the organisation not to lose sight of its purpose, vision and values. This is what Anderson (2001) refers to as the DNA of the organisation, which must be maintained as the organisation moves on the path to the future. Leaders must keep motivation levels very high and ensure the emotional connection of staff to the organisation. Commitment must also be nurtured through communication and ownership of this process.

Figure 2.5

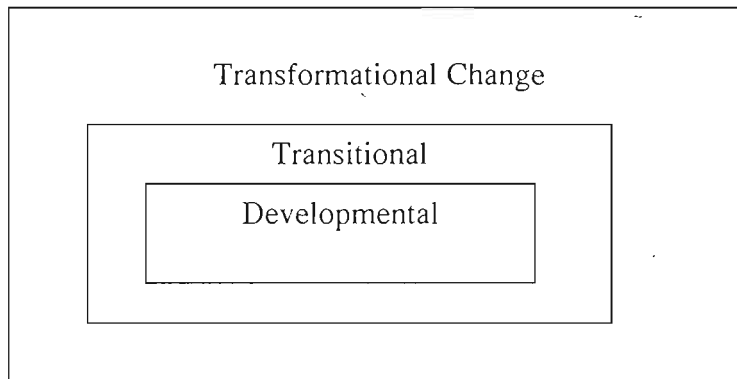


Figure 2.5 indicates the three types of change and the fact that you can have both developmental and transitional change happening within a transformational change. Developmental change can also be part of a transitional change. (Anderson, 2001)

Matrix of the Three Types of Organisation Change
Table 2.1

Type	Degree of Pain Felt	Primary Motivation	Degree of Threat to Survival	Gap Between Environmental Needs & Operations	Clarity of Outcome	Impact on Mindset	Focus of Change
Developmental Change	1	Improvement	1	1	4 It is prescribed against a standard	1 Little if any	Improvement of skills, knowledge, practice, and performance
Transitional Change	2	Fix a problem	2	2	4 It is designed against a criteria	1 Little if any	Redesign of strategy, structures, systems, processes, technology or work practices (not culture)
Transformational Change	3-4	Survival: change or die; or Thrival: breakthrough needed to pursue new opportunities	1-4	3-4	1 It is not initially known; it emerges or is created through trial and error and continuous course correction	2-4 Forced to shift: old mindset and / or business paradigm must change	Overhaul of strategy, structure, systems processes, technology, work, culture, behavior and mindset

(1 represents less and 4 represent more)

Source: *Beyond Change Management*, Linda Ackerman Anderson (1986)

2.4 THEORIES OF CHANGE

Michael Beer and Nitin Nohria in their book, *Breaking the Code of Change* (2000) identify two most dominant theories of change operating in business today. The theories are simply referred to as theory O and theory E.

Beer and Nohria (2000) contend that the application of either of the two theories determine the organisation's approach to change. The two theories will be explained below.

2.4.1 THEORY E

This theory is based on the understanding that the change efforts in organisations must have the sole purpose of improving the company's economic value. The E in theory E comes from Economic value.

This approach to organisational change has several implications, which will be explored briefly using the dimensions of change that have been identified above.

Goals / purpose of change

As mentioned above, the goal or purpose of the change under this approach is the improvement of economic value. The proponents of this view argue that the sole objective of an organisation is to maximize shareholder value. Al Dunlap in one of his speeches said:

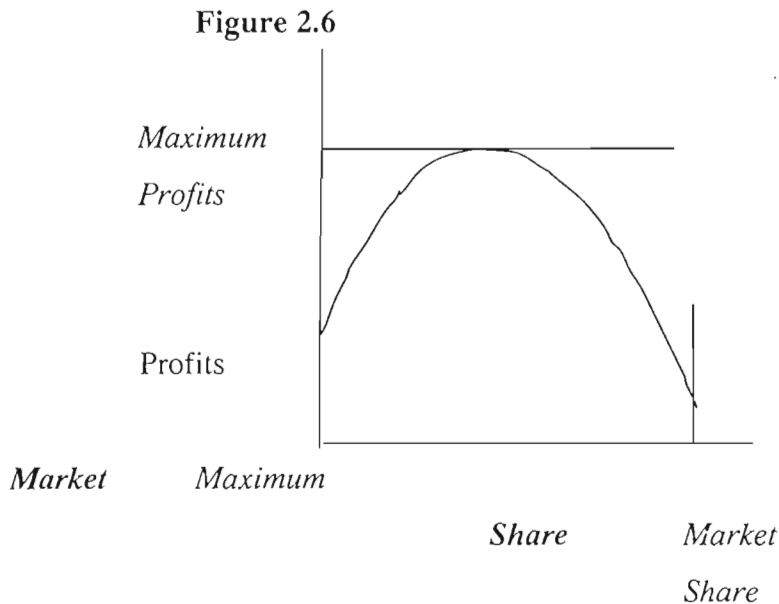
“Shareholders are the number one constituency. Show me an annual report that lists six or seven constituencies, and I’ll show you a mismanaged company.”

The essence of what Al Dunlap is saying is that multiple objectives is no objective at all. This approach leads to the types of changes that Al Dunlap brought at Scott Paper during his time as CEO.

Leading the debate on this issue are two schools of thought referred to as the shareholder theory and the stakeholder theory. The shareholder theory, basically

says that shareholders are more important than anybody else in the organisation and therefore the focus, must be on maximizing their value.

Under this school of thought, it is also argued that maximizing firm's value will lead to a better society barring externalities and monopolies. (Beer and Nitin, 2000)



Source: Beyond Change Management, Linda Ackerman Anderson (1986)

Figure 2.6 indicates that the optimization of profits as opposed to the maximization of market share is appropriate.

The second opposing school of thought is called The Stakeholders' Theory (Freeman, 1984). This theory advocates for an acknowledgement that all the stakeholders in the organisation are important. These would be employees, suppliers, customers, banks and creditors government etc. In summary, the stakeholders are defined as everyone that has a stake in the organisation.

The biggest problem with this theory is that it does not give direction on how managers and directors should balance the different and often conflicting needs of the firm's stakeholders.

The stakeholder Theory can also play into the hands of those who want to use non-market means to allocate wealth. Beer and Nohria (2000) argue that there can be a middle of the road situation that solves the conflict between these two schools of thought, the Enlightened Stakeholder and Shareholder Theories.

The Enlightened Shareholder Theory attempts to communicate to all the constituencies of the firm that maximizing company value will benefit everyone and that the value of the business must be used to indicate how every person in the organisation is doing.

It also attempts to make the stakeholders aware that maximizing firm value is good for the long-term survival of the organisation. This is communicated to the constituencies and in addition, the actions of the managers and directors can be regularly audited.

Theory E therefore, advocates that the maximization of shareholder value is the main objective of business and any change efforts must focus on leading the organisation to achieve this objective.

LEADERSHIP

The leadership of change under this Theory is from top to bottom. The leadership team drives the changes from the top with very little if any involvement from staff on the ground.

In a study conducted by The University of Southern California in 1998 with senior executives, it was concluded that change programs were more successful when led from top as opposed to bottom – up. (Lawler 1998, 9. 137)

Jay Longger (2000) uses a military metaphor to support this view. An Army General at the top of a mountain overlooking the battlefield is able to get a better view of how the battle is unfolding and should then be the one to direct the troops.

The thrust of this argument revolves around the position of the leader and it is thought that this gives him a vantage point that no other person in the organisation can have. Jay Conger (2000) further points out that because of the speed and scope of the modern day change, the only effective position to lead change from, is the top.

The leadership team will have resources at their disposal to effect the necessary changes, because of their position, which the lower level managers might not have. The other argument is that the positional power of the CEO, leads to the concept referred to as romancing the leadership. This concept in brief means that people in the organisation are likely to do what the leader does, value what he values as well as pick up a hobby because the boss has it. (Beer & Nohria, 2000)

Scully, Sims, Olian, Schnell & Smith, 1996 concluded from a study conducted on leadership that though times call for tough bosses, leaders will adopt a certain behaviour if the situation calls for it; this is what is referred to as situational leadership (Hershey & Blanchard, 1995)

The arguments presented above advocate that change efforts must be directed from above in order to be successful. Theory E supports this view as changes that are aimed at increasing economic value of the organisation might lead to retrenchments, divestiture and major cost cutting activities. It will therefore not be reasonable to think that the management of under performing divisions will take an active role in closing down their divisions and making themselves unemployed.

FOCUS

Theory E focuses on changing the structures and systems in an attempt to get quick financial results. Leavitt (1965) argues that in a change initiative, it is important to use all the levers of change and structures and systems form a very important part of these levers.

Galbraith (2000) supports this view and further asserts that; there are situations when structural changes will give leverage in a change effort. The structural changes can be seen as the first step in a sequence of activities that are meant to produce changes in the organisation.

Chandler (1962) concluded in a study that companies do not succeed in diversifying until they have changed structures.

The arguments above seem to be indicating that for any substantial strategic change, structures must be changed. Proponents of Theory E support this view and will focus on the structure and systems in implementing any change initiative.

PLANNING / PROCESS

Change under Theory E must be planned. To go back to the military metaphor, the troops cannot go to war without a detailed war plan. In essence, there is an assumption that the managers know the direction they want to take and the destination is very clear.

The Action Research Method (Lewin, 1946) approaches the planning of change from an analytical point of view. Problems are analysed, solutions crafted and action taken to address the problems.

Action Research change projects usually involve three distinct groups. The senior managers, the people from the area affected, and the change agent (usually a consultant)

Lewin (1958) improved on the Action Research model by introducing a three-step model. This model indicates that there are three stages through which organisational change goes.

- Unfreezing the present level
- Moving to the new level
- Refreezing the new level.

Unfreezing the present indicates a need to move away from it and Rubin (1967) contends that this may take a form of confrontation and training for those affected by the change. This stage can be equated to the research stage of the action research model. (Burnes, 1996)

Moving to the new level implies acting on the results of the first step and ensuring that the new behaviour is institutionalized and firmly entrenched.

Refreezing the new level means that the organisation has to then build the new way of doing business into its DNA code. Supporting mechanisms can be used at this stage to reinforce the new behaviour. (Cummings & Huse, 1989)

There was an attempt to improve on the three-step model by various stakeholders. Lippitt et al (1958), Cummings & Huse (1989) and finally Bullock and Batten (1985) came with a four-phase model.

The four-phase model describes planned change from two major dimensions or change phases. These are the change phases and change processes used to move the organisation from one state to another (Burnes, 1996).

Therefore, in order to understand planned change, it is not sufficient merely to understand the process which brings about change; there must also be an appreciation of the states that an organisation must pass through in order to move from an unsatisfactory present state to a more desired future state. Burnes (1996:183)

THE FOUR PHASE CHANGE MODEL

Table 2.2

CHANGE PHASE	CHANGE PROCESS
EXPLORATION	Establishing need for change Finding consultants
PLANNING	Information gathering Set change goals Appropriate action to achieve goal Sign off for plans
ACTION - IMPLEMENTING THE CHANGES	Change management process established Gain support for implementation Evaluate implementation & feedback for adjustments to plan.
INTERGRATION - CONSOLIDATING & STABILISING THE CHANGES	Reinforce new behaviour Empower managers to maintain and improve on changes Decreasing reliance on consultants

Source: *Managing Change, Burnes 1996*

Theory E supports this planned approach to change with its many flaws, some of which will be briefly mentioned below.

- Planned change assumes that an organisation exists at different states at different times and that movement from one state to another can be planned. (Cummings & Huse, 1989:51) Other writers have argued that in current times change is continuous and does not occur in discrete stages and phases that can be planned (Gavin, 1994; Nonaka, 1988; Peters, 1989; Stacey, 1993)
- Planned change is unable to accommodate a radical transformational change. (Dunphy & Stacey, 1993)
- Assumes that one type of change is suitable to all change efforts. (Dunphy & Stance, 1993: 905)
- Planned change assumes that a common understanding is reached in the organisation at the same time by all parties to allow the whole organisation to move from one stage to another.

↓ MOTIVATION / REWARD SYSTEM

Under Theory E, incentives that are related to change, lead or drive the process. These incentives are usually financial and linked to the financial performance of the organisation.

Jansen and Wruck (2000) argue that incentives that align the interest of management and shareholder are essential for change. In her study of two companies and their compensation systems, Karen Wruck argues that reward and punishment systems have other hidden consequences. She also concludes that the risk of changing compensation systems early on in the process of change is low and yet the pay off is high.

The compensation system must be put in place early in the change initiative as soon as overarching objectives of the change effort are known. In a change effort, there is a constant need to reinforce desired behaviour, and in the absence of a reward system, this can be difficult to do and wrong and unclear messages can be sent.

In a recent survey by Bain and Company (2002) it was reported that the most important change tool is to pay for performance.

CONSULTANTS

Theory E uses large groups of consultants to bring about swift change in the organisation. There is often no time to get internal buy-in and a legion of consultants provide the CEO with enough intellectual power to analyse the problem and provide solutions.

Some of the changes required to make the organisation to perform financially may be painful and tough decisions may be required. CEO's can use consultants to be in the forefront of these painful and tough decisions and the implementation of these changes.

Most of these consulting firms will be knowledge based with client companies placing full reliance on them.

2.4.2 THEORY O

Theory O is based on the need to develop organisational capabilities. The change strategies related to this theory are geared towards building the corporate culture: employee behaviours, attitude, capabilities and commitment. (Beer & Nohria, 2000)

This theory takes a different view to the one taken by theory E on the various dimensions of change as will be explored below.

GOAL / PURPOSE

The objective is to treat the organisation as a complete system recognizing that a change in one aspect affects other parts of the system. Bower (2000) supports this view by contending that the organisation is a complex system that requires a holistic view. He uses a medical metaphor by looking at a human body, indicating that though specialists may specialize on parts of the body, they do not lose sight of the centrality of the system and the effect that their action on one part of the body might have on the others.

Therefore the goal in this approach of change would be to look at the organisation as a whole and look at developing its capacity to deal with change both now and in the future.

Organisations are open systems that are perpetually evolving, partly in response to their environments, partly because of the ingenuity and imagination of their members. The proper purpose of change must therefore be to enhance the organisation's capacity to learn to respond better to its changing environment and to shape that environment. According to this view, what is required is a holistic view of the firm and its health that cannot be reduced to a single objective. (Beer & Nohria, 2000)

In his book, *The Living Company* (1997) Arie de Geus argues that there are implications to how companies see themselves. He contends that companies that see themselves more as human communities and less as machines tend to survive and thrive for longer. These firms have a sense of identity of what they stand for, a purpose and core values that transcend what they do¹.

An organisation's success has enormously more to do with clarity of shared purpose, common principles and strength of belief in them than to assets, expertise, operating ability, or management competence, important as they may be. (Waldrop, 1996).

¹ Arie de Geus' comments were based on a shell study of companies that have survived for more than 200 years.

