An Analysis into the Effectiveness of Organisational Development Transformational projects in order to affect Behavioural Change and Alignment of Corporate Strategy, Structure and Culture

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I certify that the report is my own work and all references used are accurately reported.

Signed:

MICHELLE BABAYA
CONFIDENTIALITY

The contents of this report are confidential. Company names and their transformation project names and processes may not be used except by express written permission of the CEO of each company.
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1. EXECUTIVE SUMMARY

A multiple (3) case study approach was employed to investigate the effectiveness of organisational development transformation projects in order to affect behaviour change and alignment of corporate strategy, structure and culture in three large companies in the Western Cape which are currently undergoing transformational change in parallel with simultaneous transformational changes occurring in the country. Woolworths’ new Woolies way (started in 1999), Simba / Frito Lay’s Momentum (implemented in May 1998) and Pick ‘n Pay’s Vuselela (launched in 1996) were analysed. A literature review on strategy, structure and culture, in addition to background on organisational change, organisational development, leadership and other related topics preceded in-depth semi-structured interviews with senior executives / project drivers from each company to gain background information on each project. In Pick ’n Pay, strategy resulted in a structural change, which was followed by a cultural change. Woolworths is still gathering data to help formulate a strategy for the future which has intended cultural changes; structural changes may occur although this is not defined in the scope of this study. Simba's strategy evolved from a structural change and involves a cultural change, which will lead to further structural change. Accompanying all transformation processes is refinement of the company's vision, mission and value system and a change in mindsets of employees as the transformation process unfolds. Common in all three cases, is a change in leadership style from one that is autocratic to one that is more participative. The ultimate test of whether the described transformation processes have been successful is whether they have been effective in affecting behaviour change. This was verified by the workplace changes related by employees on all levels across functions in all three organisations through focus group discussions, albeit varying depth and breadth of change in the different companies. Behaviour change leads to culture change, which brings employees together to work towards a shared strategic goal. Some critical factors for successfully implementing change and building and sustaining organisational capability in the current South African context have been identified, which may prove useful for companies embarking on transformation change processes. Although each company is unique, this research has highlighted the linkages between strategy, structure and culture in organisations undergoing change.
2. INTRODUCTION AND AIMS

The world is experiencing a change revolution. Companies globally are under a lot of pressure to adapt and change internally (strategy, structure and culture) in order to better compete externally. External changes include those on a political, environmental, social and/or technological front. South African businesses have come to realise that change is imperative to maintain a competitive edge in order for economic survival and prosperity.

While President, Nelson Mandela identified three key ingredients to move South Africa forward: South Africans needed to act in unison on critical issues, balancing freedom with responsibilities and developing a culture of respect for others and of self respect. Broadly speaking, the country under Thabo Mbeki has chosen transformation and reconciliation, economic liberation and social delivery as his priorities (Lewis, 1999). In parallel with the country's transformation, many organisations are following suit. To be globally competitive after decades of isolation, companies have acknowledged that they need to change the way they operate.

As South African businesses are a microcosm of our nation, they should be synergised with the national vision of a democracy that pursues consensus, inclusivity and transparency (Boon, 1996). The workplace is perhaps the optimal starting point for changing the culture of the country, aligning employees behind common objectives, subscribing to common values and shaping and selling a shared vision for the future. Change cannot occur on a national or organisational level unless and until there is a fundamental personal change within people. "It is impossible to sustain change initiatives with unchanged people" (Mbigi and Maree, 1995:79). Individuals need to demand accountability and responsibility of themselves before they can expect others to follow. In practice, this translates to empowering people to give them the confidence to do this - for too long in our society people have stood back waiting for others to take the lead.

To survive, organisations need to become more efficient and flexible in adapting to change. "Change, after all is only another word for growth, another synonym for
learning" (Handy, 1991:271). In an address on “Profits and Principles” to an audience at UCT's Graduate School of Business on 4th August 1999, Koosum Kalyan, General Manager of Corporate Affairs at Shell South Africa, spoke of the need for corporate transformation and the role of business in society, not just as an employer. She stated “if companies are not involved in transformation and change, they have no right to be there.”

Change comes in a variety of means: process management (designed to improve efficiencies), strategic change (identifying where a company wants to be and guiding it there), change management (behavioural change and training), technology and systems implementation (Furlonger, 1998). Transforming an organisation to make it strategically competitive is a complex task which can be seen within a three-phase framework, namely: recognising the need for change, creating a new vision, and institutionalising change. It requires new frames for thinking about strategy, structure and people. Transformation requires a new kind of leadership process, one that is systematic, consisting of purposeful and organised search for changes, systematic analysis, and the capacity to move resources from areas of lesser to greater productivity (Tichy and Devanna, 1990).

"A basic distinction can be made between convergent, incremental types of change and transformational change which is organisation wide and characterised by radical shifts in strategy, mission and values as well as suitable changes of structures and systems" (Senior, 1997:22). "Transformation is not just a search for better methods of carrying out what the organisation is already doing. It is about changing the organisation's being...It is not just an intellectual journey. It is a collective social, spiritual and psychological encounter" (Mbigi and Maree, 1995:28). "You may be able to buy someone's hand and back, but you cannot buy their heart, mind and spirit. And in the competitive reality of today's global marketplace, it will only be those organisations whose people not only willingly volunteer their tremendous creative talent, commitment, and loyalty, but those organisations who align their structures, systems and management style to support the empowerment of their people will survive and thrive as market leaders" (Covey, 1998: xii). Organisation culture strongly influences individual and group behaviour and thus
culture, often at the subcultural level, must be altered if permanent change is to occur. (French and Bell, 1995; Schein, 1992). Change management ultimately means modifying behaviour and improving organisational performance.

How things are done in organisations (processes) is as important as what is done. Important organisational processes are communication, problem solving and decision making, resource allocation, conflict resolution, allocation of rewards, human resource practices, strategic management, how authority is exercised, and self-renewal or continuous learning (French and Bell, 1997).

“You cannot change an organisation without courage, and you cannot induce courage from above. What you can do, though, is make goals and methods transparent enough that your employees will be willing to take some calculated risks” (Martin, 1993). To get change in a company, employees must see the rationale for change and view it with favour. They must see the reasoning behind a new strategic direction and understand the methods used to shape the fate of the company.

The need for organisations to change has never been greater than the present; there is a pressing need for organisations to take control and to proactively shape their own future. Organisation development programmes are long-term, planned, sustained efforts to realise the full potential of individuals, teams and organisations.

Sharing a common objective of enhancing bottom line performance, the trigger for each of the three participating companies to engage in a transformational process was different. Pick ’n Pay saw the need to change as a result of labour union strikes, Simba was forced to change as a result of a joint venture between Foodcorp and Frito-Lay and Woolworths is focusing on change due to deteriorating company performance and a large number of new employees resulting in a situation where company values needed to be redressed. All three companies have made conscious efforts to adapt to changing times in the country and grow the business for the future.
The boundaries of this research initiative will focus on depth rather than breadth. Due to time constraints, transformational processes in these three large well-known local (Cape Town) organisations were investigated. The companies were selected based on the fact that they are all undergoing major transformational programmes, convenience of location and permission was granted for access to senior executives for the purposes of in depth semi-structured interviews and employees across functions and levels for focus group discussions. Pick ‘n Pay and Woolworths are retail groups having their head offices in Cape Town. Simba, a snack producer has its corporate office in Johannesburg but the company has a large Western Cape regional office in Parow, just outside Cape Town.

Rather than investigate the relationships between all “original” Seven S’s (Pascale and Athos, 1981), this research aimed to study the linkages (independencies and alignment) between the strategy, structure and shared values (or culture) in the participating organisations. An analysis was performed on the effectiveness of organisational development transformation projects in order to affect behavioural change and the alignment of corporate strategy, structure and culture. “The strategy-structure-culture model is preferable for mapping the macro-level influences on strategic change at a more micro level, whereas a 5 or 7 S model identifies more specific influences on change. Also, when dealing with more than 3 S’s, problems frequently occur as other S’s tend to be developed incrementally, and in a manner which is fragmented from the other areas of interdependent change” (Grundy, 1993:90).

Some key generic learning points for successfully implementing change and building and sustaining organisational capability in the current South Africa context have been identified based on the findings of this study. These may be of value to companies embarking on transformational processes. Feedback, in terms of an unbiased assessment of the extent to which transformational change is occurring in the hearts and minds of their employees, was given to participating companies. Confidentiality of focus group participants was honoured although comments made in the discussions were shared with the particular company.
3. LITERATURE REVIEW

3.1 Introduction
Central to this research is the adoption of the systemic view of an organisation, where an organisation may be considered as a group of interconnected and interrelated sub-systems. These include formal organisational structures and strategies as well as the more informal aspects of organisational life such as culture and leadership styles which are closely bound with the values and attitudes people bring to their work places. The behaviour of an organisation in reaction to the influences of both external and internal changes has been examined. Literature pertaining to change management, with a particular emphasis on transformational change as it relates to strategy, structure and culture in organisations was reviewed.

3.2 Organisations as systems
Organisations are open systems, that is, systems in interaction with their environments. Organisations receive inputs from their environments and provide outputs back into that environment. The boundaries of organisational systems are therefore permeable (Senior, 1997). Many organisational problems today stem from rapid changes in the environment. As the environment changes, organisations must adapt, which gets harder as the pace of change increases and the number of influencing stakeholders increases. An organisation must therefore learn the ability to continuously transform in relation to its rapidly changing environmental demands. Transformation implies the making of a “thorough or dramatic change” (Concise Oxford Dictionary, 1990:1296).

The source of changes affecting organisations can be external or from within the organisation. Organisational development aims to increase individual and organisational effectiveness through planned activities by focusing on human and social processes to effect total systems change. Organisation development offers a prescription for improving the fit between the individual and the organisation, between the organisation and its environment, and among organisational components such as strategy, structure and processes (French and Bell, 1995). Organisational development is increasingly orientated around the notions of learning, innovation, adaptation and perpetual change in
response to the ever-increasing rates of technological, social, economic, and political change (Schein, 1992). Other forces causing change include the nature of the workforce and competition. (Robbins, 1986).

A learning organisation is an organisation which facilitates the learning of all its members and continually transforms itself. Conditions for a climate of learning include the perception of learning as a cyclical process, a free flow of authentic information, the ability to reframe information at the strategic level, valuing people as the key asset for organisational learning and an acceptance of the different roles of policy, strategy and operations within the organisation (Garratt, 1990). Creating and nurturing a learning organisation that develops the capacity to adapt and change is vital (Nolan et al, 1993).

3.3 The Congruence Model of Organisational Behaviour
(Nadler and Tushman, 1992)
An organisation can be thought of as a series of components:
- the task (basic work or activity in which the organisation is engaged),
- the individuals, (the characteristics of employees or members, their individual knowledge and skills, needs and preference, perceptions and expectancies, demographic factors, etc.),
- the structures and procedures that are explicit and formalised to perform tasks consistent with organisational strategy
- the informal organisation or implicit, unwritten arrangements that emerge to exert considerable influence on behaviour and are described as organisational culture. They may aid or hinder organisational performance and are influenced by leadership, values and beliefs and relationships within and between groups.

The organisation is the mechanism that takes strategy, in the context of the environment, resources and history and transforms it into output. The better these elements fit together, or their degree of congruence, the more affective the organisation will be. Effectiveness is driven by the relationship among components (congruence) rather than by the inherent characteristics of individual components. The congruence model of organisational
behaviour as described by Nadler and Tushman (1992) looks at the interaction of inputs, outputs and the transformational process that ultimately produces behaviour patterns and organisational performance.

The environment or factors outside the organisation includes individuals, groups or other organisations and latest technological and social forces, all of which have a potentially powerful impact on how the organisation performs. It includes markets, suppliers, government and regulatory bodies, technological conditions, labour unions, competitors, financial institutions and special-interest groups. An organisation’s resources is a second major contextual factor and these include employees, technology, capital and information, other less tangible assets such as perception of the organisation in the marketplace or a positive organisation climate. The organisation’s history is a further major influence, i.e. the way an organisation functions today is greatly influenced by past events such as previous strategic decisions, the behaviour of key leaders, the nature of past crises and the organisation’s response to them, and the evolution of core values and norms (Nadler and Tushman, 1992).

In the transformation process, energy and information from the inputs is transformed to outputs. Added value is the difference between the value of a firm’s output and the cost of the firm’s inputs. Output includes system output, as well as the performance of groups and units indirectly within the organisation. Individuals affect organisational output and vice versa.

3.4 Types of change
Change is recognised as a part of organisational life; it is a matter of organisational survival to respond effectively to change. "There are two basic types, or levels, of change project. The first is radical change, which operates at the organisation level and aims to transform and renew the entire organisation. This type of change is strategy-driven. The second type, or level, of change is small-scale, localised or incremental change, which aims to change or improve a small part of an organisation. The two can be, and indeed should be, connected" (Burnes, 1992:242-243).
Grundy (1993) describes three "varieties of change", subdividing incremental change into "smooth" and "bumpy" (see figure 1 below). The first of these Grundy defines as "smooth incremental change". This is the type of change which evolves slowly in a systematic and predictable way, typical of the UK situation from the 1950s to the early 1970s but relatively exceptional in the 1990s and the future. The second variety of change is termed "bumpy incremental change", which is change characterised by periods of relative tranquility punctuated by acceleration in the pace of change. He says that the triggers for this type of change are likely to include those from both the external and internal environments and which are perceived as "overload", an example of which is the periodic reorganisations that organisations go through. Both types of incremental change are associated more with the means by which organisations achieve their goals, rather than as a change in the goal themselves.

Grundy's third variety of change is "discontinuous change", which he defines as change marked by rapid shifts in either strategy, structure or culture, or in all three. Frame-breaking change such as this usually stems from industry discontinuities, product life-cycle shifts or internal company dynamics (Senior, 1997). Frame-breaking change includes discontinuous change throughout the organisation, is usually implemented rapidly and is revolutionary rather than incremental. Frame-breaking change is revolutionary in that the shifts reshape the entire nature of the organisation. It requires discontinuous shifts in strategy, structure, people, and processes concurrently and usually involves:

- reformed mission and core values
- altered power and status, reflecting shifts in the bases of competition and resource allocation
- reorganisation - a modification in structure, systems and procedures, change of organisation form
- revised interaction patterns - new procedures, work flows, communication networks, decision-making patterns
- new executives - usually from outside the organisation

(Tushman, Newman and Romanelli, 1988)
Figure 1:
Grundy's three varieties of change

Dunphy and Stace (1993) go beyond Tushman et al by splitting frame-breaking change into two types - "modular transformation" and "corporate transformation". These classifications distinguish between organisational change which is characterised by major realignment of one or more departments / divisions (modular) compared to corporation-wide change throughout the whole organisation as described above.

Theories abound as to approaches to change management. Burnes (1992) lists the following as generally accepted guidelines:

i) **strategy**: change projects need to be considered in relation to the strategic requirements of an organisation

ii) **phased change**: change should be planned and implemented in phase; change requires recognition of the need for change, making the actual changes and consolidating what has been achieved

iii) **involvement**: those who are most closely affected by the proposed changes should be involved in planning and implementing the change

iv) **choice and commitment**: to be effective, change programmes must allow those involved to make free and informed choices in order to gain their commitment
v) *behaviour change*: to be successful, all change projects require individuals and groups to change their behaviour to a lesser or greater extent.

vi) *cultural change*: any change project must involve cultural change.

Change occurs in different stages, namely (i) denial, (ii) anger, (iii) explanation and (iv) acceptance. Individuals need to be in the explanation phase for them to be accepting of change initiatives. They need to be managed through the process.

Managing change can be achieved in a number of ways. Approaches to managing organisational change include Kurt Lewin’s unfreezing-movement-refreezing model at the level of the individual, structures and systems, and interpersonal styles, as well as action research (Robbins, 1996). Action research refers to a change process based on systematic collection of data and then the selection of a change action based on what the analysed data indicate in a process of diagnosis-analysis-feedback-action-evaluation. Action research is problem focused and reduces resistance to change because it is so participative. The argument for action research is that the information and energy needed to create organisational change and solve present problems is already within the organisation. The challenge is to release it and move it to where it can be used. Learning how to take responsibility to do that is reinforced by the help of others in the same position - the action learning group or 'set' (Garratt, 1990).

### 3.5 Change leaders

A fundamental component of successful organisational change is the change leader. Change leaders are those responsible for the process of change and within organisations are found at all levels and most frequently are those who sponsor, manage and implement change. Executive or senior manager typically assumes sponsorship roles and typically sanctions the financial and moral support for change efforts. Middle managers characteristically live with the effects of the change, and their skills and proficiency as well the mental or emotional positions adopted by change leaders as change implementers and change managers play a pivotal role and often make the difference between successful or unsuccessful change (Dalziel and Schoonover, 1988).
As we are undergoing times of unprecedented change, strong leadership is vital to lead people through the transition on an organisational as well as national level. Conger (1993) talks of how people in the future will bring their needs for family, community involvement and spiritual meaning to the corporation. These workforce trends will demand that leaders be sensitive to issues of diversity, interpersonally competent and community builders. Brown and Isaacs (1994: 510) echo this sentiment by stating "there is a growing body of evidence that, in years to come, a combined organisation-community form can produce better performance than any of the traditional forms of the organisation". It needs to be designed to support the personal experience of community, as well as assuring the long term sustainability of community. Key ingredients for this philosophy include enhancing capability, commitment, contribution, continuity, collaboration and conscience.

In his review of why transformation efforts fail, Kotter (1995) describes common errors of failed initiatives and learning points from the successes of others. He states that transformations require a considerable length of time, lead by a visionary leader who sees the need for a major change and who is supported in his /her commitment to excellent performance through renewal by a core group of senior people in the organisation. A clear, easily communicated future vision that captures the hearts and minds of all stakeholders helps clarify the direction in which an organisation needs to move. Executives must communicate the message by walking the talk, action to remove obstacles to transformation must be evident to maintain credibility of the change efforts as a whole and reward, recognition and celebration of short-term goals to maintain momentum are advisable. He warns that premature victory celebration is dangerous, leading to possible regression. “Until changes sink deeply into a company’s culture” (p66) and “it seeps into the bloodstream of the corporate body” (p67), new behaviours are subject to degradation as soon as the pressure for change is removed. It is thus important to demonstrate how the new approaches, behaviours and attitudes have helped performance which requires communication, and taking sufficient time to ensure succession of top management does personify the new approach. Of interest will be
which of the “hints” described above, have been adopted by the three companies in the course of this study.

3.6 Strategic change: the link between strategy, structure and culture

“Strategic change is the reshaping of strategy, structure and culture of an organisation over time, by internal design, by external forces or by simple drift” (Grundy, 1993: 19-20). Tony Grundy (1993) describes the relationship between these core elements as leadership being the link between strategy and structure, the paradigm as the link between structure and culture, and mission and vision linking culture and strategy.

