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**A CRITICAL ANALYSIS OF MANAGING CHANGE FOR THE
ACCOUNTING CADRE AT THE TREASURY DEPARTMENT IN
LESOTHO**

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DECLARATION

“I declare that the field study hereby submitted for the Magister in Business Administration at the School of Management, University of the Free State, is my own independent work and I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.

I also hereby cede copyright of this work to the University of the Free State.”

TLALI ZECHARIAH MOSOEUNYANE

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- Assistant Manager from the department of management services in the public service.
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CHAPTER 1: INTRODUCTION AND BACKGROUND TO PROBLEM STATEMENT

1.1 INTRODUCTION

The business environment is constantly changing. Globalisation has increased competition between local and multinational companies, and changes in technology, world politics and consumer demand have put enormous pressure on organisations to change. Organisations implement change in order to remain competitive in the environment in which they operate. However, change may sometimes have a negative impact on employees. Managers have the responsibility to help employees to embrace transformation for a smooth transition (Garber 2013). Organisations have to either adapt to change or perish. Mittal (2012) observes that organisational operations and structures should be able to react and adjust to change due to uncertain economic conditions, fierce competition, government intervention, scarce resources and rapid technological innovation.

Mittal (2012) adds that change is inevitable in any organisation, affecting individuals and organisations all over the world. However, it is not easy to achieve, especially in the public sector, where employees are not motivated to secure their jobs due to a lack of competition, although this situation has changed in recent years. Furthermore, government organisations are not exposed to external market forces that drive rapid transformation. Organisational change management plans therefore need to embrace changes which impact positively on the culture of the organisation.

Government has a far greater impact on people's lives than the private sector. It comprises a vast organisational structure, and complicated processes and systems, and employs many people. Government organisations therefore require the correct software solutions and implementation plans to accommodate these complexities.

A typical organisation is bombarded by external and internal forces for change. External forces originate outside the organisation while internal forces emerge inside it. Internal forces comprise both human resources problems and managerial behaviour or decisions. Hence Coetze & Stanz (quoted in Bell & Barkhuzen 2011) note that change should be a managerial issue. External forces for change may include demographic characteristics, technological advancement, market changes, and social and political pressure.

In promoting good governance in the public sector, the Department of Treasury in Lesotho embarked on Public Financial Management Reforms (PFMR) in 2005. The overall objective was effective management of public finance in order to achieve improved development. The reforms include strengthened macroeconomic forecasting, integrated planning and budgeting processes, strengthened accounting systems, modern procurement systems, effective cabinet participation in the budget and strengthened independent oversight. Sound PFMR are vital to improve service delivery, alleviate poverty and achieve the Millennium Development Goals (Pretorius 2009). Good governance is essential to enhance development results (Canada 2013).

For the PFMR to be effective, the Department needs to engage in a number of activities. These include the provision of guidelines to interpret standards and drive evolution. It should also develop an accounting cadre capable of operating a modified accrual to accrual accounting platform and, most importantly, give the accounting cadre full responsibility for financial management, control and stewardship reporting.

In 2010, the Department of Treasury in the Ministry of Finance in Lesotho engaged in a process to restructure the accounting cadre. This included a review of functions and positions, and a new structure, with new job descriptions and grades. Some employees faced redundancy, while others had the opportunity to be promoted or transferred within the new structure.

The exercise included an assessment of accounting cadre and staff redeployment. The Government of Lesotho has 1,103 accounting cadre and only 488 passed the assessment. In other words, they were found suitable for the new accounting structure. On the other hand, 615 employees failed the assessment and were therefore not suitable in the new structure. The Treasury Department has 75 accounting staff and only 39 employees passed the assessment while 36 employees failed assessment (<http://www.finance.gov.ls/treasury/divisions.php>).

The accounting cadre is the operational structure of accounting staff within the organisation. All the staff members in this cadre have job descriptions that set out their duties. They all work towards the mission and vision of the Department. Their

tasks include handling invoices, deposits, accounts receivable and payable, payroll and monthly, quarterly and annual financial reports to management

Table 1.1: Old Accounting Structure & Grades

Positions	Grades	No. Staff
<i>Accountant General</i>	<i>L</i>	<i>1</i>
<i>Deputy Accountant General</i>	<i>K</i>	<i>3</i>
<i>Financial Controller</i>	<i>G</i>	<i>6</i>
<i>Senior Accountant</i>	<i>F</i>	<i>20</i>
<i>Accountant</i>	<i>E</i>	<i>30</i>
<i>Assistant Accountant</i>	<i>D</i>	<i>15</i>

The table shows the hierarchy in the old accounting cadre. A person holding a higher position earns more than the one below. The salary grades are indicated by letters of the alphabet. The higher the letter, the more the position pays. For instance, grade F pays more than grade E.

Figure 1.1: Old hierarchical Structure for the Department of Treasury

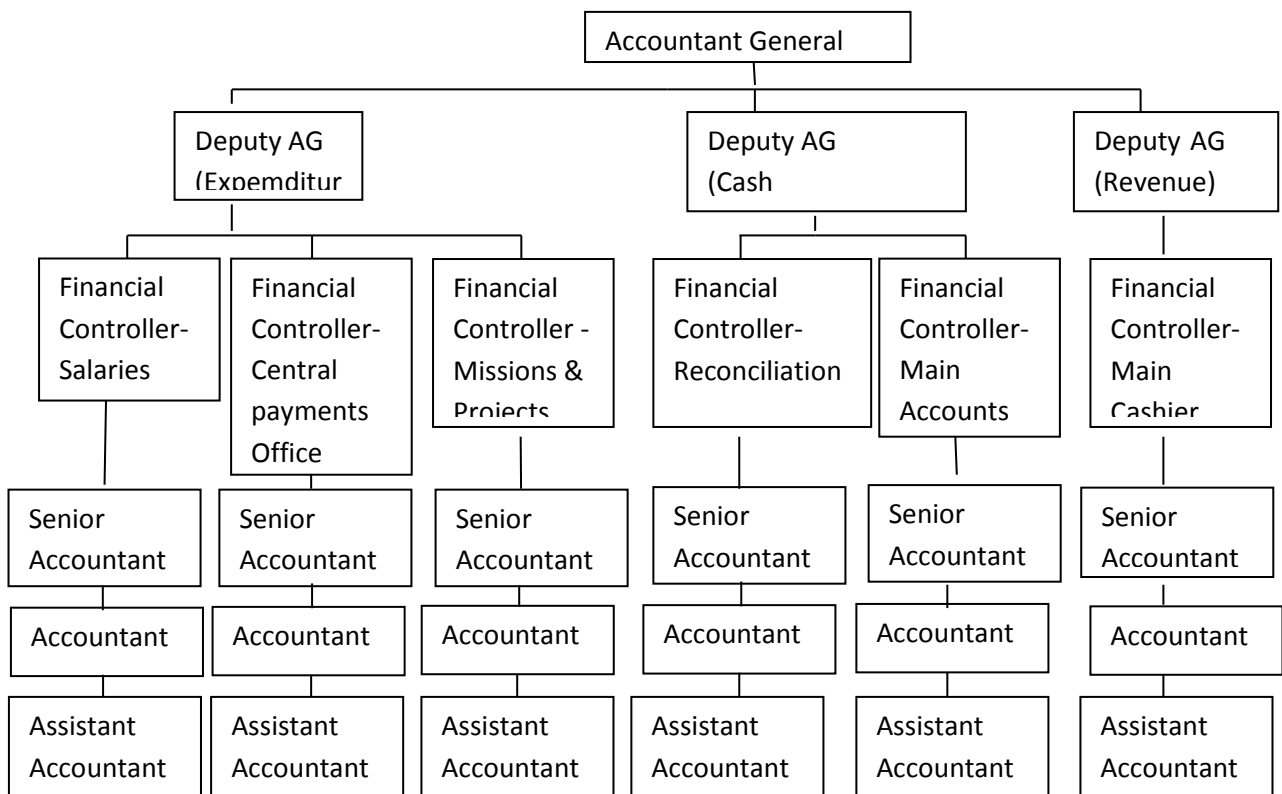
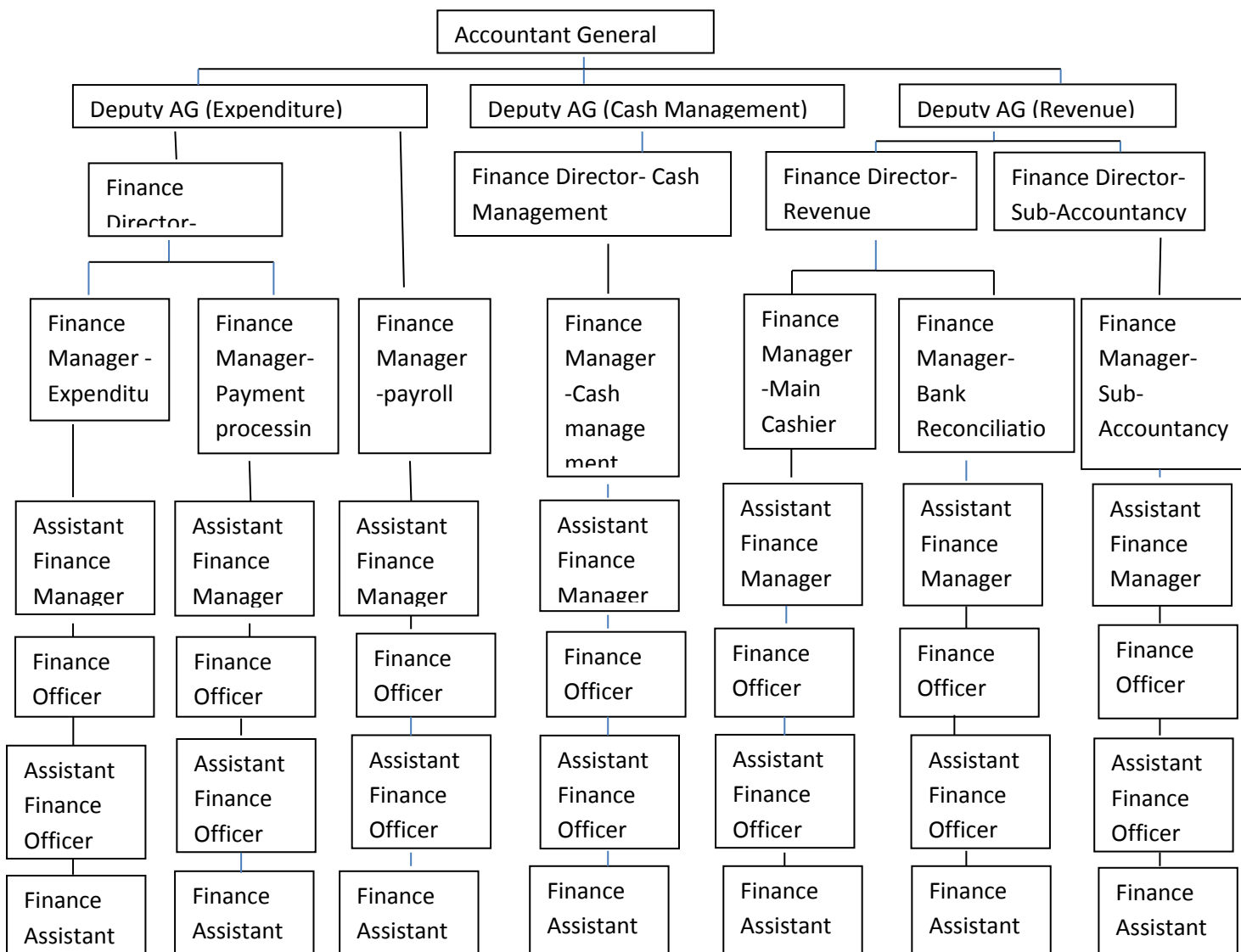


Table 1.2: Proposed Accounting Structure, Grades & Number of staff.

Positions	Grades	No. Staff
<i>Accountant General</i>	<i>L</i>	<i>1</i>
<i>Deputy Accountant General</i>	<i>K</i>	<i>3</i>
<i>Financial Director</i>	<i>J</i>	<i>4</i>
<i>Finance Manager</i>	<i>I</i>	<i>7</i>
<i>Assistant Finance Manager</i>	<i>H</i>	<i>44</i>
<i>Finance Officer</i>	<i>G</i>	<i>38</i>
<i>Assistant Finance Officer</i>	<i>F</i>	<i>8</i>
<i>Finance Assistant</i>	<i>E</i>	<i>8</i>

Source: FIN/STAFF/C.1/1 dated 16 October, 2012

Figure 1.2: Proposed hierarchical structure for the Department of Treasury



The new structure has more positions and added grade. There has also been a change in job descriptions and higher qualifications are required for higher positions.

The other difference between the two structures is that the qualifications required for some positions are different. For example, in the old structure, the position of Financial Controller was held by a person with a Diploma in Business Management. In the new structure such position requires a Degree in Accounting. (<http://www.finance.gov.ls/treasury/divisions.php>).

Employees who were found not suitable for the new structure approached the Ombudsman for intervention. Their complaint was that, the assessment was not fair and transparent, as it only assessed employee behaviour not competency and positions were not advertised on public media (<http://www.gov.ls/statutory/ombudsman/php>.)

Restructuring and change have the potential to improve work organisation. They also offer opportunities for improved job content, and job descriptions and responsibilities. This may improve skills and enhance career development as well as the more profitable use of personnel and other resources. On the other hand, change and restructuring may cause instability in staff-management relations, leading to tension among the staff concerned (<http://www.ilostaffunion.org/new/wp.../change-guidelines>).

The International Labour Organisation (ILO) has drawn up guidelines and procedures for restructuring and managing change. These promote an approach that enhances security among both management and employees. The guidelines are as follows:

- Improve transparency by informing all affected employees about possible changes in their work and why such change is necessary well in advance of the process.
- Give staff a chance to have a say in how the restructuring will be done, by ensuring that affected staff is consulted.

- Management should take issues raised by workers and their representatives into consideration in reaching decisions.
- Avoid problems by identifying and discussing real and possible concerns as soon and as close to the problem level as possible.
- Enhance management and staff's general understanding and collaboration in dealing with change or restructuring.

Lesotho's Public Service Regulations 2008 and Labour Code Order 1992 require management to ensure that all employees affected by restructuring or change are informed about likely changes in their work duties. Management must also ensure that employees are given an opportunity to discuss the manner on which the process is implemented. Furthermore, with the exception of political and statutory positions, any vacancies within the affected department or agency brought about by the change process should be effectively and efficiently advertised in the media or by means of circulars. The process of filling such vacancies must be fair and equitable in line with the Act, the Public Service Regulations of 2008 and government policies.