It is important to indicate that this approach does not argue against the optimisation of profit or firm value, but argues that increasing the organisation's capacity will lead to increased productivity increases and make a difference in the bottom line. Furthermore, a very important part of the arguments above is the sustainability aspect of the change. If the organisation is continuously capacitated to handle its changing environment, it will be able to sustain itself over a longer period. This can unfortunately not be said about an organisation that cuts itself to the bone, weakening its systems' ability to respond to challenges that may come its way all in the name of increasing firm value.

LEADERSHIP

The leadership of change under Theory E is participative. It promotes commitment and ownership. Sims and Manz (1995) attack the top-down heroic leadership view and say that. This view seems to suggest that, because followers are not involved in the processes and decisions, they end up having to blindly follow the heroic leader who supposedly knows it all.

Balasco and Stayer, 1993 in their book, *The Flight of The Buffalo*, contend that this model of command and control leads to a distrustful work force and is slow for bringing about change as a result of the resistance to the imposed change.

Bennis (2000) is more forthright in his conclusion in an article written for a conference when he says "... None of us is as smart as all of us, and that the top-down model, in the present business context, is dysfunctional, maladaptive and dangerous."

A participative approach builds capacity, ownership and commitment. (Scully et al, 1996) This is supported by Sims & Manz (1995) as they point out that a leader must teach his followers how to fish and not just provide them with fish.

A super leader's brief is to spot and liberate this 'leader' in every employee. And, this liberation cannot happen overnight. It is often the result of a continuous effort at developing individual capacity of every employee till they realize their optimum potential to act in a responsible manner. (Chopra, 2000)

In a study by Elloy (1998) and Elloy and Randolph (1997) it was found that supervisors that encouraged participation were able to move their teams to be self managed and developed leadership skill within the team.

Belasco and Stayer (1993) propose a model of leadership that is enacted in four tasks this they called the “Intellectual Capitalism Paradigm”

Intellectual Capitalism Paradigm

1. Transfer ownership for work to those who execute the work. The leader provides information and support and the employees take ownership for finding and implementing solutions.
2. Creating the environment for ownership of his / her own performance by decentralising authority and creating smaller units that are involved with specific areas they find solutions for. The leader creates incentives for performance in those areas. Create a clear picture of great performance, focus people on a few performance factors, develop the desire for each person to own it; align systems and structures to send clear message of what is needed for great performance; engage their hearts and minds and hands; energize people around the focus of the business.
3. Coach personal competence by helping employees to see what they are now and what they can be. The leader poses hypothetical questions to help the employees find their own answers.
4. Learn quickly and continue to learn. This means adapting to change, unlike the French army who continued to fight in armour even after the English had developed armour-piercing long bows: an example of ‘if it ain’t broke, do not fix it, thinking.’

Belasco and Stayer(2000:56)

Table below gives a summary of the two views of leadership as captured by (Belasco and Stayer, 1993) the Buffalo represents a top-down style when the Geese indicates a participative style.

Table 2.3

BUFFALO	GEESE - NETWORK
<ul style="list-style-type: none"> • Hierarchy • One Leader • One voice • Leader will fix it • Co-dependency • Leader owns work responsibility • Slow learning • Leader is head buffalo • Leader is boss • Fit for stable times 	<ul style="list-style-type: none"> • Net of Teams • Everyone a leader • Many voices • Everyone fix it • Empowerment • Person working Owns work • Fast learning • Leader coach • Customer is boss • Fit for changing times

If there is one generalisation we can make about leadership and change it is this:

No change can occur without willing and committed followers.

Beer and Norhia (200:117)

FOCUS

The focus of Theory O in a change initiative is not on changing the structure. Proponents of Theory O argue that employees invest structure and systems with moral meaning (Larry Hirschorn, 2000). Therefore any lasting change to the structure must address the moral meaning of this change as well.

The focus of Theory O change is therefore on changing the culture and engaging employees to make them see why the old structure may not work. Johnson (1993:64) argues that strategic management of change is a culture and cognitive phenomenon.

This view is further supported by Clark (1994) by saying that the essence of sustainable change is the understanding of the culture of the organisation.

Theory O focuses on changing the culture in the organisation and expects that once the employees have adopted a new culture, they will put in place structures that are commensurate with this culture.

Hirshhorn (2000) in an article written for a conference on Breaking the Code of Change concludes that:

One cannot change the organisation by simply changing its structure. Leaders must find a way of attacking the structure while simultaneously finding a new basis for the organisation's moral basis.

He then puts forward nine propositions, which he believes will further clarify the issue of structure in change initiatives.

- *Organisational structure is a social construction.*
- *People imbue structure with moral meaning.*
- *Moral meaning is expressed as a set of promises we make and obligations we experience.*
- *People sensibly resist changes to this moral order.*
- *Crisis creates the preconditions for change.*
- *To take advantage of crisis, leaders must create a counterstructure.*
- *The counter structure facilitates aggression, whereas the structure inhibits it.*
- *The work itself and the linking of playfulness to aggression limit the psychologically violent possibilities of the counterstructure.*
- *In the absence of real crisis, a virtual crisis based on people's passion for a new idea or product may establish the basis for the creation of a counterstructure.*

(Source: Beer and Norhia 2000:175)

PROCESS / PLANNING

Theory O change approach advocates an emergent as opposed to a planned change. Dawson (1994) and Wilson (1992) both challenge the appropriateness of a planned change approach in an increasingly dynamic and uncertain environment. They further argue that the three step model of Lewin does not address the issue of a continuous need for employee flexibility and adaptability.

Given the rapid change of the environmental change within which the organisation operates, it is important for managers to be equipped with the ability to read the environment and adapt to it using all resources at their disposal. (McCalman and Paton, 1992)

This implies that conditions in the organisation must support the required flexibility. Pettigrew and Whipp (1993) contend that the creation of such a climate in an organisation is dependent on four conditioning factors.

- *The extent to which key players in the organisation are prepared to champion environmental assessment techniques that increase openness;*
- *The degree to which assessment occurs and how effectively it is integrated with central business operations;*
The extent to which environmental pressures are recognized;
and
- *The structural and cultural characteristics of the organisation.*

Burnes (1998:189)

Burnes (1998) indicate the main tenets of emergent change as:

- Organisational change is a continuous process of experiment and adaptation aimed at matching an organisation's capabilities to the needs and dictates of a dynamic and uncertain environment.
- Though this is best achieved through a multitude of (mainly) small-scale incremental changes over time these can lead to a major reconfiguration and transformation of an organisation.
- The role of managers is not to plan or implement change, but to create or foster an organisational structure and climate which encourages and sustains experimentation and risk-taking, and to develop a workforce that will take responsibility for identifying the need for change and implementing it.
- Though managers are expected to become facilitators rather than doers, they also have the prime responsibility for developing a collective vision or common purpose, which gives direction to their organisation, and within which the appropriateness of any proposed change can be judged.

Burnes (1998:193)

MOTIVATION / REWARDS

The proponents of Theory O, advocate that incentives must only be used as lagging as opposed to leading the change. The argument is around the fact that fixing the rewards too early in the process has a potential of getting the organisation on a wrong path as they may not be clear on what kind of behavior they want to encourage at that stage.

The focus of Theory O would rather be on getting commitment and ownership of the processes from staff and believe that the motivation will come from staff's sense of purpose in the job. This is the same as the intrinsic and extrinsic motivators that are referred to by Herzberg (1968) the view here is that intrinsic rewards, job

design, job purpose, being in charge of destiny etc. leads to more motivation than extrinsic factors (Pay, rewards etc.)

It is important to note that this does not mean that there should be no incentives at all, but that they should be used as fair exchange for work done.

CONSULTANTS

The use of consultants in the Theory E approach is very limited to small and process based companies.

The role of consultants here is that of identifying and analysing the problem, but support management and the organisation as a whole to shape their own solutions.

2.5 COMBINING THEORY E & O

In their purest form, Theory E and O have their short comings. In the theory E approach , CEO's end up alienating themselves from their employees which makes it difficult for them to start using the O style. They are able to produce phenomenal financial results in the short run by cutting the organisation to the bone. This leaves the organisation without any capabilities to sustain itself in the ever-challenging environment.

On the other hand CEO's who adopt the pure form of the O style find it difficult to make tough decisions that might affect their staff negatively. Because of the problems associated with taking a pure form of any of these two theories, Beer and Nohria(2000) suggest a combination of the two.

There is an argument of sequencing the application of the theories. This can be done by starting with the E approach followed by the O approach theory. As mentioned above this can be difficult to do particularly if one person is expected to go through both stages (Jack Welch was an exception).To carry out this sequencing might require two different CEO's who will come into the organisation at different times (Beer & Nohria, 2000).

Beer and Nohria(2000) support the notion that Theory E and Theory O can be simultaneously applied.

GOALS

In a combined Theory E and O, managers must openly confront and embrace the paradox that exists between economic value maximization and organisational capacity. It must be clear that managers will be expected to commit to both, it would not be an either or situation but a combination.

LEADERSHIP

There would be a combination of top-down and bottom-up approach in which managers will get the direction in broad terms and the people below will be engaged in shaping their own future.

Open discussion on issues affecting the organisation's future must be encouraged at all levels and employees encouraged to share ideas and be innovative. The important thing here would be to get everybody to take ownership and act in the best interest of the collective.

FOCUS

The focus would have to be on both the hardware (systems, structure, processes) and the soft issues (culture, attitudes, behavior) None must be more important than the other.

PROCESS

The combined approach advocates that the organisation must plan for spontaneity and top management must encourage experimenting and learning.

There must be a process and environment that will ensure that the organisation is flexible and able to read and respond to the challenges in the environment.

REWARDS

Incentive must be used to reinforce change and not to drive it. Commitment is rewarded by using variable pay. Compensation will be seen as fair exchange between the company and employees.

CONSULTANTS

Consultants are used as an expert resource in the organisation to facilitate learning and empower employees.

2.6 REAL TIME STRATEGIC CHANGE

Rober W. Jacobs (1994) has tried to come up with a single model that has in it the essence of combining Theory E and O. This he called real time strategic change.

Real Time Strategic Change (RTSC) is defined as a principled approach that makes it possible to achieve rapid, sustainable, organisation-wide changes.

Rapid means bringing your preferred future into the present, thinking and acting as if the future were here.

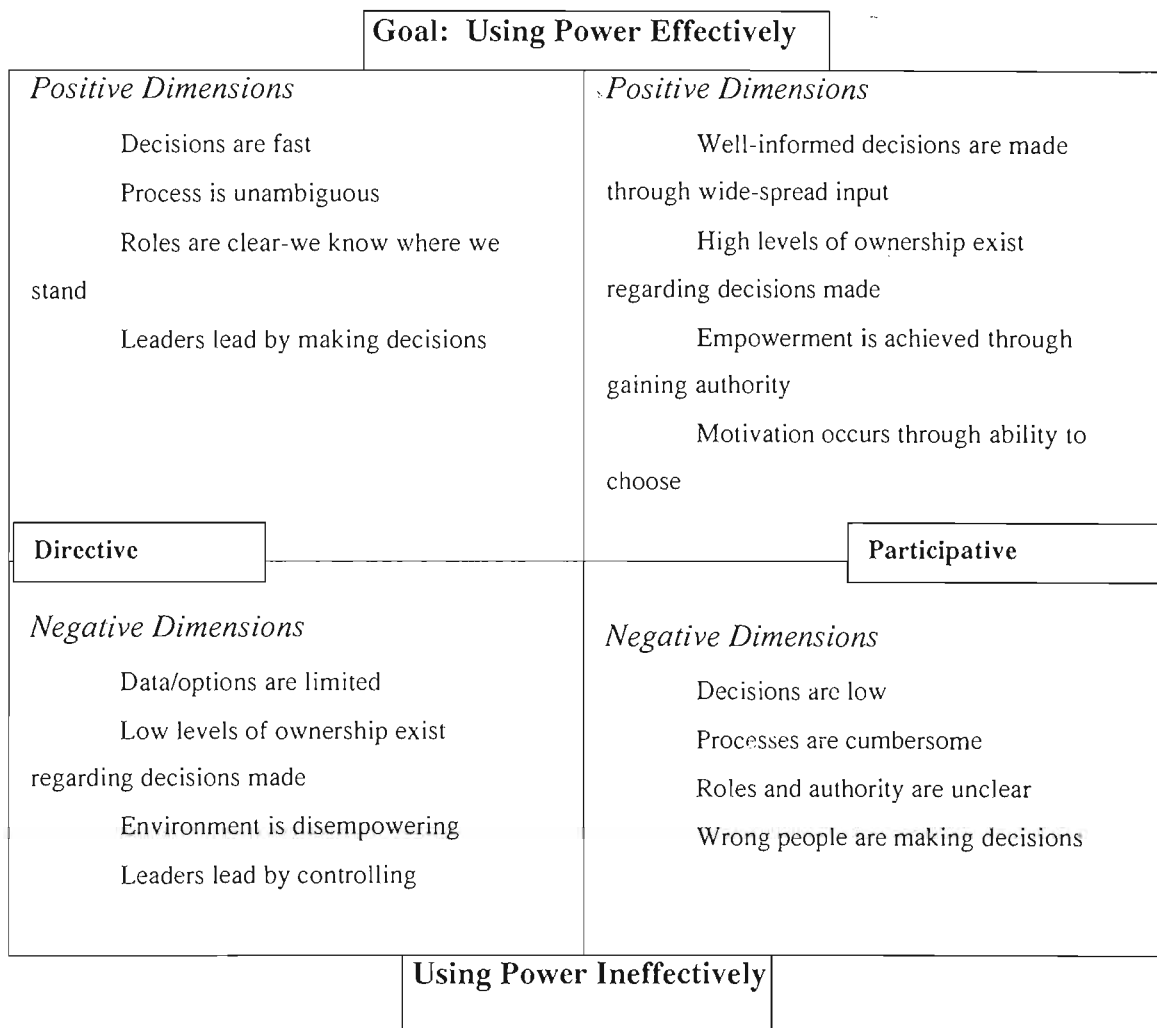
Sustainable means that an organisation can adapt and continue to be successful as new realities emerge.

RTSC is an approach that engages organisations and their members as living systems, focusing on spirit and community as well as on strategies, structures, and processes. However, RTSC is not just an approach to organisation-wide change. It is also a way of doing business, a way of thinking and acting on a daily basis. Seeing change in this way, as a normal part of doing business, is an example of the paradoxical thinking that permeates the RTSC approach. (Jacobs and Mckeown, 1994)

From the definition above, one can see that RTSC approach not only combines and lives with the paradox that exist with Theory E and O but also ensures that this becomes a way of doing business.