![Figure 2: The relationship between strategy, structure and culture](image)

Leadership plays a pivotal role in managing strategic change because without it the strategy will not galvanise managers into appropriate action. Leadership is thus important in a change management process as it plays a role in reinforcing strategy and structure, as well as helping shape the paradigm or guidance system of an organisation. The paradigm represents ‘how things are done around here’, embracing a range of organisational processes. The inherent tendency of the human mind and organisations to perceive patterns over time, which form a mental infrastructure or mindset, is sometimes called a paradigm. To provoke inquiry and sustain vitality, these should periodically be questioned and updated. Mission is the purpose, aims and values of an organisation which help define the intended scope of the business and anticipated rewards to stakeholders (Grundy, 1993).
3.7 Vision
A vision should be clear and compelling, serving as a unifying focal point of effort, and give shape and direction to an organisation’s future. A shared vision focuses around building shared meaning, a collective sense of what is important and why. Visionary companies have a clear understanding of who they are, what they’re about and what they are trying to achieve (Collins and Porras, 1994). Values are best expressed in terms of behaviour, with regard to customers, community, and vendors. When values are made a central part of the organisation’s shared vision effort, they become a guiding symbol of the behaviour that will help people move towards the vision (Senge, Kleiner, Roberts, Ross and Smith, 1994). It is easier to speak honestly or reveal information when people know that these are aspects of agreed-upon values. Shared vision need specific, recognisable goals. Goals represent what people commit themselves to do, often within a few months. People unwilling, unable or unsuited to being “immersed” into a visionary company’s core ideology, i.e. those who don’t fit, do not belong.

3.8 Mission
A mission represents the fundamental reason for the organisation’s existence. Campbell and Yeung (1998) define mission in terms of four elements, namely purpose, strategy, behaviour standards and values. The strategy element legislates what is important to the commercial future of the company and the values element legislates what is important to the culture of the company. When these reinforce one another, a strong mission exists. The authors describe mission as being an emotional and deeply personal feeling such that an “individual with a sense of mission has an emotional attachment and commitment to the company, what it stands for and what it is trying to do” (Campbell and Yeung, 1998:293). Regularly reassessing strategy and values and thus articulating behaviour standards to achieve the purpose is seen as a continuous, ongoing process necessary to manage mission.

3.9 Alignment in the translation of corporate core ideology and vision
The concept of alignment implies the translations of a company’s core ideology and its own unique drive for the progress it aims to achieve – i.e. it’s vision, into the very fabric
of the organisation (Collins and Porras, 1994). Comprehensiveness and consistency over time in all aspects brings alignment. It is not sufficient to “rely on any one programme, strategy, tactic, mechanism, cultural norm, symbolic gesture or CEO speech to preserve the core and stimulate progress” (Collins and Porras, 1994:212).

Guidelines the authors recommend to build alignment include:

- paint the whole picture (all the pieces working together create the overall effect)
- sweat the small stuff (the little things / events that make a big impression and send out powerful social cognition signals that reinforces consistency with the company vision)
- cluster, don’t shotgun (visionary companies search for synergy and linkages, putting pieces in clusters together to reinforce each other, to deliver a powerful combined punch)
- swim in your own current, even if you swim against the tide (alignment means being guided by your company’s own self-defined ideology and ambitions, not the standards, practices, conventions, forces, trends, fads, fashions and buzzwords of the outer world)
- obliterate misalignments (attaining alignment includes a continuous process of identifying and correcting misalignments that push a company away from its core ideology or impede progress)
- keep the universal requirements while inventing new methods (to be a visionary company, a company must have an unrelenting drive for progress while preserving its core ideology, using proven and new creative methods to keep all the key pieces in alignment)

Indeed, Anderson Consulting, a world leader in management and technology consulting define their approach to transformational change as “aligning employees, business processes, technology and infrastructure with organisation strategy to achieve sustained improvement in business performance” (Furlonger, 1998). This further highlights the need for an integrated approach to managing change.
3.10 Mindset

A mindset is the set of commonly held beliefs within an organisation which drive the organisation in a particular direction. It is generated as a result of corporate conditioning. Mindset has been identified as a key determinant of national and organisational destiny. The common denominator governing the world’s leading organisations is the phenomenon of a winning mindset, where significant corporate turnarounds have been driven by the power of leadership mindset (Nasser and Vivier, 1993). The lack of competitive spirit in South African industry and commerce due to years of apartheid isolation is now being challenged. As the country becomes a more significant global player and customers become more demanding in terms of quality and response times, firms need to become more customer-orientated through value creation.

Creating the corporate mindset needs the involvement of senior management, particularly the CEO, in driving the process. “The CEO and his executives should be visible at the coalface” (Nasser and Vivier, 1993:115). In their research, Goold and Campbell (1987) noted that companies’ styles almost always reflect the personality and views of their chief executives. The style is an embodiment of the beliefs and attitudes of the CEO. As a result, some companies have an emphasis on financial control while others have a bias for strategic control or strategic planning. Since many CEOs have strong personalities and philosophies of management, this makes it hard for them to operate different styles with different managers, or even to change style over time. As the visionary process is implemented, leaders need to be seen to be involved in talking with, listening to and mentoring employees (Senge et al, 1994). Time and patience must be assigned for orchestrating collective commitment. Aligning the entire workforce to a common orientation point, pulling everyone toward the same future takes time, generally several years.

3.11 Leadership

The process of successful transformation rests heavily on strong leadership. Tichy and Devanna (1990) describe common characteristics of transformational leaders as including:
• clear identification of themselves as change agents; they assume responsibility for making a difference and transforming the organisation
• they are courageous, prudent risk takers and individuals prepared to take a stand
• they believe in people - they are powerful yet sensitive of other people and ultimately they work toward the empowerment of others
• they are value-driven; they articulate a set of core values and exhibiting behaviour congruent with their value position
• they are life long learners
• they have the ability to deal with complexity, ambiguity and uncertainty, essential in a complex changing world
• they are visionaries, able to translate their dreams and images so that other people can share them

3.12 Strategy
Strategy is the deliberate or emergent pattern of decisions, which shape an organisation’s future and its fit within the environment. (Grundy, 1993). Strategy is the determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962). The decisions may involve changing the future scope and shape of activities or major areas of internal change aimed at protecting or enhancing capability. Shifting demands, changing sources of supply, fluctuating economic conditions, new technological developments and the actions of competitors all influence strategy (Chandler, 1962; Grundy, 1993).

Mintzberg (Mintzberg and Quinn, 1996) defines strategy in terms of five P’s: plan, ploy, pattern, position and perspective, where each adds some understanding to the concept of strategy. In practice, strategy may be a combination of all five. Plan deals with how leaders try to establish directions for organisations, ploy relates to direct competition where methods to gain competitive advantage are employed, pattern focuses on action and consistency of behaviour, position refers to organisations in their competitive environment and perspective raises the issue of how intentions diffuse through a group of
people to become shared as norms and values, and how patterns of behaviour become ingrained in the group.

As the adoption of a new strategy may add new types of personnel and facilities, and alter the business horizons of the people responsible for the enterprise, it can have a profound effect on the form of the organisation. Structure can be defined as the design of the organisation through which the enterprise is administered (Chandler, 1962). This design, whether formally or informally defined, includes the lines of authority and communication between the different administrative offices and officers and the information and data that flows through these lines of communication and authority. These are essential to assure the effective coordination, appraisal, and planning necessary for carrying out the basic goals and policies and in knitting together the total resources of the enterprise. These resources include financial capital, physical equipment such as plants, machinery, offices, warehouse, and other marketing and purchasing facilities, sources of raw materials, research laboratories and the technical, marketing and administrative skills of its personnel.

3.13 Structure

The allocation of responsibilities, the grouping of functions, co-ordination and control of these, are all basic elements of what is termed an organisation's structure which is in essence the social structuring of people and processes (Senior, 1997). Structure must therefore meet the goals of the organisation as well as the process through which these objectives can be met. Structure applied to organisations is a multidimensional concept and encompasses the way sections; departments, divisions and other units are grouped together, systems for communication, the integration of effort and participation and systems for motivating employees such as performance appraisals and reward.

In his 1950s study of the structural changes from a centralised, functionally departmentalised structure to a multidivisional one with corporate offices and a number of product or geographic divisions, in four large American corporations, namely Du Pont, General Motors, Standard Oil and Sears Roebuck, Chandler (1962) deduced that
although structure follows strategy, structure has as much impact on strategy as strategy has on structure. Strategic growth in these companies resulted from an awareness of the opportunities and needs created by changing population, income and technology to employ existing or expanding resources more profitably. A new strategy required a new or at least modified structure for the enlarged enterprise to be operated efficiently. Growth without structural adjustments can only lead to economic inefficiency. Unless new structures are developed to meet new administrative needs which result from a firm’s activities into new areas, functions or product lines, the technological, financial and personnel economies of growth and size cannot be realised.

Divisionalisation was a response to the need for decentralised decision making. By reducing the overload at the top, it encouraged managers to adopt the long-term strategies of growth into new geographic and product markets. Divisions are responsible for smaller discrete business units while corporate office has the responsibility for monitoring performance of the operating units and for the long term allocation of resources for the enterprise as a whole. (Chandler, 1962; Whittington, 1993).

3.14 Aligning Strategy and Structure
Whittington (1993) debates various views on how strategy and structure influence and affect one another. He states that some strategy theorists (like Chandler) argue that structure should follow strategy such as diversification strategies being matched by divisional organisations while other theorists such as Mintzburg insist that strategies can rarely be decided in isolation from existing structures and that in practice, organisational structures both enable and constrain particular strategies. As structure affects performance, aligning strategy and structure is therefore vital.

3.15 Culture
According to Schein (1992), organisational culture is the learned behaviour of a group of people as they cope with problems presented by their external and internal environments. As solutions to ongoing problems emerge and are proven to work over time they become so integrated into the accepted way of doing things they are almost invisible to people
working in the organisation. Newcomers are taught the correct way to perceive, think and feel in relation to these problems. However, much of what is at the heart of culture will only be revealed to members as they gain permanent status and are allowed to enter the inner circles of the group. New members to a group will thus be experiment with different kinds of behaviour to decipher the norms and assumptions operating, which will be rewarded or punished by long time members accordingly.

Schein (1992) believes that cultures begin with leaders who impose their own values and assumptions on a group. If the group is successful and the assumptions are taken for granted, then that culture determines the criteria for acceptable leadership. If cultures become dysfunctional, it is ultimately the function of leadership to recognise and do something about the situation. “Leadership is now the ability to step outside the culture that created the leader and to start evolutionary change processes that are more adaptive. This ability to perceive the limitations of one’s own culture and to develop the culture adaptively is the essence and ultimate challenge of leadership” (Schein, 1992:2). Leadership and culture are thus conceptually intertwined. Therefore, if leaders are to fulfill this challenge, they must first understand the dynamics of culture. “Any group with a stable membership and a history of shared learning will have developed some level of culture, but a group having either a great deal of turnover of members and leaders or a history without any kind of challenging events may well lack any shared assumptions. (Schein, 1992:15)

A strong corporate culture is necessary for achieving strategic goals. Corporate culture is a vital asset if management’s goals are in harmony with the prevailing corporate culture – if not, it can jeopardise strategic thinking and action. Culture is the set of values, attitudes, beliefs and behaviours which are the unique hallmark of an organisation. A core feature of strong corporate culture is the high level of personal commitment towards company goals shown by most employees. A strong corporate ideology, i.e. the fundamental beliefs held by company member about how the company and its members should behave in relation to one another and to the outside world, characterises more successful companies.
The visible “culture” includes manner of speaking, standardised patterns of behaviour, events and rituals. A further level comprises the values and beliefs of the people while a third levels includes the basic assumptions, internalised, unconscious “views of the world” that have arisen as organisations cope with their environment. Basic assumptions, values and behavioural norms affect one another. Basic assumptions shape values, but values over time can modify the basic assumptions. Similarly, values shape norms, but changing norms can affect values, etc.

Dalziel and Schoonover (1988) believe that organisational readiness for change is the first step that successful change leaders take when initiating a change. They identified five areas or organisational culture that must be considered when preparing organisations for change:

• an organisation's previous experience (positive or negative) in accepting change; past positive experience is more likely to have a positive effect in future
• clarity of expectations; change leaders need to pay attention to varying expectations of diverse work groups and across various levels of the organisation in order to define and emphasise common interests
• origins of the idea or problem; the more distance there is between those who define the change and those who have to live with its effects, the higher the probability that problems will develop
• support of top management; visibility and participation is especially critical during the initial phases of change and remains an important consideration throughout the process
• compatibility of the change with organisational goals; changes should be integrated into the organisation's overall goals and mission in order to facilitate the transition between old and new and start the change in an accepting environment.

3.16 Organisational Effectiveness and the Seven – S Framework
The Seven – S framework is a model often used to gain insight into what makes an organisation succeed. It was built of over years of collaborative consulting between Pascale and several McKinsey consultants as a framework for the management of
change. The so-called “hard” S’s include strategy, structure and systems while the “soft” S’s are style, staff, skills and shared values. (Pascale and Athos, 1981). All S’s are interdependent and equally important but one may be more important at a particular point in time. The success of an enterprise involves identifying weak area and then focusing on strengthening them while maintaining a balance in the contribution of all elements.

Strategy pertains to a firm’s plan or course of action that leads it to reach identified goals; structure refers to the characterisation of the organisational chart, systems refers to how information moves around within the organisation, staff refers to the type of people employed in an organisation (personnel categories), skills refers to distinctive organisational capability, style refers to the patterns of behaviour of the top executive and senior management team as well as to the cultural style of the organisation as a whole, and shared values refers to the significant meanings or guiding concepts that an organisation imbues in its members.

The best performing organisations are those where the seven elements support and reinforce one another. Where the values of the organisation match the strategy, the systems reinforce and strengthen the structure and the style suits the people, the organisation will be effective. Where elements don’t fit, effectiveness will be reduced.

In *In Search of Excellence*, Tom Peters and Robert Waterman identified 43 “excellent companies”, all of which had demonstrated superiority over competitors as measured by financial yardsticks for at least twenty years. (FritoLay was one of these). Their eight attributes of excellence were described as being: a bias for action, getting close to the customer, autonomy and encouragement of the entrepreneurial spirit, productivity through people, hand-on, value driven, stick to the knitting - do what they know best, keeping thing simple with flat structures, and simultaneous loose-tight properties where tight control is exercised while allowing individual innovation, autonomy and entrepreneurship through the organisation's shared values and beliefs. The authors describe organisations as highly complex interactions between people and they observed that effective organisations succeed because they “keep it simple”. They don’t try to do
too many things at once but focus on a few core skills and they drive forward behind a few well-communicated values.

While the traditional 7S’s are concerned with capitalising on creating strategic fit among internal aspects of the organisation, D’Aveni (1995) describes a new 7S framework which is “based on a strategy of finding and building temporary advantages through market disruption rather than sustaining advantage and perpetuating an equilibrium” in a hypercompetitive industry influenced environment. He names the new S’s as: superior stakeholder satisfaction, strategic soothsaying, positioning for speed, positioning for surprise, shifting the rules of the game, signaling strategic intent and simultaneous and sequential strategic thrusts. As with the traditional 7S model, firms will not be in a position to acquire all seven of the new S’s at once but rather they must prioritise and make tradeoffs.

3.17 Ingredients for future organisational success
Rosabeth Moss Kanter, a leading management consultant, attempts to define what organisations need to be like in the future if they are to be successful. She argues that in the game of business, corporate giants will require faster action, more creative maneuvering, more flexibility, and closer partnerships with employees and customers than was typical in a traditional corporate bureaucracy (Kanter, 1989). She sees organisations of the 1990s restructuring to find synergies (every part of the business adding more value to the whole than the sum of the parts), opening boundaries to form strategic alliances with other organisations by taking advantage of one another's capacities and coordinating activities for mutual benefit and creating new business ventures from within the firm- encouraging innovation and entrepreneurship. She draws attention to where changes will have a major impact on employees: reward systems, career paths, job security and lifestyle.

3.18 Finding the “magic” formula for each company
In Foundations of Corporate Success, John Kay (1993) concludes that “the foundations of corporate success are unique to each successful company”. He argues that outstanding
businesses derive their strength from a distinctive set of stakeholder relationships - employees, customers, suppliers, investors. This distinctive capability becomes a competitive advantage only when it is applied in the relevant market where effective competitive strategies are built to exploit it. Continuity and stability in these relationships is essential for a flexible and cooperative response to change.

3.19 Summary
This overview of literature has included those topics relevant to transformational changes in organisations. Using theory, advice from consultants and the energy driving the companies from within, Pick ‘n Pay, Woolworths and Simba will each need to discover their own winning formula for transformational success in their own organisation.
4. RESEARCH METHODOLOGY

4.1 Introduction
This following section describes the research methodology employed in the collection of data for this research report. It includes a description of the choice of companies selected to participate in the study as well as the person/s contacted to obtain permission to proceed. The sourcing of secondary information and the development of the tools used to gather primary data through semi-structured in-depth interviews with senior executives / project drivers and focus group discussions with a cross functional panel of employees across various levels in the organisation are presented.

4.2 Choice of companies
Pick 'n Pay, Woolworths and Simba were selected as participating companies as they are all large organisations currently undergoing a transformational process and they were prepared to share their transformational experience for the purposes of this research. Pick 'n Pay and Woolworths have their national head offices in Cape Town and Simba has its main regional branch in Parow (just outside Cape Town). It was of interest to note the different stages of each company's transformation process as all three participating organisations have adopted a different approach and have different time frames.

Initially all three companies were approached in order to explain the nature of the research project and the required participation from the company and its employees. Contact was made with the Regional Director of the Western Cape in the case of Pick 'n Pay, who on my behalf, gained consent for this study from the company's CEO. At Woolworths, the current Director of Human Resources, Community Services and Corporate Services of Woolworths granted permission for inclusion of the company's transformation process as a case study in this research. Simba's transformation project was approved for inclusion in this research report by the company's CEO. Consent was granted for access to relevant company written and visual material as well as being permitted to interview senior executives and conduct a focus group discussion with a cross-functional group of employees across all levels in each organisation. Although all
three companies offered their consent and commitment to support this endeavor, they have expressed a concern in terms of confidentiality, which will be honoured as agreed.

4.3 Secondary research
Initially, literature on the topics of and linkages between strategy, structure and culture was reviewed. Background reading on theories in organisation development and behaviour, and change management was also conducted. This included theory on organisations as systems, types of change, vision, mission, mindset, leadership, organisational effectiveness and the Seven-S framework and a look at ingredients for future organisational success. Published case studies of companies outside this country who had experienced a transformation process were read for comparison, e.g. General Motors, Shell and Hewlett Packard.

Secondary information data on each of the three firms, in the form of company annual and social (where applicable) reports and in-house newsletters was consulted to give a “feel” for the company culture in terms of mission and vision, as well as to gain some insight into the organisation's structure and strategy. This source of material was useful in terms of providing information such as company background, hierarchy, size of company, philosophy and current areas of focus.

Additional secondary material from each company pertaining to the company's transformation project specifically in the form of in-house newsletters, company guidelines, other written communication briefs and videos that were available and permissible for review, were also used for gathering information.

4.4 Primary research: Semi-structured interviews of senior executives
The next stage of research was a detailed analysis of each company’s programme. A set of questions was devised to extract relevant data from senior executives and project drivers of all participating companies pertaining to reasons for the choice of the specific initiative, end goals, how buy-in was achieved, leadership issues, the influence of strategy, structure and culture on the transformation, methods and duration of
implementation, success and sustainability of each project. The design of questions was based on the theory relevant to the research aims as described in the literature review. Several drafts in the development of this research tool preceded the final approval of questions which are depicted in Appendix A.

Pre-arranged semi-structured interviews with senior executives / project drivers were used as the preferred means of qualitative data collection. This method was chosen because it enables the interviewer to simultaneous collect data while questions are being answered (there is no delay in waiting for information). This method was found to be useful for gauging the commitment and support for the process at a senior level. In addition, because each person has set aside dedicated time to discuss their company's project, they are focused on the topic. During interviews, queries arising from secondary research were clarified in order to understand the process more deeply and to gain further insight into the reasons that initially triggered the process. Interviews allow the researcher an opportunity to probe deeply, question to uncover new information, open up new dimensions and secure accounts based on personal experience (Easterly-Smith, 1993). Interviews also afford the researcher the chance in a social interaction of building up a relationship with participants, which proved beneficial for any follow-up queries or additional information that was required after the interview.