1.2 PROBLEM STATEMENT

The management of the Treasury Department applied change management plans not in line with certain perceptions of its workforce. While employees had varying opinions and views on the approaches the Department adopted, it is not known how staff felt about the change. There is no evidence that the Department consulted according to the guidelines outlined by the International Labour Organisation, or in the Public Service Regulations 2008 and Lesotho's Labour Code Order 1992.

It is important to organise a staff meeting after the official announcement of the restructuring in order to inform workers why the change is being proposed, and its goals as well as the major areas to be affected. Employees should have the opportunity to express their views on the organisational changes. Managers should encourage a relaxed atmosphere and direct engagement with individuals.

Goleman, Boyatzis & McKee (in Bell & Barkhuizen 2011) argue that employees resist change management practices due to their effect on employees such as job insecurity, loss of competence, loss of commitment and increased workloads.

This problem statement gives rise to the following research questions:

1. What considerations did management put to the workforce's possible inputs and reactions to the change?
2. What major steps were involved in the process?
3. What lessons were learnt in the proposed accounting cadre restructuring process?

1.3 RESEARCH PURPOSE, PRIMARY AND SECONDARY OBJECTIVES

1.3.1 Research purpose:

The purpose of this research study is to analyse the approaches employed by the management of the Treasury Department in the Ministry of Finance to restructure the accounting cadre. This could help the Department to implement sustainable change.

1.3.2 Primary objective:

To study and analyse the change management approaches employed by the Department of Treasury in the Ministry of Finance in restructuring the accounting cadre.

1.3.3 Secondary objectives:

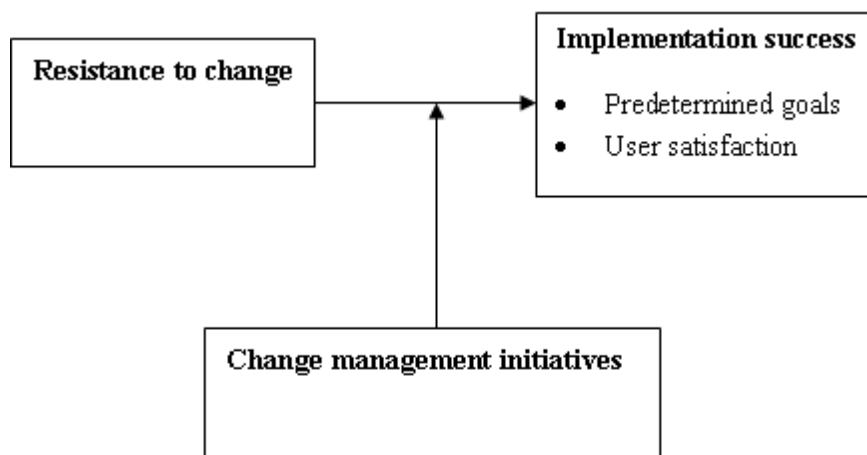
- To determine how the workforce responded to the proposed change.
- To determine whether the approach was fair to all employees, taking their experience, competence and qualifications into account.
- To establish whether all employees were comfortable with the proposed change in their Department.
- Recommendations on a way forward.

1.4 LITERATURE REVIEW

Organisational change is a challenge to the everyday operations of organisations. This is due to individuals' fear of the consequences of change. Employees feel anxious and doubtful, and are afraid that they may not be able to cope with the new situation (Vakola & Nikolaou in Khalid & Rehman 2011). Terry & Callan (in Khalid & Rehman 2011) define organisational change as a response to shifts in the

international environment. Change occurs continuously in organisations which react to these broader changes. Zafar et al (in Masa'deh & Altamony 2012) suggest that involving staff and offering them support can reduce resistance to change and enhance its successful implementation.

Figure 1.4.1: Change management model



Source: Masa'deh & Altamony (2012:146)

The focus is on planned change which involves intentional and goal-oriented activities. There are two types of planned change: first order change and second order change.

Paredes (2011) states that the first order change entails insignificant changes to the way things are done in specific organisations. In other words, the organisation does not fundamentally change the way it does business or the assumptions held by organisational members about the functioning of the organisation. The change is slow, subtle or incremental, linear and continuous.

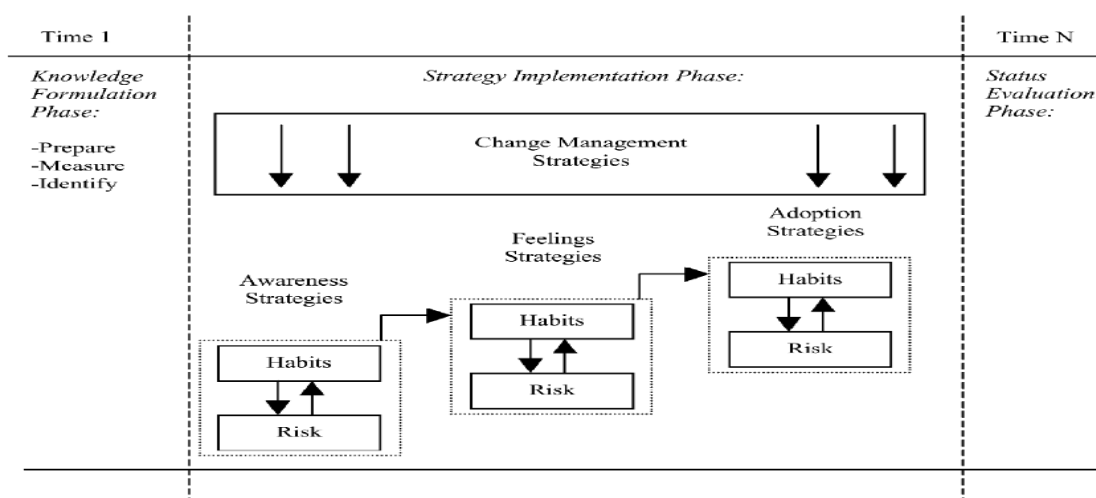
Second order change calls for a major shift in the way things are perceived (Paredes 2011). It involves reinventing the organisation and fundamentally changing the way it does business. It requires the reframing of assumptions about the way the organisation functions and is multi-dimensional, discontinuous and radical. Second order change entails a change in the vision, mission, values, culture, leadership and organisational structure. This is the type of change being pursued by the Department of Treasury. Paredes (2011) further suggests that second order change will continue to be a major concern if the organisation wants to remain competitive.

Nevertheless, employees vigorously resist change. Resistance is any opposition to a change in the status quo. This impedes the achievement of organisational goals (Marotti in Bell & Barkhuizen 2011). Resistance to change is regarded as the key cause of problems in implementing organisational change and as the main reason for their failure (Harrich in Bell & Barkhuizen 2011).

The literature shows that many factors influence employees' attitudes and resistance to change. These include the level of communication, managers' understanding of change, the reliability of managers' activities, the objectives of the change initiatives and involvement in the process of change (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

Kemp & Low (in Masaiden & Altamony 2012) suggest that change management is required to prepare employees for the introduction of new systems, influence their attitude to such change and reduce resistance. Aladwani (in Masadeh & Altamony 2012) argues that change management and supervision support, influence awareness of the system and feelings about it, and hence implementation. He suggests a change management framework consisting of three phases, namely, knowledge formulation, implementation of the strategy and status evaluation.

Figure 1.4.2: Approaches to change management



Source: Masa'deh & Altamony (2012:146)

On the other hand, Lewin's theory of change identifies four popular approaches to change management: the field theory; three step model; action research; and group dynamics. Lewin adds that these approaches are inter-related.

Lewin (in McGarry, Cashin & Fouler 2012) states that, in order to understand a situation, it is important to identify the sources of influence as such influences impact both group structures and the individuals involved. He adds that group behaviour has its origins in communication and influences that are mostly symbolic in nature.

Action research is a tool to identify the influences on the groups in which individuals reside. Action research is a realistic cycle whose procedures include planning, action and establishing the action's outcomes. It reflects the dynamics of a situation (Lewin in McGarry et al. 2012). McAnaney & Williams (2010) state that the main objective of action research is to advance practice through transformation by finding solutions to existing problems through learning more about what causes them.

The three step model of change brings about change that is not sustained by action research. The three steps are unfreezing, transitioning and re-freezing. The aim is to overcome the forces that resist change and encourage those that favour change. Employees should be prepared for change before it begins. The organisation is assumed to be in a state of equilibrium (Lewin in McGarry et al. 2012).

Lewin (in McGarry et al. 2012) states that group dynamics highlight the role played by the group in influencing individual behavior. The group exists solely for its membership. As a result, it has great potential to influence its individual members' response to certain forces and may also lead its membership to positive group behavior. The group, rather than a single individual, determines behaviour.

1.4.1 A systems model of change

This model is based on the premise that any change, no matter how large or small, has a cascading effect throughout an organisation. It offers managers a framework to diagnose what to change and to determine how to evaluate the success of a change effort (Kreitner & Kiniki 2009). The model has four main components: inputs, strategic plans, target elements of change and outputs.

1.4 2 Kotter's eight steps for leading organisational change

John Kotter believed that organisational change fails because management makes a host of implementation errors (Kreitner & Kiiniki 2009). He proposed an eight step process to lead change. The steps are: establishing a sense of urgency; creating the guiding coalition; developing a vision and strategy; communicating the change vision; empowering broad-based action; generating short-term wins; consolidating gains and producing more change; and, finally, anchoring new approaches in the organisational culture. This model is similar to Lewin's model of change.

1.4.3 Creating change through organisational development

Organisational development entails planned efforts to help people work and live together more effectively, over time, in their organisations. These goals are achieved by applying behavioural science principles, methods and theories adapted from the fields of psychology, sociology, education and management (Kreitner & Kiniki 2009).

1.5 RESEARCH METHODOLOGY

1.5.1 Methods and Methodology

The study is explanatory in nature and therefore employed a qualitative research method to acquire an in-depth understanding of the change management approaches employed by the the Department of Treasury in the restructuring of the accounting cadre. Schwardt (in Vaupot & Zeleznick 2011) states that qualitative methodology aims to facilitate a better understanding and interpretation of the studied phenomenon in order to achieve a sound interpretation of realities.

Qualitative research comprises a group of interpretive techniques that seek to describe, decode, translate and otherwise come to terms with the meaning, rather than the frequency, of certain more or less naturally occurring phenomena in the social world (Cooper & Schindler 2011).

The researcher also conducted a literature review as part of the research strategy to investigate the phenomenon under study. Hart (in Burger et al. 2012) observes that a literature review enhances knowledge on a research topic as well as validating the work conducted in the field.

The researcher used structured interview questions. The aim was to determine how employees responded to the proposed change, to establish whether the approaches adopted were fair to all employees, considering their experience, competencies and

qualifications and lastly, to solicit managers and employees' views on what could have been done to implement the proposed change in order to avoid barriers to change. The questions were probing in nature in order to serve the purpose of the study.

An interview is an exceptional kind of a conversation meant to gather information, but with a written guide to be used by the interviewer. This guide is referred to as interview protocol or schedule. This kind of conversation interview mostly conducted in a face to face setting and occasionally over the telephone (*Garber 2013*).

1.5.2 Sampling

The study employed a non-probability, purposive sampling technique. The population of this study is limited to the Department of Treasury in the Lesotho.

A purposive sample of 15 employees was selected. Strategic purposive sampling was employed in order to ensure the best probable representation. The sample included three executive officers in the Treasury Department: the Finance Principal Secretary, Accountant General and Finance Human Resource Manager, who were interviewed; two officers from the public service, two officers from the Lesotho Institute of Accounts and one officer from the Transformation Resource Center. The total sample was thus 21 participants.

1.5.3 Data collection

Semi-structured, one-on-one interviews were conducted to enable the researcher to omit certain questions or allow for probing during the interview. The primary data was collected from the research participants while the secondary data was sourced from various journals, websites and official documents. This information was used to guide the individual interviews with the members of the executive team in order to further explore the issues identified.

1.5.4 Data analysis

Content analysis was used to analyse the data collected. The data were interpreted when recording and typing the data. De Vos (in Eeden 2010) states that this method facilitates data analysis as there is a connection between data collection and its analysis in qualitative research. The study's findings are used to provide recommendations to management on appropriate change management approaches.

1.6 ETHICAL CONSIDERATIONS

Bayley (2012:15) states that ethics is the philosophy that observes the principle of good and bad. In conducting this research, the following ethical considerations held:

Objectivity: The researcher aimed to draw conclusions from the actual data collected. The focus was on information gathered during the course of the study. The researcher did not have any personal influence on the study.

Informed consent: The procedures and processes of the research study were fully disclosed to participants and they were required to sign a consent form. This was a vital step in ensuring individual autonomy.

Rights to privacy: Participants' privacy was respected. The participants were assured of their right to allow or restrict publication of their information

1.7 DEMARCATION OF THE FIELD STUDY

In this research report, the terms, 'organisation' and 'Treasury Department' are used interchangeably. The study aimed to analyse and understand change management strategies at the Treasury Department. The target population was the Treasury Department in the Ministry of Finance as it was undergoing a restructuring of the accounting cadre. The total population was 75 accounting staff in the Department.

The sample for the study included 15 employees, three executive officers in the Treasury Department: the Finance Principal Secretary, Accountant General and Finance Human Resource Manager, one officer from the public service, one officer from the Lesotho Institute of Accounts and one officer from the Transformation Resource Center. The latter two organisations are stakeholders in the restructuring process. The total sample size was thus 21 participants.

The study is located in the field of organisational behavior. Change management is important as it aims to achieve organisational goals. Bell & Barkhuizen (2011) suggest that successful change initiatives in organisations require strong employee involvement.

1.8 DEFINITION OF TERMINOLOGY

Managing Change: refers to ways of dealing with individual and group resistance to change. Understanding and identifying those involved in the procedure of change is a major element of learning to manage change (Garber 2013).

Structure: refers to a periodic tool supporting the new state. Individual behavior is affected by the structure (Carter 2008).

Restructuring: means transformation of the organisational structure and its operations, implying the effective use of human resources (Wahab 2012).

Cadre: refers to a group of officers around whom a certain operational unit is formed.

Public Financial Management Reforms: is a group of interrelated sub-systems, political culture and organisations which contribute to a country's economic success (Pretorious & Pretorious 2009).

Change resistance: is a reluctant response to a new initiative or any change. Individuals respond defensively in order to maintain their security and protect their positions (Kotter & Schlesinger in Mittal 2012).