There is no good way to “solve” the question, Should leaders be directive or participative? This issue is a typical and important example of a polarity that needs to be continually managed (because it can’t be solved). RTSC’s impact on power and authority issues leads to cultures that are both participative and directive – another example of paradoxical thinking. (Jacobs and Mckeown, 1994)

Figure 2.7



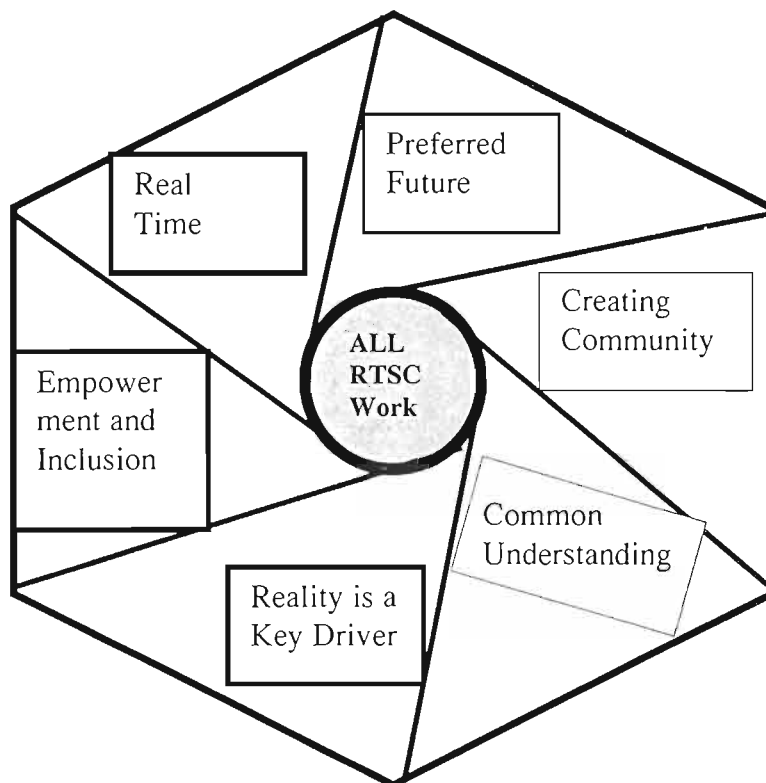
Source: Real Time Strategic Change (Jacobs and McKeown, 1994)

Fig 2.7 shows that there are up-sides and downsides to all polarities. The paradox is that over focusing on one will eventually lead to the downside of the same polarity. The trick here is to achieve more of the positive dimensions while minimizing the negative.

PRINCIPLES

RTSC is a principle based approach. There are six principles that can be applied to any organisation. This leads to greater focus, as there are only six principles to concentrate on. Figure 2.8 shows the six principles that need to be applied for RTSC to be applied.

Figure 2.8



Source: Real Time Strategic Change (Jacobs and McKeown, 1994)

HOW IT WORKS

Reminiscent of Lewin's three-step model, RTSC efforts navigate the organisation through three phases.

SCOPING POSSIBILITIES

Energizing people for change and involving them in crafting a clear view of the possible future. This process ensures that the organisation can adapt itself for the future. People in the organisation create their own road map of change.

DEVELOPING AND ALIGNING LEADERSHIP

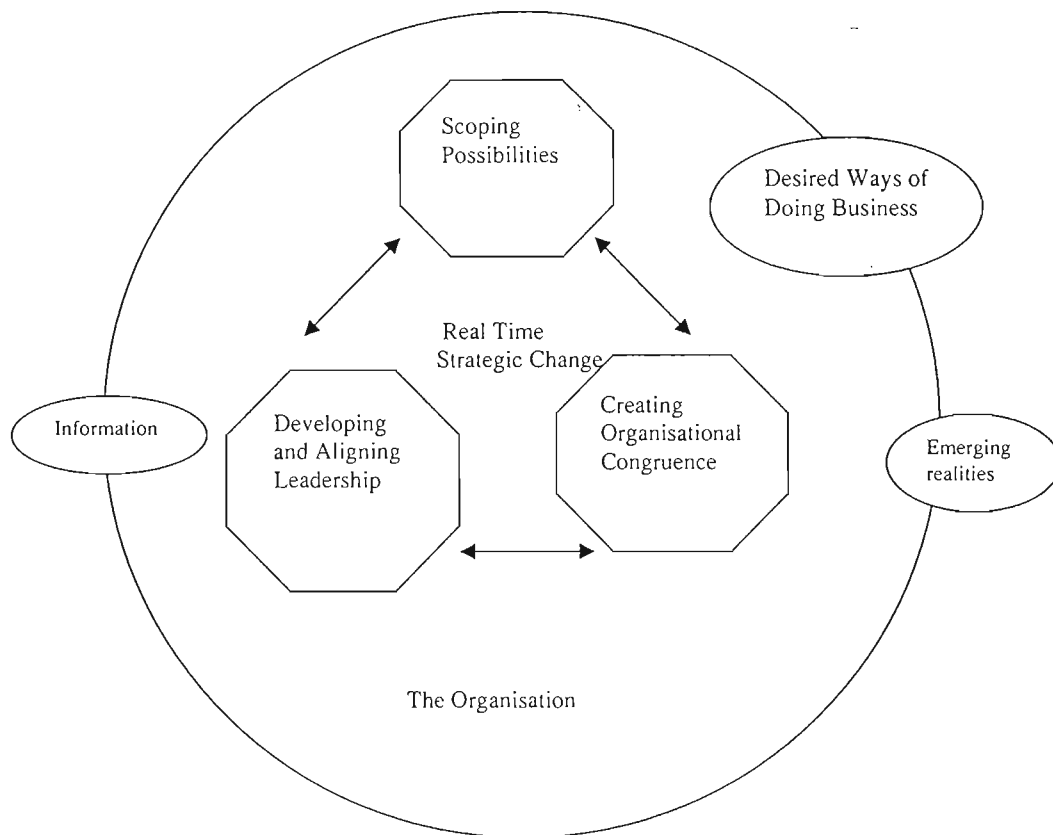
This is a stage where leadership competencies are built to sustain change and to lead the organisation into the future. At the same time management gets aligned at the top, they also decide when to start the engagement of staff in the organisation. They might decide to get alignment at the top first before moving down to engage staff in similar processes, or they may take an approach that gets everybody in organisation aligned at the same time. It is important to note that the key decision on power sharing begins at this stage.

CREATING ORGANISATIONAL CONGRUENCE

This is where the whole organisation gets to be engaged in developing a fit among

- external realities,
- the preferred future,
- strategy and plans,
- systems, structures, and processes,
- Daily work.

Figure 2.9



Source: *Real Time Strategic Change* (Jacobs and McKeown, 1994)

Figure 2.9 outlines the process of aligning the whole organisation while taking into account the emerging realities as well as the information available to the organisation.

The following are the factors that are critical in achieving success in RSTC efforts.

1. Thinking and acting with the whole change effort in mind leads to:
 - Individual decisions and actions congruent with the overall effort;
 - A clear purpose, desired results, and a plan responsive to emerging realities that provide the road map for moving forward;
 - An awareness that although phenomenal results are achievable solely from RTSC events, they alone are unlikely to lead to lasting change.

2. Formal and informal leaders need to:
 - Demonstrate visible, tangible commitment to the effort;
 - Dedicate time, energy, and significant organisational resources;
 - Do their daily work in ways that are congruent with the organisation's preferred future.

3. Profound levels of inclusion and empowerment of people
 - Designing and implementing their change efforts, developing support initiatives, creating strategies, and deciding courses of action are hallmarks of the RTSC approach. Mere exposure and participation by many or substantial immersion by a few rarely results in broad ownership or good strategic decisions.

 - Process, systems, and structures need to reflect and reinforce actions that move the organisation toward its preferred nature. Not addressing these fundamental aspects of organisational life is making a choice for cosmetic change.

4. RTSC work requires solid partnering among the client organisation, RTSC practitioners, and expert consultants who may be involved. This partnering needs to continually evolve based on shared values, clear expectations, and regular reflection. Organisational members lead their own change efforts, influencing the way RTSC practitioners work as the practitioners influence the organisation. (Jacobs and Mckeown, 1994)

Jacobs and Mckeown's (1994) RTSC model is very close to the combined Theory E and O approach to change by Beer and Nohria (2000). It also gives a practical guide on how to manage the paradox of empowerment and control.

Table 2.4

	<u>Ease of Implementation</u>					
	Easy		Moderate		Difficult	
Types / Theory	Developmental Change		Transitional Change		Transformational Change	
Theory E	✓	Yes	✓	Yes	✓	? Sustainability
Combined	✓	yes	✓	yes	✓	yes
RTSC	✓	yes	✓	yes	✓	yes
Theory O	✓	yes	✓	yes		? Unable to make tough decisions

Table 2.4 gives a summary of the different approaches to change, types of change and ease of implementation. Developmental and Transitional change can be implemented using all the approaches. The difficulty comes in with the transformational change where it appears that only the combined method and the RTSC can be applied.

Table 2.5

THEATRICALS OF LEADERSHIP MODEL BOJE	FLIGHT OF THE BUFFALO BELASCO & STAYER	SUPERLEADER MODEL SIMS & MANZ
Prince – Based on Machiavelli, the politics of power is daily corporate exercise. There are princes of peace and princess who have a dark and egotistic side.	N/A	Strongmen – When firms perform poorly, leaders get tough, which translates into lower rewards for employees. “This is a hard-nosed boss who laid out his expectations firmly and loudly. He is a dictator whose style is to intimidate. The Strongmen leader exhibits behaviors suggesting that she or he

		knows the "right way and the follower should obey or else.
Bureaucrat – Does the consideration, initiating structure, and participative decision making that is expected in the modern corporation.	Buffalo – or Managerial Capitalism, the old command, coordinate, and control model of leadership	Transactors – This leader is between Prince and a bureaucrat, the power moves are all for self glorification. Transactors use rewards, rather than retribution. Everything is incentive-based, and as a result, employees are motivated to perform well enough to collect the reward – but not to do their best. The Transactional leader archetype has its genesis in the exchange leadership theory (e.g , House, 1971).
Hero – The hero is on quest, an adventure. The hero seeks to change and transform the organisation. The hero's journey is a search in which the leader finds they are the problem.	N/A	Visionary Heroes – lead by inspiration, evoking an emotional commitment of the part of followers. e.g. Joan of Arc, Martin Luther King Jr., John Kennedy. They inspire and exhort, persuading with the glory of their mission and their own personal charisma. Manz calls these followers "enthusiastic sheep". The Vissionary Hero leader archetype has its genesis in the transformation leadership theory (Bass, 1985).
Superman / woman – Based on Nietzshe's work to find leaders who conquer their inner enemies and lead with authenticity. The model	Lead Goose or Intellectual Capitalism – leaders who coaches and trains people to take ownership, and lead themselves in a (self-managed	Superleaders – they teaches others to fish, to develop their own skills in self-reliance, initiative and self-management. There is a

<p>issues you can not empower others. Power as Mary Parker Follett says is “grown” not delegated or shared. Empowerment would consist of making decisions about the firm as a whole including policies, investments, and benefits.</p>	<p>work) team-based, customer focused discipline. Ownership is thus not about legal rights, but a state of mind. There is a strong focus on teams and empowerment. Also, people are given direct control and responsibility over their own work. Lead geese question their empowered leaders to think for themselves, The emphasis is on partnership in a network-type organisation</p>	<p>strong focus on self managed work teams and empowerment. Superleaders drive their company from the bottom up, seeking wisdom and direction from their subordinates – and creating a feeling of ownership among them.</p>
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Source: The flight of the Buffalo and other Superleader models (David M Boje December, 2000)

2.7 Application of theory: bringing it all “home”

‘Where the rubber hits the road: the application’

2.7.1 APPLICATION IN THE PRIVATE SECTOR – ABROAD

- SCOTT PAPER

Scott Paper is a good example of the application of Theory E. When Al Dunlap was appointed CEO, his main focus was on economic value. All his activities during this time were focused on producing financial results, which eventually earned him the name ‘Chainsaw Al’.

Even though the turnaround at Scott Paper made headlines and ensured that the shareholders and Al himself were enriched, it was not sustainable. In 1995 Scott Paper was sold to its competitor Kimberly-Clerk.

- **CHAMPION INTERNATIONAL**

In 1981 Champion International under the leadership of Sigler and other managers adopted a Theory O approach to change. They came up with a new vision called The Champion Way. Sigler believed that by improving organisational capabilities in areas such as teamwork and communication he could improve productivity. By 1997, Champion had become one of the industry leaders on most performance measures but Champion's shareholders had not seen a significant increase in the economic value of the organisation in a decade. Champion was subsequently sold for a mere 1.5 times its original share value.

- **GENERAL ELECTRIC (Sequencing of E & O)** (Jack, 2001)

At G.E., CEO Jack Welch started by imposing a Theory E change approach by demanding that companies had to be first or second in their industry or be closed down (sold) he then went on a massive downsizing exercise. During this period he was named "Neutron Jack" after the bomb that destroys people and leaves buildings intact.

Once he got rid of the redundancies, Welch started using the O Theory. He introduced a bench marking and learning strategy branded the "Boundryless" Organisation increased innovation, ownership and commitment with the 'work-out' sessions. He was able to start with the E Theory and follow it up with the O Theory. It must be said that this is not always possible as the E Theory very often leaves wounds and distrust of the CEO and it becomes difficult for the same person to now start changing their initial draconian measures (Beer and Nohria, 2000).

Indeed, it is highly unlikely that E would successfully follow O because of the sense of betrayal that it would involve. It is hard to imagine how a draconian program of layoffs and downsizing can leave intact the psychological contract and culture a company has so patiently built up over the years. But whatever the order, one sure problem with sequencing is that it can take a very long time. Most turnaround managers don't survive restructuring – partly because of their own inflexibility and partly because they can't live down the distrust that their ruthlessness has earned them.

(HBS June, 2000)

- ASDA (A combination, different leaders)

ASDA the U.K. grocery chain was able to have a combination of Theory E and O successfully. In December 1991 when the company was nearly bankrupt, the CEO Archie Norman, was able to retrench staff sell off businesses and flatten structures which is more in the line of Theory E and still retain the atmosphere of trust and openness.

Archie made it clear from the beginning that he was going to take a dual approach. He also appointed a deputy CEO who was more attuned to the O approach. The combination of the two leadership styles led to the success of ASDA. It was subsequently sold to Wal - Mart at a substantial premium.

2.7.2 APPLICATION IN THE PRIVATE SECTOR - SOUTH AFRICA

• NEDCOR² (Sequencing)

One of the big banking groups in South Africa, NEDCOR recently went through a process of change that initially took a Theory E approach. These changes that started in 1997 were focused on processes, efficiencies, systems and structure.

² The information on Nedcor was obtained through interviews with senior executives who were involved in the change as well as publicly available information.

They were driven to a large extent by the need to increase shareholder value. Shortly after these changes were done, the organisation started focusing on Theory O by putting in place processes that were meant to encourage the development of a new culture.

Learning was encouraged through a set of proficiency tests that were to ensure that there was a continuous process of acquiring skills. A pay increase for passing each of these tests was introduced.

Staff participation was encouraged through teaming drives as well as the Process Enhancement Groups (innovation groups).

- **FORMCHEM CHEMICALS (KZN)**

P. Naidoo (2001) studied this company. The study evaluated the change management strategy from the four aspects.

- Planning
- Communication
- Resistance to change
- Job satisfaction

PLANNING

- Appears that this was a planned change from the top. It does not look like there was any room for spontaneity and experimenting. This would be in line with Theory E.