With reference to the chronological development of the process, questions were asked on the objectives of the transformation process, pre-planning and planning phases, implementation, assessment of the project success and ongoing sustainability of the transformation process. Interviews were held with:

**Pick 'n Pay:**
- Tim Faull, National Training and Development Manager (Bakeries) and Anthea Rinquest, Dream Weaver (change agent responsible for sustainability of transformation process through recognition and reward of employees who display exceptional customer service), 16th August, 1999.
- Isaac Motaung, General Manager for Organisational Development, 9th October 1999.
Woolworths:

- Ian Sturrock, Director of Human Resources, Community Services and Corporate Services, 23rd July 1999.
- Cheryl Rae, Head of "the new Woolies way", 2nd August and 28th October 1999.

Simba:

- Juba Mashaba, Human Resources Director, 5th October 1999.

Pick 'n Pay and Woolworths kindly lent additional material in the form of videos pertaining to Vuselela and the new Woolies Way, respectively.

Nigel Toon, Regional Vice-President for Frito Lay Organisational Development (U.K.) kindly supplied regional presentation packs of the Momentum process.

4.5 Primary research: Cross-functional focus groups across levels

Due to time constraints and the richness of data resulting from a panel discussion, a cross-functional focus group discussion including employees from senior management, middle management, supervisors and shopfloor / frontline level was arranged within each company. Each group consisted of five to seven people. The discussion centred around the transformation project in an attempt to gain further insight into the success of each project as measured by employee response and buy-in, changes in the organisation that the individuals had observed as a result of the transformation initiative and their overall impressions of, and relationship to their company. Questions to be asked to the focus group were faxed to each company for senior management approval prior to the discussion group. Pick 'n Pay and Woolworths arranged for the members of the focus group to attend the discussion; I personally arranged for the group at Simba. The request was for a crossfunctional group on as many levels as possible, depending on availability of the participants. Appendix B includes a 'generic' list of the questions that were asked. However, it should be noted that during focus group discussions these were customised to use the name of the individual company and the name of their specific transformation project, namely Vuselela (Pick 'n Pay), the new Woolies way (Woolworths) and Momentum (Simba). Woolworths requested the exclusion of question 9 as it refers to
company mission statement, one of the objectives of their current transformation process. In addition, emphasis was made of using the word 'process' rather than 'project' in all references to "the new Woolies way".

At Pick 'n Pay headquarters in Claremont, a focus group discussion was held on 9th November 1999 and included a regional manager, general manager and member of the Western Cape board, a store manager, a dream weaver, a store greeter, a fruit and vegetable merchandiser and a store information consultant.

Two focus groups were held with Woolworths employees. On the 9th November 1999 a discussion took place at the Adderley Street Branch. Employees who attended included a store trainee, the personal assistant to a business unit manager, a controller in the deli, a sales assistant in the food market and the Human Resources Manager for the store. Participants from Head office met on 10th November 1999 and included a Senior buyer in the Poultry department, a Textiles manager, a Regional manager dealing with franchisees on the textiles side and a personal assistant to the group's head of children's ware. Both groups consisted of a mix of people who had attended transformation workshops, and those who hadn't, with a clear distinction observed between the two groups.

A focus group discussion at Simba Parow on 3rd November 1999 included a plant manager, quality control manager, Momentum co-ordinator, front line manager, fryer technician, packer and palletiser.

4.6 Summary
The importance of shared values as a key ingredient in the context of strategy changes over the years as well as the similarities, differences and overlaps between the various programmes was assessed. After all data had been collected and analysed, an attempt was made to define some “generic” critical success factors that could be considered in aligning strategy, structure and culture in South African organisations. Given the country’s past, previous mistrust that may have existed between management and unionised employees and the particularly strong influence of unions on the Western Cape
workforce, it was interesting to assess whether these relationships had improved as a result of the transformation process and how influential unions had been in promoting or harming this process.

An attempt was made to balance questions asked initially to senior executives, which centred more on the subjects of strategy, structure, vision and mission whereas the focus group discussions with more ‘junior’ staff members highlighted more the culture, leadership and mindset aspects of the research.

Although this is an academic study, assessing practical organisational development and improvement as a result of the companies transformational projects, the results obtained will hopefully benefit the participating companies by providing some valuable feedback on the progress of their process from an objective, unbiased point of view. Each company has their own methods of self-assessment on the success of their transformation. Discrepancies may be found to exist between what people convey to their in-house colleagues compared with what they share with an outsider.
5. FINDINGS BASED ON RESEARCH ON THE THREE TRANSFORMATIONAL PROJECTS OF THIS STUDY

5.1 Overall summary

Three transformational projects, namely Pick ‘n Pay’s Vuselela project, Woolworths new Woolies way and Simba’s Momentum were studied to assess alignment of corporate strategy, structure and culture and how these have influenced or been influenced by their respective transformational projects. Pick ‘n Pay, through rolling out the process to all its employees nationally over a number of years and sustaining the momentum on a regular basis have been very successful in meeting their objectives. They have an enthusiastic, committed workforce that is aligned with company's strategic objectives. Woolworths is still in the initial phase of the transformation and is involving a portion (20%) of their workforce to gather ideas in formulating a strategic plan for the company's future. A distinctive divide appears to exist between those who have been privileged to attend transformation workshops and those who haven't and thereby feel excluded from the process. Simba's Momentum process has specifically been geared at changing management style of front line managers (supervisors) in the operations function of the business. The idea was to move from a more autocratic to a more participative management style, increasing organisation capability. This has been somewhat successful in that change has been acknowledged although it has been slower and less heightened compared to expected.

Threads of commonality have been discovered through all projects, with reference to a desired change in leadership and management style to creating a more flexible workforce by engaging in conversations with individuals to involve them in decision making from the bottom up compared to the old top down approach. A key area of concern seems to be middle manager level whereby, if buy-in to the process is limited at this level, it severely impacts on the final results. These will be expanded on in the Conclusions chapter (section 9) after the details of each project have been described.
6 PICK ‘N PAY’s VUSELELA PROJECT

6.1 Pick ‘n Pay company background
Pick ‘n Pay has grown from its humble beginnings as a small Cape Town based food retail chain to a major general retailer in South Africa. Central to this success has been chairman Raymond Ackerman who acquired Pick ‘n Pay in 1967 when the company consisted of 4 stores and about 50 employees. The company was successfully listed in 1968. By 1998, the company had some 265 stores, sales around R 11 billion and about 27 000 employees. With current market share at 38.1% and forecasted turnover for 1999 as R13.6 billion (Adrian Naude, GSB address 2/11/1999), Pick ‘n Pay is poised for further success as it enters the new millennium.

6.2 The need for Change
After successful beginnings where the company's turnover and market share grew consistently, the late 1980s and 1990s were a time of stagnation for Pick ‘n Pay as the company was lacking direction, enthusiasm had died, the company was losing focus and bottom line performance began to fall. The company has been described as "having no momentum with a weak, non-confrontational management style, lacking vision and being paternalistic and autocratic" (focus group discussion). After growth every year, the company's growth dropped by 35% and the company was forced to reevaluate itself to see if it could grow by 15%-20% in the next 10 years. "Emerging from an era of turbulence in the country, Pick ‘n Pay needed to change with the challenges of the new South Africa. We had to radically change the company to be sure we were here in the new millenium" (Raymond Ackerman, GSB address 8/11/1999). "Although Pick 'n Pay's culture has always been staff-orientated, an underlying paternalistic attitude towards the workers was a mark of the early years. It was this factor which caused a rift between the bargaining parties at the 1994 wage negotiations, and the building of resentment came to a head in the 1994 strike - the worst in Pick 'n Pay's history" (www.picknpay.co.za). The crippling strike was considered ironic as the company was regarded in the industry as enlightened and prepared to go the extra mile to accommodate its employees. The Human Resources Director has suggested that this was indeed one of the reasons for the strike - if
a union could push Pick 'n Pay to meet further demands it reset the benchmark for other unions to negotiate (Financial Mail Corporate Report, May 1997). Communication between management and the workforce had reached an all time low, fuelled by the high expectations of the electorate after the country's first democratic elections in 1994. Public perception of the company after the strike also suffered. In short, the strike was devastating for the company.

Reasons given by the focus group for the company adopting Vuselela included: "aligning key elements of the mission statement with employees' thinking", "there had been change within the country and the company needed to change in line with this", "the company was being proactive", "morale in the company was low after the 1994 strike; the strike proved that the company had failed to capture the hearts and minds of its employees as it created a lot of uncertainty as rumours of retrenchments were rife; Vuselela answered a lot of the questions employees had", "financial results for the 4 years leading up to the strike were getting progressively worse".

The company's paternalistic culture had changed from its entrepreneurial beginnings. A single management board structure was also a problem and senior management was struggling to focus on both the development of new chains and existing operations (Stockport and Nelson, 1999). After an analysis of the company at the time, management consultants suggested the strategy of changing the structure of the company by splitting the business into Retail and Group Enterprises, together with "bringing youth to the helm" by the appointment of young directors to lead these divisions into the future. Five years of positive growth has followed this strategy.

6.3 Leadership and Structure of the Pick 'n Pay Group

The primary business of the Pick 'n Pay Group now centres on the large-scale retailing of food, clothing and general merchandise. Operational responsibility lies with the respective management boards of the Retail Division and the Group Enterprises Division. Acknowledging that the old board members were perhaps too restrictive, both Sean Summers, head of Pick 'n Pay Retail and Gareth Ackerman, head of Group Enterprises,
were given free reign to elect their own boards. Within 6 months, growth of the company was up by 20%, described by Raymond Ackerman as "quite the most dramatic change". The Retail Division concentrates on Pick ‘n Pay’s core business. This comprises Hypermarkets, Supermarkets, Family franchise stores, and Financial Services. The Group Enterprises Division manages other Group activities, including Score Supermarkets, Boardmans, RiteValu franchises, TM Supermarkets, Franchising, Property, International and New Ventures.

The company underwent further organisational change in June 1998 with the announcement of the appointment of Sean Summers as CEO of the Group (previously Retail Managing Director) and Gareth Ackerman (previously Managing Director of the Group Enterprises division) taking over as Deputy Chairman. Raymond Ackerman remains as Chairman of the group. The separation of the roles of the Chairman and CEO are seen as strengthening corporate governance and entrenching the separate roles of family ownership and professional management. These moves thus change Pick ‘n Pay Group from a family-owned and managed business to one that will be managed by professionals while still owned by the Ackerman family.

6.4 Philosophy

Since taking over Pick ‘n Pay in 1967, Raymond Ackerman has believed in consumer sovereignty, believing that consumers are powerless against big business and that if he fought for the consumer, he would be successful. To this end, he engaged in price wars as he fought against price fixing and cartels, to the point of being challenged by the government. Central to the execution of this philosophy, has been his model of "the four legs of the table". Balance between all four legs, namely administration and financial control, merchandise, people, and sales promotion and social responsibility is seen as vital, where an equal proportion of time is spent on each of the four legs.

Following the strike, there was a change in attitude within Pick ‘n Pay and a re-embracing of the company’s core values. The ultimate aim was to create an environment conducive for internal customers so that the potential of all employees could be unlocked and they
could realise their dreams. “The building blocks of Pick ‘n Pay’s social conduct were laid down by its founder Raymond Ackerman more than 30 years ago at the company’s inception. In tandem with a fundamental transformation, which has taken place in the broad context of South African society over the past decade, significant changes have also taken place within Pick ‘n Pay during the past three years. These changes are based on a fundamental belief that our ability to achieve service excellence for our customers is directly proportional to our capacity to establish a climate of dignity, respect and freedom amongst every employee in our company.” (Sean Summers, Pick ‘n Pay Annual Social Report, 1999).

6.5 Initiation of Vuselela

To achieve this, under the leadership of Sean Summers whose idea was to breathe "fresh air" into the company, Pick ‘n Pay embarked on a fundamental change process called Vuselela or Rebirth, which has brought about dramatic change in relationships and the rehumanisation of the workplace. The Vuselela programme was launched in 1996. At the time, staff motivation was down and tension existed between management and staff on the shopfloor. “Vuselela set out to significantly improve service standards throughout the group’s core retail division and instill a passion for service excellence” (Pick ‘n Pay Vuselela video, 1999). This project aims to develop strong working relationships throughout all levels of the organisation, founded on the fundamentals of dignity, respect and the freedom of the individual to develop and pursue their chosen careers. Vuselela has re-energised the company and stimulated employee motivation to serve the needs of the company’s stakeholders. "Vuselela was like taking a vitamin pill to replenish lost energy" (focus group discussion). Structured training and education programmes have enabled staff to deliver exceptional service, thus sharing management’s vision of hope for a better future with employees and customers.

The aims of Vuselela appear to have been well communicated to all employees. The group was very enthusiastic about Vuselela, stating that to them Vuselela meant "rebirth of the company's mission statement and values and how we deal with customers", "breaking down the barriers between them (management) and us (staff) like the Berlin
wall crashing down", "communication barriers between customers and staff are broken down - customers feel welcome as the atmosphere is friendly", "staff are happy to serve customers; we feel like part of a family, we're very customer conscious, putting the customers first; I don't want to go home", "what company has such things in place? Pick 'n Pay is the best company to work for", "the company cares so much about us", "Vuselela is a way of life - not just at Pick 'n Pay - but also in our homes and with our families".

In the Pick ‘n Pay Annual Social Report (1999), Raymond Ackerman states “we believe that if the Company serves the customer, its employees and the community to the very best of its ability, that dedication will be reciprocated”. In the Chairman’s review, Raymond Ackerman highlights the company’s belief in the development of human resources and the knowledge and skills base of their people. A key feature has been the recognition of the education achievements of staff members and the opening in April 1999 of the company’s first Training Institute in Gauteng, based on the Disney Institute in Florida, USA. In 1997 and 1998 several diverse groups of Pick ‘n Pay employees from across the ranks completed the Disney Service Excellence training programme in the USA.

6.6 Planning phase
A project team comprising senior executives over a number of functions was put together to fulfill Sean Summers’ vision of transforming the company. Martin Rosen, Marketing Director of Pick 'n Pay Retail was appointed as the project sponsor/ champion. The project team comprised of members of the board and general managers, to tackle areas such as:

- Mission statement and values
- Training, education and development
- Courtesy code agreement
- Internal communication
- Service and Operating standards
- Marketing and Advertising
• Systems and Information technology
• Recognition and Rewards
• Human Resources

Initially, the team was exposed to a course on project management conducted by consultants to equip them with the necessary skills. A project manager was appointed to co-ordinate activities of the project group, communicate resolutions taken at meetings and to monitor progress reports.

Each project leader defined the scope of work they would cover and from this stage on, no consultants were used. The process was started in early 1997, progress was managed internally by the company with a deadline for delivery of proposals by October 1997. The board was regularly updated on the progress through the sponsor.

6.7 Implementation of Vuselela: Mission and Values

The Vuselela programme started with the design of a new mission statement and a rededication to the company's core values as well as a programme to refurbish sixty stores nationwide. The Vuselela metamorphosis was overseen by Isaac Motaung, General manager of Organisational Development, whose first step was to canvass employee opinion on the existing corporate mission statement, while consulting them on their views regarding the content of the new one. Questionnaires to 27 000 employees and joint management/employee/shopsteward focus groups covering all regions highlighted the fact that people did not know the company's mission statement or core values. In an effort to include all role players, all of the company's employees were invited to propose their own mission statement for the company which was to be simple, short and concise but effective in inspiring Pick ’n Pay staff and rejuvenating the company. Their contribution was invaluable, and after several stages in the process, the resulting product was an affirmation of the group ethic:

We serve
With our hearts we create a great place to be.
With our minds we create an excellent place to shop.
Core values are timeless and have been the same since the company's inception. They support the mission and were identified as:

- We are passionate about our customers and will fight for their rights.
- We care for and respect each other.
- We foster personal growth and opportunity.
- We nurture leadership and vision and reward innovation.
- We live by honesty and integrity.
- We support and participate in our communities.
- We take individual responsibility.
- We are all accountable.

When asked whether they knew their company's mission statement and values, participants in the focus group responded by saying "everyone knows it; you've got to know it". An aspect that was mentioned that helped instill this knowledge in the workforce of the Western Cape was a motivational speaker who went through each value, one month at a time, with a competition attached to the learning. People felt that they were "living yourself in the statement". It is believed that values are practiced and tested. Loyalty to the company and commitment to its mission and values was mentioned, with "even the 5% who have not bought-in to Vuselela are protective about the company". Every decision made in the business is tested against the value system. Recognition certificates are presented to employees going beyond the call of duty in demonstrating the company's values. Specified criteria are used to assess whether the person was actually practicing the values. "We have taken a holistic approach with a clear understanding that nothing can be tackled in isolation. This applies to work as well as personal values" (focus group).

### 6.8 Launch of Vuselela

Initially managers attended a comprehensive three-day workshop in Zimbabwe at Victoria Falls in October 1996. This venue was chosen because of the dramatic message of Vuselela - the company wanted managers to be in a different, dramatic environment to hear the news. They then took back to their stores a range of concepts and ideas to achieve service excellence. After the Zimbabwe launch, all regional general managers were responsible for communicating the Vuselela concept to all their employees and
rolling out the sub-projects of the transformation in their region through a series of workshops.

The Western Cape region introduced the concept to its employees through a successful launch in November 1996 at the Three Arts Theatre in Plumstead featuring an audiovisual show, entertainer, music and videos. Although presented in a "fun" way, the philosophy and interpretation behind the mission and values was clearly communicated. The enthusiastic, creative directors and managers of this region have been responsible for reinforcing the message on an ongoing basis in the form of a talent show, motivational speakers, monthly videos, etc.

When asked about when they first heard about the transformation project, most people from the focus group stated they had heard about Vuselela at the regional launch in 1996. Although some people had heard about the process towards the end of 1995, they did not feel that they were involved in the planning phase. Everyone experienced Vuselela in the rollout of the process to the region. One person on the panel who only joined Pick ‘n Pay after Vuselela had been implemented, said that he had heard about Vuselela immediately after joining the company, as part of his induction programme.

In the spirit of Vuselela, a Courtesy Code agreement has been struck with the South African Commercial, Catering and Allied Workers’ Union (SACCAWU), and all employees have been trained in an effort to maintain high levels of courtesy. Over 27 000 employees have subsequently participated in a countrywide rollout of the programme to commit themselves to the principles of Vuselela. The initiative was supported by new systems and in-house training programmes to entrench the spirit of Vuselela in the hearts and minds of company employees.

Looking back, the initial reaction by interviewees to the transformation process was overwhelming excitement and enthusiasm. Most people felt that the process would work because there was a high degree of commitment, however they acknowledged that there would always be some people who would not buy-in. The general consensus was that
almost everyone (approximately 95%) of employees had bought-in and had accepted *Vuselela* as a way of life in Pick 'n Pay. The remaining 5% of personnel were finding it hard to accept the new way of life in the company but were being "worked on" by their colleagues. It was noted that a lot of these '5%' have personal problems which is seen as a reason for their lack of commitment. It was pointed out that the excitement in the Western Cape has not necessarily been emulated in all regions as "some areas still lack energy and synergism exists".