1.9 STRUCTURE OF THE RESEARCH REPORT

Chapter 1 served as the introduction and orientation to this research study. It introduced the concepts related to the study and highlighted the importance of the research and its objectives. The primary and secondary sources relevant to the study were discussed and the demarcation of the field study was presented. Finally, the chapter discussed ethical considerations and presented the structure of the research study.

Chapter 2 presents a theoretical overview of change management. The literature review focuses on the change management process, and resistance to change.

Chapter 3 provides an overview of the research methods and methodology, focusing on the research method, sampling, data collection and data analysis.

Chapter 4 presents strategies and techniques for improved, sustainable implementation of the restructuring process by the Ministry of Finance.

Chapter 5 is the concluding chapter. It summarises the research, presents the conclusions, comments on the limitations that the researcher experienced while conducting the research and makes recommendations on strategies that the Department of Treasury could adopt to overcome employee resistance to change in order to facilitate the smooth implementation of the restructuring process.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The aim of this chapter is to provide a thorough understanding of the concept of change management; forces for change; the goals of change; types of change; resistance to change and approaches to managing change. The manner in which an organisation introduces and controls change highly determines its success or failure. In today's uncertain economic environment, it is therefore crucial for leadership to understand the process of change (Bruckman 2008).

Change and transformation management is an organised approach to moving individuals, teams, and organisations from a current state to a desired future state. There is a rich, voluminous literature on change. Research on organisational change is continuous, as organisations continue to innovate or adapt to dynamic, volatile, competitive environments. This dynamism determines how change is perceived at a particular time. Therefore, approaches to understanding change also continue to change over time. Some of these approaches are complementary, while others are contradictory. There are two main approaches to the study of change management. The first is found in descriptive texts, which offer guiding principles and checklists on how to manage a change programme. The second, involving academic studies (Storey, 1992), seeks to understand how change has occurred in particular cases. The focus of the authors determines how change is defined. According to Schreyogg and Sydow (2011), stability and change are usually viewed in the literature as separate, antithetical and paradoxical. For example, Cunnen's (2008) analysis is based on a notion of change as a broad and generic construct. This classification is based on different types and forms of organisational change. Cunnen (2008), therefore, classified change as an incremental process that is transformational or radical. Change can be viewed in terms of speed, quantity of service, and quality of service or the type of organisation where change is experienced. Therefore, change is the outcome of managerial choice or a consequence of external drivers. Management first assesses the situation and then takes action that will enable them to achieve the set objectives.

2.2 PRINCIPLES OF CHANGE

The underlying principles of change management include:

- Change cannot be managed but it can be enabled.
- The change process must be related to business and performance goals.
- Building capacity to change is a strategic imperative and an evolutionary process.
- The change process involves both organisational and personal transitions.
- The more complex the change, the higher the resistance.
- The type of change one is dealing with.
- The need to understand which microcosm of the overall system should be engaged in the change process.

2.3 ORGANISATIONAL ASSESSMENT OF READINESS TO CHANGE

For change to be successfully implemented, the organisation must be ready to change. This means that the people and structure of the organisation must be prepared for and capable of change. An organisation's readiness to change is demonstrated when the following conditions are present:

Firstly, effective leadership should be in place at all levels of the organisation. Leaders can negatively impact organisational performance and the ability to change. A company may have excellent pay, benefits, and employee-friendly policies, but if its leaders are incompetent, its employees will not be motivated to change. Secondly, employees must be personally motivated to change. Change occurs when people are sufficiently dissatisfied with the status quo and are willing to make the effort and accept the risks involved in doing something new. Thirdly, the organisation must be prepared and able to work collaboratively. Effective change demands collaboration between willing and motivated parties.

2.4 CHANGE MANAGEMENT

Change is regarded as a valuable enhancer of knowledge in its own right, rather than something that is undertaken after the results of research are available (McAnaney & Williams 2010). Change is not an event but a process, with procedures followed over a long period of time. Furthermore, change is inevitable in

organisations as the business environment is always changing. Change management is a complex and non-linear endeavour. A strong imagination, creativity and patience are required if one is to persevere through the process (Newman 2012).

2.5 FORCES FOR CHANGE

Organisations are confronted by various forces for change. These include external forces originating outside the organisation, and internal forces within an organisation. These forces put pressure on organisations to change. Understanding such forces can help managers to determine when they should consider implementing organisational change.

2.5.1 EXTERNAL FORCES FOR CHANGE

Organisations do not control external forces and therefore have to adapt to these forces. Thus, they have global effect. The external forces comprise the following:

2.5.1.1 Changes in technology

The modern workplace requires that organisations use computers and new methods of production to improve performance and thus competitiveness. The use of the internet and email has permanently changed the business landscape. Organisations use technology to improve competitiveness, productivity and customer services (Kreitner & Kinicki 2010). Technology has significantly transformed many aspects of life. These include, amongst others, the way people work, communicate, transmit and receive information (Goodwin & Stetelman 2012).

2.5.1.2 Demographic characteristics

The workforce of the 21st century comprises employees from different cultures. In South Africa, for instance, many black employees climb the leadership ladder. The number of women in the workforce is also increasing, mainly due to the increasing number of educated women. Some organisations have adopted cultural diversity as a competitive strategy. Organisations need to manage diversity effectively in order to derive the maximum contribution and commitment from employees (Kreitner & Kinicki 2010).

2.5.1.3 Social and political pressures

These forces are caused by political and social events over which organisations have no control. For instance, the impact of global change and the high cost of electricity put pressure on organisations to adopt new production methods (Kreitner & Kinicki 2010).

2.5.1.4 Shareholder, customer and market changes

Shareholders have become more active in pressing for organisational change in response to ethical lapses on the part of senior management and the massive compensation packages paid to executives. The interaction of financial markets, the free flow of goods and services, and the increase in the number of multinational companies pose significant challenge to organisations throughout the world (Kreitner & Kinicki 2010).

2.6 INTERNAL FORCES FOR CHANGE

These are the forces that the organisation can control. They may include low job satisfaction, low productivity and conflict. Internal forces include human resources problems and managerial behavior (Kreitner & Kinicki 2010).

2.6.1 Human resources problems

These problems stem from employees' perceptions of how they are treated at work and the match between individual and organisational needs and desires. High levels of absenteeism and turnover present forces for change. Organisations may respond to these forces by adopting different approaches to job design such as reducing role conflicts among employees, overload and ambiguity (Kreitner & Kinicki 2010).

2.6.2 Managerial behaviour

High interpersonal conflict between managers and employees is a sign of organisational change. Both supervisors and employees need interpersonal skills training if organisations are to function effectively. Inappropriate leadership behaviour such as inadequate direction or support may result in human resources problems, requiring change (Kreitner & Kinicki 2010).

2.7 GOALS OF CHANGE

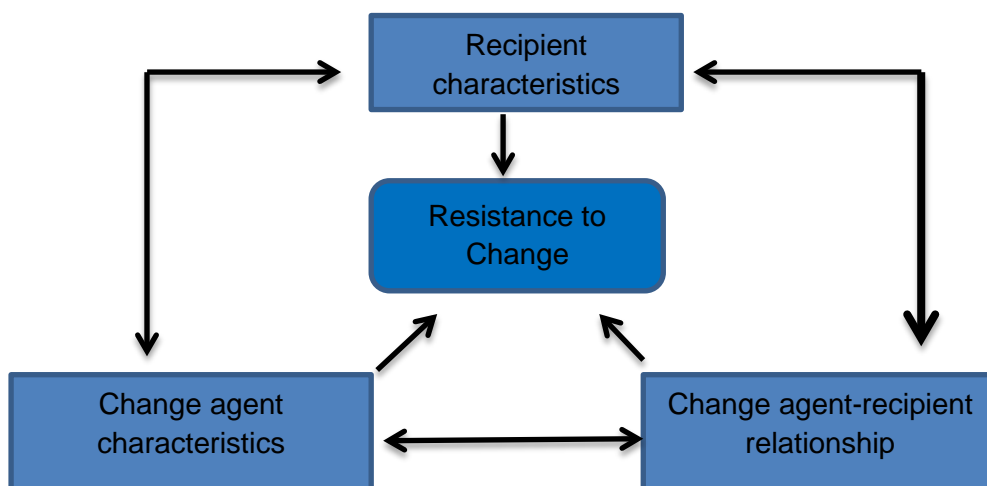
Changes occur continuously in organisations. They therefore need to respond to unplanned changes. The focus in this chapter is on planned changes. Thus, change activities are intentional, goal-oriented and implemented in an orderly manner. Planned change aims to improve the organisational environment, including better

working conditions, in order to boost productivity. It also aims to change employee behaviour (Paredes 2011).

2.8 RESISTANCE TO CHANGE

Individuals and structures sometimes resist change. This may slow down the change process or completely destroy attempts to change. It is therefore important that managers understand the sources and reasons for resistance to change and how to reduce any destructive resistance. The negative perception of change as the main cause of personal and organisational stress is the key reason for resistance to change. Physiological changes in the workforce relate directly to the measure of change in an organisation. Changes that surface in a limited period of time cause more stress to employees and hence the organisation at large. The positive or negative intent of change determines responses to the change process (Bruckman 2008).

Figure 2.8.1: A dynamic Model of Resistance to change



Source: Adapted from Kreitner & Kinicki, 2010, Organisational behavior.

Individuals are major sources of change in organisations. The reasons they resist change include the following:

Fear of the unknown: People dislike uncertainty about the future. They are uncertain how change will affect their future and hence often resist it (Coetze & Stanz quoted in Bell & Barkhuzen 2011).

Habit: To cope with complex issues, people rely on habits or programmed responses. Change ushers in new ways of doing things (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

Threats to self-interest: Even if people understand the reasons for change, they will resist it if it threatens their self-interest. People resist change that might affect their salary, power or prestige. The main question people ask is, “what will I gain?” (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

Economic insecurity: Change often threatens jobs or the risk of lower income and is hence resisted by employees (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

Lack of understanding or mistrust: People may also resist change because they do not see the need for it, or even if they do, they resist because they do not trust management’s motives (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

New work demands: People may resist change because they feel they cannot cope with new work demands, either because they are not trained or out of sheer laziness (Coetze & Stanz quoted in Bell & Barkhuizen 2011).

Other sources of resistance to change include structural inertia, cultural inertia and group inertia. Organisations are designed to maintain order and stability. The forces that create this stability resist change. Organisational culture is difficult to change and may be a major source of resistance. It includes beliefs, values, traditions and assumptions developed over time. Similarly, change disrupts existing group norms, so groups may resist it.

2.9 OVERCOMING RESISTANCE TO CHANGE

The following strategies may be used to reduce resistance to change:

Education and communication: The assumption here is that lack of knowledge or communication is the source of resistance. Employees may resist change because they do not see its importance. To reduce resistance, employees need to be made aware of the logic of change. If they know why the change is necessary and decisions are communicated to all stakeholders, change is more likely to be accepted (Bruckman 2008).

Participation: Participation is considered the most effective approach to change. Management should involve all those affected in the change process. People do not normally resist their own decisions. Apart from reducing resistance to change, participation helps create commitment to change and if participants have the requisite expertise, this can enhance decision-making (Bruckman 2008).

Facilitation and support: Employees sometimes resist change because they fear that it will affect their lives and are therefore anxious. For instance, employees may feel that they are not competent to cope with the new job demands. Management should facilitate change by allaying these fears through counseling or training employees for their new job demands (Bruckman 2008).

Negotiation and reward: If resistance comes from a powerful source, such as a confrontational trade union, management might have to negotiate and offer something of value to reduce resistance (Bruckman 2008).

Manipulation and co-optation: Manipulation is a covert attempt to exert influence, while co-optation is a combination of manipulation and participation. Management may manipulate by twisting and distorting information to make it appear more attractive. Managers may also co-opt the leaders of strong groups by allowing them to play a key role in some change decisions. In this case, the leader is simply bought off, as the aim is not to seek better decisions, but rather to seek the leader's endorsement (Bruckman 2008).

Coercion: This involves the application of direct threats or force on those who resist change. Managers who use this tactic should have sufficient authority to do so. Threats of transfer, loss of promotion, demotion and dismissal can be used to make those that resist change accept it. However, naked coercion increases hostility or animosity between management and employees (Bruckman 2008).

2.10 APPROACHES TO CHANGE MANAGEMENT

The most popular approaches to change management include, amongst others, the Systems Model of Change; Kotter's eight steps for leading organisational change; creating change through organisational development; Paradox: a gestalt theory of change for organisations; and a stress and coping approach to organisational change.

2.11 APPROACHES EMPLOYED BY THE DEPARTMENT

In 2010, the Department of Treasury issued a notice letter, *Ref: Fin/P191010*, informing all accounting staff of the restructuring of the accounting cadre. The letter further informed the staff that in order to be placed in the new structure, they would have to undergo competency assessment. It was emphasised that this assessment was compulsory; those that chose not to undergo assessment could opt to retire from the public service in accordance with the Public Service Regulations, 2008 section 37. The letter further stated that the Government of Lesotho was committed to ensuring that people's jobs were safe. Where all measures had been taken, but failed, retrenchments would be considered as a last resort.

In 2011, all accounting staff was taken to the assessment centre at the Ministry of Public Service, for psychometric tests. Those who scored a strong match and a very strong match were eligible for behaviour and competency interviews by the Department before their names were forwarded to the Public Service Commission for further interviews. On the other hand, those with a weak match and a very weak match were to be redeployed within the civil service.

In the same year, the Department conducted interviews with those who had been informed that they were successful. Incumbents who scored a very strong match were interviewed for the positions of Finance Director and Finance Manager and those who scored a strong match were interviewed for positions as Assistant Finance Manager. Thereafter, they were shortlisted for a further interview with the Public Service Commission.

However, at this stage, those found not suitable for the new structure took legal action. They took their case to the High Court of Lesotho and a court order was issued to halt the process. In terms of judgment *External Circular notice no.5 of 2014, FIN/STF/C.1/1*, the court instructed the Department of Treasury to advertise all positions before the selection process could proceed.

However, this is in line with the public service **recruitment and selection process**, not the restructuring or change process undertaken by the Department of Management Services. This Department's role was to facilitate the restructuring process. It adopted a functional approach where current responsibilities and roles in the Department were closely examined, as well as the new mandate or vision. The

Department of Management Services looked at the new roles and responsibilities required in the new structure in line with the Department's vision. It was at this juncture that Management Services came up with a structure for the Department of Treasury and left the responsibility of recruitment and selection in the Department's hands.