COMMUNICATION

- The inclusion indicates that it was difficult for management to communicate to staff, and that employees just listened while unions engaged in discussion with management.

It appears the culture of participation was not fostered. This is again in line with Theory E.

RESISTANCE TO CHANGE

- The conclusion is that there was no positive impact on the working culture; it does not appear that this was the focus of the change.

JOB SATISFACTION

- It does not appear that there was enhanced job satisfaction.

In conclusion FormChem Chemicals, South Africa (KwaZulu-Natal) appears to have taken a Theory E approach to change.

2.7.3 APPLICATION IN THE PUBLIC SECTOR – ABROAD (AUSTRIA)

Scharitzer, Dieter, Korunka, Christian (2000) studied change management effects on employees and the customers at an Austrian Public Housing Agency.

The researchers alluded to the lack of literature in their literature review on public sector change management.

In the public sector it can be safely assumed that special demands on the employees will be imminent when organisational change takes place (Drescher, 1997)

From the conclusion of the study it is difficult to interfere on the change approach that was taken.

2.7.4 APPLICATION IN THE PUBLIC SECTOR - SOUTH AFRICA

- SPOORNET³

Spoornet is one of the companies that fall under Transnet. It is one of the many state enterprises in South Africa that could be privatised in due course.

It has a workforce of about 36 000 spread across the nine provinces of South Africa. The turnover averages 10,5 billion per annum. The core processes of Spoornet are the maintenance of the tracks for trains across the country and the running of all goods trains with a few premier class passenger services.

When the current CEO, Mr. Zandile Jakavula was appointed, the company had been making losses and it was expected to make further losses in the coming year. Mr. Jakavula and his team were able to transform the parastatal using a combination of Theory E and O. This was evident in their transformation strategy, which not only focused on cutting costs, but also on the cultural issues.

THEORY E

- Focused on cutting costs
- Introduced zero budgeting method
- Renegotiated inter-company deals
- Set expenditure reduction targets

³ The information on Spoornet was obtained from interviews conducted with the CEO and publicly available information.

THEORY O

- Avoided retrenchments
- Brought unions and staff on board with developments (on track, CEO's monthly bulletin)
- Introduced a work culture by enforcing dignity and respect for others, removing derogatory titles
- Establishing one incentive pool to drive ownership and commitment.
- Prayer day (on track, March 2002)
- Monthly Executive committee site visits.

The reported results for the year ending March 2002, were looking very good, the company was on track to reporting a profit for the second year running after being in the red for four years running.

2.8 THE CURRENT STUDY IN RELATION TO THE THEORY

The current study intends to examine the approach that is used in managing change at the South African Revenue Services (SARS). The study will look specifically at a specific change initiative that took place in the organisation.

There are very limited resources around the approach that is used in public sector organisations in South Africa. The different change dimensions will be used to ascertain the extent to which each method of change has been used in the SARS. It is also hoped that generalisations can be drawn on comparing the results obtained to the theory and whether the theory applies to the public sector in the same way that it does to the private sector organisations as outlined in the theory.

CHAPTER 3

RESEARCH DESIGN

3.1 INTRODUCTION

In this chapter the methodology and data collection techniques used will be explained. The reasons for each choice will be given in relation to the objectives of the study. This will give a broad overview of how the issues were researched or studied.

The interpretation instruments used will be also outlined and finally the issue of validity and reliability, which are critical for research design, will be discussed.

3.2 RESEARCH METHOD

A case study method will be used to conduct a research of the approach to change management at SARS. The pilot site in the KZN will be used as a unit of study.

Johnson (1994) defines a case study method as:

An enquiry which uses multiple sources of evidence. It investigates a contemporary phenomenon within its real life context when the boundaries between phenomenon and context are not clearly evident (Johnson, 1994)

Ghaurit et al (1995) argues that the case study method is an extremely weak design, as it does not allow for any comparison. The comparison referred to here is the comparison of the before and after.

There are advantages and disadvantages of using case study method as mentioned by White (2000).

Advantages of a case study approach

- It can be carried out by a single researcher.
- It is relatively cheap and not dependent on expensive technology.
- A case study will always generate empirical data and information; you will not be solely dependent on already published work. The data may not be present in vast amounts, but it will always be interesting and specific to the example under scrutiny.
- It takes place in a natural setting within an actual organisation.

Disadvantages of a case study approach

- With single atypical case study it is often difficult to separate out what is unique to the organisation involved and what is common to similar organisations.
- The whole issue of generalization needs to be handled with caution. The degree to which one can relate to the general position is often limited.
- Case studies can generate a lot of information, since each different method used produces its own findings. The analysis and interpretation need to be handled carefully and in a very logical, systematic way. Again, when done effectively, this strengthens the academic argument being presented.

There are four types of case studies (White, 2000)

- *Typical.* Here the organisation studied is as typical as possible, for example, a large supermarket or general manufacturing company.
- *Atypical.* Here the example is unusual and out of the ordinary. It is a 'one off'.
- *Precursor studies.* With large research projects case studies are sometimes used at the start and acts as precursors to identify the issues involved before the research is planned in detail.
- *Multiple case studies.* If time is available it is a good idea to study two or more similar examples. This allows for a comparative treatment and, as a result, helps build and confirm accepted theory.

The type of case study to be used is a typical case study. This is because SARS can be seen as a typical public service organisation. The government might be moving towards setting up most government organisations along the same lines as SARS. This would mean that these organisations would be looking at SARS to benchmark.

3.3 SAMPLING

The sample frame consists of SARS staff, in the KwaZulu-Natal region. The researcher has opted for non-probability sampling and in particular chose the purposive sampling method.

Purposive sampling. *This is often called judgmental sampling, because the researcher picks up the sample they think will deliver the best information in order to satisfy the research objectives in question. (White, 2000:65)*

The reason for this choice is that the researcher wanted to choose the sample that would best be able to evaluate the research question at hand. To this end a specific group of team members were chosen because most of the major changes happened in their area and they would provide a clearer picture than the ones where the changes were not major.

Specifically the team members in the Processing Centre in SARS (KwaZulu-Natal) were chosen. The same logic as above was used to select the team leaders and managers in the Processing Centre.

The regional roll out team (RROT) was entrusted with the task of implementing the change together with the Head Office Programme office team leaders. These were selected on the basis of their involvement with the change initiative.

3.3.1 SAMPLE SELECTION BIAS

The issue of bias must be taken into account by the researcher. Bias is defined as: *Allowing a particular influence to have more importance than it really warrants.* Harper (1991)

Given the fact that the researcher was personally involved in the process of change, there could be bias that may creep in, in relation to the selection of the sample and his own knowledge of events. There will be an attempt to be as objective as possible to reduce this kind of bias and its effect on the results.

3.4 DATA COLLECTION METHODS

3.4.1 Quantitative Methods

a) Questionnaires

Questionnaires were used to study the six dimensions of change.

A pilot group was used to check the questions before they could be administered. In some cases questionnaires were done through the telephone. (This was mostly with the Head Office team leaders).

Most of the questions in the questionnaire require a yes or no answer of a multiple-choice kind response. One of the questions to team members uses a 5-point likert scale. (refer to appendix 1 for questionnaires)

Sample Size

Table 3.1

Role in the change	Level in Organisation	No of Employees
Regional Roll Out Team	Managers	14
Program Management Office	Managers	5
Team Leader	Team Leaders	39
Team Member	Team Members	321
		<hr/>
		379
		<hr/>
Consultants		2

Team members were given a questionnaire that focused on only two of the dimensions being studied.

This is because the researcher was of the opinion that they would not have been able to respond appropriately to the other four dimensions.

The members of the regional roll out team and Head Office Team Leaders were subjected to a questionnaire that covered all six dimensions.

3.4.2 Qualitative Methods

Interviews

Interviews were conducted with the program management office team leaders and the program manager. These were structured with respondents being asked specific questions.

The consultants involved with SARS at different stages of the change were interviewed using the same structured questions.

Questionnaires

As mentioned previously, most of the questions asked in the questionnaire are of a qualitative nature.

Documentation

Documents that are publicly available on the internet have been used; information on the change process as it unfolded in the form of presentations and reports was also collected.

3.5 VALIDITY AND RELIABILITY

Validity refers to the ability of a measure to capture what it is intended to capture and reliability of a measure relates to the stability of the measure. (Ghauri et al, 1995)

Construct Validity

Construct validity is the extent to which the measure is able to measure the construct. There is validity in terms of each of the constructs defined for this study.

Reliability

The best form of testing reliability is whether the same test can be performed by a different person with similar results. The researcher is of the view that the measures are reliable.

3.6 INTERPRETATION

The results of the study will be interpreted using the grounded theory (Descombe, 1998). An open-minded view will be taken in looking at the results. Patterns and explanations will be identified and these will be compared with existing theory.

Triangulation

As mentioned above, qualitative and quantitative methods will be utilized in the case study. This is referred to as method triangulation (White, 2000). Comparison of the information obtained from these methods will be done to ensure validity and reliability.

CHAPTER 4:

THE SOUTH AFRICAN REVENUE SERVICES (SARS) –

Case Study

4.1 INTRODUCTION

As mentioned above, the researcher will use a case study method in the study of the research question. This chapter will introduce the organisation that is going to be the subject of the study. The researcher will also give an explanation of the reasons why this organisation forms a typical case study in the South African context. The researcher will also cover the history of change in the organisation in phases.

The history will be split into the Pre October 1997 period, 01 October 1997 to 01 October 1999 and 01 October 1999 to 01 October 2001.

Background

The South African Revenue Services is an organ of state that has been established under the SARS Act. The mandate given to SARS is to collect the revenue due to government in the form of taxes and administer the tax laws enacted by government. The organisation also plays a prominent role in the drafting of tax legislation in this country.

SARS' performance is very important to the ability of government to deliver to the society. Apart from delivering on the revenue collection, there is an ever increasing need to render exceptional service to the public and bring those who are not paying their fair share into the tax net. SARS also has to ensure that it is technologically equipped in order to keep up to date with the developments in the business world.

In order to meet these challenges, SARS has had to be a model public sector organisation. This means taking a business approach in all aspects of its operations. Anyone who has had an encounter with public sector organisations will understand that the requirements to operate like a business (delivery of service, results driven, competency acquisition, etc) is a tall order.

The performance of SARS on the hard issues has been good in the past years as shown in table 4.1. The organisation has consistently exceeded the targets for the past 6 years.

Table 4.1

SARS Total	1995/96 R'000	1996/97 R'000	1997/98 R'000	1998/99 R'000	1999/00 R'000	2000/01 (prelim) R'000
T a r g e t	125 182 000	143 746 000	161 732 000	177 197 600	191 162 000	209 079 281
Efficiencies Added	100 000	1 500 000	2 500 000	2 000 000	2 735 000	3 100 000
Printed estimate	125 282 000	145 246 000	164 232 000	179 197 600	193 897 000	212 179 281
Total additional cost	1 896 989	1 805 656	1 112 600	5 224 831	6 323 955	7 418 481
Actual collection	127 178 989	147 051 656	165 344 600	184 422 431	200 220 955	219 597 762
Revised target	127 037 000	146 048 600	163 864 000	181 076 000	198 944 000	215 482 000
Actual collections	127 178 989	124 951 656	165 344 600	184 422 431	200 220 959	219 597 762
Additional above target	141 989	1 003 056	1 480 600	3 346 431	1 276 955	4 115 762

Source: SARS Internet

Figure 4.1(Source: SARS Internet)

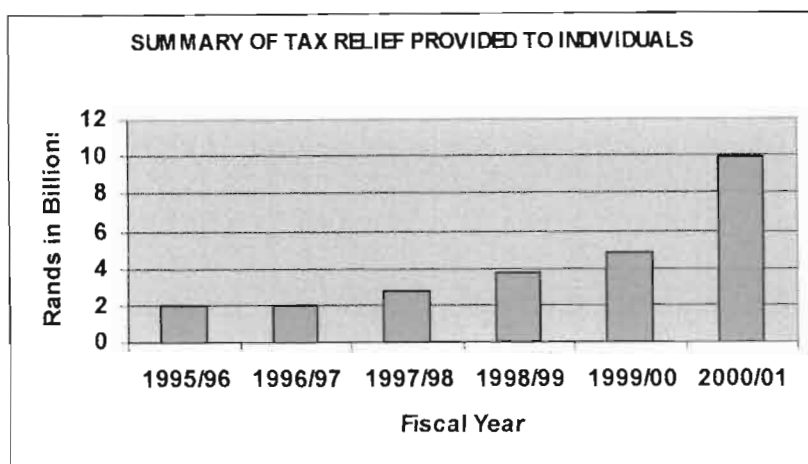


Figure 4.1 shows an increase in the tax relief given to the public over the years, this could have only been made possible by the increased revenue collections of SARS.

SARS employs 11 000 people in the 9 provinces of South Africa, there are 42 branch offices in the country. Table 4.2 gives a breakdown of the staff in the organisation and it can be seen that 67.7% of employees are women. Management levels present a very interesting picture as 50% is made up of white men.

Table 4.2

Occupational Levels	M a l e				F e m a l e				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	2	4	2	0	0	8	8
Senior Management	3 8	9	1 0	121	1 0	2	7	5 8	2 5 5
Professional	1 5	6	9	145	1 2	7	6	9 5	2 9 5
Skilled and Junior	3 4 8	9 2	105	663	2 4 9	4 6	8 3	1,643	3,229
Semi-Skilled	6 7 1	1 7 1	8 0	458	9 4 2	3 8 0	201	3,050	5,953
U n s k i l l e d	2 1 1	5 9	0	4 5	2 6 2	3 3	0	6	6 1 6
TOTAL PERMANENT	1,283	3 3 7	206	1,436	1,477	4 6 8	297	4,852	10,356
Non - Permanent Employees	8 4	9	1 5	134	9 9	1 9	2 1	138	5 1 9
T O T A L	1,367	3 4 6	221	1,570	1,576	4 8 7	318	4,990	10,875

Source: SARS Internet

The province we will be focusing on for this study has 1400 staff members and offices in Durban, Pietermaritzburg, Pinetown and Umhlanga and Umlazi.

A further breakdown of the staffing numbers is given in table 4.3 over the past four years. This table indicates how the staffing numbers have dropped over the years.