6.9 **Role of the union**

The union was involved since the inception of *Vuselela*. Recognising their role as vital stakeholders and embracing the union as part of the organisation, the CEO unveiled the concept behind *Vuselela* to shopstewards at their union annual conference in Durban in 1996. The presentation was delivered to the national negotiation committee and outlined the progress of the various sub-project teams together with an overall big picture view of the company's aims. It should be noted that this occurred even before the project was presented to the management team in Zimbabwe, i.e. the shopstewards were the first to be brought on board with the initiative. "Management and labour had inherently had a conflictual relationship which was exemplified by the labour union strike in 1994. Since then, the relationship between Pick 'n Pay management and their shopstewards has been rebuilt, strengthened and matured, with executive management being invited to address the annual union conference on key strategic issues facing the company. In a positive working relationship, management and union work together for mutual benefit of the company and all its stakeholders, addressing issues such as productivity, managing diversity, training and development, etc. Consolidation of achievements is regularly assessed and new challenges are identified for the future" (Isaac Motaung, personal communication, 9th October 1999).

6.10 **Vuselela II**

While phase one of *Vuselela* focussed on the first part of the new mission statement, direction for phase two focuses on its external customers. To offer the ultimate retail experience, *Vuselela II* was launched to create a world class shopping environment.
Stores have been refurbished at enormous cost to create a more customer-friendly experience in each department. While competitors may be in a position to imitate the "hard" issues of the new generation stores (Vuselela II), the strength of the "soft" issues of Vuselela I will not easily be copied. Vuselela I and II complement one another in terms of a "revamping" of employee minds and company assets respectively.

6.11 Developing the potential of employees

Most importantly, Vuselela is a process, a fundamental long-term plan, and Pick ‘n Pay is dedicated to maintaining the momentum of Vuselela and addressing all the challenges it may present. Through Vuselela, Pick ‘n Pay aims to create an environment which will ensure that each employee realises his or her potential within the framework of the company.

The ongoing training and education of Pick ‘n Pay staff has continued with approximately 1 000 people graduating in the past year through various accredited training programmes. Various in-house as well as external training modules are offered to employees. Internal courses are recognised by the Technikon of South Africa, the HSRC as part of the Joint Management Development Programme and a number of European business schools. Success of candidates is celebrated in an annual graduation ceremony held at the University of Cape Town. From an organisational development perspective, the company recognises that positive behaviours of achievers will inspire others to follow the same path. Mentoring of others to build organisational capacity with encouragement of skills transfer for multiskilling fosters a positive atmosphere of growth and development. "Pick 'n Pay is a great company; we've invested a lot of time and training into people but they are our greatest asset and we will never stop doing things for our people; when you grow people, you grow their family as well - its an awesome responsibility" (focus group).

Skills, knowledge and competencies learnt on a personal level as a result of Vuselela include: "a sense of dignity, belonging and motivation", "more flexible and mobile", "more pride in work", "education opportunities, including on the job training", "no barrier
between casuals and permanents", "you're made to feel important", "we've learnt lifeskills such as personal budgeting, first aid, HIV education, occupational health, family planning, etc", "I've been on lots of personal development courses and motivational workshops", "Pick 'n Pay gave us the support to learn the skills to do the rollout of Vuselela", "the lifeskills workshops are free - you don't even have to pay".

6.12 Measurement of success

Linked to Vuselela, the “Dare to Dream” recognition and reward programme acknowledges and incentivises employees for the contribution made by employees who go out of their way to provide excellent customer service. The recognition and reward programme has been running for just over two years, during which time there has been a significant improvement in real terms regarding the quality of service delivered in Pick ‘n Pay stores. The success of Vuselela is measured and monitored on an ongoing basis by React, a company who is employed to act as mystery shoppers in all stores throughout the country, following clear guidelines and criteria, critically evaluating customer service. Evaluations are conducted every second month, allowing time for remedial action.

Winning departments within stores are recognised and rewarded on a bi-monthly basis. Every quarter, winning departments compete against other stores in their region. Annually, finalists (800) out of the interim winners are then taken to Sun City where a "win and spin" draws 80 deserving individuals who are sent on a trip to the Disney Institute in the USA, where they undergo training in the Disney Approach to Business. Disney's approach to service excellence is a 10 day course which includes field work at theme parks. Over 350 employees have participated in the service excellence course at Disney. The aim of the programme is not simply to send deserving people to the Disney Institute, but to improve customer service, and in so doing, to improve Pick ‘n Pay’s performance and “bottom line”.

A critical mass was required to be "transformed" through this process in order to affect change. A feature of this system is thus that each individual within a winning department has an equal chance of going to Disney. The company considers this important so that
every employee from Sean Summers down to every individual has the same perception of what the company is trying to achieve.

6.13 Pick 'n Pay Institute

Building on the Disney experience, Pick ‘n Pay has opened its own Institute of leadership and Quality Service Excellence to train and re-train employees in providing excellent in-store service. On 22 April 1999, the Pick ‘n Pay Institute opened at the company’s flagship Fourways Store. This will play a key role in the area of training and development and represents the single most significant investment that the company has made to ensure that they have adequately trained people, to maintain the existing business as well as help grow into the future.

All 150 permanent employees at the Fourways store, who were recruited from throughout the country by suitability to strict criteria, were inducted through a Disney service excellence course. They were accompanied by the CEO and several board members involved in the project team. The phenomenal success and impact this store has had in attracting customers is impressive. The unique feature of this "experiment" is that every staff member has the same vision which has been consistent since the store's first day of operation. All store employees have a vision of service excellence which is radiated out from each individual. Employees of the Fourways team are an example of what can be achieved. Using their own initiative in a tribute to those who made the Fourways dream possible and to commemorate these new beginnings, the highly inspired team of employees wrote a book. In the foreword to "Fourways Crossing: Substance of Excellence" (Frieslich, 1998), General Manager Danie Boshoff reflecting on the events leading up to the Fourways concept, states "I am in absolute awe at the personal growth and development that has taken place in every single individual in the Fourways store…There can be no greater reward in life than to see people achieving their potential when given an opportunity to do so. I have no doubt that when you read this book, your belief will be reaffirmed - our people truly do make the difference."
6.14 Sustainability of the transformation process
Sustainability of the process is ongoing. The original national project team meets on a
quarterly basis to review progress made by all sub-project leaders. Pick ’n Pay subscribes
to the Collins and Porras philosophy of companies that are built to last by ensuring
ongoing assessment of where the company is and focusing on where they want to be in
future.

The General Manager of each region has ultimate responsibility for the ongoing
management and success of rekindling the spirit of Vuselela in their region by various
initiatives. Every store manager is involved and each store has a Vuselela committee as a
centre of excellence to drive the process. The group meets on a regular basis to
brainstorm and discuss ways of adding value to improving the service in that particular
store. They own the initiative and organise events in the store to support their ideas.
Customer Service Managers play a pivotal role in maintaining service standards in stores
throughout the country. Staff designated as “Dream Weavers”, together with their "Pixie"
assistants champion the “Dare to dream” programme, challenge employees to improve
their performance and provide feedback on service standards to employees at store level.

Informal feedback on Vuselela is practiced daily on an ad-hoc basis, with employees
feeling that their opinions are valued and acted upon. Formalised, structured feedback on
the process is not carried out in the Western Cape region although it does occur in other
regions.

6.15 Communication
To improve communication in a highly decentralised company is a substantial challenge.
As a national initiative, a "one on one" staff meeting is held once a month throughout the
organisation. A pre-recorded video message from the CEO with a company review on
topical subject matter is shown together with a regional or store specific message. Post-
viewing discussions ensures all issues are thoroughly understood. Methods of
communication to staff vary according to region and are influenced by the style of the
regional general manager. Every employee, including store managers and office support
staff attend these sessions. It was mentioned that although employees are positive about the process of Vuselela, attendance at monthly one-on-one business videos is poor. Board members attend these sessions on a regular basis, circulating their visibility by attending store meetings in different venues/areas each month. The Western Cape region further communicates with its staff be means of a monthly regional newsletter which includes information about employees and their families, sporting activities and community projects.

6.16 Leadership
Strong leadership at corporate and regional level and a firm commitment to making Vuselela work, has culminated in it being a most successful transformation project. Leaders such as Raymond Ackerman (Chairman), Sean Summers (CEO) and Nick Badmington (Western Cape Regional General Manager) are well respected and admired by their staff.

Strong leadership in the Western Cape, particularly in the form of Nick Badmington has been highlighted as being a key influencing factor to the success of the rollout and sustainability of the programme in this region. "Nick is young and dynamic and committed to building relationships; he has done a great job." Leadership in the Western Cape is seen to walk the talk and take an active interest in the process. Staff have confidence in their leaders and feel that Nick Badmington (Western Cape Regional Manager), Sean Summers (CEO) and Raymond (Chairman) and Wendy Ackerman's visible presence in stores and at sports and other events has made a difference to their commitment.

6.17 Buy-in, commitment and workplace changes
Through consultation from the initial planning stages, through to implementation, an estimated 95% of all employees have bought into the process and supported it. Without hesitation, all participants in the panel discussion agreed that they felt part of the transformation process, they were committed to the process and they felt the project to date had worked. There was very little people could acknowledge as being negative about
the transformation process, but the '5%' of employees who had not bought-in to the process was seen as a problem area. Participants agreed that they would continue to try and win these people over, as they would have to "join in or disappear". Mention was made of "it takes everyone to build the brand but just one person to break the brand".

Although initially the concept was thought by some as another "management ploy", the genuine sincerity of management at all levels in attempting to create a "better place to work" and living company values has enhanced the atmosphere where employees are positive about their work environment and the attitude of staff is much more enthusiastic and motivated. Relationships between management and staff have made tremendous strides in just a few years. The workforce has recognised the benefits for themselves in terms of job security if the company is successful, opportunities for personal development and the Disney incentive. Transgression of the company's code of behaviour is not tolerated and demands that action be taken.

In answer to a question on what workplace changes have been noticed since *Vuselela* started, people spoke of "people take time out to listen and care", "the barrier between them (management) and us (staff) has come down", "educational opportunities have arisen; people are motivated to make more of their lives; the company assists people to better themselves", "our stores are improving and being upgraded; there is more of a focus on hygiene - in the open areas customers can see what we're doing", "there is better equipment, new stationary, etc to provide a better service to customers", "we are striving for excellence", "people are more supportive and care more about their colleagues", "there is greater respect for one another", "we're like a family - we all know one another", "leadership styles have changed", "lots of employee attitudes have changed", "we need to care in order for our business to grow", "we surround ourselves with people we trust", "perceptions have changed; managers are more approachable - we can ask them anything and they'll listen", "honesty is one of the biggest changes; trust has increased", "people have become close - your manager becomes your friend", "there is a big increase in self-confidence and self-esteem." There was no doubt that everyone interviewed thought the company's time, money and effort invested in *Vuselela* had been worthwhile. The
enthusiasm and energy of the people interviewed was significant, with someone remarking, "we're like a spark igniting with one another to set the Western Cape ablaze". A great emphasis is placed on focusing on positives, with celebration of successes.

Credit was given to the respect for casuals in the business and how they are included in all aspects of the business, including the "Dare to dream" programme. In the most recent trip to Disney in October 1999, 40 out of the 85 participants were casuals. Since Vuselela, casuals felt that they are "accepted as part of the family", whereas before the transformation, they "felt abused by the permanents".

6.18 Strategy
Pick 'n Pay Retail plans to continue improving their position of dominance in the food mass retail market with the current aggressive price positioning that they hold. (Pick 'n Pay Annual Report, 1999). Pick 'n Pay Retail's strategy going forward was described as "to continue the rollout of the successful Family supermarkets and also to differentiate in our own stores on service, product and store environment to continue to widen the gap between us and competitor Shoprite. E-commerce in the upper end of the South African market is a new area which will receive focused attention. Group Enterprises will focus on aggressive expansion of the very successful Score supermarkets, nationally and regionally. There is a commitment to acquire international businesses" (Adrian Naude’, GSB address, 2/11/1999). He described the company as entering its "adventurous phase", with the company continually looking at new businesses to expand its current portfolio. New businesses are critically assessed regularly, with a view to holding position in the belief that they will provide a growing source of future income and revenues, or deciding to exit them as the assumptions on which the original decisions were taken prove not to be in the best interest of the company (Pick 'n Pay Annual Report, 1999).

6.19 Structure
Although major re-alignment of structure of Pick 'n Pay has occurred over the years, since the split of the business into Retail and Group Enterprises divisions, no major company structural changes have arisen as the result of the Vuselela process specifically.
The board, consisting of mainly non-executive directors has given Sean Summers as CEO a formal operational mandate which will be periodically reviewed. The Board meets regularly to monitor performance of the group, with day to day responsibility of running and administering the Group's operations lying with the Retail and Group Enterprises management boards (Pick ’n Pay Annual Report, 1999). Pick ’n Pay is characterised by a marked decentralised policy, with each regional general manager autonomously running the region as a "separate company" within national guidelines and guided by the company's core values, reacting to local competition and addressing niche markets. Store managers also run their areas of responsibility as if it was their own company. As a growing company, retrenchments are not a feature and promotion from within is encouraged. Communication through one on ones is important to bind all employees together.

6.20 Culture

*Vuselela* began with the re-embracing of the company's core values and defining a new mission for the company, through the participative involvement of all stakeholders. All employees were included in the process, which has shown to have positive effects in the entrenchment of the company's values and mission within individuals. Coming out of the focus group discussion was a strong sentiment that the culture of the organisation had changed since *Vuselela* and these employees viewed these changes positively and enthusiastically. Workplace changes included the fact that people felt the culture in Pick 'n Pay is one of care, trust, support, respect and honesty. Closer relationships have been forged between managers and their subordinates, with employees remarking that they felt managers were more approachable. Employee loyalty and commitment to the company are indicative that the values of the company have been adopted by many staff members as their own life values. Customer service also benefits from the principles of courtesy and respect for one another. Recognition and reward has enhanced the incentive to instill these principles in the entire staff complement. Leadership is seen to be strong and sincere, walking the talk and being visible.
The focus group discussion yielded the following comments: "Pick 'n Pay has a family feel - inside and outside the working place - people make the difference", "the company's heart is in the right place; we spend 70% of our day here at work and we need to be happy; this is a place of warmth, love and peace "the difference between Pick 'n Pay and our competitors is that Pick 'n Pay will remain number one because of our investment in our people and the commitment from the top down. Pick 'n Pay is a hard act to follow because our strength is in our people".

6.21 Summary

Pick 'n Pay has adopted a practical approach in which Vuselela creates a conducive atmosphere for people to develop, realise their goals and delight customers by providing an excellent service." (Isaac Motaung, personal communication). By buying-in and living the company's values, employees and customers benefit, with the ultimate improvement on the bottom line and growth of the business.

Looking at the "whispers of tomorrow", Raymond Ackerman (Address at GSB 8/11/99), spoke of the growing use of technology and e-commerce, the fact that ethics will play a greater role in the new millenium (this had been a core feature of a recent international retail conference), change will be the order of the day and the recognition that mergers and globalisation are big trends. Pick 'n Pay needs to make decisions on whether to merge or remain strong enough to stay on its own, to expand the business into Africa or enter other international ventures. He admitted that the company cannot afford to be complacent ("complacency is a dangerous disease") and that it must keep changing to survive. He spoke of leaders needing vision. In his address at the GSB, he said "remaining hopeful and positive is the most important ingredient you can take away from your MBA." He advised his audience to listen to the advice of others, that you can learn by talking to other people. "To be successful, you need to be passionate about what you are doing".

Vuselela has been a successful transformation process. Company strategy to increase financial performance through service excellence has been achieved through restructuring
of the Group, appointing new, young, dynamic leaders to pave the way, supplemented by the transformational process of changing the culture of the organisation. Since his appointment as the new CEO, Sean Summers’ vision of transforming the company has been realised. New, fresh ideas and ways of doing thing has revitalised the business, personally developed employees, created a climate of dignity and respect for staff, built relationships, especially between management and their subordinates and impacted on a better place to shop for customers. The balanced end result between content employees and customers will ultimately build the business and allow it to grow further. Regular consolidation of progress made needs to continue in order to set short term goals and focus future direction.
7. WOOLWORTHS TRANSFORMATION PROJECT

7.1 Woolworths company background

Founder Max Sonnenberg opened the first Woolworths store in Plein Street in Cape Town in October 1931. The business was based on buying from original sources on the best terms to give the best possible value for the money asked. The retail formula was successful and to raise capital the business was listed on the JSE in 1936.

Woolworths continued to gain ground as a retailer in South Africa, based on the founder's early philosophy. An association was initiated with Marks and Spencer as Woolworths began emulating its merchandising principles. The relationship was formalised in a commercial know-how agreement in 1947 and has endured for over 50 years. The merger with Truworths Limited in 1981 led to a restructuring which resulted in Wooltru becoming the listed holding company for Woolworths and Truworths Limited. The separate listing of Woolworths was terminated at this time. Following Wooltru's reduction in its holding of the company's issued share capital from 98,3% to 46,9%, Woolworths Holdings Limited, an investment holding company with Woolworths (Pty) Ltd and Country Road Limited as major trading subsidiaries, was listed in October 1997 on the JSE after an absence of 17 years. A secondary listing on the London Stock Exchange was also established. Country Road is a leading apparel and homeware brand which sell primarily through retail stores and major department stores and specialty stores in Australia, New Zealand, the USA, Singapore, Indonesia and Hong Kong (Woolworths Holdings Annual Report, 1998).

In 1999, the Woolworths chain of 92 stores in South Africa retails textiles (comprising clothing, footwear, toiletries, cosmetics and homeware) and foods under its own brand name with the focus on quality, value and customer service. These aims are achieved with the use of advanced product technology and close ties with suppliers. Information technology and systems underpin all Woolworths' business activities and processes. Primary focus is placed on improving and supporting the effectiveness of business
systems to the benefit of Woolworths' customers (Woolworths Holdings Limited Proposed pre-listing statement, 1997).

Group turnover for 1998 was just over R5 billion, a 19% increase on the previous year. However, headline earnings per share only increased by 5%. This was affected by interest on borrowings arising from the purchase of Country Road, the losses incurred during the 5 month period since its acquisition and the shares issued for the purchase of certain properties from Wooltru the year before and arising from the international placement (Woolworths Holdings Annual Report, 1998).

7.2 Company culture and values
Culture of an organisation has many influences. Both leadership and the people making up the organisation play a role. Woolworths has always been a company well regarded for its distinct culture, value principles and unequalled quality and service. In the focus group discussion, participants noted company values as including: internal and external customer service, people development, quality, value and integrity. Panel participants felt that although the majority of people in the organisation practice these values, there is a minority that doesn't. Several employees interviewed stated that although they felt external customer service was good, the standards of internal customer service were declining. Comments included: "it's like a wall between external and internal customers" and "he values we subscribe to as a business are positive, but our suppliers don't always have the same opinion of Woolworths as our employees". Credibility in the marketplace, trust in the organisation by external customers and pride in working for the company by employees were also mentioned. They felt "there is an emphasis on the quality of products but not enough on the quality of people and specifically relationships". "Morale is low because we feel the company appreciates customers more than their staff". Within the store, people felt there was not enough focus on improving staff morale.

7.3 The need for change
In response to the rapid pace of change in the external retail environment both locally and internationally, and the closing gap between Woolworths and other retailers, the Board
and Executive Management Committee got together early in 1999 to discuss the desirable future they foresaw for Woolworths by defining strategy, structure and culture for the company.