According to the Public Service Regulations 2008, recruitment shall be for an established position in accordance with the job description and requirements of a particular job. With the exception of political appointees and statutory positions, the Human Resources Department in every ministry, department or agency must advertise all vacant positions within the relevant ministry, department or agency as efficiently and effectively, and widely as possible through circulars and the media, so as to reach the entire pool of potential applicants; screen all applications in line with the relevant job requirements and conduct preliminary interviews with candidates who meet the requirements for all positions on Grade G and below.

The Public Service Regulations 2008 further state that an applicant for a position at Grade H and above who meets the requirements of a specified job must undergo a competency assessment. This is the responsibility of the Human Resources Department of each ministry, department or agency and can only be performed by professional and certified assessors.

According to the International Labour Organisation, once restructuring has been announced, management should organise meetings with concerned staff to inform them of the reasons for the proposed restructuring, its expected outcomes and key organisational areas which will be affected. During the meeting, staff should be given an opportunity to express their views on the proposed change. Freedom of expression should be encouraged and workers should feel free to have direct meetings with management. If information is not shared with staff in a timely manner, this can lead to anxiety, frustration and low morale. In line with the standards of the international civil service, managers should be open to all views and opinions and communicate effectively and share information with staff. Staff may fear changes in their functions, transfers or even termination of the contractual relationship (<http://www.ilostaffunion.org/new/wp.../change-guidelines>).

As already noted, the International Labour Organisations set out guidelines which aim to promote an approach that optimises the interests of both staff and managers. These guidelines are compared with the steps followed by the Department of Treasury in the table below.

2.12 A SYSTEMS MODEL OF CHANGE

This model is based on the fact that any change, whether small or large, has a cascading effect throughout the organisation. For instance, promoting an employee to a new work group affects group dynamics in both the old and new groups. The Systems Model of Change provides managers with a framework to diagnose what can be changed and to evaluate the success of a change effort. The model has four components: inputs, strategic plans, target elements and outputs.

Inputs: These comprise the mission, vision and resulting strategic plan. A mission statement defines the basic business or businesses the organisation wants to engage in, the markets it will serve and how it will conduct its business. Thus the mission of the organisation defines its reason for existence, while the vision defines what the organisation wants to become. An analysis of the external and internal environments which involves an analysis of strengths, weaknesses, opportunities and threats (SWOT) is also a key input within the Systems Model.

Strategic plans: This is the process through which managers develop strategies to achieve goals, given the external environmental factors (opportunities and threats), and organisational factors (strengths and weaknesses). A strategy is a large scale plan that an organisation develops to interact with its environment. Strategic plans are based on outcomes from the SWOT analysis.

Target Elements of Change: These include the components of an organisation that can be changed. These elements are used by managers to identify problems and to find change-related solutions. The model consists of four elements: organisational arrangements, people, methods and social factors. As shown in figure 3 above, the double-headed arrows that connect each target element send the message that change undulates across the organisation. The people component in the centre of the model under the target elements of change shows that all organisational change impacts employees.

Outputs: These are the desired outcomes of change. The results have to be consistent with the organisation's strategic plan. As shown in the figure, change can be directed at organisational level, department or group level and individual level.

The Systems Model of Change can be applied in two ways. The first is during strategic planning. At this stage, managers have to determine the organisation's vision and strategic goals. Then, they have to consider the target elements of change in order to develop action plans that support the achievement of goals. Secondly, the model can be used as a diagnostic framework to identify organisational problems and suggest solutions.

The mission statement of the Department of Treasury in the Ministry of Finance in Lesotho is as follows:

“To be custodian of public financial management, timely collector of Government revenue and leader of the creation and efficient accountable financial management systems, focused on the results based accounting, cash management strategies and proper safeguarding of public funds.”

Inputs: It is at this stage that organisational management considers the goals and expectations of the organisation. This is necessary before any real change can be implemented. It also involves an analysis of the change to the organisation. This is one of the stages the Ministry of Finance through the Treasury Department did not fully complete. They proceeded to other levels without having analysed themselves internally.

With the help of the input results, goals and strategies can be set. The Treasury Department developed a long term plan of what it wanted to achieve. It believed that, with the proposed change, the Ministry would be able to accomplish certain goals. Some organisational arrangements were also put in place at this stage. These included procedures that the Department followed in preparation for the change process. For instance, the Ministry held employee assessments to select the targeted workforce for every level in the structure.

In the way the model shows, the Department of Treasury fully included all those who would be directly or indirectly impacted by change. However, management failed to consult employees on the desired outcomes. In terms of methods, the Ministry did

draw up an outline of the elements, including processes, workflow, job design and technology accompanying the new structure.

Not all the factors of the model were well engaged in the change process. However, communication was good and people at all levels of the organisation were informed of every step the Department wished to take. In terms of the outputs of the change, the Department had a vision which it hoped would be achieved through the success of proposed change. It saw this change as the best way to accomplish its strategic plan.

2.13 KOTTER’S EIGHT STEPS FOR LEADING ORGANISATIONAL CHANGE

This model proposes how managers should lead the change process. It further provides recommendations about the behaviours managers must demonstrate in order to lead organisational change effectively. The process has eight steps, none of which should be omitted. Moreover, Kotter noted that managers often make mistakes during the first stage of the process

Table 2.13.1: Kotter’s eight steps for leading organisational change

Steps	Description
1. Establish a sense of urgency	Unfreeze the organisation by creating a compelling reason why change is needed. This is the toughest of the 8-step process and is often overlooked. For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change.
2. Create the guiding coalition	Create a cross-functional, cross-level group of people with enough power to lead the change. Make sure that a powerful group leads or guides the change - with leadership skills, bias for action, credibility, communication ability, authority, analytic skills - visible support

	from key people – right coalition of people critical to success.
3. Develop a vision and strategy	Create a vision and strategic plan to guide the change process. Clarify how the future will be different from the past – many great ideas & solutions floating around. A clear vision serves three important purposes. First, it simplifies more detailed decisions. Second, it motivates people to take action in the right direction even if the first steps are painful – understand why. Third, it helps to coordinate the actions of different people in a remarkably fast and efficient way.
4. Communicate the change vision	Create and implement a communication strategy that consistently communicates the new vision and strategic plan. Make sure that as many others as possible understand and accept the vision and the strategy – will determine success. Your message will have competition from other day-to-day communications, so you need to communicate frequently & powerfully embed the message in all actions.
5. Empower broad-based action	Eliminate barriers to change and use target elements of change to transform the organisation. Encourage risk taking and creative problem solving. If you reach this point in the change process,

	<p>you've been talking about the vision and building buy-in from all levels of the organisation. Hopefully, your staff wants to get busy and achieve the benefits that you've been promoting.</p> <p>But is anyone resisting the change? And are there processes or structures that are getting in its way? Remove as many barriers as possible so that those who want to make the vision a reality can do so.</p>
<p>6. Generate short-term wins</p>	<p>Plan for and create short-term 'wins' or improvements. Recognise and reward people who contribute to the wins.</p> <p>Create some visible, unambiguous successes as soon as possible. Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Each 'win' that you produce will motivate the entire staff. For leaders short-term wins are essential & a change effort without attention to short-term performance is extremely risky.</p>
<p>7. Consolidate gains and produce more change</p>	<p>The guiding coalition uses credibility from short-term wins to create more change. Additional people are brought into the change process as change cascades throughout the organisation. Attempts are made to reinvigorate the change process. Leadership is invaluable in surviving Step 7 - press</p>

	harder and faster after the first success. Be relentless with instituting change after change until the vision is a reality.
8. Anchor new approaches in the culture	Reinforce the changes by highlighting connections between new behaviours and processes and organisational success. Develop methods to ensure leadership development and succession. Create a New Culture - hold on to the new way of behaving – anchor in culture for sustained change. Make continuous efforts to ensure that the change is seen in every aspect of your organisation. It's also important that your company's leaders continue to support the change.

Source: Boston: Harvard Business School Press (in Kreitner & Kinicki 2010). The steps were developed by J P Kotter, leading change.

According to Kotter (1995), leaders should assess how ready their organisation is for change. They should also identify those who are resistant to the vision and entrenched in the present status quo, and conditions or models of delivery. Change is not always successful. Kotter identified the reasons why change efforts often fail. He offered words of wisdom against unfavourable attitudes and poor acceptance of change and maintained that early acceptance of sustained change was not possible without the eight steps shown above (Stichler 2011).

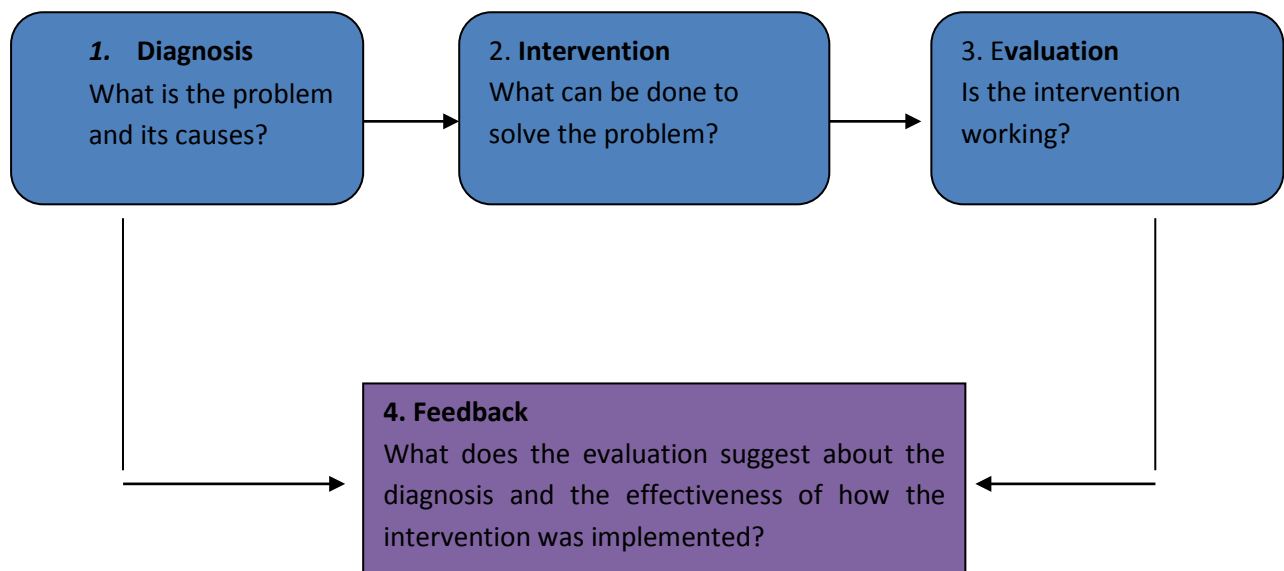
From the start of the change process, the Department of Treasury engaged in a number of steps in this model. Initially, the Department outlined the reasons for structural reform. For example, it indicated that in order to implement the effective use of PFMR systems; there was an urgent need to change the departmental structure. The Department involved relevant Ministries in this change process. For instance, due to its powers, the Ministry of Public Service was invited to lead the process. Furthermore, the Department properly communicated its intention to all relevant stakeholders, including the objectives and how the change would occur.

2.14 CREATING CHANGE THROUGH ORGANISATIONAL DEVELOPMENT

Organisational development is defined as a set of tools which can be used to execute planned organisational change. Organisational development is a planned effort throughout the organisation, managed from above in order to increase efficiency. This can be attained through mediation in the organisation's processes with the help of behavioural science. Organisational development comprises changes in the decision-making process, the nature and shape of groups, labour procedures, job descriptions and duties. The imperative is to change so as to improve quality and efficiency, although managing the change is not a neat sequential process. It naturally includes a dynamic, complicated interaction between those who have a vision of a better future, and those who may fear or be frustrated by the change (Lalande 2011).

Organisational development has much in common with the Systems Model of Change. It is different from the Lewin and Kotter approaches, as it does not embrace the structured sequence of change proposed by these authors. Organisational development has four components, namely, diagnosis, intervention, evaluation and feedback.

Figure 2.14.1: Organisational Development



Source: Adapted from W L French and C H Bell Jr, (in Kreitner & Kinicki 2010 Organisation Development).

1. **Diagnosis:** A combination of tools such as surveys, interviews and direct observation is used in order to identify the problem and its causes. The target elements of change in the Systems Model of Change can be used to develop diagnostic questions aimed at identifying causes.
2. **Intervention:** The intervention represents the changes being made to solve the problem. Treatments are selected based on the causes of the problem. The key issue to remember is that there is no one set of intervention techniques that apply to all situations. Organisational development intervention methods are applicable to every level based on the degree to which they impact the human processes of communication, decision-making, problem-solving and leadership. They also affect techno structures such as design type, and fast structures. Management of resources and strategy is also influenced. These including areas such as skills development and positioning in the market, etc. (Lalonde 2011).
3. **Evaluation:** This requires the organisation to develop measures of effectiveness. The appropriate measure depends on the problem. The final evaluation is based a comparison of measures of effectiveness obtained before and after the intervention.
4. **Feedback:** If the evaluation reveals that the intervention worked, the organisational development process is considered to be complete; hence the change agent can consider the best way to refreeze the changes. However, if the evaluation yields negative results, either the initial diagnosis was wrong or the intervention was not effectively implemented. The change agent is therefore required to collect more information about diagnosis and intervention.

Due to the constraints encountered by the Department in the long-run change process, it only employed the first two stages of this process. Diagnosis was well-established as management succinctly stated the problems with the old structure, which limited the accomplishment of the Departmental mission and vision.

Intervention was also well-established, with some of the proceedings already stated in its implementation.

2.15 PARADOX: A GESTALT THEORY OF CHANGE FOR ORGANISATIONS

Underlying the application of Gestalt theory to organisational development, consulting, and/or coaching is an approach characterised by Arnold Beisser, M.D., in 1970, as the paradoxical theory of change. Maurer (2003) later applied this theory to organisational development. The theory, which has become the foundation of Gestalt practice, flows from the primary premise that meaning is manifested through differentiation, dissolution, and integration.

Gestalt theory recognises that, all choices exist on a continuum between one extreme and another, and represent a decision. Gestalt theory is built on the conviction that no person, group, or organisation is an independent entity, but that together they “constitute a functioning, mutually influencing total system. Contact is not simply a matter of joining or togetherness but rather involves a heightened awareness of the distinction between self and not-self. In other words, contact occurs at a porous boundary, one that holds self and other apart, yet at the same time permits interaction and exchange”.