Table 4.3

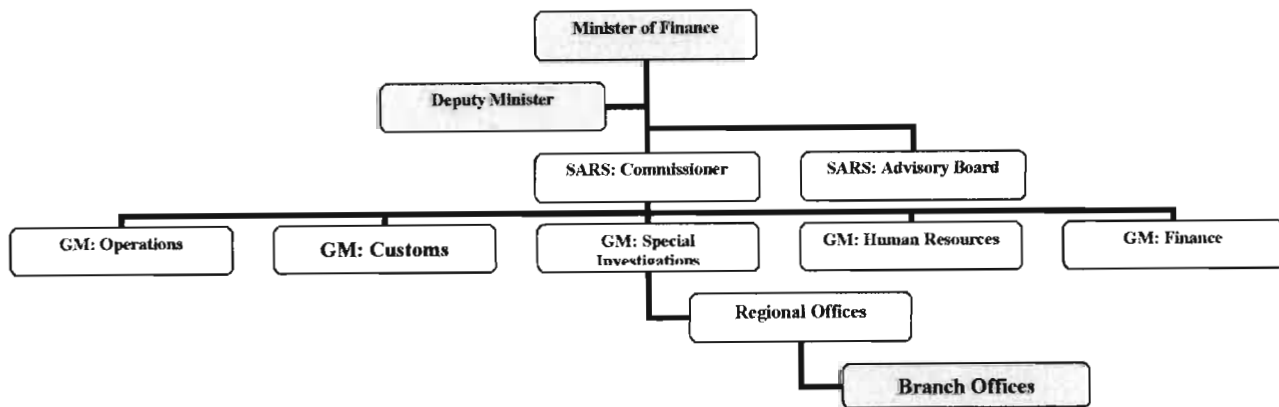
Date	Total	Male				Female			
		African	Indian	Col	White	African	Indian	Col	White
Mar 1998	11950	1278	370	225	1923	1454	489	335	5876
Mar 1999	12036	1365	227	377	1899	1575	342	500	5751
Mar 2000	11074	1317	223	363	1664	1507	327	479	5194
Mar 2001	10875	1369	219	346	1570	1576	318	487	4990

Source: SARS Internet

4.2 Organisational structure

Until recently, the structure of SARS has been based on a very steep hierarchy. There are 42 branch offices scattered around the country. These are grouped into regional offices which report to Head Office. At Head Office there are functional divisions that are headed by the General Managers. The General Managers then report to the Commissioner who reports to the Department of Finance through a Deputy Minister of Finance. Branch managers who report to the regional managers manage the branch offices.

Figure 4.2



Source: SARS Internet

With a steep structure comes the bureaucracy and delays in decision making. The different offices to a large extent have their own way of doing things. The management competency levels in offices and regions are very low and in most cases managers are very autocratic. This is as a result of the seniority promotion system, which saw people, being promoted into positions due to seniority in the organisation and not necessarily competencies.

The ability of managers to communicate to their staff has always been a problem in the organisation. This was noted in the two diagnostic exercises that were

independently conducted by two consulting firms at different times in the organisation's history.

4.3 CULTURE

The organisation has had a dysfunctional culture over the years. In a diagnostic conducted by Deloitte & Touch Consulting in 1996 on SARS culture it was noted that a more robust approach to change the culture had to be taken.

Changing culture of the SARS to achieve a performance and business orientation will require a significant and sustained effort over quite a long period of time (18 to 24 months). It will not come about through part time or ad hoc efforts in a short space of time. It needs a focused attack on the complacency of the past and a dedicated commitment to building up the SARS from its new foundations. Should it not be possible to approach it from this point of view, the effects of embarking on the culture change process will have a more negative impact than a positive one. (Deloitte and Touch Consulting Study on SARS culture, 1996)

4.4 REWARD SYSTEM

The organisation used the rank system until it was replaced recently with the Hay system. The reward system was not geared to encourage teaming and did not differentiate superior performance. This also had a lot to do with the absence of a proper performance management system.

In 1997 a collective bonus system was introduced in the organisation. This was linked to the collections target and was anything between 10% to 48% of staff's annual salaries. This was in place for 3 years. It did not lead to the required changes in the organisation and in most cases people who did not deserve it were also rewarded because it rewarded everyone irrespective of performance.

The organisation is also introducing a more equitable performance management system that will take into account the collective or team performance as well as the individual performance.

4.5 THE HISTORY OF CHANGES IN SARS

Pre-October 1997

The Department of Inland Revenue was formed under the Treasury Department. The process of integrating customs and excise with the department of Inland Revenue started the first wave of transformation in the department. On the tax front there was an introduction of VAT which replaced GST. The Revenue Collections Agencies of the former TBVC States had to also be incorporated into Inland Revenue after the 1994 elections.

1 October 1997 to 1 October 1999

The second transformation wave was launched after a National Management Forum, which was broadcast to all the offices of SARS. The announcement of this transformation coincided with the announcement of the last payout of the collective incentive bonus.

It was during this period that SARS gained administrative autonomy. Mr. Pravin Ghordan who was then Deputy Commissioner commenting at a live video broadcast to staff said, "With autonomy comes responsibility for managers and employees." The autonomy enabled SARS to improve its workforce by appointing competent managers and rewarding them differently to the rest of the public sector.

This transformation that was announced to SARS staff by the Deputy Commissioner flanked by the Commissioner, Deputy Finance Minister and the Finance Minister, was clearly outlined to staff via the video link.

The transformation covered information technology, Human Resources and organisational changes and was supposed to start in June 1998 to January 1999.

Table 4.4

Transformation Issues June / July 1998

Human Resources	Information Technology	Organisation
<ul style="list-style-type: none"> - Annual salary increases - Fas track career development. - Affirmative Action program. - Bonus for pregnant women during their maternity leave. - Shift allowance for shift workers. 	<ul style="list-style-type: none"> - User ID for VAT. - SARS network rolled out. - New inventory system for customs. - File tracking system. 	<p>R500 000 per region for basic employee needs.</p> <p>Implement interim Head Office structure.</p> <p>Streamline tender processes.</p> <p>Supply equipment needs and furniture needs.</p> <p>Survey of 20 worst offices in the country.</p> <p>Finalize customs transformation.</p>
<p>AUGUST/ SEPTEMBER 1998</p> <ul style="list-style-type: none"> Management planning unit. Customs grading resolved. Human Resources specialists appointed at regions. 	<p>SEPTEMBER 1998</p> <ul style="list-style-type: none"> Personal Computers for the new income tax system(NITS) distributed to offices. Second half of SARS network installed. 	<p>SEPTEMBER 1998</p> <ul style="list-style-type: none"> Move to new Head Offices. Service points in neglected areas (previously disadvantaged). Integrate SARS offices. Improvements to 20 worst offices. Creache in regions.
<p>NOVEMBER 1998 – JANUARY 1999</p> <ul style="list-style-type: none"> New Human Resources system. New grading system. New remuneration system. Implement of Affirmative Action policy. Adult Basic Education 		

Source: SARS Live Video Broadcast, 1998

The speech by the then Deputy Commissioner Mr. Pravin Ghordan covered all the hard and soft issues. The transformation document that was distributed to managers had a step by step analysis of what managers had to do to implement the changes.

This change was not as successful and on interviewing the managers that were present during this time. It was indicated that the organisation was not ready to proceed with the changes. There was no capacity to ensure that the words of the Deputy Commissioner were turned into reality. It was then decided to do a diagnostic to understand where the critical changes can be made.

1 October 1999 to 1 October 2001

The new Commissioner was appointed in November of 1999. The new income tax system (NITS) was implemented in December of 1999 after being piloted in the Benoni office. There were many problems with NITS which led to unhappy stakeholders, and frustration of staff who could not help the taxpayers as a result of problems with the system.

There were a number of Human Resources and reward system changes, the organisation moved from a rank system and introduced the Hay system with an interim performance management system.

At the National Management Forum in June 2000 the plans for an overarching transformation program called Siyakha were unveiled. This was a change program that would see the organisation being split into four key business areas. Processing, Compliance, Taxpayer Service Centre (TPSC) and Customs. It would further see the forty-two branches being reduced into six Processing Centres, Eight Compliance Centres and TPSC offices.

In November 2000 the announcement of the pilot site for Siyakha was made. KwaZulu-Natal (KZN) was chosen to be a pilot site for Siyakha with the intention of rolling out to the other regions of the country once the initiatives had been tested in the KZN.

The regional roll out team was then established in KwaZulu-Natal to oversee the implementation. The road shows took place to communicate to staff and introduce the changes.

In launching the Siyakha change the Commissioner outlined the process that was followed in coming up with the fourteen Siyakha initiatives. He outlined the three months of diagnosis that were undertaken by the consultants and the next phase which will be characterised by the detailed implementation planning. Based on these plans the organisation would then be ready to implement by November of 2000.

CHAPTER 5:

RESULTS

5.1 INTRODUCTION

In this chapter, the results will be described without necessary interpreting them. The chapter will be split into three areas. First the results of the team leaders and managers will be looked at followed by the results of the team members and questionnaire and finally the results of interviews.

5.2 RESULTS FROM TEAM LEADERS AND MANAGER'S QUESTIONNAIRE

This part of the questionnaire was administered to 39 respondents, 30 of which are team leaders and 9 are managers. The team leaders came from the processing side where it was felt that most changes took place and the impact would have been felt more. The managers comprise of the members of the regional roll out team and managers in the Processing Centre. The regional roll out team is a team that was set-up logically to implement Siyakha.

Table 5.1

<u>Position</u>	
Team Leader	30
RROT member & manager (Regional Roll Out Team)	9

Figure 5.1

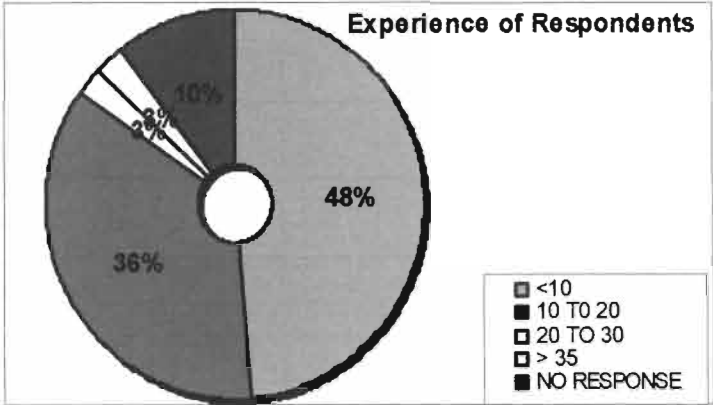
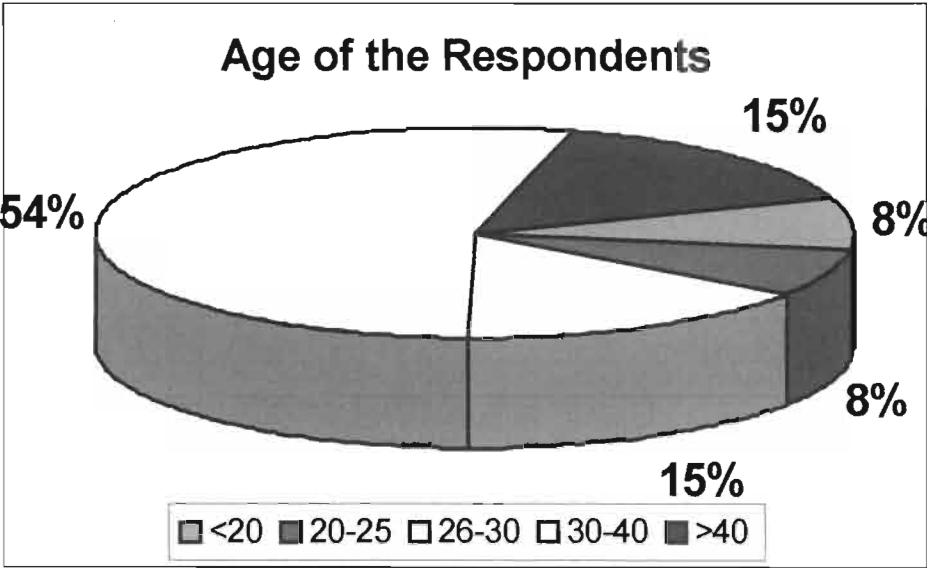


Figure 5.1 shows that the experience of the respondents is in the main less than 20 years. 48% of respondents have been with the company for less than 10 years. There was a 10% non-response to this question. Only 6% of the respondents have been with the organisation for more than 20 years. It was felt that the experience factor would be of significance in the interpretation of results obtained.

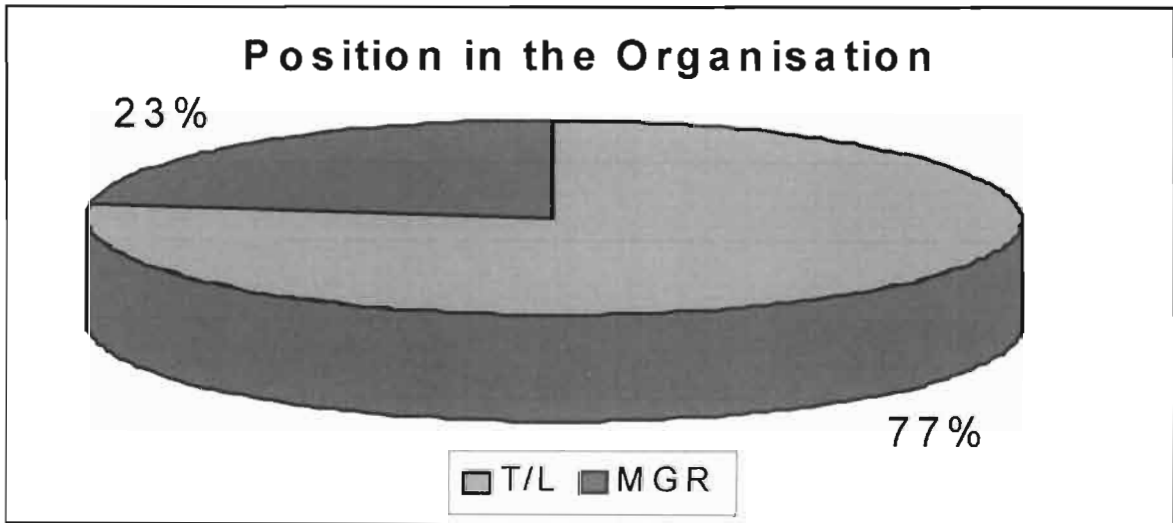
Figure 5.2



64% of the respondents are older than 30 years. This can be significant when read with figure 5.1 as it would indicate that most respondents have probably worked elsewhere before coming to SARS.

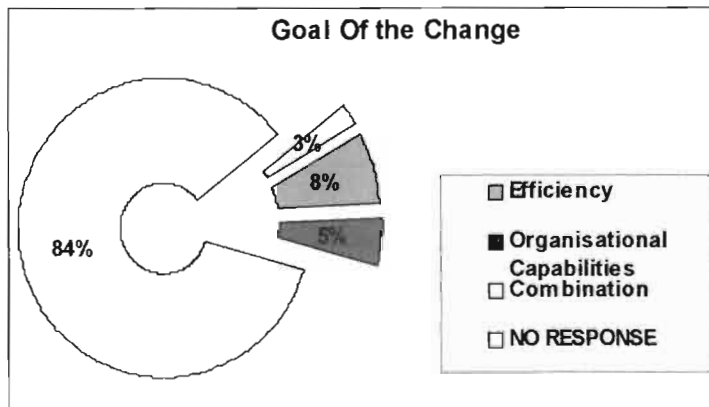
The race group and gender of the respondents was thought to be irrelevant and therefore not looked at in the questionnaire.