"In recent years the company has not grown and performed as well as expected, primarily because they have not changed the way they operate and the way they make decisions, in line with changing times" (Shoptalk, June 1999). “Many new people have entered the organisation in recent years who have not understood or bought into company principles. To be a force in the next millenium, top management has recognised the need for the company as a whole to be more flexible and adaptive and thus to change internally to meet external changes” (Ian Sturrock, personal communication). The idea is thus to create a business that can constantly adapt itself to remain relevant to changing times of technology, competition, fashion trends, availability and distribution of goods to customers. Problems that he highlighted included the way the business operates, the fact that too many different initiatives were being tried at the same time and the existing perception that communication is not always transparent. Transformation is seen as a commitment from Woolworths to “reinvent our organisation by engaging all our people in finding ways to move ahead, adapt and grow.” (Syd Muller, Executive Chairman in Shoptalk, June 1999). Muller talks further about the need to move away from a traditional management style as being critical to this process, the recognition that everyone has a valid contribution to make and his hope for a “rejuvenated and revitalised Woolworths being born.” Through transformation, Woolworths plans to create an exciting, contemporary shopping experience that will strengthen the loyalty of its customer base while attracting a new generation of customers (Shoptalk, June 1999). An emphasis is placed on the fact that transformation, namely "the new Woolies way" is seen as a process (ongoing) rather than a once-off project. It is planned to be sustainable "forever".

When the focus groups were asked why the company chose to implement the transformation process, answers included: "Woolworths is a static organisation with an air of arrogance, its market share is declining and the competition is getting closer; the company needs to transform to survive", "the company hasn't changed much since the
changes in the country in 1994 and we've realised we have to now change urgently", "the buying power of our customer base has changed from white middle class and we're losing market share - we have to change", "globalisation and technology are forcing us to be more competitive", "there were external forces that caused us to change; the workshops surfaced a lot of the internal issues", "the company has realised that it needs to educate, develop and empower its people for the company to change", "customers are not as interested in Woolworths as they used to be", "people don't feel appreciated anymore", "transformation in the country is an important influence", "we needed to change from the division between management and staff" and "the company realised the need to change due to foreign competition. The company can't be competitive if it carries on in the old way - it needs to align to people's goals rather than the company's goals like in 'Shared strategic intent'.

7.4 Establishment of the process

Brian Frost, who is joint MD, originally started the transformation initiative early in 1999. A steering committee, under the sponsorship and leadership of Brian Frost and then later Syd Muller, current Executive Chairman, when Brian Frost was subsequently transferred to head up New Business Enterprises, was established to formulate proposals on an approach to company transformation with the aid of an external consultant. The proposal by the consultants was approved by the board in April 1999 and on 23rd April 1999, Brian Frost introduced the concept of transformation and "the new Woolies way" to employees across the country in the company's Business broadcast. It should be noted that originally the process was termed "Transformation" but changed to "the new Woolies way" after a few months.

Stakeholders in the process were identified as being management and staff of Woolworths, outside suppliers and franchisees. Two new board members were appointed early in 1999, however this has not jeopardised the process at all as they have all subscribed to and supported the transformation principles. Shopstewards did not buy-in to the transformation process when it was first mentioned, as it was perceived as management's way of replacing the union. Just prior to the launch of the new Woolies
Way, the union was derecognised and thus this attitude has not influenced the success of the rollout of the process. Union representation at Woolworths is now limited to Distribution Centres only.

The Head office participants seem to have heard about the transformation project earlier than their colleagues in the store have. Employees interviewed do not feel they were consulted in the planning phase of the process and "do not feel we were involved in putting it together". They heard about the new Woolies way through their HR manager, through colleagues attending the workshop, through an email to their boss or through the grapevine in the canteen.

Canvassing initial reaction of participants to the company's transformation initiative yielded varied responses. Some were negative, assessing transformation as implying "more work". They were quite skeptical, having been through various top-down alignment processes in the past which had not worked, and felt this would be a waste of money. "If the alignment processes had not worked, why would transformation work?" Fear of the unknown and possible retrenchment was also felt. Others were excited, viewing this positively as an opportunity for everyone to express their thoughts that would lead to better teamwork between management and staff. Some adopted a 'middle of the road' approach, not thinking too much about it - "if it happens, good but I didn't see it affecting me personally".

The objectives of the new Woolies way were perceived positively by all the focus group participants. In general, people agreed that the objectives were clearly communicated - where the company wanted to go and what was needed to achieve those aims. "Transformation is seen as aligning employees to company goals through consulting with and getting input from people throughout the organisation", unlike "past practices where only the guys on top would make the rules and everyone would fall in line". "In the past, this hasn't taken place - grassroots people were not involved in transformation as such." This was echoed by other employees who felt this was the first time staff were actually being listened to.
Similar alignment initiatives in the past were referred to but people felt those had not borne solutions whereas this was much more practical. The initiative is seen as being productivity driven with a role in staff development. Sentiment was expressed about the perception of this being practiced for a week or two and then reversion "to the old way", based on past experience. The introduction of new rules by management is seen by some as "a new trend that will then fade". Someone said, "the company is trying to make more money. The company has been quiet for a few months, they need to practice what they preach, then we will be able to achieve what we want". Mention was made of the various communication channels of "the new Woolies way" through the business broadcast, Shoptalk (in-house newsletter) special editions, noticeboards and emails. In the past the board decided on the goals - now the people decide on the goals." "Behaviour from the top must change".

7.5 Phases of the transformation process

Process Management consultants, namely Radford, Glaser and Associates (RDA) were employed to design the alignment project, building on work previously done with the company. RDA has an association of working with Woolworths for many years and thus their methods are familiar and they were the obvious choice. From February to May 1999, time was spent planning and organising the transformation process (Phase I) which included the project methodology, resources that would be required, the technical aspects of the process, etc. Phase II would be a consultation phase through 100 workshops in which information would be gathered and employee buy-in and commitment would be achieved. Due to the wealth of ideas expressed in workshops, each region then had a pre-consolidation meeting. The outcome of workshops was consolidated in a 3-day conference in October (Phase III). The conference was attended by 176 people across the business, including suppliers and franchisees. The conference formulated a 3-year strategic plan, in which short-term goals were defined and action plans were addressed. Hereafter the board will meet in December 1999 to define the company's strategy for the next 3 years, taking the learning from the consolidation conference into account (Phase IV). Representatives who attended the Consolidation conference will give feedback to
employees from February 2000 (Phase V) in one day workshops. The process will then lead into Implementation (Phase VI).

7.6 Consultants and the task team
Eleven in-house project drivers, seconded to the new Woolies way for a period of a year to 18 months, formed a cross functional transformational steering committee representing all levels within the organisation, adding credibility to involving every person in the organisation in planning the company's future. This team includes an ex-shopsteward committee member. The external consultants were responsible for facilitating workshops to the board and training of internal consultants to facilitate other workshops. The internal consultants will focus on facilitation of process and transformation, integrating views across the business and being active both in and outside the workshops. A diverse group of about 40 people across all business functions supports the steering committee forming the project task team. They will spend about 10% of their time over 6-12 months involved in the transformation process, addressing company-wide issues and helping run the half day workshops. The representatives that form the project team are seen as a voice of communication to bring ideas and views from their colleagues to the forum and then to feedback on what has been discussed back in the workplace.

Both the internal consultants and task team members come from across the business. Internal adverts were placed on noticeboards in all the different business units and people were invited to submit their name for consideration. The steering committee made the final selection decision.

7.7 Consultation through workshops
The consultation part of the project was a national programme covering two types of workshops: a half day workshop and a three day workshop. Workshops were run countrywide in employee's local areas, starting in May 1999 and are now complete. Diversity within workshop groups was a prerequisite - across functions, levels, race and gender. Of a staff compliment of 13 000, a total of 3 100 have attended workshops; 16% of all employees attended the half day workshop and 8% attended the 3 day workshop. In
order to create the "new" business, internal objectives have been identified to include updating the company's image and becoming more flexible with quicker decision making. Contract / casual staff was included in this process to assure inculcation of what the company stands for across all staff that customers may interface with. Because customers expect all staff to be trained and share the values of the company regardless of whether they are permanent or temporary, it is imperative that all staff buy-in to the new Woolies Way ideal and take ownership of the core values the company is attempting to instill in each individual. These temporary employees have also taken ownership of the values of the business and have been found to be very loyal to the business. External objectives cover strengthening partnerships with suppliers and franchisees by involving them in the workshop process, as they too need to transform to make the process successful. Emphasis was placed on the business relationships that need to be created.

Workshops have been interactive sessions facilitated by internal consultants in which delegates were split into teams and given tasks which help them identify and share their ideas about a plan to take the company into the future. Part of the workshop is spent looking "outwards" at the retail environment, locally and globally to assess factors influencing the company. Time was also spent looking "backwards" to understand the company's history. Through this, a lot of personal history and experience, epitomising the history of the country, was surfaced and lessons learned from the past were discussed. A look "forward" at the desired future examined core purpose, principles and values, business formula, current customers and opportunities in the future. Desired leadership and culture in order to achieve these ideals was also discussed (Shoptalk, September 1999). Although workshop participants were from across the broad spectrum of the company, many of the issues raised were common.

Through the workshop process, representatives from all areas of the business were chosen to work out the best way to transform Woolworths into a contemporary, adaptable organisation while retaining their core principles of quality and excellence. Through a process of self-discovery, participants learnt that each individual has a role to play and by contributing to the transformation process, they themselves will benefit and increase their
personal worth. Each person is to take personal accountability for the contribution they make to the company.

Thinking about whether individuals thought it would work, some people stated that they had been doubtful at first but as time went on, greater buy-in and commitment was achieved as people realised they had an opportunity to change the organisation. Most interviewees said they knew it had to work, even though initially they may not have known the specific details pertaining to the process. Overall, it seems like generally negative mindsets initially have become more positive since the rollout of the workshops. There appears to have been higher levels of communication and commitment at head office than at store level, with messages not always getting to where they need to be in Stores. Interestingly, people mentioned the discomfort and depression they had experienced after the first day in the three day workshops as issues were being raised for discussion, which improved in time as people spoke refreshingly honestly without fear of being marginalised or sidelined.

Positive feedback about the process is that employees attending workshops said they had an opportunity to interact with people from the business they didn't normally come into contact with. The encouraging thing was that no matter where in the business people worked, they shared a high degree of commitment and tolerance, and also the same frustrations. The workshops were viewed positively, participants feeling that "we live in hope." One person interviewed talked about the realisation of "if I want change, I must change myself; we must start with ourselves". People realised that they can make a difference but a potential problem is the dampening of the enthusiasm of workshop participants by their managers, working in the old paradigm, when they go back to their workplace.

It was mentioned that staff at the stores were generally apathetic in exercising their right to nominate representatives to attend workshops and eventually participants were 'chosen' by managers on a random basis. It was stated that volunteering to go would have probably produced more favourable outcomes. A lot of people representing their group at
workshops did not prepare adequately (because of time and other issues), canvassing the views of their peers, and some were just not interested. Some expressed the fact that 20% was too little representation of the organisation. It was noted that some people felt intimidated by the presence of directors at the workshops - this affected their articulation and communication of ideas.

7.8 Buy-in and commitment to the process
Commitment and buy-in to the process has not been as effective as hoped. A high level of commitment "high up" is the general perception although it was expressed that the behaviour at some senior levels has not changed and is not expected to. The feeling was that holding back the process will not be tolerated by the company and will go ahead regardless. The fact that "people don't know enough about it yet", attendance at workshops had been poor where not everyone arrived or people did attend but didn't stay for the whole course and poor communication to staff with some people only being told the day before a workshop that they had been nominated to attend hints at less commitment than intended. Managers from stores did not include themselves in the process, perpetuating the 'us versus them' mentality. They were therefore not seen to be part of the process, a key ingredient for successful rollout. A suggested reason for this was that stores personnel viewed the transformation as 'a head office project'. An additional reason given was that some people did not bother to participate in the process as they were put off by certain people using 'burning issues' at workshops as an excuse to cover themselves, rather than as a positive contribution to the process.

There is general agreement that not enough staff has been involved in the process. Although there has been official representation of everyone, the message of transformation did not filter down throughout the organisation. Little feedback in the workplace seems to have occurred to colleagues after the workshops, particularly in the store. People who did not attend workshops feel alienated from the process. Comments like "I wasn't really involved; people in our department didn't talk to us about the workshop; we don't know anything about it really", "feedback and communication has been poor; we haven't seen line managers implement the process", "it hasn't been
presented to me and therefore I don't feel part of the process" and "I wasn't involved at all; we got no feedback from the person who went on the workshop; when I asked who else is going, I got no answers". Those employees in the focus group who had not attended a workshop feel they should have been supplied with more information up-front and the process better planned, such that departmental managers should have prepared staff ahead of time and organised replacements on the floor for those people attending workshops. They feel that the whole workshop process was "secretive", with people who attended the workshops as "elitist".

In contrast, those people who had attended workshops knew more about the planned process and were much more positive about the transformation initiative. Someone mentioned that although there is lots of news about "the new Woolies way" communicated on bulletin boards and business broadcasts, "I felt privileged to attend a workshop; experiencing a workshop is important."

When asked about whether they personally bought-in and felt part of the transformation process, half the participants were positive and half were negative. At more junior levels, people see divisional managers and group heads in stores as being positive and committed to the process, but commitment is not thorough at levels from departmental managers down. Some people feel that the process has worked to date - results of change are being witnessed in the workplace. People are held more accountable and burning issues raised in the workshops are being dealt with.

Participants in the focus groups were asked if anyone from their company had asked them for their opinion on the transformation process and whether they felt their input was valued. Some people replied that no-one had asked their opinion while others had discussions in their workplace after attendance at the workshop. People attending workshops had been asked for feedback on their experience of the workshop after the sessions. Some people, especially in the store, had regular conversations about "the new Woolies way" with their manager and although they felt listened to and their comments were valued and respected, they didn't feel that their suggestions had been acted upon.
7.9 Leadership style

One of the aims of the new Woolies Way is to change the leadership and management styles within the company. As Syd Muller remarks in the "Finding the new Woolies way" video, "for too long, people in the business have looked up for decision making; now we want to engage with everyone in the organisation to a greater extent; we want involvement and participation from everyone". The company strives for a leadership style that is more participative, involving others in decision making, being humble and prepared to learn from all people, acknowledging and appreciating people as the most important resources, gaining commitment rather than compliance while focusing on creating a customer-centric culture. The big picture view is to consolidate the "technical" or hard "S"s and the "social" skills or soft "S"s of leaders. To stimulate this discussion, formal and informal leaders were mixed in the workshop groups.

Top management in the company has pledged their support and commitment to this initiative, and is seen to be visible throughout this process. A board member or senior manager introduced each workshop by speaking about the purposes and principles of transformation and the need to change. Board members also facilitated the small group work as part of the Consolidation workshop. A dedicated budget and other resources have been set aside for the planning, consultation and implementation of the project. The new Woolies way is seen as changing the way things are done right across the business, led by, and supported by the board. The success of the project will be measured in terms of achieving the company’s 3-year business goals while aiming to benefit all stakeholders – staff, customers and suppliers, at the end of the day.

Surfacing in the workshops was a need for more "walk the talk" by directors. An initiative which was announced recently is that board members will spend one day a month working in stores serving customers. An interviewee added that for this to have full impact, the board members need to be open-minded and listen rather than 'telling'. Such symbolic changes are hoped to change staff perception of board members.
Workshops created the opportunity for dialogue in a way that had not happened before. The challenge is to keep this dialogue going and to practice and thereby instill the principles and philosophy of what occurred in the workshops back in the workplace. A gap in the consultation process was identified as insufficient representation of middle management from stores, which has led to a gap in information and knowledge as a result. It is felt that sufficient representation was obtained from higher and lower levels of the organisation. Middle managers selected did not always attend workshops and because of the democratic voting practice in the selection of business unit representatives, it is possible that their colleagues simply did not select many of these people, or they excluded themselves from the process as mentioned above.

7.10 Pre-consolidation workshops
A pre-consolidation workshop was held in each region at the end of September 1999 to find a common focus from all the information that had been gathered in the previous workshops. The consolidated information, representing the diversity of all employees, was then presented at the Consolidation conference in October.

7.11 Consolidation
The desired strategy, leadership, culture and vision for the company as discussed in the workshops was then presented in the Consolidation conference which was held in late October. The October conference aimed to consolidate and align all views and ideas, leading to definition of the strategic direction for the company for the future. In parallel with this, the board and business has been undergoing its own planning on these issues. Ultimately, the new Woolies way aims to align goals of individuals with goals of the business.

7.12 Communication
"Initially the internal consultants were criticised for not communicating the transformation sufficiently, and through the assistance of the company's internal communications department, a communications strategy has been put together and implemented to give "the new Woolies Way" greater exposure throughout the company"
(Cheryl Rae, personal communication). Communication has included write-ups in the company's in-house newsletter "Shoptalk", posters, email updates from the Executive Chairman, internal "Business Broadcasts", a live broadcast for the purposes of company communication by the executive chairman which is screened everywhere throughout the business at the same time every few months. To build excitement and renew interest before the Consolidation conference, a new Woolies Way video was produced, noticeboards displayed updated material on the process, table talkers appeared on every table across the business, a live new Woolies Way intranet site was launched and the latest news on the process with feedback from workshops was published in "Shoptalk". The "Finding the new Woolies Way" video was circulated to every business unit, store and distribution centre to convey the message of what occurred the workshops. Another video filmed during the Consolidation conference will also be circulated to convey the events of the conference in an attempt to capture the spirit and excitement of what occurred. When this video was screened in business units and stores, a panel discussion featuring several people who attended the conference was arranged to give them an opportunity to say how they felt about being involved. A Road Show to the field is also planned - to try and transfer the spirit of the conference throughout the country. A 'media presentation kit', a communication pack will also be distributed to all stores in future; this and a once-off newspaper are still under discussion at present.

Communication on the scale mentioned above has been deemed essential to bring on board those employees who have not yet attended workshops. This must be on-going to keep people informed and included in the transformation process.

7.13 Workplace changes

When asked whether any changes had been noticed in the workplace, some people felt it was too early too tell whereas others felt there was a fundamental shift in wanting to improve service but that this was not necessarily due to the new Woolies way alone; there was agreement that an effort had been made by the company to change the way things were being done. Some people felt that staff was more empowered as a result of the transformation process and were being more bold and assertive in challenging upwards.
Managers had to do more explaining and saw this questioning by their subordinates in a positive light. Changes at divisional level were acknowledged in that certain events had been cancelled after receiving attention through the "burning issues". Interviewees on shopfloor level said they hadn't noticed much change in their workplace, especially "not in the person who attended the workshop".

In general, people felt that "the new Woolies way" had been a rather rushed process and that people hadn't had enough time to discuss the process with their staff. "Perhaps there would have been more buy-in if there had been more time". "Management is autocratic and telling rather than participative - a team-based approach is not used". "Within departments there is a good team spirit but no integration between departments". "Managers are starting to be more sensitive; they are moving away from the bulldozer approach". A problem was highlighted in which shopfloor personnel feel torn when "head office tells you to do something one way and your department manager tells you to do something differently".

Overall, everyone felt that the transformation had been worth the company's time, money and effort investing in the process but they would like to see it filtered down more during the implementation phase. A comment was made about the fact that this was not an overnight process but that it would have to be sustained in the long term.

Positive aspects of the transformation process to date include "the realisation by the company that it needed to change and it was prepared and willing to involve its staff in the process". "It has drawn people from the whole business together - there is representation from the whole business". The opportunity for people to vent how they feel is also seen as positive. Those attending workshops learnt that there is value in everyone and that all individuals have a contribution to make. "Creating the opportunity to listen to everyone" and "the first time input was gained from all the people - the first time people were listened to" highlight the fact that people feel included in the process. Someone said "there is a passion there with the people - they know the business will change for the better in the future".