Habitual behaviors and attitudes frequently get in the way of change. During the early years of Gestalt theoretical development, Perls, Goodman, and Hefferline conceived of such resistance as opposition to change. However, they went on to regard resistance as a deeply rooted fear of contact, caused by an unhealthy blockage and used to avoid some form of real or imagined pain. Within this reframing, they came to regard resistance as a problem to be worked through. The early Gestaltists identified six internal mechanisms of resistance: introjection, projection, retroflexion, deflection, confluence, and desensitisation.

The Department practiced this well in the senses that, management inform the entire workforce from the lowest to the highest levels in the change process. They realised that, in order for reform to succeed, everybody in the Department should be informed.

2.16 A STRESS AND COPING APPROACH TO ORGANISATIONAL CHANGE

A stress and coping perspective is employed to outline the methods that determine employee adaptation to organisational change. Organisational change is typically activated by a relevant environmental shift that, once recognised by the organisation, leads to an intentionally generated response intended to alter key variables that impact on the members of the organisation and their work-related behaviours (Kreitner & Kinicki 2010).

From the perspective of employees, organisational change can be viewed as a critical life event, which has the potential to evoke stress and other negative consequences. Employees are confronted by a unique set of workplace stressors resulting from a changing work environment. Because organisational change by its very nature is not linear, the most frequent psychological state resulting from organisational change is uncertainty.

Employees are likely to experience uncertainty in relation to a range of different facets of a changing work environment. Furthermore, they may perceive organisational change as a major threat to their job security, personal career paths, and financial wellbeing, as well as a threat to the many intangible benefits associated with their work environment, such as power, prestige, and a sense of community at work. This model considers employee participation in decision-making, communication processes (in terms of information provision and sources of information), and leadership to be the key characteristics of the organisational change event that are likely to have a strong impact on the employees' stress and coping process (Terry & Jimmieson 2003).

Coping strategies are adopted by individuals with the intention of reducing the effects of stress. A number of researchers have made the distinction between problem- and emotion-focused coping strategies. Because problem-focused strategies are directed towards the management of the problem; they are generally thought to have positive effects on adjustment. In contrast, the fact that emotion-focused strategies concentrate not on the problem, but deal with the concomitant level of distress, has meant that this type of coping is thought, in most instances, to impair coping.

This is one approach the Department fully implemented as part of the change process. Before the assessment for selection, the Department hired independent Physiologists or Councilors to help employees to cope with any negative results of the assessment.

2.17 PROSCI'S APPROACH TO CHANGE MANAGEMENT

Prosci states that change management is the use of an organised process and set of tools to direct employees in order to achieve a desired outcome. The emphasis is on the people element of change and the target is leadership at all levels of the organisation such as executives, senior leaders, middle managers and line supervisors. For change management to be successful, employees must be engaged in the process and work jointly towards a common objective, with benefits realised and results delivered. It is crucial for any organisation to adapt successfully to change. Prosci prescribed the three phases for change management shown in the figure below.

Prosci also developed the ADKAR model. This acronym stands for awareness, desire, knowledge, ability and reinforcement. The model underlines that change begins with an individual and that communication is an essential part of change. For change to be successful in any organisation there must be preparations for change, management of change and reinforcement of change. Communication is very important to build awareness and the desire for change. The ADKAR model has five outcomes which are a communication plan, a training plan, a roadmap, a coaching plan and resistance management plan (Fiscor 2014).The figure below shows the ADKAR elements and the issues influencing achievement.

Figure 2.17.1: ADKAR elements and the factors influencing success.

ADKAR Elements	Factors Influencing Success
Awareness of the need for change	<ul style="list-style-type: none"> • A person's view of the current state • How a person perceives problems • Credibility of the sender of awareness messages • Circulation of misinformation or rumors • Contestability of the reasons for change
Desire to support and participate in the change	<ul style="list-style-type: none"> • The nature of the change (what change is and how it will impact each person) • The organizational or environmental context for the change (his or her perception of the organization or environment that is subject for change) • Each individual person's situation • What motivates a person (those intrinsic motivators that are unique to an individual)
Knowledge of how to change	<ul style="list-style-type: none"> • The current knowledge base of an individual • The capability of this person to gain additional knowledge • Resources available for education and training • Access to or existence of the required knowledge
Ability to implement required skills and behavior	<ul style="list-style-type: none"> • Psychological blocks • Physical capabilities • Intellectual capability • The time available to develop the needed skills • The availability of resources to support the development of new abilities
Reinforcement to sustain the change	<ul style="list-style-type: none"> • The degree to which reinforcement is meaningful and specific to the person impacted by the change • The association of the reinforcement with actual demonstrated progress or accomplishment • The absence of negative consequences • An accountability system that creates an ongoing mechanism to reinforce the change

<http://www.afar-resilience.org/afyp/generic-drugs-without-prescription>.

2.19 THE BURKE-LITWIN ORGANISATIONAL PERFORMANCE AND CHANGE MODEL

This model consists of 12 categories which are divided into two groups, transformational and transactional variables. Transactional variables are subjective to short-term interchange between individuals and groups, whereas transformational variables capture the forces where a change requires completely new sets of behaviour. The table below outlines the essential components of this model with examples of how organisations can use edging to address each to help employees perceive their importance in their organisations and eventually show willingness for change (Burger & Roodt 2012).

Table 2.19.1: The Burke-Litwin Model as a framework for framing changes.

Dimension	Examples of critical elements that logo-OD based framing addresses
Change missions and strategies	<ul style="list-style-type: none"> • Change missions inspire commitment by giving employees something to believe in (based on an inspiring vision) • Change strategies bring about opportunities to engage in experiential and creative values. • Change strategies reduce the need for attitudinal values.
External environments	<ul style="list-style-type: none"> • Failing to adapt to external environments has negative implications for finding meaning (existential vacuum) • Organisations connect signals of a need for changes (in their environments) to a deeper meaning or a higher purpose.
Change leadership	<ul style="list-style-type: none"> • Change leaders have elements of transformational or authentic leadership (clear visions that can provide employees with meaning) • Leaders are seen to have integrity. • Leaders promote fairness, humanistic values, the develop
Organisational cultures support the change	<ul style="list-style-type: none"> • Cultures provide employees with shared meanings and identities during changes. • Cultures promote humanistic values (towards being transformational cultures).
Organisational structures	<ul style="list-style-type: none"> • Organisational structures promote employee empowerment and involvement. • Organisational structures allow for redesigning of jobs and crafting (meaning in work).
Change management practices	<ul style="list-style-type: none"> • Practices promote psychological safety. • Employees receive clear communication about changes to reduce uncertainty.
Change-related systems	<ul style="list-style-type: none"> • Sufficient resources are available for change initiatives. • Affected employees are engaged about changes.

Work unit climate	<ul style="list-style-type: none"> • Plans developed to ensure that employees support one another through change initiatives. • Support provided to employees who are struggling with change outcomes.
Job or task requirements	<ul style="list-style-type: none"> • Employees capacitated to deal with the job-related consequences of changes(addresses self-efficacy) • The notion of achievable challenges is emphasised.
Motivation to change	<ul style="list-style-type: none"> • Commitment to the status quo has detrimental effects on seeking meaning. • The potential benefits of the changes for organisations and employees are significant.
Personal effects of changes	<ul style="list-style-type: none"> • Changes bring about benefits for employees in terms of status, power and relationships. • Earnings are not negatively affected. • Opportunities exist to address employees' fears.
Emotional effects of changes	<ul style="list-style-type: none"> • Organisations ensure that employees are treated fairly and equitably. • Assistance provided to deal with stress associated with changes. • Change initiatives make meaningful differences even if previous efforts have failed.

Source: Adapted from Burger & Roodt, 2012, exploring a model for finding meaning in the changing world of work.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 1 presented the research problem statement and objectives, while the relevant literature pertaining to change management at the Treasury Department in Lesotho was reviewed in Chapter 2. The purpose of this chapter is to explain the research methodology adopted for this research study. Collis and Hussey (2009) define research methodology as the overall approach that the research process will take. This covers the theoretical foundation through to the collection and analysis of the data (Collis and Hussey 2009).

3.2 Primary objective:

To study and analyse the change management approaches employed by the Department of Treasury in restructuring the accounting cadre.

3.3 Secondary objectives:

- To determine how the workforce responded to the proposed change.
- To determine whether the approach was fair to all employees, taking their experience, competence and qualifications into account.
- To establish whether all employees were comfortable with the proposed change in their Department.
- To offer recommendations on the way forward.

Collis and Hussey (2009) note that, research methodology is concerned with the following main issues:

- Why certain data is collected;
- From where the data is collected;
- How the data is collected;
- When the data is collected;
- What data is collected; and
- How the data is analysed.

This chapter provides answers to the above issues pertaining to this research study. Concerning “why the data is collected”, the research purpose and objectives are stated in Chapter 1 and above. A brief exposition of the importance of this research is also provided in this chapter. The research methodology adopted for this study was used to achieve the stated objectives.

The chapter then defines the population, the sampling method and the research method. The instruments used for data collection are explained in depth; followed by a description of how the data was collected and analysed. Finally, the ethical considerations taken into account in conducting this study are highlighted.

3.4 Importance of the research

In order to explain “why the data is collected”, the importance of this research study is explained in this section. This lies in its attempt to analyse the approaches employed by the management of the Treasury Department in the Ministry of Finance to restructure the accounting cadre. This could help the Department to implement sustainable change. The focus of this research study is the Treasury Department in Lesotho which, as noted earlier, has undergone a process of restructuring the accounting cadre, with new job descriptions, grades and positions for government accounting staff with different qualifications.

3.5 Research population and sample

In order to answer the question “from where the data was collected”, the population and sample pertinent to this study are discussed in this section. A population is a precisely defined group of people, events or things that are of interest to and under investigation by the researcher and from which the sampling elements are drawn (Collis and Hussey 2009). The Department of Treasury has a total of 75 accounting staff. The population for this research study included all employees in the Department. A sample is a subset and representation of the population that is selected for research; it consists of a selection of members from the population (Bryman and Bell 2011). The sample aims to represent the main interests of the research study (Collis and Hussey 2009). Terre Blanche *et al.* (2010) add that a sample is compiled from the population, and is simply the elements or people that are included in the research. Terre Blanche *et al.* (2010) add that the basic idea of sampling is that, through the selection of members of the population, the researcher is able to draw conclusions regarding the entire population; sampling refers to the process of selecting the elements to observe. The sample for the current research study included 15 accounting staff, three executive officers in the Ministry of Finance: the Finance Principal Secretary, Accountant General and Human Resource Manager, two officers from the Department of Management Services in the Ministry

of Public Service, two officers from the Lesotho Institute of Accounts and one officer from the Transformation Resource Centre. The total sample was thus 21 participants. Purposive sampling is a non-probability sampling method in which researchers select participants randomly according to their characteristics, experiences, attitudes or perceptions (Cooper & Schindler 2011). Non-probability sampling is a random and subjective process in which each population element does not have a known non-zero chance of being included; no attempt is made to generate a statistically representative sample (Cooper & Schindler 2011).

3.6 Research Method

Collis and Hussey (2009) state that the research method refers to the various means by which the data is collected and analysed and gives effect to “how the data was collected” based on the research objectives stated in Chapter 1. This study employed a qualitative research method. According to Schwardt (in Vaupot & Zeleznick 2011), a qualitative methodology enables improved understanding and interpretation of the phenomenon under study in order to achieve a sound interpretation of realities.

3.7 Data Collection Strategy

Face-to-face interviews were conducted with the Finance Principal Secretary, Accountant General and Human Resource Manager in the Treasury, and the Director in the Department of Management Services in the Ministry of Public Services, Lesotho Institute of Accountants, and Transformation Resource Centre. These interviews lasted 30 minutes. Fifteen employees employed as Financial Controller, Senior Accountant, Accountant and Assistant Accountant were also interviewed. The qualitative information focused on the manner in which the restructuring of the accounting cadre was handled.

3.8 Interview schedule

Semi-structured questions were used during the interviews. These comprised a few precise questions, followed by those that followed the interviewee’s line of thinking. Based on the interviews, small changes were introduced in the wording and composition of the questions. Interviews are the most common data collection method under the qualitative research method and are a familiar and flexible way of asking people about their opinions and experiences. One attraction for researchers is that a considerable amount of data can be generated from an interview lasting one

or two hours, although of course, considerable time may be expended in setting up the interview and subsequently analysing it.

The first part of the questions focused on the purpose of the proposed change and the approaches employed by the Department of Treasury. This aimed to determine how employees responded to the proposed change, considering its importance to the civil service. The second part focused on grades, structure and employees' qualifications. Here the intention was to establish whether the approaches adopted were fair to all employees, considering their experience, competencies and qualifications. The third part of the questions solicited managers and employees' views on what could have been done to avoid barriers to change. The data collected provided an in-depth overview of the manner in which the process could have been handled. The researcher did not find telephonic interviews useful due to the confidential nature of the information.

3.8.1 Individual interviews

Management of the Department was considered the implementers of the process. They were interviewed individually as were representatives of other stakeholders such as the Lesotho Institute of Accountants, Department of Management Services and the Transformation Resource Centre. This was done in order to obtain in-depth information on how the process was handled, what approaches were employed and how employees reacted to the process.

3.8.2 Focus groups participants

Fifteen employees were brought together in a focus group discussion in order to obtain interactive information from them. These discussions aimed to establish employees' feelings about the change approaches used, whether the approaches were fair considering their qualifications and experiences and whether they felt comfortable with the approaches adopted. The researcher was also able to spend a short time obtaining more detailed information from each participant.

3.9 Time Dimension

Face-to-face interviews were conducted with finance executives, and the Director in the Department of Management Services in the Ministry of Public Service, Lesotho Institute of Accountants and Transformation Resource Centre from 29 April to 2 May

2014. Face-to-face interviews with 15 employee representatives were held from 5 to 7 May 2014.

3.10 Research Ethics

The researcher explained the objectives and benefits of the study to the respondents to obtain their full support as well as to ensure that they provided honest and comprehensive answers.

3.11 Summary

The chapter discussed the research design and methodology. It began by discussing the importance of the research, with reference to research objectives. The population and sample of the research were described. The research method, semi-structured interviews, was discussed. The data collection method was reviewed as well as how the data was analysed. The ethical considerations taken into account by the researcher were also highlighted

CHAPTER 4: FINDINGS AND DISCUSSION

4.1 INTRODUCTION

This chapter gives the outcome of the research objectives stated in Section 1.3.3 by presenting the qualitative findings. It presents and discusses the findings in relation to the theoretical perspectives (see Chapter 2) and provides a detailed description of the results obtained from the interviews held with the Treasury Department Executive, Department of Management Services in the Ministry of Public Service, Lesotho Institute of Accountants, Transformation Resource Centre and 15 employee representatives from the Department of Treasury. However, for the Treasury Department Executive interviews, the researcher was only able to obtain information from the Accountant General and Human Resource Manager, to whom the Principal Secretary of the Department referred the researcher. These individuals are directly involved in the process.