Figure 5.3



This indicates in percentages the split between team leaders and managers for respondents.

Figure 5.4



The question asked was focusing on the goal of the change and 84% of the respondents indicated that the goal of Siyakha was a combination of introducing efficiencies and organisational capabilities. 8% felt that the goal was just efficiencies and revenue collections and 5% indicated it was organisational capabilities.

Figure5.5

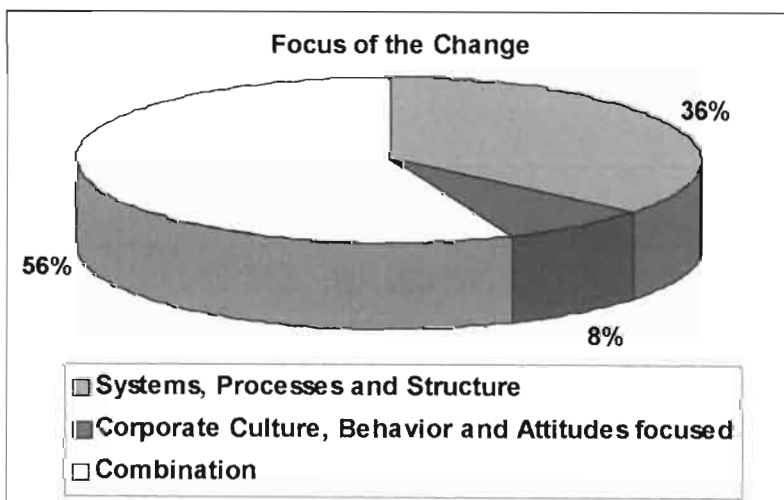


Figure 5.5 indicates the respondent's view on what the focus of Siyakha was. 36% saw the focus as the changing of systems and structure and only 8% saw it as the

changing of corporate culture. It is important to note that 56% saw the focus as a combination of changing systems and structures and corporate culture.

A further analysis of the 56% was done to ascertain the split between the two for those respondents who thought it was a combination.

Figure 5.6 indicates the split with the first number representing option A in the questionnaire (systems and structures) and the second representing option B (corporate culture, attitudes), e.g. 80/20 would mean 80% systems and structure and 20% culture, attitudes and behavior. It appears the majority as indicated by the largest bar are of the option that the focus was split 70% systems and structure and 30% culture. This is followed by a 80/20 split and lastly the 50/50.

76% of respondents who chose the combination option still indicated that the direction of the focus of Siyakha was on systems and structures.

Figure 5.6

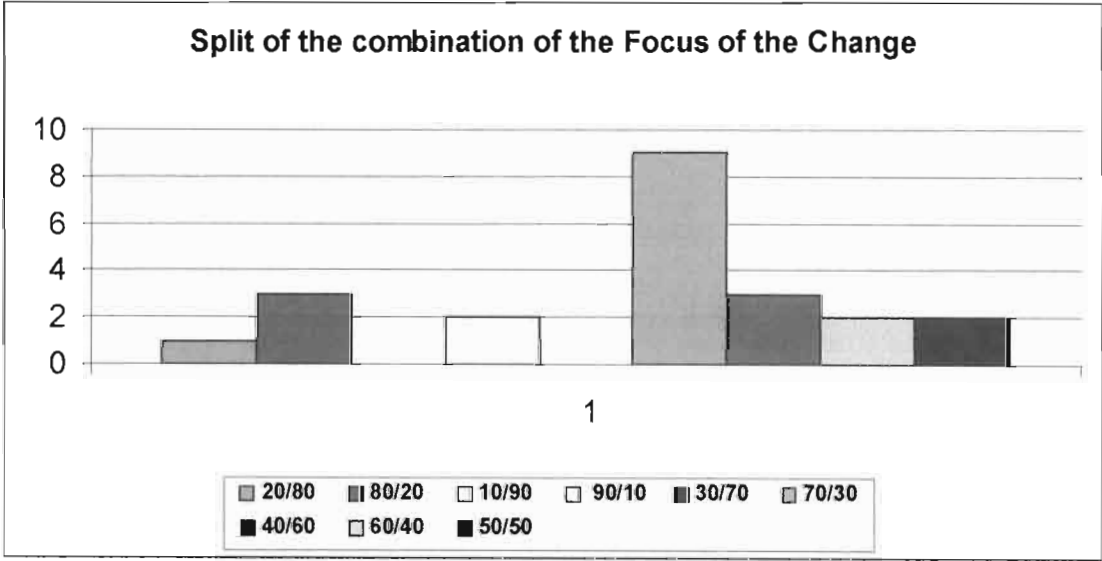


Figure 5.7

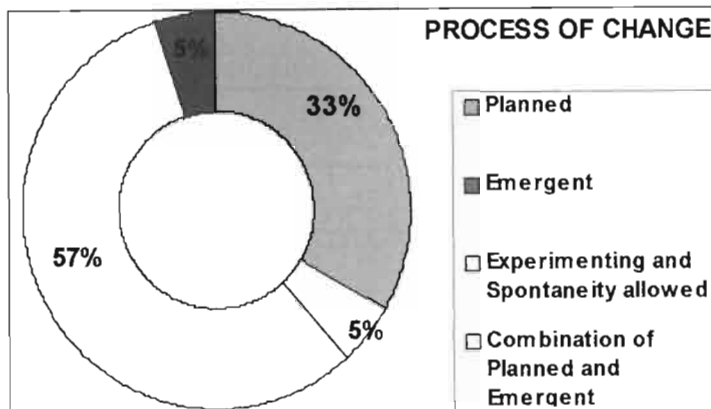


Figure 5.7 indicates that 33% of the Siyakha change was planned, with 5% indicating that it was emergent and another 5% indicating that spontaneity and experimenting were allowed. 57% indicated that it was a combination of planned and emergent.

A further analysis of the combination is shown in figure 5.8 with the first number indicating planned and the second indicating emergent, e.g. 80/20 means 80% planned and 20% emergent. A greater proportion of respondents indicated a 80% / 20% split and overall 68% of the respondents indicated that the change was more planned than emergent.

Figure5.8

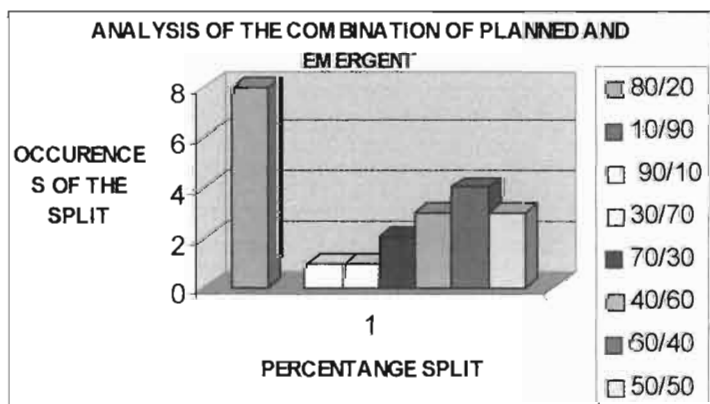
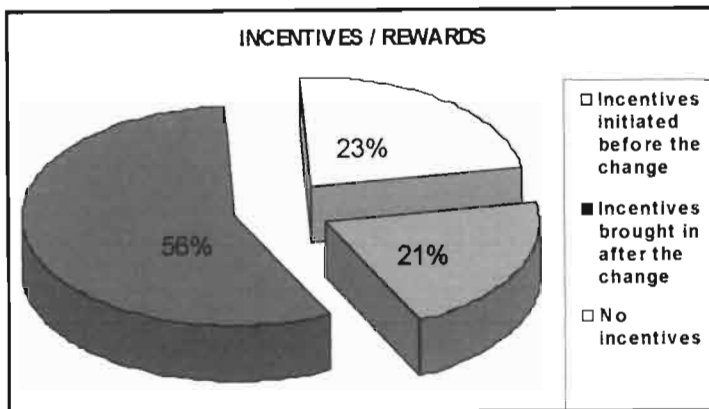
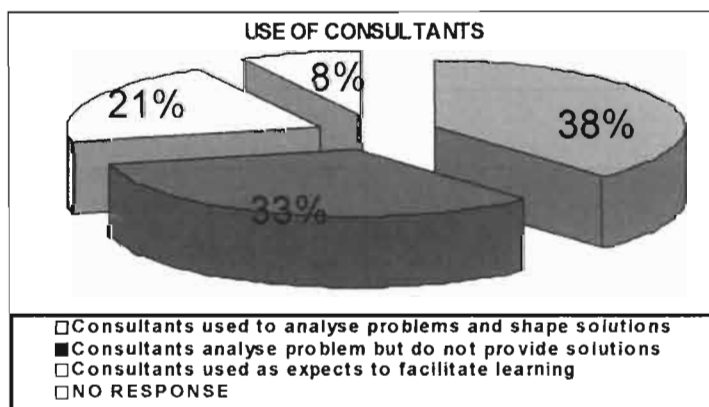


Figure 5.9



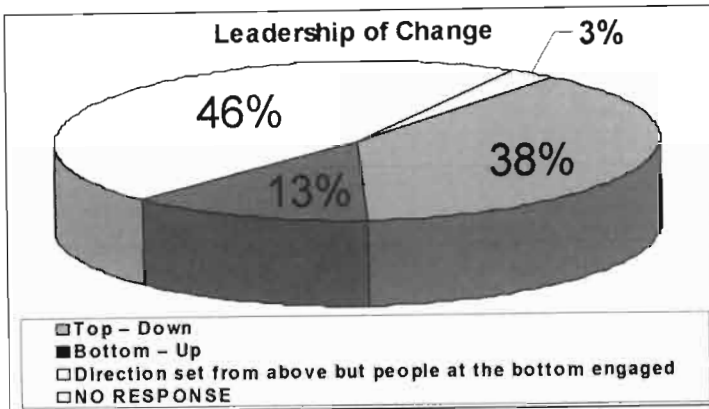
The intention of the question was to evaluate if the rewards were leading or lagging the change. Figure 5.9 indicated that 56% of respondents think that the rewards were brought in after the change when 21% believed they were brought in before the change. 23% are of the view that no incentives were given at all.

Figure 5.10



The question was looking at the manner in which the consultants were used in Siyakha. 38% indicate that the consultants were used to analyze and provide solutions to the problems. 33% of respondents were of the opinion that the consultants were only used to analyze problems and the organisation then provided its own solutions. 21% indicated that consultants were used as experts and facilitators to support the organisation through the change period. There was an 8% non-response which could have been as a result of not understanding or not knowing the answer.

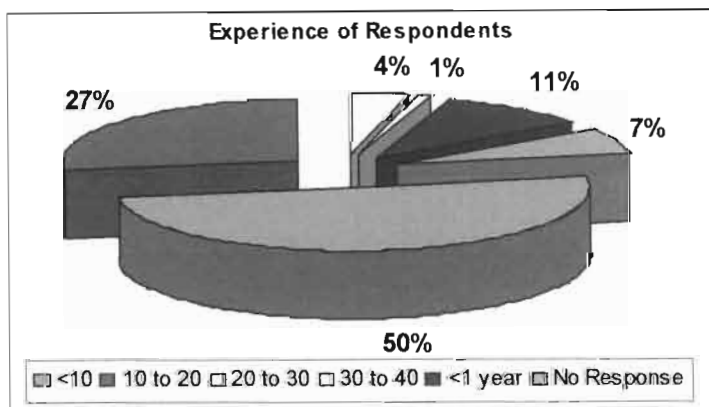
Figure 5.11



This question was looking at the leadership of Siyakha and 38% of the respondents indicated that this was a top-down process when only 13% thought it was a bottom-up situation. 46% of the respondents felt that the direction was set from above and then the people from the bottom were engaged.

5.3 RESULTS FROM THE TEAM MEMBERS QUESTIONNAIRE

Figure 5.12

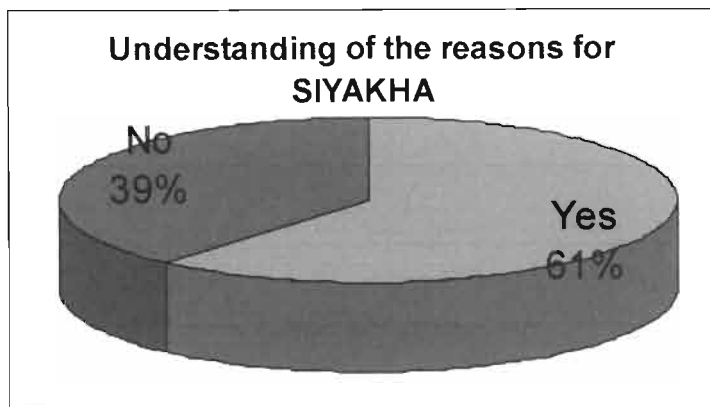


The questionnaire administered to team members focused on only leadership and focus in terms of our constructs. The reason for this as mentioned in chapter 3 is that it was felt that team leaders would not have been able to evaluate the other 4 contrasts being goal, process, reward system and the use of consultants. There were 321 respondents to the questionnaire and these were administered to staff in groups of 30 at a time.

50% of the respondents have less than 10 years experience at SARS. 27% are between 10 and 20 years and 5% are above 20 years. 11% of the respondents are less than a year in the organisation; there are a high number of temps, employed recently in the office.

5.3.1 RESPONSES FOR THE LEADERSHIP DIMENSION.

Figure 5.13



The question asked was looking at evaluating the understanding of the reasons for Siyakha. At a very elementary level, an understanding of the reasons for Siyakha would have been required for team members to be involved and take ownership of the process. You will note that this question did not ask about participation directly, but it goes to the core of the matter as it looks at the understanding behind participation. For team members to be engaged they would have to have an understanding.

61% of team members indicated an understanding of the reasons for Siyakha, with 39% not understanding.

Figure 5.14

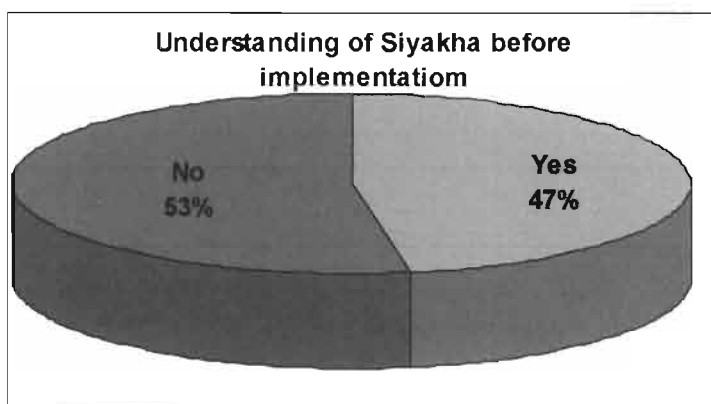


Figure 5.14 examines the understanding of Siyakha before the implementation when figure 5.15 looks at the understanding after the implementation. The idea here was to check the level of engagement in a sense that if team members were not engaged before the implementation, their involvement during the implementation would have had some impact on their understanding. There was a 16% understanding improvement after the implementation of Siyakha.