Negative aspects of the transformation process were listed as: "the process was not well communicated in the workplace", "people in stores are not driving the process themselves - they are complacent in their waiting for the division to drive the process", "not everyone was included in the workshops and being excluded we feel we don't know much about the process several months after rollout of workshops", "some people who attended the workshops were not skilled", "I am concerned that important issues #s 2,3,4, and 5 raised in the workshops might get lost in the process as everyone focuses on issue #1".

Skills and competencies learnt on a personal level through the transformation process ranged from "nothing really" to "organisation skills", "applying learning from the workshops in the workplace", "challenging upwards", "handling staff that are more assertive", "being more transparent than before" and "creating time to listen more to other people".

7.14 Strategy
As already mentioned (section 7.11), the views emanating from the various workshops around the country and summarised in the Consolidation workshop in October will be used as a foundation when the board sits down in December 1999 to review and consolidate all the issues that have been raised and suggestions that have been made by the company's employees through their representatives in the workshop rollout for the desired future for the company. Once the company mission and strategy for the future has been defined, this will be communicated to all employees early in the new year.

The 3-year strategy will be reviewed using the Balanced Scorecard system on an annual and yearly review basis in terms of Growth and Economics, People and Culture, Business Processes, Technology and Infrastructure and Customers.

7.15 Structure
Like many companies, Woolworths is seen as bureaucratic and layered. The long-term aim of the company is a flatter structure. The project committee sees transformation succeeding through a team-based approach with a move from a compliant, controlling,
autocratic environment to one in which employees take high ownership, are deeply committed and highly involved. Structurally, it has been acknowledged that to be more flexible and adaptive, the management structure of the company needs to move away from a silo function to being more cross functional. The workshops were successful in facilitating understanding among employees and instilling in each individual the motivation and responsibility to take ownership in shaping their future within the company.

7.16 Culture
Although employees agree on the positive values that the company stands for such as customer service, quality, value, integrity and people development, it is felt that external customers are treated better than internal customers are. As a result, morale is low in certain sectors of the business and staff feel that no focus is being given to improving this situation. Many barriers seem to be present: between those that attended workshops and those that were excluded, between management and staff, head office and stores, and treatment of external and internal customers. For a coherent company culture in which people feel content and associate with the norms of the company, these issues need to be resolved and the divides bridged. Leadership of the company needs to be aware of the perceptions that exist that they're not necessarily seen to be leading by example.

7.17 Review of the process thus far
Initially the project was greeted with a fair amount of skepticism but as the workshop rollout has been implemented, the company is gaining commitment and the change process is starting. People attending the workshops are enthusiastic and encouraged by the role they have to play in the change process. Change entertained by the company in the past had been aimed at specific silos only - this ambitious initiative is a first for Woolworths in that it is the first holistic, company wide approach. Long-term, the plan is for the company to become more adaptable and sustainable. There is much desire to see a change in responsibility of employees at all levels, accompanied by a mindset change where accountability and responsibility are enhanced by building organisational capability through individual capacity. This does not happen overnight.
The goal of the transformation has not altered since inception although the process and tools have changed marginally. At this moment there is no finite way of measuring the success of the transformation project except by bottom line improvement, which is the ultimate goal. There are no specific recognition awards associated with the rollout of *the new Woolies Way*, although the company does have other recognition awards.

As *the new Woolies way* is still in the early stages of data gathering and consolidation of strategy for the future, little can be said about linkages between strategy, structure and culture at this stage. The company has committed itself to change - for this to occur successfully, anticipated changes are expected in the three areas of strategy, structure and culture. Implementation of the transformation process is due to rollout from next year (2000) and only then can changes be monitored with any degree of reliability.

The company has admitted that leadership style has to change. Comments made during the focus group discussion highlighted the divide that exists between management and staff while other comments alluded to the fact that not all senior managers appear to have bought into the transformation process and are not leading by example, which is certain to jeopardise the process if this is indeed true. Employees mentioned on several occasions how they would like to see more change from the upper echelons in the company's hierarchy with sincere listening to colleagues at lower levels rather than just 'telling'. By involving themselves in workshops and the symbolic gesture of committing themselves to work in stores once a month, directors are earning the respect and appreciation of their staff. Citing the fact that directors and other senior management have been seen to be cutting back on expenses and actually walking the talk, has also been viewed positively.

Workplace changes have already been identified as a result of *the new Woolies way* initiative. Coming out of the various discussions was the feeling that in the past, all decisions had been made "at the top". Participants appreciated the change that employees at all levels were now invited to state their view for the company's desired future. However, a divide exists between those who attended workshops and feel included and those who did not attend workshops and feel excluded. Theoretically, all voices should
have been heard through departmental representatives but in practice this does not appear
to have gone according to plan. This lack of involvement will potentially be a problem as
not all employees have bought-in and participated in the process. It is my personal view
that these people will need to be treated sensitively in future to be brought on board as at
present they are feeling alienated from the process.

The attitude of certain departmental managers is a problem that needs to be dealt with
urgently as this seems to be the level at which the communication of the transformation
message wanes. By not including themselves in the workshops, vital support to workshop
delegates and those who did not attend seems to be inadequate. It is my suggestion that
before rollout of "implementation" next year, this "weak link" is rectified. A further gap
in the process is the lack of personal responsibility by some individuals with employees
on shopfloor level looking to their managers and top leadership to set the transformation
process in motion.

Past initiatives that have failed may be negatively hampering enthusiasm for this
transformation process - it is a hurdle the consultants will need to overcome so as not to
jeopardise this process - the new Woolies way needs to be seen to be something
dramatically different - NOT as "just another alignment session". The impact of the new
Woolies way has been positive on many accounts - these must be harnessed and taken
advantage of to boost the company in its transformation initiative looking forward.
8. **FRITO LAY / SIMBA’s MOMENTUM PROJECT**

8.1 **Simba company background**
Simba’s roots are embedded on a farm called Friedenheim near Molteno in the Eastern Cape. The company began as a rusk-making operation but a number of developments during the 1950’s catapulted this family business into the major league. In 1954, the first potato chip manufacturing factory was established and in 1956, Simba Potato Chips were launched to the South African market.

In 1957, the company moved its salty snack business to its present Isando site and it experienced strong growth in the 1950s, 1960s and 1970s by extending its product basket to include flavoured potato chips, extruded products and packaged nuts. In 1977, Simba was bought by Fedfood and 1991 brought about a major change when Fedfood was taken over by the Malbak group. A brand new era started for Simba in June 1992 with the merger of Kanhym and Fedfood, with the formation of the food giant Foodcorp.

June 1995 marked a further milestone in the history of the company with the announcement of the sale of a 50% stake in the Simba business by Foodcorp to the international snack food producer FritoLay, placing Simba firmly in the international arena. The partnership with FritoLay was in line with Foodcorp’s strategy to enhance its operations with world-class brands, products and technology by forming alliances with global leaders in the food industry. FritoLay is part of Pepsico, one of the world’s largest and fastest growing consumer businesses. FritoLay has an ability to add enormous value to local snack enterprises as a joint-venture partner, which it has done the world over.

From May 1994, Simba had commenced with a restructuring programme throughout the organisation, which saw a heavier emphasis placed on centralisation. Decentralisation from regional head offices to the company’s corporate headquarters in Isando changed reporting structures, job functions and responsibilities throughout the organisation. The joint venture with FritoLay resulted in the final steps in the process towards functional
rather than a regional structure. A new operational board established in 1995 featured both Simba and FritoLay representation.

8.2 The need for Change: Influence of the joint venture with FritoLay

After the acquisition of a share in Simba, FritoLay introduced a wealth of new policies and procedures in conjunction with investment in plant, technology and people development. FritoLay was also responsible for bringing a company climate survey termed the Organisational Effectiveness Survey (OES), which is designed to take a snapshot of the feeling and climate within the organisation. The first Simba OES, which was intended as a sample survey, targeted senior, middle and first line management and was conducted during April 1996. Overall, Simba was viewed positively by 53% of respondents. The five most positive categories in Simba which motivate those questioned were: desired values, job motivation, stress, diversity and customer drive. Areas identified for improvement included recognition and rewards, feedback and coaching, communication, career management, recruitment and retention process. (see later)

8.3 Vision and Values

During May 1998, all directors and their direct reports representing every part of Simba attended a "Winning together" workshop, in which much time was spent reexamining the culture issues of the organisation as a result of the joint venture. A set of values that could take the business into the future was defined. "Blue chips" or strategy priorities were identified as high impact activities that could lead the company towards its vision. They included creating a winning culture, focusing on three core brands, gaining control over point-of-sale and taking costs out of the business. The values and blue chips were then communicated to all other management and supervisory levels, followed by a rollout of the message to all other employees of the organisation over the next few months.

Simba's vision is defined around the company's products, namely "to be Southern Africa's favourite and fastest growing salty snack company". To pursue the vision, it was explained to all employees that every individual had to operate in a certain way. The values the company ascribes to include:
• We get results
• We thrive on service
• We believe in integrity
• We support each other
• We reward, recognise and celebrate

Simba company strategy is based on a growth philosophy where growing the top line, reducing costs, improving efficiencies, reducing waste and growing and developing employees are the basic aims. **Momentum** aims to drive the key performance indicators of the business and should not be seen as a stand-alone initiative.

Although Simba's vision and values system was discussed in **Momentum** training, very few participants in the focus group were able to recite all the company's values. A better grasp of the vision was apparent. In terms of whether the panel believed these values are practiced, it was felt that some values are practiced more than others. Variability exists on which values are practiced when. A need for consistency and improvement on all levels of the organisation was acknowledged, although it was agreed that the improvements based on values made in the past year, had been significant.

**8.4 Project Momentum Philosophy**

Critical issues identified by FritoLay regional head office before **Momentum** included the fact that only 30-40% of the company's current employees performed at a generally acceptable standard and that with the right tools and skills, this could be elevated to as high as 70%. Systematic management against individual or team performance targets needed to be introduced. The idea was to harness best practice that existed already and to drive the process from regional headquarters, which meant saving time and money by setting up a standard template once to cascade through all plants within the region.

Project **Momentum** was initiated by FritoLay central office in the U.K. following the successful implementation of “**Continuous Improvement**”, an initiative started in the company's USA plants which resulted in huge cost savings and higher productivity. Recognising that technology is no longer the differentiating factor, but that people are the company's greatest asset, the American project consisted of a change in work practices
and the way people interacted with one another. Using the learnings from the American model, adaptations were done to customise a programme for the region, (consisting of Europe, Africa and the Middle East). FritoLay company policy is not to reinvent the wheel but rather to leverage scale and best practice within the organisation to develop one solution at optimal cost. The objectives of the project were to build a capable organisation that will deliver both short term and long term objectives by reducing costs and improving productivity for greater effectiveness and efficiency, creating a winning culture where every employee owns the business results and is committed to continuous improvement and building management and leadership skills for results and skills transfer capability to the front-line.

The FritoLay Continuous improvement strategy (see figure 3) involves a four phase increase in both performance impact and team effectiveness by a transition from:

(i) supervisors as driver where supervisors direct action and individuals are accountable, to

(ii) a leader centered team with team accountabilities and targets using basic problem-solving skills, to

(iii) leader as co-ordinator/enabler with mutual and team accountabilities using design and implementation performance solutions, and finally to

(iv) leaders providing resource support where their influence is beyond team boundaries, characterised by changed work processes, expanded authority and rapid change.

Essentially, old style supervisors were to be given the skills and capabilities to lead a team of subordinate operators as process leaders rather than as “policemen”, with a higher level of accountability. Front line managers (FLMs) are closest to operators and would be in a position to make decisions, where previously much of this was being done by the plant managers. The benefit of this initiative was that FLMs took more responsibility and accountability for decisions, leaving plant managers to focus on more strategic issues. Front line managers were to add more value to the organisation, changing their managing style and transferring their skills and knowledge to their
operators. For this project to work, FLMs were to be supported by second level managers (production managers).

Figure 3:
*Momentum* philosophy of Continuous Improvement

In response to a question on what individuals thought triggered the process, the answers included: "FritoLay has higher standards - this is the right time to bring everyone on board, Frito Lay recognised that front line operators were the key people that could make a difference and impact on the business in a positive way, in a way it was forced onto us by FritoLay", "Simba saw something that had worked in other areas, there was a need to change the management style towards winning teams", "employees had not always been involved in the business, staff needed to understand how each individual has a role in change", "from my work elsewhere, I am aware that the people on the frontline are the vehicle for efficiency", "we need to know our future objectives", "people were self-conscious before - they didn't understand the purposes of a lot of the business drivers and key performance indicators" and "we weren't competing against the world - we weren't a global player before."
8.5 Planning phase

FritoLay regional headquarters (UK) decided to streamline and simplify the process by applying one standardised programme at all plants within the region, with a focus on costs and productivity improvements. Senior FritoLay personnel from the Operations and Human Resources functions were co-opted to assist in the design of the project in conjunction with an external consultant, who translated the desired objectives from the senior executives into written training modules. The consultant spent time with local UK plant managers and front line managers at this stage, seeking their opinions for the design of the training modules. Once the training modules were developed at regional level, they were customised and translated at country level. Where appropriate, they were modified for implementation at plant level. The project is sponsored by the Regional Vice-President for Operations, driven nationally by Operations directors and at plant level, by the plant manager. Human Resources support the operations initiative.

8.6 Objectives of Momentum and the pilot project

A pilot project was launched at the Bursom Road factory in Leicester in 1997. Based on its success, the project has been rolled out to all countries in the FritoLay region of Europe, Africa and the Middle East. The primary objective of the project was to develop a full understanding of Facilitating winning teams and Business basics to all frontline staff throughout the region. Facilitating winning teams is a training programme for Front line managers to equip them with the facilitation skills they need to roll out Business basics to their front line operators. Business basics was primarily set up to equip front-line operators with a basic understanding of how the business operates and included features such as basic numeracy, understanding key performance indicators, team building / team work, valuing individuals and ownership. Training was intended to give initially front line managers and then operators, the skills and knowledge to drive project teams.

A secondary objective was to enable front-line managers (supervisors) to develop the skills required to understand individual and team needs and motivations in order to impact on them positively. The basic aim of the initiative was to change the culture of the
business, driving the culture forward from a directive to a nondirective management style, involving the front-line and placing ownership in the appropriate hand of the operators on the shop floor to bring about the desired change.

Unless managers behaved in a different way, it would be unlikely that the desired culture change would be achieved. To bring about the desired culture change and change in mindset, managers were exposed to a facilitation course to equip them with the necessary skills. Managers needed to facilitate the business basics course to their respective teams to develop the people with whom they relate to daily, to get greater buy-in and credibility. They needed to speak in a language, context and tone appealing to their respective teams. The desired outcome of this process was highly motivated front-line managers who understand and demonstrate the behaviours to leverage the capability and utilisation of the team’s strength.

The aims of the project as interpreted by members of the focus group included responses such as: "teamwork", "co-operation", "reducing waste", "bring down costs; the realisation that people have an impact on costs", "communication with team", "service", "development and training of the front line", "change the mindset and culture of the business", "change from a directive to a nondirective style of management", "train and expose employees to the business", "change is necessary", "change people's perception of business to get better bottom line", "recognition that every individual is important", "need for winning teams."

*Momentum* is seen as a way of life with life-long learning and a continuous process of improvement. Sub-projects with new modules are planned to be added on a regular basis. A local plant *Momentum* “champion” is still to be identified to lead the process into the future. The idea is to identify a person everyone in the plant looks up to, admires and who sets an example for all to follow. The delay is due to identifying the profile of qualities this person should possess. In future, front line managers to be recruited will be required to meet with these specifications.
8.7 Implementation

Project *Momentum* began in Simba, South Africa in May 1998. A six day “train the trainer” course was presented by Exel, the consultancy company who designed the modules, to local and overseas delegates, who then went back to their respective plants and started the roll out of the project. Initially three, and then later one, person per plant has been dedicated to this function as ‘*Momentum* co-ordinator’.

In order to obtain buy-in, the launch of project *Momentum* was presented to senior management, including directors, plant managers and their direct reports, in May 1998. The launch covered a presentation of the objectives of the process, expectations of people present and the benefits that would be derived as a result of the rollout. An opportunity was given for delegates to express any reservations they may have had, a budget was presented and a training plan for each plant was formulated. A week later, a similar process was followed in a launch of *Momentum* to the shopsteward committee.

Regarding stakeholders, FritoLay made a deliberate decision not to include the union in the planning of the *Momentum* project as union negotiations tend to delay processes and this project is seen as a business driven initiative for information sharing or consultation rather than negotiation. Historically unions are anti productivity driven projects as they view these as eventual job losses for their members.

Rollout of *Momentum* training started in June 1998. Senior management was exposed first, followed by presentations to middle management and front-line managers. Within a year, all front line operators have been exposed to six modules of eight hours each of business basics training which has been followed up by periodic evaluation in the workplace to ensure that theory has been applied in practice. All training sessions have been budgeted for by the Operations function as it is the most expensive part of the business to run and cutting costs in this area will in turn benefit the company with the greatest effect.
The focus group varied in its response to when individuals first heard about the transformation project. The higher up the hierarchy, the earlier the news about *Momentum* was heard but generally the feeling was that no-one knew what it was about until they attended their first training session. Initial reaction when they first heard about Momentum varied from "not another project", doubt, apprehension, fear, worry ("about what expected of me as an individual as I didn't know what the process was about"), enthusiasm ("looking forward to the results"), "this'll change our lives", "I couldn't understand why the shopstewards gave such pushback - this process will benefit everyone in the organisation". Although one person expressed feelings that they didn't think it would work initially, the majority of the group was positive and excited about the process since the launch as they felt they then knew something about *Momentum*.

### 8.8 Buy-in and commitment

Buy-in and commitment appears to vary, with everyone on the panel agreeing that although most employees on all levels were excited and committed and had bought-in to *Momentum* as a transformation process, there was a lack of buy-in from a few FLMs and a minority of front line operators. Those employees who were negative about the process were highlighted as "some of the old ladies are not interested in change because they are scared of writing tests and failing." Perception was that there had been total buy-in from plant top management at first, but this had waned. It was revealed that front line operators seek information about the company and this was not always forthcoming from their managers. Direct communication sessions with subordinates was agreed as being important for the process. On personal reflection, the panel's buy-in ranged from "in a way" to "200% committed to being part of the transformation process".

### 8.9 Workplace changes

The whole panel overwhelmingly agreed that *Momentum* had been worth the company's time, money and effort investing in this process. Workplace changes as a result of *Momentum* were discussed. These included: more friendly behaviour, better communication, greater understanding of the business drivers, a more positive outlook, an eagerness to learn, leadership style of FLMs had changed such that front line operators
felt more comfortable and free to speak openly, followership style had changed, people on all levels feel more comfortable to challenge, managers are more comfortable to talk openly, people are more receptive and honest, there is better co-operation, there is more respect for one another, individuals have learnt that they add value and are important.

In the focus group discussion, six out of the seven panel participants were very enthusiastic about the process to date, saying that "people are more positive and are really trying", "there is more co-operation", "it is easier to delegate to subordinates in terms of their co-operation", "there is greater excitement and understanding and an eagerness to know more", "there is greater respect and understanding of how to treat their staff by managers", "managers handle situations differently", "there is more respect for one another", "overall communication and feedback has improved", "people say more of how they feel without fear of reproach." The one person who was negative about the process to date said that "although intra-team spirit is good, there are still inter-team problems". There is still room for improvement for better shift-to-shift and line to line co-operation.