4.2 INTERVIEWS

The researcher went to the Treasury Department in Maseru and to other stakeholders to conduct the research. This chapter presents the results of the study under the three main research objectives. These objectives are accompanied by a set of questions for both the implementers of the process and the recipients, being employees of the Department. Management were interviewed individually, while employees were interviewed in groups.

Table 4.1: Total number of staff interviewed at the Treasury Department.

Positions	No. Staff	Qualifications	Experience	Interviewed
Principal Secretary	1	Masters Degree	< 10 years	Nil
Accountant General	1	Chartered Accounting	< 10 years	1
Human Resource Manager	1	Masters Degree	< 10 years	1
Financial Controller	6	Diploma	< 15 years	3
Senior Accountant	20	B.com	1 – 8 years	6
Accountant	30	Diploma	<10years	4
Assistant Accountant	15	Diploma	<1year	2
Total				17

The participants in the study provided written consent. Semi-structure interview questions were used in the interview and this made the process easy as the researcher was able to repeat the interview for better analysis of the data. It took 15 to 25 minutes to complete the interview with the management of the Treasury Department while it took about 30 to 40 minutes for the employees to complete the interview.

As stated earlier, for us to meet the objectives of the study, the researcher constructed questions for the management of the Treasury Department, stakeholders as well as for the employees of the same Department. Their questions are not the same; therefore we will receive feedback from the different groups on both sides of the change, from the employees to who the change is applied to and the management side, being the implementers of the proposed change. Thus, the questions will differ for these two groups in order to gain information to address the objectives stated.

In addition, the questions to the stakeholders from Lesotho Institute of Accountants, Department of Management Services and Transformation Resource Centre will differ as well. This will help the researcher to achieve the objectives of the study in the same way. These employees are not directly affected by change and their input into the study, with relevant skills and knowledge in this area of study plays an important role.

4.3 SECTION A: MANAGEMENT QUESTIONS

This first section of questions were presented and answered by the management of the Treasury Department, whose major responsibility was to process the change proposed. They were asked these questions so that the researcher can find the procedures or approaches that the management engaged in order to implement the change. They also meant to address how the process was handled by them. The management answered these questions individually.

The questions stated to the management were:

- Which steps did you follow?
- Which stakeholders did you involve and what were their possible inputs?

- Did you communicate the proposal to the employees to reduce uncertainty?
- What assistance did you provide to employees in order for them to deal with the stress associated with the change process?

4.4 SECTION B: EMPLOYEES QUESTIONS

This section states the questions that were answered by the employees of the Treasury Department. These are people of different roles and responsibilities in the Department. The researcher is highly eager to find their perceptions of change as receivers since the employees are the ones directly affected by the proposed change. It is from these answers that the researcher's objectives can be attained concerning the impact that proposed change has on the Department's workforce. The employees answered the questions in groups of differently qualified people, with different qualifications, positions, experience and roles in the Department.

The questions presented to the employees were:

- Were you involved in the change process?
- Which part did you take in the implementation process of the restructuring, if at all involved?
- Were you treated fairly and equitably during the process in terms of work experience and qualifications?

4.5 SECTION C: STAKEHOLDERS QUESTIONS

The stakeholders answered the questions in this section. The questions were meant to obtain the peoples' view on the change proposed. Also, to give relevant professional advice on the procedures or change as a process, that could have been employed by the Treasury Department Management to avoid barriers that came along with changes in organisations. These people from different organisations were individually interviewed.

The questions for the stakeholders were as follows:

- What was your role in the restructuring process of the accounting cadre?
- What can you say concerning approaches used by the Department of Treasury?
- What do you think could have been done for a successful change?

4.6 MANAGEMENT INTERVIEWS

As stated earlier, the questions that were asked were mainly for the researcher to address the secondary objectives of the study in particular. This was done by face to face interviews with management, employees and stakeholder representatives, hence the interview guide categorised in sections. The interviews were conducted at different times, as the researcher had to make appointments for most people. Some interviews went smoothly, with some people ready for the sessions, while others took quite a bit longer, since some people were not as available as expected.

Each member of management that was interviewed answered the questions in section A individually. Below is the layout of the interviews that were conducted.

4.6.1 Accountant General: Sam Mphaka.

- **Which steps did you follow?**

To answer the question concerning the steps that management followed to restructure the accounting cadre of the Treasury Department, the Accountant General stated that, as management, they initially discussed the accounting structure, realising that it no longer addresses the current economic challenges. He also outlined that this came under the influence of PEFA (Public Expenditure and Financial Accountability). The discussion was followed by a proposal to the government.

“After a long time, waiting for a response from the government, we were given a go-ahead to carry out the restructuring. Time was so limited to implement it. We really did not have sufficient time to plan the change process”.

He said that they prepared their staff to go for psychological behavioural tests at the Assessment Centre. Those who passed were then taken to a departmental interview to assess their competency for the new structure.

- **Which stakeholders did you involve and what was their possible input?**

As for the question concerning stakeholder’s involvement, Mr. Mphaka said that management, in the limited time they had, involved the department of management

services to help with the fictionalisation of positions within the department. He indicated that the Lesotho Institute of Accountants was included in this to help with the job grading and the qualifications required for the positions.

- **Did you communicate the proposal to the employees to reduce uncertainty?**

Attempting the third question of section A, the Accountant General said that the employees were immediately given letters notifying them of the change unfolding, which he indicated was honestly an improper manner to communicate it to the workers. He emphasised, *“Ntate ,nako e ne ele sieo”*, meaning we did not have enough time.”

“We should have had several meetings with our staff as well as follow up meetings to communicate the message to the employees and to confirm that the staff understood the restructuring process”.

- **What assistance did you provide to employees in order for them to deal with the stress associated with the change process?**

The last question to management required an answer to the kind of assistance the department gave to the employees to deal with the accompanying stress. With no hesitation, Mr. Mphaka said:

“That was not so easy, but we managed to get assistance from professional social workers from Lesotho Correctional Service who had a meeting with our staff for pre-assessment counselling. One of the counsellors confirmed that our employees should be in a position and is ready to accept both positive and negative assessment results”.

4.6.2 Human Resource Manager: Mrs. Maletsoela Joang

- **Which steps did you follow?**

Mrs Joang, as a member of the Treasury Department, answered the same questions as the Accountant General, included in Section A. For the first question where she was asked to give the steps or procedure they used as a department, she firstly

indicated that there have not been changes made since 1990, which was the last time the department restructured. This made it a bit difficult for management to start, as there were great transformations in the civil service since. She further indicated:

“However, as management we concluded that the best way to assure the success of the process is to assess both the behavioural and competence of our staff.”

This was done because most of the employees in the department are old, with lower qualifications but with experience. She further stated that this should result in new beginning for the department's accounting cadre.

“Ntate Mosoeunyane, this had to be started afresh with new functions, new positions, grades as well as professional qualifications. Ho ea ka nna, (according to me), these steps are the only ones that can lead to the success of the restructuring.”

She then indicated that even though the employees were strongly against the assessment, this is not the same as recruitment and selection as stated by the Public Service Regulations of 2008.

- **Which stakeholders did you involve and what was their possible input?**

During the second question of this section, Mrs. Joang said that the department invited people from the Lesotho Institute of Accountants and the Department of Management Services. She said that these bodies were meant to assist with the job grading and accounting qualifications required for the structure and development of the new suitable functions and positions along with their job descriptions. These could be well accompanied by the hierarchical structure of the new structure.

“We would have included a number of professional consultants dealing with change or restructuring but this failed due to limited time and bad preparations we had.”

She also blamed the financial constraints for the improper preparation of this change. She said that if they had enough time and funds to carry out the process, they could have brought affected employees to board and the structure could have been handled.

- **Did you communicate the proposal to the employees to reduce uncertainty?**

On the question of how the matter was communicated to the employees she said:

“Ntate, hake batle ho bua leshano (sir I do not want to lie) we unfairly treated our employees in terms of their contribution, participation and suggestions in the process. One has to accept that this was one sided in terms of communication. The management had the greatest say in this matter with no consideration from the employees’ side. They had no input on how the change can be handled”.

- **What assistance did you provide to employees in order for them to deal with stress associated with the change process?**

The Human Resource Manager stated that the only assistance they gave to the employees was to invite the counsellors to the organisation so that they can help them deal with the stress before and after the assessment. She further stressed this was done just once before the assessment and not after the assessment as one would expect.

Summary

The members of management that were interviewed indicated that there have not been proper and sufficient procedures for the implementation of the restructuring. They stated that there was not enough time to do things the right and procedural way. One of the constraining factors was funds for the proper preparation of restructuring. They indicated that the need for change or restructuring remains very urgent.

In the limited period of time, they still managed to get on board the representatives from other related bodies to assist in the smooth and valid restructuring process, each with a relevant part to play for the effective implementation of the process.

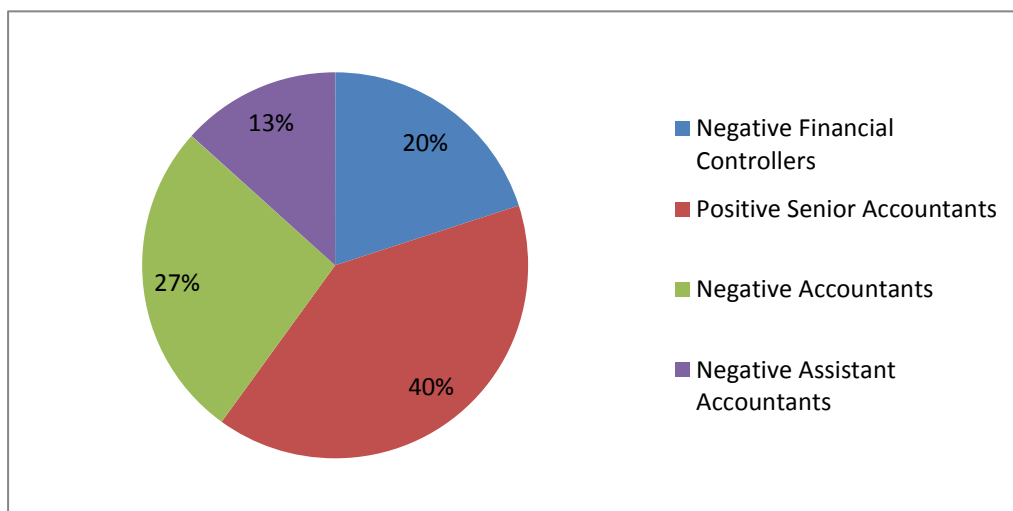
The managers honestly confessed without any waste of time, that the employees have not been professionally considered and approached regarding the change. Worst of all, they are the first group of people to be directly affected in the process. They all agreed that the management ignored the employees and never bothered to

include them in the process, in particular their views on how the change could be performed in a better way. Instead they had been ordered to participate in the process that the management has determined. Further they should have increased the support the employees got on how to deal with the stress that could come along with this proposed change.

4.7 SECTION B: EMPLOYEES INTERVIEW

The following interview was conducted on employees of the Treasury Department as a group. The employees answered the questions from section B of the interview guide. The interview was completed in about 30 to 40 minutes in total. In this section the employees gave the information that the researcher needed in order to address the objectives of the study, hence the people who are directly affected by the change. The group consisted of 15 employees in the Department, with their varying details as shown in Figure 4.1.

Figure 4.1: Employee distribution, positive vs negative.



The group was made up of two sub-groups based on the employees' perception of the Department's restructuring. Overall, 40% of the employees that were interviewed were positive while the other 60% of the employees were negative. The employees that were positive about the restructuring had no problem with the implementation of the new structure. The employees' answers to the questions in section B are reported below.

4.7.1 Employees who are positive about the process

- **Were you involved in the change process?**

The employees said that they were told about the process but they were not involved in it. One of the employees, a senior accountant said:

“It is true that we were not involved in the process, but it will create opportunities to grow in our roles, responsibilities and being professional. Ntate, re khathetse ke ho okameloa ke metsofe ena (we are tired of being led by these old people, with no good qualifications like us, with no vision for the department.”

One of the employees, Mr. Shale added that the old people are even computer illiterate, but that they are their supervisors and they find it unfair.

- **What part did you take in the implementation process of the restructuring, if involved?**

The same group of people indicated that even though they were not involved in the process of restructuring, they felt they contributed somehow in the implementation because they did everything they were told to do by their management without any hesitation. They stated that they were in a hurry to see the change in the organisation.

“We could not wait to see ourselves in the offices we deserve, as managers, directors and other newly created positions with better grades and salaries,” said Mr. Thabang, a senior accountant in the department.

They also indicated that they are ready to do whatever it takes to see themselves in the positions they deserve to occupy. Considering this they saw themselves as part of the process even though they had never been consulted before to give an input on how this could be handled. They said they don't understand the reasons why the department management do things the way they do.

“Our management is made up of professionals, ‘me ba kebe ba etsa ntho feela ntle le mabaka (and they won't just do such things out of reason)”. They covered for their management, seeing their exclusion as a mistake that anybody can make; therefore they were highly positive about the whole process”.

- **Were you treated fairly and equitably during the process in terms of work experience and qualifications?**

The last question of section B was an interesting one for this positive sub-group of workers. They seemed to like it more than the others. They gave their judgement on whether the restructuring was fair and equitable, looking at the qualifications as well as experience. One of the employees said that he truly supports the new structure because it seems that it would take into consideration their advanced qualifications, which are needed by the department for the improvement of accounting standards in the department as encouraged by PEFA.

“This structure has the required flexibility to improve the cadre. Furthermore, the experience is still a priority but it should go along with qualifications, with new up to date content”, one senior accountant said.

Summary

The response from the employees was accompanied by a clear indication that they are not happy with the old structure. This is why they are ready to accept any form of change to the old structure. This is further seen in their enthusiasm for the implementation of the new structure. They are highly hopeful that it would come to their rescue.

They also implied that the old structure is rigid and does not give them a chance to develop in their profession. The old structure also demotivates these young active accountants in several ways for instance, they felt neglected and undermined and this may lead to low or poor service for the department.