Figure 5.15

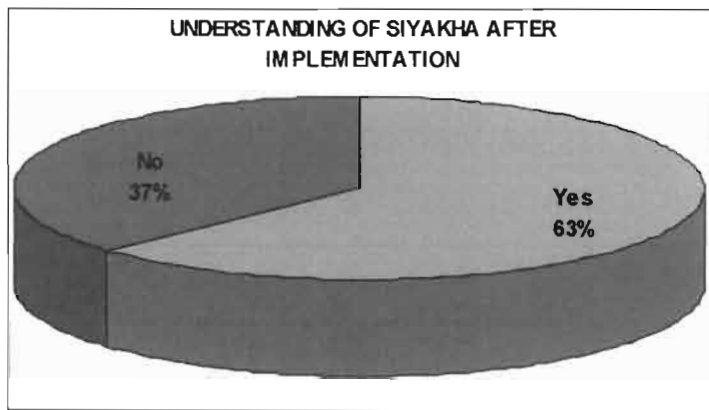
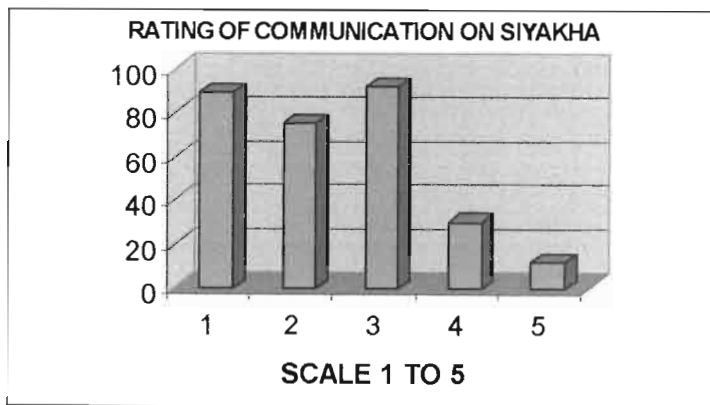
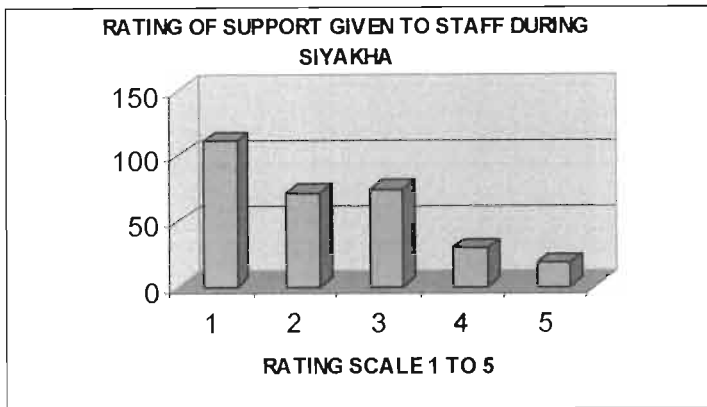


Figure 5.16



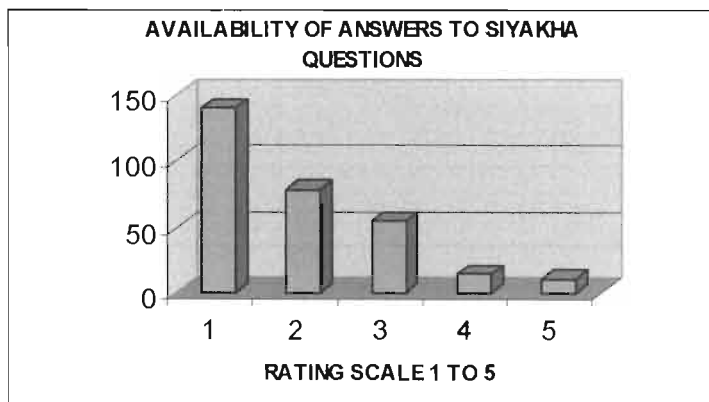
Respondents were asked to rate communication on Siyakha on a likert scale. Where 1 would be poor and 5 would be good. The indication is that communication was between poor and average.

Figure 5.17



The question aimed to explore the issue of support to staff during Siyakha and did not specify the kind of support referred to. This was intended to be an open ended question to look at support in general. Part of engaging staff on change includes giving support in general from emotional to expert advice on work related solutions. Figure 5.17 indicates that the support ranged from poor to average.

Figure 5.18



The intention of this question was to look at the level of support in the form of information to staff. There must be a level of openness for any meaningful engagement to take place. Figure 5.18 indicates a very poor showing in this regard.

5.3.2 RESPONSES FOR THE FOCUS DIMENSION

Figure 5.19

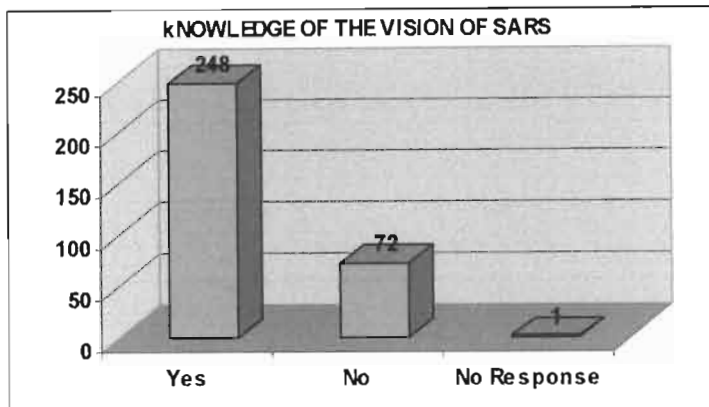
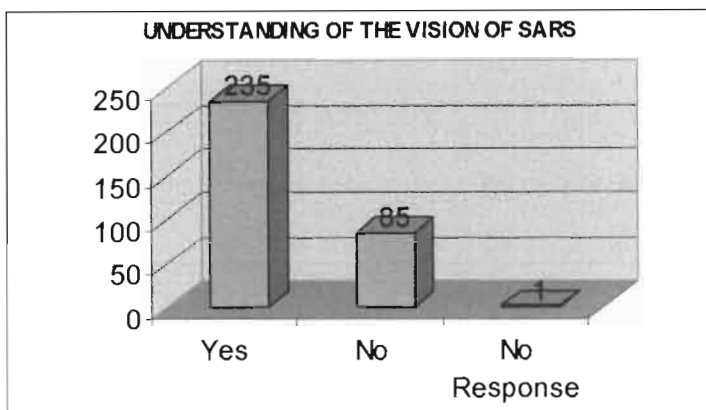


Figure 5.20



The knowledge of the vision was looked at a part of evaluating the corporate culture issues. 77% indicated the knowledge of the vision.

To go beyond knowledge, the understanding was explored. Figure 5.20 indicates a good understanding of the vision as well.

5.3.3 SUMMARY OF QUESTIONNAIRE RESULTS.

<u>Dimension</u>	<u>Results</u>	<u>Verdict</u>
<u>GOAL / PURPOSE</u>		
A	8%	
B	5%	C
C	85%	Combination of E&O
<u>LEADERSHIP</u>		
A	30%	
B	13%	C
C	46%	Direction set from above
<u>FOCUS</u>		
A	36%	
B	8%	A
C	56% (76% a- 24% b)	
<u>PROCESS</u>		
A	33%	
B	5%	A(Planned)
C	5%	
D	57% (68% a – 32% b)	
<u>REWARDS</u>		
A	21%	
B	56%	B
C	23%	
<u>CONSULTANTS</u>		
A	38%	
B	33%	A
C	21%	

5.4 RESULTS OF INTERVIEWS

The interviews conducted were based on the six constructs that are being explored with Siyakha. Some of the interviews were done telephonically based on structured questions.

The managers interviewed were part of the team at Head Office that was involved in the Siyakha initiatives. The two consultants that were interviewed were very actively involved with Siyakha in one form or another.

Goal / Purpose

It emerged from discussions that the goal of Siyakha was to introduce efficiencies by streamlining processes, improving service delivery and closing the tax gap. The emphasis was mostly on the new business architecture for the business.

It was indicated by some of the respondents that though, the development of the organisational capability was not the immediate focus, this would have come about through training on the new processes and work ethics.

Leadership

There was agreement amongst the respondents that the leadership of Siyakha change was from Top-Down. Decisions were centralised to the Executive team at Head Office.

Focus

The focus of Siyakha was on the business processes, it emerged from discussions with some of the managers at head office that by changing business processes, SARS hoped that the culture would be changed as a result of changed work flows and the teaming concept that would be introduced. There was however no active strategy to change the culture.

Process

Siyakha was planned from the top with very little room for spontaneity or deviations. The plan was communicated to staff and stakeholders. All the changes to the plan were coordinated from the top and decided at the Executive level.

Rewards

There were no rewards offered at the beginning related to Siyakha. A special bonus was given to people at Head Office and branch offices for work done on Siyakha. There was agreement amongst the respondents that there were no rewards or incentives related to Siyakha that were issued to staff.

Use of Consultants

There was initially a heavy reliance on consultants to analyze the problem and come-up with solutions. Later on in the process, the solutions as suggested by consultants were refined by the project teams.

5.4.1 SUMMARY OF RESULTS OF INTERVIEWS

Goal / Purpose

- Efficiencies and achievement of revenue target.

Leadership

- Top-down with some engagement from Head Office people.

Focus

- Structure, processes.

Processes

- Planned

Rewards

- No Siyakha related rewards

Use of consultants

- Moved from full reliance to partial.

CHAPTER 6

DISCUSSION

6.1 INTRODUCTION

In this chapter an interpretation of the results obtained will be done. A discussion on the results will be done for each construct identified to get a full view of the approach to the management of change at the SARS. The findings will also be related back to the theory and published work. Differences and similarities with theory will also be explored.

In the end, the researcher will make generalizations from the findings and also discuss the appropriateness of the methodology and data collection as well as the effect on professional practice.

6.2 GOAL

There appears to be a combination of E and O being utilised at SARS but it is worth noting that to a large extent, there is bias towards the E Theory as confirmed by interviews.

“SARS’s transformation programme will fundamentally change the way in which it conducts business. The starting point is re-engineering of processes to improve turnaround times service quality, and reduce administration costs”

(SARS Annual report 2000/2001:19)

The Goal of the change at SARS as captured in the annual report was more towards enhancing the economic value of the organisation. The interviews with the Programme office indicated that it was hoped that the culture would be changed by the introduction of new processes.

There were no specific activities that were focused on creating a different culture. Staff felt a change in culture particularly in the processing centre because of working in teams.

Organisational capability should also be looked at from a point of view that ensures that the organisation is able to react and adapt to changes in the environment. This capability can be in the form of skills like project management or problem resolution skills. For SARS it can be the ability to motivate staff and engage them. There is also a need for facilitation skills that are necessary for the organisation to be adaptive and use Real Time Strategic Change (RTSC).

For SARS it might have been necessary to have a goal that produces results quickly, because of possible ramifications politically from a tax collection point of view and the pressure for delivery on service. This approach will produce quick results in the short run.

The theory indicates that organisations that take this route end up cutting not only the fat but the muscle of the organisation in an attempt to produce quick results. Most of these organisations are able to produce results in the short run but end up being bought by their competitors as they fail to sustain their performance.

Organisation in the public sector might not suffer the same fate in terms of being sold to their competitors, but they may find themselves not able to sustain their performance and also getting pressure politically to have a change in management.

6.3 FOCUS

There is a clear indication that the focus of Siyakha was on the systems, process and structure. Even though respondents in the questionnaire indicated a combination, it is important to note that the majority still felt that structures and processes dominated.

Apart from introducing the teaming concept in the work place, there was no effort put in place to ensure that the culture of SARS is changed by this process.

Teaming can help to change the culture but it would not be appropriate to hope that it will be the sole vehicle through which culture can be changed.

As mentioned in the literature review, employees invest structures with meaning and just changing the structure without changing the meaning is a fruitless exercise as informal structures and behaviour will still be maintained.

Changing structures can have an immediate effect in an organisation particularly when there are problems of resistance and non-cooperation. This might as well be the best thing to do in a public sector organisation given the entitlement mentality that may exist.

For SARS with a legacy of ranks promotions and lack of skills, it may be appropriate to change structures and bringing in new and capable managers at strategic points. The important issue here is that for the public sector, managers may find themselves with no choice but to change the structure in order to capacitate the organisation so as to move it forward.

In the evaluation of the situation at SARS, in most cases, the executives have a clear view of where they want to take the organisation. Promises of a better future are made to staff but the delivery does not usually happen as there often is no capacity to make things happen.

At a live broadcast in April 1999, the Commissioner who was then Deputy Commissioner Mr. Pravin Gordhan spoke passionately about changing the culture and management styles to that of being transparent and participative. This did not see a light of day, as the structure could not support this ideal.

The view held by the researcher is that for an organisation such as SARS, it may not be possible to effect any change without starting with the structure as one cannot hope that these structures will change as a result of the changed vision.

6.4 LEADERSHIP

The indication from the questionnaire is that there was involvement from staff in the implementation of Siyakha. On the other hand 38% of the respondents felt that the Siyakha change was driven from the top-down. The interviews indicated that the change was led from the top. There were a few people from the branch offices that were incorporated in the project teams. The mass engagement of staff did not happen except during the implementation phase. The ordinary team member in an office in one of the regions would not have felt that he contributed to the mapping out of Siyakha and finding the best solution.

The ideal situation is to have a mass mobilisation of staff to ensure that they can be part of designing the future of the organisation. Private sector organisations can feel comfortable doing this because the level of competency might be high and the performance management systems and pay for performance (differentiation) might be in place.

The public sector would be different in that the Human Resources systems are usually weak, the levels of commitment very low and skills shortage very high. Given these circumstances, SARS found itself with no option but take the top-down approach. Whilst there is acceptance that people at the coal face usually know what the best solutions are, but this notion assumes that there is a common vision that everyone is committed to. In an organisation where there is an entitlement mentality, you cannot expect people to set stretch targets for themselves.

The staff in the KZN region of SARS was communicated to on Siyakha, however, communication is not the same as involvement. (Informing people is not the same as involving them)

Circumstances in the public sector dictate that, a top-down leadership of change until a critical mass of company evangelist (change agents) is created.

SARS found itself in a similar situation where there was no critical mass for support and as a result it would have been disastrous to advocate for a different approach.

It is also important to note that the fact that some managers at SARS did not have a business background, led to them taking a top-down approach as they were not confident in their own abilities and did not trust the masses either. This can also explain the extensive use of consultants.

6.5 PROCESS

The interview results confirm the results that we obtained from the questionnaire on this issue. Both methods conclude that Siyakha was a planned process of change. No spontaneity or creativity was entertained. 57% of respondents indicated that Siyakha was both planned and emergent, but 68% of those indicate that the split was more in the direction of planned as opposed to emergent.