It is important in transformation projects such as these to periodically check and review progress. Progress reports have been circulated to managers on a regular basis by the project co-ordinator and people at all levels are encouraged to talk about the business and its operations in an open communication style on a daily basis. Commitment and initiative from front line staff to benefit the company has been rewarded through the company’s recognition scheme. Gauging the success of this project has been limited up until now as there was no means of measuring the success / failure of the *Momentum* process. Building on *Business basics* a newly developed module which tests operator performance by assessing productivity of operator output as measured by individual key performance indicators and specific behaviours, will give a tool for measuring performance of front line staff and be able to assess if their level of skills has improved. As yet, it has not been rolled out but will be implemented in the near future at all regional plants.
The most positive aspects of the transformation process in the view of the focus group, included valuable input from front line personnel, people's acceptance and respect of leadership, push-back for explanations and information from staff on all levels, more support of front line staff by the FLMs, people felt part of the process, the involvement in change in behaviour of the front line has created and facilitated a readiness for change of bigger and better things in future, personal development and growth.

The most negative aspect of the transformation process includes the disappointment some people experience that certain expectations or assumptions they have learnt in theory is not always applied in practice, the process has not been driven far enough - people need to be involved more, more information needs to be shared and communicated and the non-acceptance of roles and responsibilities by some people - (but this allows for segregation of these people from those who want to be part of the business.)

8.10 Calibrating success

Besides skills that have been learnt, a more positive culture of open communication has enhanced personal relationships at all levels of the organisation. Individuals have learnt how they can impact on the business in a positive way and how performing as a team can enhance results. Feedback through comments and surveys has been very encouraging. Participants were asked for feedback after each training session. In answer to the question, "What would you do differently as a result of Facilitating Winning Teams?" FLMs commented "I'll sell, not tell", "I'll handle people differently", "People development will be my goal", "I'll involve my front-line effectively", "I've learnt to facilitate not lecture", "I feel equipped with skills to do things differently". Front-line operators commenting on the most useful part of the Business basics workshop stated, "I have a greater understanding of teamwork compared to individual efforts, and how performance can improve as a result of teamwork", "To discover the way forward is to develop, grow, to take ownership, to understand how the business works", "The valuing of individuals and that every individual can add value to the business is very exciting", "Very important is the fact that every one of us have customers and that makes our jobs so important because we need to satisfy our customers".
On an individual basis, participants were asked if they had learnt any new skills, knowledge or competencies though the transformation process. Responses included: "I've changed the way I discipline my staff", "I've changed my outlook as a manager", "I've learnt how to get the most out of my people", "communication of motivation is better - people understand what you expect of them", "my self-confidence has improved", "my respect for myself and others has improved", "there is more alignment and co-operation between top management, FLMs and front line operators", "there is a closing gap between top management and front line operators", "my working relationship with people has changed - Momentum has been a great leveller; I don't always presume everyone understands and have realised that we need to achieve our goals with and through people by involving them upfront and clearly spelling out what we want to achieve", "leadership style in the organisation has become more open and understanding", "learnt to develop people through understanding them more".

8.11 Future training modules

In line with a process of continued change and development of its people, FritoLay has scheduled a series of training modules following Momentum to be conducted in the next year to sustain the momentum for change in an ever-challenging marketplace. These include highly interactive modules emphasising the value and opportunities for providing coaching and positive feedback, giving team leaders the skills to manage difficult meetings where there is a reluctance to participate / listen or there is conflict and providing problem solving tools for line manager to use with their teams.

In support of Momentum and building on the skills acquired in the Facilitating Winning Teams foundation module, Leading Change is a further organisational development initiative to give leaders an understanding of organisational change and leadership style. It allows each plant to develop a scorecard of change "indicators", and change strategy to successfully develop front line teams and drive culture change in the plant in the strive to move from command and control style towards as a situation in which the team acts as owners. Measures are made of: behaviour, acceptance of change, communication, skills, knowledge, organisation and leadership style.
8.12 Organisational health survey

As previously mentioned (section 8.2), an annual organisational health survey is conducted throughout all levels of the organisations to gauge or measure the level of organisational health felt by employees. The results give a roadmap for determining where each individual branch can have the greatest impact on building a more positive and productive work environment. Organisation health is viewed as important because the satisfaction and commitment of employees is recognised as impacting on the growth and profitability of the company in a number of ways, including improved sales, higher productivity and reduced turnover.

The Organisational Health Survey is made up of twelve different categories of items. Overall Satisfaction and Commitment are considered outcomes where in healthy organisations, employees have a high degree of satisfaction (with their jobs, working conditions, etc.) and at the same time are more committed to the overall success of the company. The other categories measure Job Clarity and Support (Clear Expectations, Company Support), Alignment with Company Goals (Company Direction, Understanding the Business), Positive Work Environment (Management Practices, Working with Others, Accountability, Safety) and Rewards and Development (Rewards and Recognition, Growth and Development).

Over 70% of planned participants responded to the most recent survey (March 1999). Participants answered 45 questions, covering all 12 categories. Analysis included a summary of the ten most favourable and least favourable items. The results were overwhelmingly positive with strengths revealed for most categories. The greatest weakness was identified in the rewards and recognition category. In addition, growth and development was also noted as a category for attention. Improving current rewards and recognition was agreed as a priority with a company initiative to reward individuals and teams for actions that enhance the company's values. The scheme was explained to staff on all levels and numerous recipients have been honoured in this way. A celebration of these successes was publicly recognised in an awards ceremony held on site. Award winners are also acknowledged in the company's in-house newsletter.
Staff morale has improved significantly as a result of the recognition certificates and associated monetary prizes. An example is the fact that recently several shifts of people were prepared to have a training session in their own time because demands for product were such that the plant could not afford to shutdown and lose production time for the training. Initially the rewarding of some brought about jealousy in others but now that employees realise the process is fair and consistent and that everyone has the potential to be recognised for going beyond the call of duty, they are more comfortable and supportive of it.

The organisation health survey has been used over the past few years, each year increasing the number of employees canvassed for their opinion. There is a slowly changing trend towards a more positive attitude towards the company by employees. Interestingly, recognition has been identified as a negative by plants throughout the region, highlighting the fact that what Simba staff experience is not unique to them. Recognition is culture based and monetary recognition should not be the only “reward” but managers should verbally communicate with their staff, giving feedback for positive efforts made.

8.13 Sustainability

Initially at plant level, there was a lot of exposure and communication of the Momentum message in terms of posters, noticeboard flyers, etc. but this has waned in time. This has been replaced by more verbal communication between front line managers and their staff on a one-on-one basis and regular shift meetings.

All participants felt that they had been consulted about their opinion about Momentum. This was generally done in an evaluation after each training session, but also included formal and informal discussions with superiors, peers and subordinates. Interestingly "lower" level employees felt that their opinions or suggestions had been taken seriously whereas more senior people in the organisation felt that this was questionable, agreeing that note was taken of comments, but it was felt that the process was "cast in stone".
Administration staff, who had not been exposed to Momentum, were curious about the process and had shown interest in what was going on.

Momentum is seen as a way of life. It is part of a continuous improvement strategy whereby each plant and its people will always have the opportunity to improve. Milestones will be measured along the way and regular performance assessments will be conducted to ensure that the employees of all FritoLay businesses are on the right track.

8.14 Leadership
Leaders shape culture. As a result of Momentum, the company's leadership style is changing, moving towards a cultural change in time. The CEO as the organisation’s leader, the style of each plant manager and the behaviour of the immediate manager are seen a having major influences on the process. More and more, changing the culture will become the responsibility and accountability of front line managers. FLMs need to manage differently - they need to acknowledge and be proud of their position as a manager and see it at an elevated level from the old "supervisor". This requires a mindset change – they need to take charge and lead, confident that they are adding value to the organisation.

The CEO and other directors have been committed to Momentum but are not directly involved. The CEO should perhaps have given more weight / limelight to the project but as this project was not negotiated but rather a “done deal” as a directive from regional head office, it is perhaps understandable. This has possibly been a weakness of this project.

Following the resignation without replacement of Simba's Operations director earlier this year has somewhat affected the success of the local rollout of the project. This has resulted in no one at executive level taking responsibility for driving the process, leaving the responsibility in the hands of front line managers at individual plants. Due to insufficient communication of the project objectives to senior and middle management early on in the process, inadequate support has been forthcoming to FLMs in terms of
data to support the key drivers for communication to the front line staff, a further flaw in the process.

Buy-in from senior managers was easily obtained as they could relate to the derived benefits of the programme in terms of cost reduction and productivity. It is not really clear however if buy-in was achieved at front-line level as it is not certain whether they were able to view the benefits as the approach was very much “top-down” rather than "bottom up" on a plant level.

8.15 Strategy
The various building blocks that need to be aligned for the company to achieve its strategic goals for the future are being implemented. Bottom line improvement is the overall objective and in order to achieve this, culture and structure of the organisation are going to have to change as well. Simba has identified cost, quality, service and people development as the key business drivers. In the past year great improvements have been made on quality and service; the current focus is on creating awareness that each individual has a role to play in driving costs out of the business and that only through teamwork, will there be success. Waste project teams are a notable example - a group of people from each shift on each production line have been nominated by their colleagues to lead a "war on waste" project. Involvement by people on the lines in a team based approach is yielding positive results with greater awareness and involvement by front line staff. This is one initiative coming out of the Momentum rollout. Project leaders were trained in motivating teams. Attitude changes with this empowerment, responsibility and accountability have been very positive with people on the line working together as a team and motivating one another. The impact on waste reduction has been noticeable and commendable.

8.16 Structure
Structure of the company was changed before the implementation of Momentum from a decentralised to a centralised structure. The joint venture with FritoLay has had a significant effect as the company presently answers to two 'bosses' - Foodcorp and
FritoLay although the day to day procedures, systems, processes, reporting of results and management style has adopted the international partner's influence. Departmental heads report to their functional manager who ultimately reports to the function director, located at national head office in Isando, or in the case of some individuals, directly to the function's regional head based in the U.K. in an overall silo approach however there are 'dotted lines' of reporting structures across functions as well. This is a matrix organisation structure, whereby there are two chains of command, one vertical and one horizontal where a set of departments is superimposed across a traditional hierarchically organised structure.

In terms of Momentum specifically, only the dedicated plant co-ordinator is not performing their "normal" job and has been co-opted to this process since the implementation in May 1998. A “Continuous Improvement Manager” champion to lead Momentum as a transformation process into the future has yet to be identified.

No other structural changes have been implemented at this stage however the long term outcome of this process is a flatter structure with fewer levels of managers (delayering of the corporate structure) as operators learn to take more responsibility and accountability for their own performance. The various phases of Momentum still need to be implemented before this takes effect. People on the shopfloor may consider this as a threat and react with fear out of insecurity but the company views this as an opportunity for self-development and empowerment of the workforce.

8.17 Culture
Cultural changes in the workplace have been observed with greater teamwork, co-operation, understanding and respect for one another being experienced. Authoritarian management style has changed with more participation and discussion with front line staff occurring. Union relations have also improved as individuals see their role in the bigger picture of the organisation and that for their job to be secure, they need to co-operate and management and the workforce needs to work together as a team.
Recognition and rewards are presented regularly to deserving individuals who are deemed to be going out of their way to exemplify the company's values. Certificates with a monetary payment are presented to individuals during shift meetings to highlight to their colleagues that abiding by company's values is rewarded.

Management has made an effort to spend more time talking to and getting to know their people by communicating directly with front line staff. Initially shopstewards were suspicious of this but in time have acknowledged the benefit for all parties as it allows for constructive two-way communication, more information sharing, including listening to the ideas or areas of concern from frontline staff as well as an opportunity to give direct feedback on issues that may be raised. A more constructive working relationship with all parties has been the net result.

8.18 Overall assessment of Momentum

"The Momentum blueprint has been thought through for long term gain. The company is still quite a way off from the goal. It will take a while longer to reach the objectives of a desired cultural and performance change. Every plant has the responsibility of setting its own time frame within stretched but achievable targets. All the pieces of the puzzle have not been implemented yet" (Juba Mashaba, personal communication).

Closing comments in the focus group discussion included the expression of increased trust that had contributed to building better relationships with the front line, and in particular the better working relationship between management and the union was seen as an example in this regard. Individuals felt they were glad to have had the exposure to the principles of Momentum and agreed that everyone owed it to the front-line operators to live these out. Participants agreed that in general all employees were better aligned as a result of Momentum. Suggestions that were surfaced include the fact that all new recruits should be exposed to the principles of Momentum soon after joining the company as part of their induction process and certain sessions should be revisited / revised. Furthermore, in order to build up a team approach, it was felt that in future there should be no separation of managers and staff - everyone should attend workshops together.
Sufficient time must be planned in for all training sessions. Front-line staff wants to see FLMs taking *Momentum* seriously and with commitment - they need to practice what they preach with respect to all aspects of the process. It is critical that FLMs take ownership for the process - rather than the co-ordinator. It was vital to regularly analyse and understand how far the company had gone in the process and to look at specific time lines for future rollout of the programme.

8.19 Discussion

Following the joint venture with Frito Lay, change at Simba 'happened'. The transition before and after the joint venture and its effect on employees was not well communicated. The process was not well thought out and managed. Several years on, the ripple effects are still being felt. In the early years of the joint venture (circa 1995-1997), FritoLay were perceived negatively by frontline staff due to the associated restructuring and retrenchments that accompanied the partnership. However there has been a noticeable change in mindset whereby individuals are more positive nowadays. They can see the investment in plant capital equipment, promotions, training and development and the benefits for themselves as individuals. Like other initiatives originating at regional head office in the U.K., *Momentum* is a top down project, with no local employees having participated in the planning phase of the process.

Weak links at plant level have been identified at middle and senior management level whereby they are not providing the necessary support to the FLMs in terms of driving the process. Information about the business is being disseminated to all levels however there is a pressing need to exert more pressure for results. People don’t change willingly – they need to be “persuaded” to venture beyond their comfort zone.

The company does not want to be seen to be playing “catch-up” but rather as an innovator, a benchmark for the industry, breaking new horizons and being proactive to achieve a level of success compared to competitors. The company has recognised that although change is difficult, it is a way of life and that none of us can afford the luxury of
being complacent in a changing environment - maximum benefit needs to be taken of opportunities that present themselves.

In terms of the alignment of strategy, structure and culture, *Momentum* is interesting in that structural changes of the joint venture have influenced strategy, which has been adopted to follow the new partner's experience in overseas plants. Strategy changes have in turn influenced cultural changes. Long-term structure will change again to a more flatter structure as certain levels are removed when the culture of the organisation reaches the point at which employees work as self-managed teams rather than under a supervisor who tells them what to do. This is further evidence of the interrelated nature of the three "S's" that form the subject of this research project.
9. CONCLUSIONS

9.1 Introduction
South African organisations are deeply affected by the turmoil of socio-economic and political instability that are the basis of future uncertainty (Nasser and Vivier, 1993). To increase competitive intensity and to transform organisational culture and structure, there is a need for visionary leadership in a workplace where core values and corporate ideology underpin strategic direction. Transformation processes in the three companies of this study have been analysed for their affect on behaviour change. Alignment of strategy, structure and culture in the three organisations is discussed.

9.2 The influence of national transformation on organisational change
The world is undergoing unprecedented change. Against the backdrop of global change and mirroring the transformational change occurring on a national level since the country's first democratic elections in 1994, each company described in this research report has undergone a unique transformation, influenced by external changes but triggered by specific internal organisation factors. The economic renaissance of organisations in this country is reliant on a mindset change in the individual and national psyche to reinvent national and organisational destiny (Nasser and Vivier, 1993). Change in South Africa is further complexed by the issue of diversity in that because of their different backgrounds, people in this country have different influences, perspectives and approaches. Part of national transformation is the building up of relationships, which is vital for a harmonious workplace.

9.3 Social responsibility
With breakdowns in the web of meaning in society because of the separation of people from their families and communities in industrial enterprises over the past decades, organisations can best serve to fill the vacuum left by a diminished sense of common purpose and social values by contributing to the renewal of a democratic society by maintaining the health, vitality and productivity of the people who will interact directly with the organisation throughout its life (Brown and Isaacs, 1994). Because of the
country's past and the gap that exists between those that are 'privileged' and those that are 'disadvantaged', organisations in South Africa have a social responsibility to develop their employees to address past imbalances.

Following on the government's Reconstruction and Development Programme, contributing to sustainable development must meet the needs of the present without compromising the ability of future generations to meet their own needs. On an organisational level, this is manifest in initiatives such as providing life skills training, education and other skills training, assistance with housing and other financial loans, involvement in community projects, etc. This was found to be a common feature of the three companies investigated, who have all taken a proactive stance on this subject. Based on personal experience in the workplace environment and from comments made in focus group discussions, employees are dependent and reliant on their employers for this contribution to their self-development. They place their trust and faith in the employer to 'teach' them the lifeskills they may not otherwise have had the opportunity to be exposed to. New legislation will force all companies to spend a percentage of their annual wage bill on training and development. Pick 'n Pay, Woolworths and Simba have already established mature educational and training development programmes for their staff; this investment in people capacity will certainly reap rewards in future for the organisation as the learning are implemented both inside and outside the work environment. "Modern corporations have both classical and relational contracts between themselves and the communities in which they operate and business behaviour is governed by the terms of both types of contract" suggests Kay (1993: 320).

9.4 Changing trend in leadership

Worldwide traditional, autocratic and hierarchical modes of leadership are slowly yielding to a newer model which attempts to enhance the personal growth of workers and improve the quality and caring of many institutions through a combination of teamwork and community, personal involvement in decision making, and ethical and caring behaviour (Spears, 1995). This approach to leadership and service is called servant leadership. Servant leadership is a long term transformational approach to life and work
which is characterised by a desire to help others, including employees, customers and community, a holistic approach to work, a sense of building community and shared decision making power. Servant leadership requires a change in attitude. Leaders have to shed their egos and deeply embrace the belief that people perform best in an atmosphere of freedom and trust. Servant leaders serve people not to get more out of them but because they want to boost people's self-worth and dignity (Melrose, 1996). By gaining a full and deep understanding of the cultural and philosophical basis of the people in a business team or community, one is better able to harness their energies; it has the potential for creating positive change throughout the organisation and indeed, society as a whole. In a cathartic experience, Woolworths used the first day of their workshops to examine past personal experiences of participants in an effort to learn from past mistakes and also to gain more insight into the background of the diverse cultures that exist in the South African workforce.

South African leadership needs to change from being autocratic, paternalistic, controlling and inward looking where entrepreneurial, creative and development talents are suppressed (Blunt and Jones, 1992) to proactively creating a vision for the future through building the capacity of organisations by engaging with and listening to the contributions of all its people. Empowerment and self-management are keys to competitiveness and are linked to the need to develop the fundamental skills of informed participation. An empowerment approach is needed to build up trust and productivity. Participation empowers people and helps lead to a shared vision. "Most South African companies are managed in a top-down fashion with few systems in place to harmonise management and the workforce for a common purpose (Binedell, 1994:9). This certainly was the case in Pick 'n Pay, Woolworths and Simba before the companies embarked on their transformation process. Although it cannot be stated that these companies are engaging in participative leadership as described above, they are making significant strides in this direction.