4.7.2 Employees who are negative about the restructuring process

On the other hand, the following group of employees were negative towards the restructuring of the accounting cadre. These were mostly old people, with longer working experience in the department, with low and old qualifications. They answered the following interview questions freely and honestly.

- **Were you involved in the change process?**

The first question they were asked were whether they were involved in the change process and everyone shook their heads loudly and strongly. One of them shouted *“Not at all,”* and she said that they were not considered at all.

“We only got orders, in a very irrespective and inconsiderable manner. Some of us received letters telling us about the new coming structure, ba bang basa a fumana leho a fumana (while others did not even get the letters or any message)”

They stated that their management gave them the impression that they don't mean anything to the department. *“Ha re letho ho hang mona, re bana ho bona” (we are nothing here to them; we are treated like kids in this department).* One other Gentleman, Mr Makhabane, who has been in the department for more than 15 years as an accountant, indicated that *“Bare joetsitse se Afrika feela tjena” (We were told in a traditional, unprofessional African manner), some of us did not even get a letter.”*

Ms. Lipuo Molapo, an assistant accountant in the department claimed that their management has been unfair to them because they denied them a chance to bring their input into the restructuring process. She further explained that, if their management had properly informed them as employees and gave them a platform to contribute on the implementation of the change, they would not have resisted the proposal. She said that the whole matter could have been looked at from another angle by including them as employees, the people where the change will be applied.

- **What part did you take in the implementation process of the restructuring, if involved?**

When it came to the second question where they were asked what part or role they played in the implementation process, they refused to take part. They simply said that they did nothing. Mrs. Lineo one of the participants asked in alarm:

“What could we do? But we are just useless things to them.”

She further indicated that, there was nothing expected from them, therefore they actually felt out and did nothing.

“We only had to dance to whichever music they played”.

In addition to that, this sad and bitter group of employees emphasised that the whole restructuring process has been unfair and undemocratic from the start. They explained that only the management has been manipulative of every single step of the planning up to the implementation, without considering them and ignoring them and this affected them as well. Some of the employees were fully expressing their perception of the restructuring and how they had been treated by their management, while the rest of the employees, with the same perception were strongly agreeing with their colleagues.

They indicated how bad the restructuring was to them without any hidden feelings. They could not stop to stress how the management failed to cooperate with them and undermined them so much that they felt small and useless.

- **Were you treated fairly and equitably during the process in terms of work experience and qualifications?**

The employees got the chance to express how the management treated them in terms of work experience and qualifications. At this stage every employee wanted to say something and quite some time was spent at this stage of the interview.

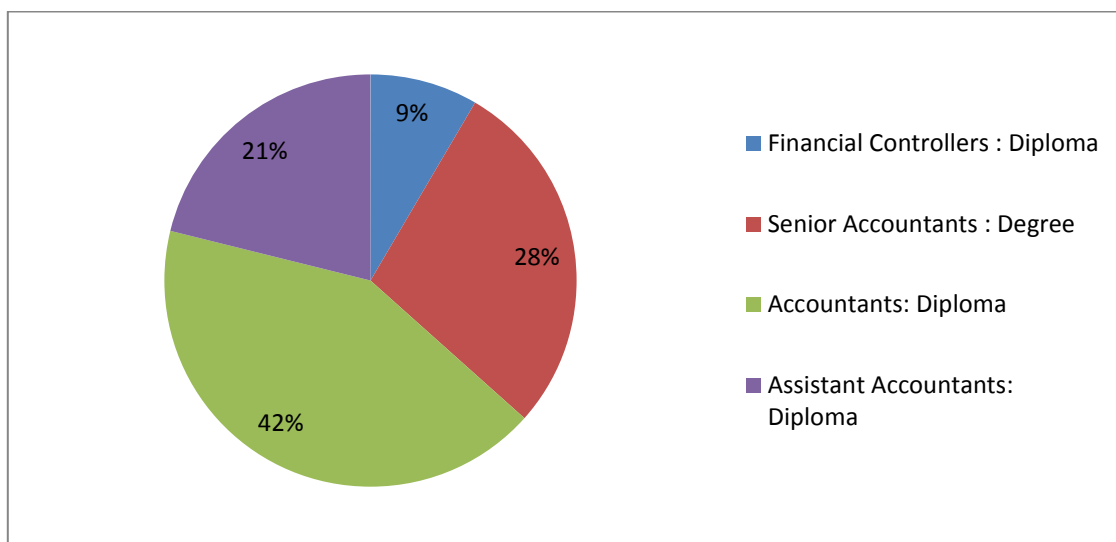


Figure 4.2: Education level of the employees in the Department of Treasury.

Overall, 72% of the employees in the Department of Treasury have a diploma in business administration while 28% of the employees have degrees (Figure 4.2). Mrs.

Molapo gave a brief history of her work experience in the department and later expressed her point of view on the proposed structure.

“I worked and served this department from the year 1971 as an accountant with a diploma in business management. After the restructuring in 1990, I got promoted and became a Financial Controller of this department. My duty included supervision of the whole expenditure section in the department, under the Deputy Accountant General (expenditure). This new structure is going to get me demoted, regardless of my experience and these positions will be occupied by employees with a B.com accounting and higher qualifications.”

She and her colleagues further complained that the new structure does not consider and respect their experience and length of service in the department at all. They added that they expect that their competencies will be assessed in order for them to be considered for the new positions.

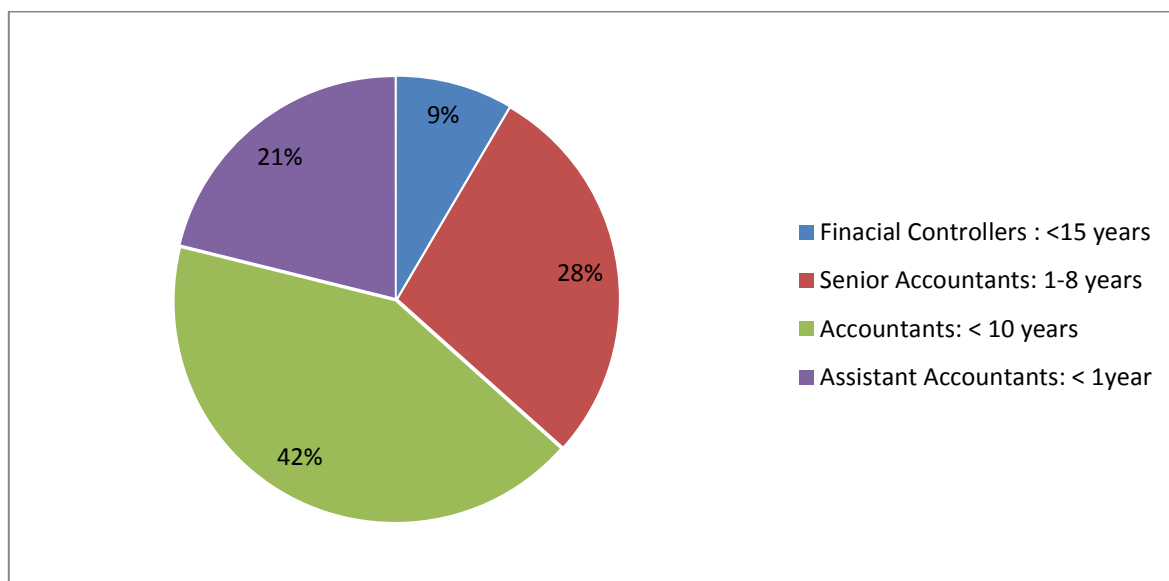


Figure 4.3: Years of experience of the employees.

As shown in the above figure 4.3, the researcher found out that, 9% being the Financial Controllers have more than 15 years' experience working in the Department. The Senior Accountants have 1 to 8 years work experience, making 28% of the employees, 42% which is made by the Accountants of Treasury Department claimed to have more than 10 years of work experience serving the

Department. The last group of the employees being the Assistant Accountants, which is 21% of the employees, have more than a year of service in the Department.

One of the assistant accountants, Ms. Keneuoe complained that the department is more concerned with people from the private sector, graduates from the centre for accounting studies and bachelor of commerce in accounting graduates from the National University of Lesotho and South African Universities. The employees argued that these people lack experience in dealing with public funds. Therefore they considered the approach unfair and stressed that the department had failed them, hence their low morale as employees.

Summary

It has been confirmed from the response that the negative group of employees are very bitter and unhappy. In total they want nothing to do with the restructuring and they see it as a great threat to their positions.

4.8 SECTION C: STAKEHOLDERS INTERVIEWS

As stated earlier, some representatives from other institutions were also interviewed. They answered the last section of questions in the guide that was designed for them that addresses the objectives of the study. They were interviewed individually like the management of the treasury department was. Each person answered the questions as planned. The questions were presented to the Technical manager from the Lesotho Institute of Accountants, the Assistant Manager from the Department of Management Services and the Director of Civil Services from the Transformation Resource Centre.

4.8.1 Lesotho Institute of Accountants

- **What was your role in the restructuring process of the accounting cadre?**

The Technical Manager revealed that as the accounting regulatory body in Lesotho, their main duty was to advise the department on the proposed functions regarding the qualifications and experience. He stated that, their role was to suggest the appropriate qualifications and experiences needed for the positions in the cadre.

He also explained that it is the job of the department to state the job descriptions and it was their responsibility to advise the department to develop suitable positions for the job descriptions in place. This was to create positions and advice on the kind of people to occupy them, with the experience needed for each position. He said that, these aspects were well in line with their categories as an institution.

Mr. Leseme further applauded the department of treasury for being very cooperative by taking their advice.

“The department was highly willing to take our advice in order to professionalise their accounting cadre”, he said.

He also admitted that change always goes with discomfort. *“Kaofela re tsaba change (We are all afraid of change)”*. He also pointed out that he heard the employees are strongly resisting the restructuring and that the matter is in the High Court, with the department workers demanding the department to advertise the positions.

The technical manager also added that they advised the department to deploy some of their employees that do not fit into the structure as another way of professionalising their accounting cadre.

“There are employees in the department who studied B.Com economics for example, who are in the positions of senior accountants. These people are not accountants; therefore they should be deployed to other departments in the government”, he said.

This is some of the important advice they gave to the department.

- **What can you say concerning approaches used by the Department of Treasury?**

The Technical Manager was asked to say something concerning the approaches used by the Department of Treasury to restructure. Mr. Leseme simply stated,

“The Department should have involved employees, allowed them to take part and cooperate for everybody to be comfortable with the restructuring”.

Therefore, he also showed that the participation of the employees in a matter like this, that directly affects them, is imperative.

- **What do you think could have been done for the success of the proposed change?**

The last question for the Technical Manager was to say what he thought could have been done for the success of the restructuring. He indicated that Lesotho is very hesitant in terms of financial recording and bookkeeping of public accounts.

“The management of Treasury is genuinely longing for the development of this country”, he said.

The manager further stressed that the Department should deploy people who do not fit into the accounting cadre and professionalise their department. He finally advised by saying,

“I, as a person advise and wish that the restructuring could be implemented.”

4.8.2 Department of Management Services

- **What was your role in the restructuring process of the accounting cadre?**

The Assistant Manager, Mr Tseliso Thamae from the Department of Management Services stated that their role was to facilitate the restructuring by building functions, responsibilities and roles for the employees of the Treasury Department. He explained that for the success of that, they closely looked at the current functions and proposed new ones to make sure that they are well in line with the expected mandate or vision of the Treasury Department. Mr. Thamae added that they also established job descriptions for the new structure of accounting cadre.

- **What can you say concerning approaches used by the Department of Treasury?**

When answering this question, Mr Thamae said,

“According to me, the approach was fair, depending on the functions we made, more especially when it comes to the alignment of positions, qualifications and experiences, even though the higher qualifications proposed by the Lesotho Institute of Accountants for the middle management positions was too high”.

He continued that they as the department of management services proposed that such positions should be held by employees with a degree in accounting not a Chartered Accounting qualification as proposed by the Lesotho Institute of Accountants.

- **What do you think could have been done for the success of the proposed change?**

Mr. Thamae said that it would have been good if the management of Treasury Department called all the stakeholders including all the employees affected. In this case, employees could have been given a role to participate to the change process.

He added that if the Department have financial challenges, it would be wise to implement the top most positions first, followed by the others according to the hierarchy. He emphasised that,

“Some employees are retiring while others are dying, so the money used to pay for the salaries of these people could be reserved or saved to pay for the new positions being proposed.”

4.8.3 Transformation Resource Centre (TRC)

The last stakeholder representative was Mr. Sofonia Shale, the director of the Civil Society from the Transformation Resource Centre. Like the other stakeholders he answered the questions from section C in the guide and was interviewed individually. Before the official interview started, he gave this brief explanation of the role their organisation has general.

“The Transformation resource centre is an organisation that mainly looks at issues and matters that affect the public”, he said.

He further said that, they are an independent institution working with quite a variety of sectors from public to private, as long as it has to do with the public.

- **What was your role in the restructuring process of the accounting cadre?**

Mr. Shale shortly answered the first question on the role they, as TRC played in the restructuring process. He said that as an organisation, they absolutely had no contribution or input in the process.

- **What can you say concerning approaches used by the Department of Treasury?**

The second question specifically probed his views on the approaches used by the management of the Treasury Department in restructuring its accounting cadre. Mr. Shale said that the idea of restructuring has always sounded and have been good for the development and growth of a country at large. He added that he has not always been in the know with all the steps taken by the Department from the beginning, but he heard that the employees have been totally excluded when it comes to the way the process would progress. He said,

“Workers were not involved in the process; they had no input on how the restructuring could have been handled”.

He indicated that from his point of view, the greatest mistake done by the department was to ignore and neglect the workforce’s input in the process.

- **What do you think could have been done for the success of the proposed change?**

Mr Shale stated that the process has been long overdue since it began in 2010. He insisted that the restructuring process should have been more inclusive. He briefly said,

“Had the Department involved its employees, their work could have been far easier and as we speak, the new structure could already be working”.

Summary

The stakeholders have clearly explained the part that each of them played in the restructuring process. They were all in the implementation or practice of their

departmental and organisational missions. Each came with a positive view that the Treasury Department could finally achieve its goals with the process of restructuring.

The stakeholders supported all of the procedures taken by the Department to restructure the cadre of accounting, except for the exclusion of the employees. This was the most critical of all, since the process will directly influence the employees and therefore major barriers are found. As a result the stakeholders believe that the inclusion of the workforce could have made things much easier, everyone would have been happy with the decisions made, knowing that he/she had done something or contributed in some way. This would have made everyone comfortable with the restructuring and a smooth transition of the change process would have followed.