The literature indicated that a planned change goes hand in hand with a top-down leadership style with management insisting on a battle plan before any action can take place. All the previous change initiatives at SARS have been meticulously planned. The view held by the researcher is that when there is pressure to deliver, be it from shareholders in the private sector or government and the public, it may be prudent to take a planned approach initially. This can be followed by an emergent approach once there was enough progress made.

The view held here is based on an understanding that it is easy for things to go wrong in a big organisation like SARS and allowing things to emerge can lead to failed change efforts.

For SARS it made sense to plan each step of the process to ensure delivery on promises made. It is important to note at this stage that changes to the plans can always be made when there are changes in the environment or in the initial assumptions.

These changes to the plans must be co-ordinated from the top.

The current status of SARS necessitates this kind of approach. This must be the approach until the organisation has matured enough or the culture has changed to enable an emergent approach. One can argue that allowing an emergent approach can be a catalyst to bring about culture change. This would be a chicken and egg argument the researcher holds the view that in public sector organisations a planned approach to change might not be a bad thing. Senior managers must be able to read the environment and adopt a different approach when the organisation is ready.

6.6 REWARD SYSTEMS / INCENTIVES

The issue here is whether incentives are used to lead or lag the change process. The interview results indicate that no incentives were put in place for Siyakha in particular. The questionnaire respondents indicated that incentives were lagging the Siyakha change. The true position is that Siyakha did not have any specific incentives or rewards linked to it.

There was an agreement that was signed with unions indicating that, as employees are multiskilled, through teaming, they would have increases in salaries. This would be affected at the end of one year from the implementation date. The respondents could have had this in mind when responding to this question.

It is the researcher's view that there could have been a problem of understanding which would raise the issue of validity for this question; however through triangulation this problem can be overcome.

The Theory on leading and lagging incentives states that if incentives lead, the organisation might find itself committing too soon to rewarding a set of behaviours

that it might not want to encourage in the future. On the other hand there is a view that incentives are not real motivators based on Herzberg (1968). Incentives would be hygienic factors which do not motivate but only prevent dissatisfaction.

The history of SARS on the reward and incentive systems is not a very good one. There have been various attempts to move away from a collective bonus scheme that did not recognize individual performance, to the one that encourages teamwork while at the same time differentiating performance. At the time of implementing Siyakha, the organisation was in a process of finalising the grading system.

It is the view of the researcher that the use of incentives for leading or lagging Siyakha change would have compromised the project due to the many pay issues that are still unresolved in the organisation and were not completed on time. It had the potential of conveying a message that the same fate would befall Siyakha. It was a good decision to leave incentives out of this process and pay people in the normal way for work done.

6.7 USE OF CONSULTANTS

The issue here was on the manner in which the organisation uses the consultants. The literature indicates that the Theory E approach will most likely be heavily reliant on consultants with the consultants analysing the problem and shaping the solutions. Theory O changes use consultants to analyse problems but allowing the organisation to craft its own solutions while providing support and advice.

The results from the questionnaire and the interviews tend to agree that during Siyakha, SARS used consultants to analyse problems and provide solutions as well. It came out from the interviews that this position changed as time went on. The project team started to gain confidence and took ownership of the process of finding solutions.

One of the reasons why any organisation might use consultants is because they do not have the capacity to do the work themselves. SARS can be put in this category, the lack of training and shortage of skills might lead to an increased need to use

consultants. The problem of non-committed managers can also be overcome by utilising consultants to bring about some of the required changes.

Even though the researcher would support the use of consultants by SARS, it would be important to mention that SARS must be wary of over reliance on consultants, as this can be expensive indulgence.

Special initiatives should be put in place to develop a team of internal consultants that will work closely with external consultants and develop the required skill within the organisation.

6.8 **SUMMARY OF FINDINGS**

Table 6.1 gives a summary of the findings

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

Source: Adapted from Braking the Code of Change (Beer and Nohria, 2000)

The (E) indicates the theory used.

The findings clearly indicate that there was use of theory E in the implementation of Siyakha. As discussed previously, this might not be sustainable in the long run.

6.9 GENERALIZATIONS

Given the discussions above, we would like to make some generalizations around the topic at hand. The approach to change in the public sector needs to have a different model as we believe that there are unique problems that cannot fit nicely in the existing models.

A summary of the results indicates that the situation in the public sector organisations does not necessarily fit in neatly into Theory E, Theory O or Combination (RTSC). Some elements resemble these theories but some do not.

The unique circumstances that advocate for a different model are:-

- **Increasing pressure to perform and do it within a short period of time**
- **Lack or shortage of skill in the public sector**
- **Entitlement mentality**
- **Poor Human Resources and reward systems**
- **Weak culture (strong dysfunctional culture)**
- **Capacity problems in terms of the ability to implement initiatives**
- **Inability to communicate openly with staff at all levels and in a forthright manner.**

SARS is a good model for a typical public sector organisation and also these problems are likely going to be experienced generally in the public sector.

6.10 PROPRIATENESS OF METHODOLOGY AND DATA COLLECTION

The choice of a case study method to study this topic was appropriate given that there is not much information on the public sector's approach to change in the South African context (White, 2000). It allowed the researcher to focus on specific items of the topic within a controlled environment.

The methods to collect data were also appropriate with a few exceptions. The questionnaire administered to team members could have been structured differently to focus directly on the constructs. Overall the researcher is of the opinion that the questionnaire and interview methods were appropriate. Triangulation helped to overcome any shortcomings that may have been present in the methods.

6.11 EFFECT OF STUDY ON PROFESSIONAL PRACTICE.

Any professional that is about to embark on change in South Africa must take note of the unique circumstances that obtain in the South African public sector alluded to above. In addition the following must be considered:

- A possibility of a unique model that would sequence the approaches to change on specific aspects not on the whole approach.
- A sequencing plan for all the six dimensions of change.
- A shortage of skills in the public sector and the importance of creating a critical mass of change agents to move the organisation forward.
- Acknowledging that the Human Resources systems are usually very weak in the public sector, and a need to focus on fixing the problems in Human Resources to ensure they can support the change effort.

CHAPTER 7

CONCLUSION

The ability to lead change in an organisation is going to gain more prominence in the coming years. The main reason is that the speed with which technology and the environment is changing dictates that organisations need to change at an even faster pace just to keep up.

One writer once said 'I come from the world that no longer exists'. This captures in a nutshell what the modern world is faced with. The ability to lead effective change is slowly becoming a source of competitive advantage to organisations. This is because implementing a business strategy is a change management process and any organisation that is unable to execute strategy effectively will be out in the cold in no time.

The efficiency through which change is led in organisations is to a large extent also determined by the approach that is adopted by the organisation. As mentioned previously, there are three main theories in operation in organisations today. (Beer and Nohria, 2000)

There is theory E which focuses on delivering economic value, Theory O focusing on developing organisational capacity in an organisation and finally, a combination of the two in an attempt to overcome the negative consequences of using a pure form of Theory E and O. The current most authentic model that combines the two theories is the Real Time Strategic Change Model (RTSC) (Jacobs and Mckeown, 1994).

Much of the literature in this area has looked at change in a generic sense and assumes that these principles will be applicable in the private and public sector organisations.

The assumption might indeed be true, but there is a contention that there are differences in the private and public sector organisations, which make the application of the principles very difficult, or more challenging in the public sector.

In South Africa, since the new government took over in 1994, the public sector has been under pressure to deliver. This is partly as a result of the expectations of the masses that voted for a democratic government expecting a better life for themselves and their families. The government, faced with the pressure to deliver has brought in changes in its public sector to be able to handle the new challenges. It must also be borne in mind that the public sector in the old South Africa was not geared to serve the majority of the people. These challenges have led to pressure being put on an incapacitated public sector to deliver.

The study set out to explore the approach to change management in the SARS. This was for the purpose of the study used as a typical case study. The approach was studied using the six dimensions of change that determines the approach. The focused was put on one change initiative that recently took place at SARS in the KZN Region, and the main findings were as follows:

1 The SARS was facing a number of unique circumstances that influenced its approach to change management.

- Lack of commitment
- Lack of skills and capacity
- Public service mentality (entitlement)
- Poor Human Resources systems

2 Poor implementation capacity where the leadership maps out the direction but there is no implementation. This might also be as a result of the non-existence of a performance management system.

3 Theories in literature can not be applied in their pure form because of the unique circumstances as explained above. SARS's approach can be said to be a combination of the various elements from each theory with a strong inclination towards theory E.

Table 7.1 gives a suggested sequencing of activities that might work for SARS given the unique circumstances.

This approach is favored as it ensures that the organisation can slowly migrate to the combined E and O approach. This migration will happen in phases ensuring that the organisational capacity and maturity is developed along the route to ensure that the organisation will be able to cope with a combined approach.

Table 7.1

Dimensions of Change	Phase 1	Phase 2	Phase 3
Goals	Explicitly embrace the paradox between economic value and organisational capability (E & O)	Explicitly embrace the paradox between economic value and organisational capability (E & O)	Explicitly embrace the paradox between economic value and organisational capability (E & O)
Leadership	Manage change from the top-down (E)	Set direction from the top and engage the people below (E & O)	Set direction from the top and engage the people below (E & O)
Focus	Emphasize structure and systems (E)	Build up corporate culture: employees behavior and attitudes (O)	Focus simultaneously on the hard (structures and systems) and the soft (corporate culture) (E & O)
Process	Plan and establish programs (E)	Plan and establish programs (E)	Plan for spontaneity (E & O)
Reward systems	Motivate through financial incentives (E)	Motivate through commitment – use pay as fair exchange (O)	Use incentives to reinforce change but not to drive it (E & O)
Use of consultants	Consultants analyse problems and shape solutions (E)	Consultants support management in shaping their own solutions (O)	Consultants are expert resources who empower employees (E & O)

Alphabet in parenthesis represents the applicable theory.

7.2 Implications of study

The approach to change in the public sector, present a challenge to practitioner and it would be incorrect to believe that the same approach used in the private sector can be used for the public sector. SARS can use the study to fine tune its change approach going forward particularly as the roll out of Siyakha continues through out the country.

The practitioners need to look at a system to properly sequence the elements of the change to get the best fit in terms of the approach to change and the state the organisation is in.

Even though the study was limited to KwaZulu-Natal, it would be helpful to look at the whole country as soon as the roll out of Siyakha is completed.

7.3 Recommendations for further study

There is a need to further study change management in the public sector particularly in the South African context. The objective of this study was to cover in broad terms the approach to change management in the public sector. There are issues like resistance to change and culture change that can provide more clarity on the subject. It is important to study other public sector organisations such as Eskom and the DTI to form a far reaching view of the subject of change management in the public sector.

7.4 Concluding Remarks

The public sector in South Africa is going through trying times as demands for delivery are gaining momentum. The challenge is to get these organisations to operate along business principles. To be able to do this there would be a need to enforce business disciplines in the organisations. This will certainly entail a great deal of change and a paradigm shift from management and staff in these institutions.

These challenges can be overcome if the organisations are able to manage change effectively. The only problem with this last statement is that there is very little in the form of literature on managing or leading change in public sector organisations. The managers in the public sector then find themselves between the rock and a hard place in that they realise that they have to transform the organisations they lead for them to deliver to the public, and yet they do not know how to do it.

The assumption that the change management models and approaches that are used in the private sector can be equally applicable in the public sector fails to take into account the unique challenges that the public sector in South Africa has to deal with.

This study explored the approach that SARS uses to manage change in an attempt to gain insights into the approach that is used in the public sector. The study uncovered various circumstances that will make the application of the theory very difficult and ineffective.

The suggested approach is a mixture of activities that are meant to take into account the unique circumstances in the public sector. This approach eventually gravitates towards the combined theory E and O over a period of time.

This was a limited study; therefore it would be useful to expand on this study by studying other public sector organisations going through change of one form or another.

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APPENDIX

Managing Change at the SARS

This Questionnaire relates to the changes that were brought about by SIYAKHA (Change Program) at SARS. The questions are for academic research purposed only.

1. How many years' service do you have with SARS?
2. How old are you?
<20 20-25 26-30 31-40 >40
3. What Position do you occupy in the organisation?
Team Member _____ Team Leader _____ Manager _____

Goal/Purpose of Siyakha:

- A. Ensure efficiency and the achievement of the Revenue target.
- B. Build the Culture and Capabilities of staff in the Organisation.
- C. A combination of A and B.
- D. Do not Know.

Leadership: (How were the changes led?)

- A. Top – Down. (Senior Management Making all the decisions)
- A. Bottom – Up.(Participation from staff)
- B. Direction set from above but people at the bottom engaged.

Focus: (What was the focus of the change?)

- A. Systems, Processes and Structure.
- B. Corporate Culture, Behavior and Attitudes focused.
- C. Both A and B give percentage: A:

B: _____
100%

Process/Planning (How was the Change Process Managed?)

- A. Planned.
- B. Emergent.(No specific Plan but Adaptive)
- C. Experimenting and Spontaneity allowed.
- D. Combination of planned and emergent, give percentage:

Planned: _____
Emergent: _____
100%

Reward System (When were the change related incentives introduced?)

- A. Incentives initiated before the change.
- B. Incentives brought in after the change.
- C. No incentives.

Use of Consultants

- A. Consultants used to analyse problems and shape solutions.
- B. Consultants analyse problem but do not provide solutions.
- C. Consultants used as experts to facilitate learning.

Thank you for your help.

KZN CHANGE MANAGEMENT STAFF QUESTIONNAIRE

1) HOW MANY YEARS/MONTHS SERVICE DO YOU HAVE WITH SARS?	YRS	MTHS

2) WHAT IS YOUR POSITION IN THE ORGANISATION NOW?	TEAM MEMBER	TEAM LEADER
3) WHAT WAS YOUR POSITION BEFORE SIYAKHA ?		

LEADERSHIP: (HOW WAS THE CHANGE LED)

4) DID YOU UNDERSTAND THE CHANGES AS BROUGHT ABOUT BY SIYAKHA BEFORE IMPLEMENTATION?	YES	NO
5) DID YOU UNDERSTAND THE CHANGES AS BROUGHT ABOUT BY SIYAKHA AFTER IMPLEMENTATION?		
6) DO YOU UNDERSTAND WHY SIYAKHA HAD TO BE IMPLEMENTED AT SARS?		

ON A SCALE OF 1 TO 5 GIVE A RATING ON THE FOLLOWING QUESTIONS:

	1	2	3	4	5
10) COMMUNICATION ON SIYAKHA?					
11) SUPPORT FOR STAFF THROUGH THIS PROCESS?					
12) AVAILABILITY OF ANSWERS TO STAFF QUESTIONS?					

FOCUS (WHAT WAS THE FOCUS OF THE CHANGE)

7) DO YOU KNOW THE VISION OF SARS?	YES	NO
8) DO YOU UNDERSTAND THE VISION OF SARS?		

9) HOW WOULD YOU RATE ATTITUDES TOWARDS SIYAKHA?	YOURS	OTHERS
- Active Committed Support		
- Supportive Compliance		
- Inert Passivity		
- Active Resistance		
- Revolt		