Pick 'n Pay has made the most progress due to the inclusion of all employees in the process since the start and presumably also due to the length of time the process has been
running. Simba has probably only progressed from stage (i) where supervisors are drivers of action where individuals are accountable, to stage (ii) where a leader centred team with team accountabilities and targets use problem solving skills. The company is some distance from stage (iv) in which the desired state is leaders providing resource support where their influence is beyond team boundaries, characterised by changed work processes, expanded authority and rapid change. Simba is striving for a style of team management in which there is an emphasis on working as a team which recognises the interdependence of people with each other, together with tasks to be done. Relationships between people need to be based on mutual trust and respect, and work will be assumed to be accomplished only if employees are committed to the task, team and organisation. It is about empowering individuals to grow and develop and take more responsibility for their actions. Management will establish the direction but employees need to take more responsibility for accomplishing tasks. The transformation process in Woolworths is perhaps too new for this aim to have had sufficient time to take effect throughout the organisation although it has been acknowledged that the very inclusion of employees views in determining strategy for the company has been a significantly positive step in this direction.

9.5 Buy-in and commitment through participation

In general, participative management involves workers in the planning and control of their own work activities and includes participation in setting goals, in making decisions, in solving problems and developing and implementing change (Sashkin, 1998). The author describes a model of how participative management works. Through participation, workers experience increased control over work behaviour and completion of meaningful tasks, leading to feelings of acceptance, commitment, security, challenge and satisfaction, which ultimately results in increases in performance and productivity. Participation also develops people and builds their self-esteem - they feel they are listened to and have a valuable contribution to make. This enhances buy-in and commitment. It is important to bear in mind the need for an optimum balance between participation and effective management. In all three companies of this study, where employees have participated in decision-making concerning group activities, this has led to higher performance and
satisfaction. Top down approaches have the same effect as excluding people from decision-making.

Companies have realised that they can no longer be solely accountable to customers and shareholders but that employees are often a company's greatest asset. Their commitment and support is imperative in order to achieve company goals and thus these stakeholders need to be included in decision making. Including and involving employees in decision making for the company aligns personal goals with company goals. The greater the participation in initial stages, the greater the buy-in and commitment from employees and the more successful the project is likely to be. Strengths of the process adopted by Pick 'n Pay include the fact that opinions were canvassed from the entire staff complement from the initial planning phase of the process. Simba included all employees in the rollout of the process however no-one was involved in the planning phase. This has resulted in a slow progression towards the company's end goal of self managed teams. Woolworths included 20% of their workforce in the planning stage of their transformation. Although implementation has not yet started, those excluded from planning feel alienated and will need to be handled sensitively, recognising that each individual has a vital role to play, so that rather than derailing the process during implementation, they are committed and enthusiastic about the transformation going forward.

Unions are historically suspicious of new initiatives that will render change in a company - if recognised as an important stakeholder from the start and brought on board, they can function as the greatest allies of the process. Because Woolworths derecognised their union just prior to the new Woolies way, except in distribution centres it cannot be concluded whether transformation would have changed the relationship of management and union. Suffice to say that one of the ex-shopstewards is a member of the task team and is strongly supportive and committed to the change process. Pick 'n Pay's relationship with its union has turned around from the strike action precipitating the transformation to joint decision-making about many company issues in a constructive, harmonious atmosphere where there is mutual respect between parties and they work together for solutions to issues facing the future of the company. At Simba, the change in workplace
relationships as a result of *Momentum* has also had a positive net result in the relationship between management and the union. Issues pertaining to the operation of the business are constructively discussed in forums where participation is invited and information is shared. Joint decision making is limited, although consensus through negotiation is generally agreed and accepted.

Middle management was observed as being a "weak link" in successful implementation of the process of transformation in both Simba and Woolworths, but for different reasons. In Simba, middle management was not involved in the training sessions to front line staff as this was performed by their immediate subordinates, the front line managers. This made them unsure of exactly what was being discussed in the training sessions and subsequently they did not supply relevant information and data to frontline staff to augment in a practical way, the theory of what was being taught in workshops. This weakness has probably been responsible for the slow progress of the transformation. Suggestions, opinions and comments made by front line staff raised in workshop sessions which would potentially add significant value, were 'lost'. In an effort to improve communication and feedback, as well as tapping into the contributions made by front line staff, middle managers are making a concerted effort to hold shift meetings and relate to staff on a one-to-one basis. In Woolworths, supervisors are perceived as being responsible for not conveying the messages of the transformation process timeously, not giving sufficient time and attention to the importance of transformation and excluding themselves in the process, perpetuating the perception of the division between management and staff ("us and them").

### 9.6 Alignment of strategy, structure and culture

The common end goal of all three companies to improve bottom line performance by enhancing organisation capability, through developing and empowering employees in a participative work environment, has been manifest in different processes, shaped by each organisation's strategy, structure and culture. Change in all three companies has been transformational change, i.e. strategy driven, with emphasis on financial performance. According to Grundy, this is known as discontinuous or frame breaking change.
Admittedly, change in Simba was focused on Operations (modular transformation), although effective spillover into other functions has been accomplished.

"Strategy is the direction and scope of an organisation over the long term: ideally, which matches its resources to its changing environment, and in particular its markets, customers or clients so as to meet stakeholder expectations" (Johnson and Scholes, 1993:10). Chandler (1962) stated that the historical role and function of administration in large enterprises is to plan and direct the use of organisational resources in ways that correspond with the long- and short-term demands of the marketplace. Administrative responsibilities require a degree of direction, strategy and structure. Environmental changes and the nature of available resources produce changes in organisational strategies, which are followed by revised organisational structures. Thus, changes in structure follow changes in organisational strategy and changes in organisational strategy follow changes in the marketplace. With the current rate of change so rapid, changes in strategy will necessarily lead to changes in structure, leadership and methods of communication for effectiveness and survival. Organisational changes that follow new strategies will generally involve changes in the organisation's structure, because it is the structure that must provide the framework within which the strategic process must operate to achieve the organisation's objectives.

Senior (1997), referring to work by Johnson, says that "organisational change cannot be brought about simply by changing strategy and structure. The organisational culture has a significant, and maybe dominant, role to play if anything more than incremental change is to happen. Cultural changes are more long-term procedures than strategic and structural changes. The way to bring about cultural organisational change is to first change behaviour, which will bring about desired changes in attitude and values (Senior, 1997).

Some of the factors influencing an organisation's capacity to change include attitudes to sharing information, conflict, criticism and the degree of willingness to discuss sensitive issues openly, give people autonomy and support them in their actions and openness of
management to new ideas from below. A prerequisite for effective mindset development is ensuring that organisational values make it possible for the employees to change the way the organisation functions (Nasser and Vivier, 1993). Strong corporate ideology, the commonly held set of fundamental beliefs that shape the decisions and guide the behaviour of the company, also aids in bringing about a defined desired company culture.

Following the restructuring of Pick n Pay into the Retail and Group Enterprises Divisions, which was a strategic decision, Vuselela set out to revitalise the organisation through unlocking the potential of all employees so they would realise their dreams. Thus, change in culture followed strategy and structural changes. The climate of respect, dignity and care that has resulted has improved employee relationships, which in turn has improved customer relationships and the company has grown as a result. There has thus been alignment between company strategy, structure and culture in that changes in one area have influenced and supported positive changes in other areas.

Simba is different from the other two companies in this report as directives are issued from either a corporate head office in Isando or an international regional head office in the U.K. As a result, employees in Simba Parow experience a lot less involvement in decision making at a strategic level, because this is largely dictated by a top down approach. Opportunities for individuals to make a meaningful contribution to the company are thus generally restricted to actions at plant level. Simba also operates a matrix organisation structure, whereby there are two chains of command, one vertical and one horizontal where a set of departments is superimposed across a traditional hierarchically organised structure. Employees of Pick n Pay and Woolworths are positioned more favourably to affect strategic planning of their respective companies because of participation in the early stages of data gathering when grassroots level employees were given an opportunity to air their views on their employer. They believe their opinions were listened to and incorporated in a strategic plan for the desired outcome of the company for the future.
Centralisation into a corporate office in the case of Simba and decentralisation in the cases of Pick ’n Pay and Woolworths have a similar long term goal of delayering hierarchies and creating a more flexible workforce. Structurally, it has been acknowledged that to be more flexible and adaptive, the management structure of the Woolworths needs to move away from a silo function to being more cross-functional. Greater flexibility of staff with a greater ability to change to meet changing demands is needed in a changing global marketplace; this will give companies the advantage over their competitors.

Flatter structures have the advantage of improving understanding of objectives and communicating up and down the hierarchy. The desired number of reporting levels is influenced by span of control of managers which in turn is influenced by such factors as standardisation of jobs, geographical spread of subordinates, abilities of subordinates and the ability and personal qualities of the manager and type of decision-making - where managers have to make most of the decisions, the large the number of subordinates, the more overloaded the manager (Senior, 1997). It therefore stands to reason that by empowering employees to take responsibility for making their own decisions, less managers will be required to 'manage' the same number of people (or looked at another way, one manager will be capable of managing more people). Either way, the end result will be a delayered hierarchy. This is the long term aim of the Momentum process at Simba, but from data collected it cannot be concluded that Pick ’n Pay and Woolworths have similar long term plans.

Cultures in organisations need to be managed to be appropriate to a company's environment and strategic vision. Shared reality and meaning will be created or maintained only when leadership and management is symbolically consistent with some desired direction. Consistency is paramount to building trust and relationships with empowerment coming from trust that develop between people. Fear and uncertainty need to be reduced through open communication and transparency of information that is shared. Teamwork provides the opportunity for more co-operation rather than competition. Companies in this country have to contend with the added complexity of the
diverse ethnic cultures that exist in the workplace. This draws a parallel with the country attempting to define a new national culture resulting from the change that is sweeping the land.

Pick ‘n Pay has developed a culture aligned with the company's mission and strategy by managing the influences of personal values. An appropriate managerial style supports the creation of this culture. Rewards and recognition are a powerful means of shaping company culture by reinforcing company values - this has been successfully implemented at Pick ‘n Pay and Simba. Although Woolworths has a recognition scheme, it is not tied in to the transformation process.

Workplace changes, which are indicative of behavioural changes in individuals, have been acknowledged in all three participating companies. Pick ‘n Pay employees were enthusiastic about the care, trust and honesty that supports the family type environment they work in. There is greater understanding between management and staff and management is seen as more approachable than the past. Personal development and training opportunities which has increased levels of self-confidence and self-esteem was acknowledged. Although some people in Woolworths stated that they hadn't noticed many changes in the workplace, everyone admitted that the transformation process was affording individuals the opportunity to interact with people from the business they didn't normally relate to. Realising they experienced similar issues had brought them closer. A change in staff behaviour to be more assertive and challenging upwards was also noted as being a positive outcome of the process. In Simba, front line staff has learnt how they as individuals impact on the business and how teamwork improves performance. They take more personal responsibility than they did before. Information on the business is sought-after and people are keen to learn and develop themselves further. Management style has changed to be more participative, resulting in more respect and co-operation with better communication and feedback in the workplace between managers and their subordinates.
9.7 Summary

In summary then, the three transformational projects studied for this research report have highlighted the linkages between strategy, structure and culture in organisations undergoing change. In Pick 'n Pay, strategy resulted in a structural change which was followed by a cultural change. Woolworths is still gathering data to help formulate a strategy for the future which has intended cultural changes; structural changes may occur although this is not defined in the scope of this study. Simba's strategy involves a cultural change which will lead to a structural change. Accompanying all transformation processes is refinement of the company's vision, mission and value system and a change in mindsets of employees as the transformation process unfolds. Common in all three cases, is a change in leadership style from one that is autocratic to one that is more participative. The ultimate test of whether the described transformation processes have been successful is whether they have been effective in affecting behaviour change. This was verified by the workplace changes related by employees on all levels across functions in all three organisations, albeit varying depth and breadth of change in the different companies. Behaviour change will lead to culture change, which will bring employees of an organisation together to work towards a shared strategic goal. This goal is increased bottom line performance, a measureable target, which will be monitored over both short and long term periods. The investment of the transformation processes can then be assessed.
10. RECOMMENDATIONS

The increasing number of organisational training and development consultants is testament to the fact that many companies feel the pressure to go through reformational, transformational or other change management type processes in order to maintain a competitive advantage in this hypercompetitive world in which we live. Consultants offering professional services of this nature charge organisations vast sums of money for co-ordinating and facilitating such programmes. In order to derive maximum benefit from the time, money and effort spent, it is within a company’s best interest to do some self-preparation before engaging in such a service. Analysis of the organisation's strengths and weaknesses and a clear understanding of future objectives can consolidate thoughts and focus attention on what needs to be done. The experience of other companies (as exemplified in this report as a small sample of companies undergoing transformation) in addition to the objective advice based on experience and expertise of the consultants should provide some fruitful guidelines as organisations strive to remain competitive and sustain their advantage.

Using the key learning points derived from each of the three transformation projects described in this research report, I recommend the following points be considered by any company that is about to embark on a transformation process:

- identify and include all stakeholders from the initial planning phase of a transformation process, including shopstewards (rather than derailing the process, they can become the company's greatest ally)
- involve the entire employee complement; avoid targeting a proportion of the staff complement as this could lead to a division between those who feel privileged and others who feel excluded
- it is vital that leaders with vision and all senior executives are perceived to be committed to the process and are seen to walk the talk
- communication of the same message to all employees simultaneously improves clarity and prevents uncertainty. Management and their subordinates should attend the same training sessions to enhance communication in the workplace; the same message discussed in workshops should be executed in the workplace. Business
broadcasts in a decentralised organisation enhances the right message being relayed to all stakeholders at the same time.

- long-term strategic goals should be defined and communicated to all employees; short-term goals should be assessed regularly; success of interim achievements should be celebrated to sustain interest and momentum in the process
- create opportunities for all employees to vent their feelings in a safe environment - without fear of marginalisation or retribution; make time to get to know and listen to your employees - they generally offer very practical solutions
- adopting a participative management and leadership approach aligns personal goals with company goals, leads to more buy-in and commitment from employees and helps organisations win the support of their workforce in the strive for attaining strategic objectives
- to prevent dilution of company values, bring new employees on board as soon as possible by exposing them to the company's philosophy, strategy, structure and culture through inculcation of company's objectives in an induction programme ("dip new recruits in the company chocolate" from day one)
- rewards and recognition are a powerful means of shaping a company's culture by reinforcing company values
11. AREAS FOR FURTHER WORK

Implementation of the transformational change processes in three large national organisations at different stages of their planned process, were examined. It would be interesting to re-visit these same three companies some years from now to establish their progress. One wonders whether the workplace changes observed currently in Pick ’n Pay as a result of Vuselela would be sustainable as they are at present or whether they will adapt as times change. Woolworths will begin implementation of its transformation process in the year 2000. In the future, it would be worthwhile establishing whether any parallels exist between buy-in to transformation between those individuals who participated in the consultation stage and those who were excluded from this process. Simba has still to accomplish its behavioural change in the workplace to effect structural changes in the organisation. The transition of a FLM as a supervisor to a team leader of a self-directed work team will empower the workforce but the changes required by all role players are predicted to result in some 'casualties' along the way; those employees who are unable to adapt and change as required will not be able to be retained.

On a larger scale, a potentially useful future study will be the comparison of how aligned organisations in the country are with national goals of transformation. Mbeki’s tenure as president will have particular significance in this deliverable. As the country settles down after its turbulent past and global business becomes the norm with developing technology, South African organisations will have to hold their own. A significant part of their strength will surely be derived from alignment of strategy, structure and culture.

Transformation in organisations as well as in the country is 'in vogue' as present. The learning points emanating from this research in addition to results from companies in other industries may provide useful guidelines for further work in this area of development of organisational capability. 'Testing' the validity of these generic learning points applied to a particular case study in future would highlight their usefulness in a local context.
12. REFERENCES

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http://picknpay.co.za
13. APPENDICES

13.1 APPENDIX A:
PRIMARY RESEARCH INTERVIEW QUESTIONS TO SENIOR EXECUTIVES OF EACH PARTICIPATING COMPANY

I. TRANSFORMATION PROJECT BACKGROUND INFORMATION

A. OBJECTIVES / GOALS OF THE TRANSFORMATION PROJECT
Q1 What were the reasons behind your company's transformation project, i.e. what triggered the need for this programme? Were they external (e.g. opportunities) or internal influences (e.g. company strategy, current performance)?
Q2 What is the company hoping to achieve by the transformation? e.g. effects on staff morale, company performance, etc

B. PRE-PLANNING PHASE
Q3 Why was the specific initiative chosen as opposed to other alternatives that may have been considered?
Q4 What is / was the estimated duration of this project? (time)
Q5 What other resources have been allocated to the project? (personnel /funds)
Q6 Were outside consultants used? If so, when were they involved and how did they add value to the process?

C. PLANNING PHASE
Q7 Who was elected as the project driver / sponsor?
Q8 Which other key personnel were chosen to be involved in the project? Was a change management team established? How were they selected?
Q9 How committed are the CEO other directors to the success of this project?
Q10 Were all stakeholders identified before implementation?
Q11 Were employees consulted in the planning phase?
D. IMPLEMENTATION
Q12 How did the company roll out the project “message” to its employees?
Q13 How was buy-in achieved?
Q14 How were "benefits" to individuals sold?
Q15 Was any feedback given to employees during implementation?
Q16 What has been the role or influence of the union in the process? Were they supportive of the initiative or not?

E. ASSESSMENT OF PROJECT AND ONGOING REVIEW
Q17 How is the success of the project going to be measured / monitored?
Q18 Is the company planning to celebrate the success of the project? Are there any rewards or recognition for employees?
Q19 Have the original goals of the project changed in any way?
Q20 How sustainable is the project philosophy into the future?
Q21 Have any changes in leadership affected company strategy and thereby influenced the programme?
Q22 Is the transformation project influenced by company strategy for the future? In what way?
Q23 Has this affected company structure in any way?
Q24 Do you see company culture changing as a result of this transformation effort? In what way?
Q25 Who / what, in your opinion has the greatest influence over corporate culture?
13.2 APPENDIX B:
FOCUS GROUP INTERVIEW QUESTIONS

SEMI-STRUCTURED INTERVIEWS ACROSS FUNCTIONS AND LEVELS WITHIN EACH ORGANISATION

Company name:
Date:
Participants: (Name; position)

Q1 When did you first hear about the transformation project? Were you consulted in the planning phase? Implementation phase?

Q2 Were the aims of the project made clear to you? What does Vuselela / New Woolies Way / Momentum mean to you? What do you think the company is trying to achieve?

Q3 Why do you think that the company chose to implement this project? In your opinion, what triggered this project to be launched?

Q4 What was your first reaction when you heard about the company's change project? (fear / concern / excitement / enthusiasm, etc)

Q5 Did you think it would work?

Q6 Do you think the company has achieved effective commitment and buy-in from its employees? At what levels in the organisation?

Q7 Have you felt part of the transformation process? Did you buy-in to the project?
Q8 Do you feel the project has worked to date? (Yes / No) Give reasons for your viewpoint.

Q9 Do you know your company's mission / vision statement?

Q10 Do you know any of your company's value system?

Q11 Do you believe these values are practiced? Do people walk the talk?

Q12 In your opinion, have you noticed any change in the workplace since this process started? What kind of changes? (e.g. culture / leadership style / service levels/ motivation of employees)

Q13 Do you think it has been worth the company’s time, money and effort investing in this project?

Q14 What do you think has been the most positive aspect of this transformation process?

Q15 What do you think has been the most negative aspect of this transformation process?

Q16 Has anyone from your company ever asked you for your opinion on the transformation project? Who? When? Do you feel your input has been valued and acted upon?

Q17 Are there any new skills, knowledge or competencies on a personal level that you have learnt through this transformation project?

Q18 Do you have any other comments?