On the other hand, employees in different positions, especially the lower positions, are generally angry, bitter, frightened and insecure. This is due to the way the restructuring of the accounting cadre was communicated. There is a major difference between the employees' hopes and aspirations and the Department's proposed mandate.

Management in the Treasury Department that is in charge of the process did not comply with all the ILO guidelines that encourage employee involvement in change. Employees should be given an opportunity to air their views on how the process could be implemented. The Lesotho Public Service Regulations 2008 and Labour Code order 1992 also place the onus on management to inform all employees of likely changes in their work duties.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The core objective of the study was to study and analyse the change that management approaches employed in the Department of Treasury in restructuring the accounting cadre. This Department falls under the Ministry of Finance in Lesotho. Conclusions will be drawn based on the findings from Chapter 4. Recommendations will also be made based on the objectives of the study, particularly the secondary objectives stated earlier in the study. These recommendations will be well formulated with the purpose of addressing the objectives of the study. It will also serve as supplementary guides for the betterment and progress in the affected field of study to achieve the expected goals, especially the process of accounting cadre restructuring.

5.2 Conclusion of the study

Conclusions could be made from the results and the outcomes of the interviews. The conclusions were made from the views and perceptions of the employees as well as their suggestions of how the Department Management could have handled the restructuring process. In addition to that, the interview responses from the Department Management on the steps and procedures that they used to restructure their accounting cadre played a big role. The stakeholders' part and contribution on the roles as well as recommendations on the process of restructuring highly assisted to determine the conclusion that was made.

All of the above brought us to the conclusion that the approaches the management used had a weakness when it came to the Department employees, who were excluded in the process. It can also be concluded that there are other barriers that the management also had no control over. This could be seen from the management's blame on slow approval of the restructuring and budgeting by the Government. Most importantly, the majority of the participants' responses compelled the researcher to conclude that the employees' contribution to the decision making of the change proposed by the management or leadership of any organization, are very crucial.

5.3 Recommendations

At this point recommendations, possible solutions and ways to obtain the objectives of the study will be provided. It will be in line with the secondary objectives of the study that are well stipulated in Chapter 1, being:

- To determine how the workforce responded to the proposed change.
- To determine whether the approach was fair to all employees, taking their experience, competence and qualifications into account.
- To establish whether all employees were comfortable with the proposed change in their Department.
- Recommendations on a way forward.

The management of Treasury Department, with the help of other related bodies are still doing their part to fight for the restructuring as proposed, but this is hopeless as there is no progress in the restructuring process. This means that there is still much needed in order for the Department to achieve its goal of a new structure for their accounting cadre. Recommendations were given from the employees to the Government and this could lead to the success of the restructuring implementation.

1. Government of Lesotho

The Government is recommended to seriously consider the proposals from the ministries or departments through the responsible bodies or services. The procedures that the proposals take for the Government to approve are time demanding, but this should be a reasonable waiting time, because this might hinder vast developments in the country.

There has to be prior budgeting for the change proposals in order for it to be well implemented and done in a proper way, without any financial complaints from the implementers. This can help the departments' management to finance the activities and events in the process as this tends to force the managements to take short cuts as a result of financial crisis they encounter when implementing their change activities. Therefore it is very important for the Government to see to it that proposals are being approved in time, budgeted and financed in time to avoid inconveniences for the managements or implementers of the Government policies.

2. Management of the Treasury Department

The management of the Treasury Department is highly recommended to be inclusive and allow for employee participation in the process. This means that it should always include or involve all people in any form of decision making on the process of restructuring. This will make it easier for them to get to a combined decision approved by everyone as all the members would have had a say in the matter on the table. This could be the best way to try and avoid obstacles such as resistance.

Another thing is the procedures and steps the managing body uses in the implementation process. It is highly recommended that the management should have clear guidelines and procedures to lead in this process, to avoid confusion and inconvenience. These include among others the drawn-up guidelines and procedures for restructuring and managing change by the International Labour Organisation. This is meant to promote an approach that enhances security among both management as well as employees. These guidelines are:

- Improve transparency by informing all affected employees about possible changes in their work and why such change is necessary well in advance of the process.
- Give staff a chance to have a say in how the restructuring will be done by ensuring that affected staff is consulted.
- Management should take issues raised by workers and their representatives into consideration in reaching decisions.
- Avoid problems by identifying and discussing real and possible concerns as soon and as close to the problem level as possible.
- Enhance management and staff's general understanding and collaboration in dealing with change or restructuring.

The management is also recommended and requested to ensure that all employees affected by restructuring are well informed of the likely impacts of change of their work duties and other areas of their work. This can lower a few emotions of the employees such as anger and fear.

Most importantly, the management is recommended to process change into the department fairly and equitably in line with the law and regulations that regulate the

issues or matters in hand. They have to follow these three main stages for the implementation of the restructuring process in the Department of Treasury.

a. Planning for restructuring

It is also very important to recommend prior and proper planning for change in order to set the tone for the complete process. This is very important as it sets guides and procedures for the whole process. The planning should be in a participating way, including staff in every stage of the process. There are also additional areas of planning that are recommended for an effective and easy to follow plan.

First of all, the management is recommended to have and give a purpose for restructuring, which should go along with the goals or objectives of that particular change. It is crucial for the management to clearly say, why they proposed such a change in the accounting cadre.

Budgeting is another thing the management should include as they plan the change process. Before the change happens there will always be a change in the budget. The management is highly recommended to address the potential impact it may have on human resources as well as the work programmes. This should further go along with identification of costs associated with the whole implementation of the change proposed.

Planning should include clarity on new positions, roles, responsibilities and functions of jobs to be affected by the change or restructuring. This will involve the proper reviewing of work, designing of work and organisational content.

The Treasury Department is also recommended to put forward the new structure it proposed as another element in its planning process. It is very important for the staff to see the new structure proposed, what it is made up of and its size as a whole.

Workshops and discussion groups are to be organised and taken seriously by the management of Treasury. These should be done purposely to mitigate staff to deal positively with the change and all the associated uncertainty. This is one of the areas of planning that can help the Department to overcome staff resistance.

Time should also be considered and management should make a clear time frame for the implementation of the change process.

b. Consultation

A number of consultations are also recommended. The management should initially consult its staff and include them in the whole process of change, including all the decisions to be made.

The management should consult the union representative of staff, Lesotho Public Service Association (LEPSA). This may make communication of the management with the staff easier as a whole, since the matter could have been discussed earlier at a union level. Again, this will ensure and promote the effective communication of staff's concerns to the management. Finally there will be good and positively effective communication within the Department, which could definitely limit or reduce change resistance in the Department.

Management should also encourage some working groups or sub-sections within a Department. It is in these groups that some employees can contribute more in discussions than in Departmental staff meetings. This could therefore improve staff participation and the changes at their work place.

To improve employee participation, the consultation of management with its employees in the form of general staff meetings is recommended. For good attendance and maximum staff participation at these meetings, advance announcement of the meeting is encouraged with a set agenda and time frame. This could give the staff enough time and a chance to prepare themselves for all the topics on the agenda ahead of time, leading to a smooth and time efficient meeting.

Different forms of consultation including individual consultations (two way communication between the manager and employee) are also recommended. The manager should carefully consider the cultural backgrounds of the staff members and the way of communication they prefer with his/her manager. The consultation can be done in any format for instance in the written form of e-mails.

The researcher highly recommends these consultations as they should consequently set a clear agreement and understanding of all procedures planned for the whole change or restructuring process. The researcher can assure success of the change or restructuring if these planning and consultation would be successfully done.

c. Implementation of restructuring

The management is recommended to ensure that both staff and management of the Department have clearly stated joint responsibility for smooth and effective implementation of the proposed change. The management is encouraged to have a mechanism to monitor the progress until the end. This should include among others, identifying possible difficulties that may arise along the way, along with devising the proper ways of resolving them. One of the most recommended strategies is that there should remain regular contact between the management, staff and the LEPSA's representative and not to hide behind other bodies or institutions with an input in the restructuring process. Most importantly, the management should ensure close consultation with the staff members affected in every change implemented, together with all included bodies in the implementation such as the human resource section.

3. Employees of the Department of Treasury

Education is a very important aspect in our lives since this is the way we gain knowledge. The employees are therefore recommended to keep improving their standards of their education. This will equip them with the necessary skills to apply in their work and most importantly be ready for any form of change in their Department. The educated employees grow and develop personally, they develop mentally, psychological and behaviourally and deal professionally with their emotions. They also develop positive attitudes towards their work related matters. It is therefore clear that education is the one thing that can help employees to deal professionally with matters around them.

One of the crucial results of education is that it enhances one's interpersonal skills and communication in particular. It is one of the elements that can help employees to listen and speak out their thoughts and views professionally.

5.4 Conclusion

The study started with the first chapter, being the introduction and background to the problem statement. Most importantly the first chapter entails the purpose of the research and research objectives. This chapter was followed by Chapter 2 of the study where the researcher presented a literature review that gave a better understanding of the concept and from different angles. Chapter 3 covered the research methodologies with the collection and analysis of data. The findings and detailed discussion is reported in Chapter 4. Lastly, Chapter 5 consisted of the conclusion and recommendations in order to achieve the primary and secondary objectives of this study.

It can therefore be concluded that it is evident that the Department of Treasury did not consult employees in line with international and local guidelines with regards to the process. Employees were not given an opportunity to express their opinions and to give their input on the way the restructuring should be implemented. According to Frahm & Brown (2011), effective communication is very important in determining employees' receptivity to change, as it is a lens to map and examine organisational change.

Management and the employees of the Department of Treasury should jointly ensure that the restructuring process is implemented smoothly and effectively. Sound planning, management of the process and consultation with employees would reduce obstacles during the implementation process. At this stage, a mechanism should be put in place to monitor progress, identify any difficulties and suggest appropriate solutions through regular contact between management and employees. Solutions to problems that arise during the restructuring process such as employee transfers, redeployment and training should be established through close consultation between employees, union representatives and management of the Treasury Department.

5.5 Limitation of the study

The study was conducted on the Department of Treasury under the Ministry of finance. The investigation was performed on the approaches the management

employed to restructure its accounting cadre. The study is therefore limited to the Department of Treasury and only on the restructuring matter.

Appendix 1: Interview Guide or Questions

A CRITICAL ANALYSIS OF MANAGING CHANGE FOR THE ACCOUNTING CADRE AT THE TREASURY DEPARTMENT IN LESOTHO

These questions are aimed to address the problem statement of the research; they then answer the primary and secondary questions in the research which are related to the objectives of the field study.

The primary objective of the study is to analyse the change management approaches employed by the Department of Treasury in the Ministry of Finance in restructuring the accounting cadre.

Secondary objectives:

- To determine how the workforce responded to the proposed change.
- To determine whether the approach was fair to all employees, taking their experience, competence and qualifications into account.
- To establish whether all employees were comfortable with the proposed change in their Department.
- Recommendations on a way forward.

Participant / Group

Demographic information

Gender

Highest qualifications

Age

Length of service

Section A: Management questions

This section focuses on management of Treasury Department. The researcher wants to find out the procedures or approaches the management engaged in order to implement the restructuring of accounting cadre. The questions are also meant to address how the process was handled by the management.

1. Which steps did you follow?
2. Which stakeholders did you involve and what was their possible input.

3. Did you communicate the proposal to the employees to reduce uncertainty?
4. Which assistance did you provide to employees in order for them to deal with stress associated with change process?

Section B: Employee questions

The researcher is highly eager to find their perceptions of change as receivers. The employees are the ones directly affected by the proposed change.

1. Were you involved in the change process?
2. Which part did you take in the implementation process of the restructuring, if involved?
3. Were you treated fairly and equitably during the process in terms of work experience and qualifications?

Section C: Stakeholder questions

These questions are for the stakeholders, to give a relevant professional advice on the procedures or change at whole as a process, which could have been employed by the Treasury Department Management to avoid barriers that came along with changes in organisations.

1. What was your role in the restructuring process of the accounting cadre?
2. What can you say concerning approaches used by the Department of Treasury?
3. What do you think could have been done for the success of the change?

Appendix 2: Consent Form

TITLE OF THE STUDY: A CRITICAL ANALYSIS OF MANAGING CHANGE FOR THE ACCOUNTING CADRE AT THE TREASURY DEPARTMENT IN LESOTHO

RESEARCHER: TLALI MOSOEUNYANE

INSTITUTION: UNIVERSITY OF FREE STATE

DEGREE: MASTERS IN BUSINESS ADMINISTRATION

INVITATION TO PARTICIPATE

You are humbly invited to take part in my study, a critical analysis of managing change for the accounting cadre at the Treasury Department in Lesotho. Could you carefully read this form? I am ready to give any form of clarity where needed, therefore feel free to ask anything that you need to have a better understanding of. Your contribution is not compulsory, take your time to decide whether you want to do it or not, but it is very important to be well informed of the objective of the study, which will succeed through your contribution.

RESEARCH PURPOSE

The main purpose of the study is to analyse the approaches that the management in the Department of Treasury used to restructure the accounting cadre.

REASONS FOR SELECTING YOU TO PARTICIPATE IN THE STUDY

With all due respect, I choose you because of the position you hold in your department and the experience you have which I believe are all relevant to the study. My aim is to interview you in particular because you are the one directly or indirectly involved in the field of this study.

PROCEDURES

I will interview you in two different ways. Some will be interviewed individually, while others will be interviewed as a group. The interview questions will mainly be on your views, roles and suggestions on the restructuring process of the Treasury's accounting cadre. The interview will take approximately 15 to 25 minutes and for

some it might take 30 to 40 minutes. If you will allow me, I will take some notes and voice records during the interviews.

CONFIDENTIALITY

The responses you will give to the interview questions will remain confidential. Only the researcher will have access to all this information. Only with your permission will the document including your information be given to anybody such as the Department or the Institution. The voice recorded interviews will immediately be destroyed after their transcriptions, which will be after three to four months from now.

CONTACTS

For further information Tlali Mosoeunyane, the researcher, is available at +2758998209/+2762998209. My email address is tzmosoeunyane@gmail.com or tlalimosoeunyane@yahoo.com.

STATEMENT OF CONSENT

I have read and understood the above information and agree to take part in the study. I also understand that the information I give will not be discussed without my permission. I am also free to answer questions I can and leave those that I cannot. I also agree to have a voice recorded interview.

NAME(S) OF A PARTICIPANT.....

SIGNATURE(S):
.....**DATE**.....

NAME(S) OF THE RESEARCHER.....DATE.....

SIGNATURES OF THE RESEARCHERDATE.....

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