

**A framework for crafting and implementing a congregational  
strategy in the local congregations of the reformed churches of  
South Africa**

**by**

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Psalm 127: 1 “Unless the Lord builds the house, its builders labor in vain. Unless the Lord watches over the city, the watchmen stand guard in vain”. Thank you Lord for watching over me, and for blessing the outcome of my study.

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## **ABSTRACT**

The church is not like any other institution or organisation in society. Although the church is primarily invisible and spiritual, it is a visible organisation in the world, and it spans across borders of nations, languages and countries. John Calvin strongly rejected the notion that the church is only a spiritual organisation of which the visible administrative side is downplayed. The fellowship of the church must not only be seen as a mystical relation with Jesus Christ. At the three-yearly synod of the GKSA, which was held in the year 2000, a report was tabled titled “Preservation and Growth of the Church”. The report requested that all local congregations should develop and implement a congregational strategy that is applicable to their own unique environment. The congregational strategy’s main purpose must be to guide the congregation to fulfil its biblical purpose. The fact that people are turning their backs on the traditional churches, including the GKSA who is losing about 2000 members per year, is an indication that it cannot be “business as usual” for them in future.

The purpose of this study is to design a framework for crafting and executing a congregational strategy for the local congregations of the GKSA. The study started with a literature study on the science of strategic management. This provided a theoretical foundation for the framework. Although the strategy of different organisations will differ vastly, the process to follow is much the same. The literature study indicated that the benefits of a well developed and executed organisational strategy are not limited to large profit making organisations, but is also useful to non-profit organisations such as government departments and church congregations. The literature study included a study on the essence and work of a congregation. The purpose of this part of the study was not to be a detailed theological study of the different views and types of church denominations, but only focused on the views of the GKSA. The literature study also tested the applicability of the strategic management theory on the nature and work of a congregation.

An empirical study was performed in the congregations of the GKSA, which indicated that the majority of congregations do not have a congregational strategy. The main

reason for not having a congregational strategy is that congregations do not have the knowledge and skills available to lead and facilitate the process of crafting and executing a congregational strategy. The empirical study also gathered best practices from congregations that are doing strategic management. These best practices were included in the proposed framework for crafting and executing a congregational strategy.

The knowledge gained from the literature and empirical study was combined into a framework for crafting and executing a congregational strategy. This framework can be used by congregational leaders to guide them through their own process of crafting and executing their unique congregational strategy.

The research concludes with a recommendation that the Theological School of the GKSA should consider including a course on strategic management in the training syllabus of aspiring ministers. The course should be developed specifically taking into account the background and circumstances of the GKSA, and should not be generic like the course that is included in the Baccalaureus Commercii curriculum. Because of the fast changing environment of the 21<sup>st</sup> century, the course should also be condensed and be presented to ministers already called in congregations. Because strategic management is a specialised management science, and external Strategic Management consultants tend to be expensive, the research also made the recommendation that the Administrative Bureau of the GKSA consider employing their own Strategic Management consultant for the GKSA with the specific assignment to assist and guide all congregations with their congregational strategy.

## **KEY TERMS**

Church

Congregation

Congregational strategy

Management

Minister

## OPSOMMING

'n Kerk is 'n unieke organisasie. Die kerk is primêr onsigbaar en geestelik van aard, tog funksioneer dit as 'n instituut in hierdie wêreld en moet dit doelmatig en doeltreffend bestuur word, ten einde alles ordelik te laat verloop en suksesvol te laat funksioneer. Johannes Calvyn het die idee dat 'n gemeente slegs 'n geestelike instelling is, waarvan die sigbare administratiewe deel as onbelangrik afgemaak word, verwerp. In die jaar 2000 het die drie-jaarlikse sinode van die GKSA 'n verslag gepubliseer onder die titel "Bewaring en uitbouing van die Kerk". Hierdie verslag het uitdruklik vermeld dat dit die plig is van elke gemeente om 'n gemeente-strategie saam te stel. Die doel van die gemeente-strategie moet wees om die gemeente te stuur en te rig om hul unieke roeping te beplan en uit te voer. Die feit dat meer en meer mense hul rug op die tradisionele kerke draai, ingesluit die GKSA wat bykans 2000 lidmate per jaar verloor, is 'n aanduiding van die dringendheid waarmee gemeentes die toekoms moet beplan.

Die doel van hierdie studie is om 'n raamwerk daar te stel vir die ontwerp en implementering van 'n gemeente-strategie in die gemeentes van die GKSA. Die studie het afgeskop met 'n literatuurstudie oor die vakgebied van strategiese bestuur. Dit het die teoretiese fondasie gelê vir die raamwerk. Alhoewel die strategie van verskillende organisasies wesenlik sal verskil, is die proses van ontwerp en implementering van 'n strategie baie dieselfde. Die literatuurstudie het aangedui dat die voordele van 'n goed-ontwerpte en geïmplementeerde strategie nie beperk is tot ondernemings met wins as oogmerk nie. Menige nie-winsgewende organisasies soos regeringsdepartemente en kerke kan ook die vrugte pluk van 'n effektiewe strategie. Die literatuurstudie het ook 'n studie ingesluit rakende die doel en werk van 'n gemeente. Die doel van hierdie studie is nie 'n gedetailleerde teologiese studie oor die verskillende vorme van kerk nie, maar het gekonsentereer op die GKSA se siening oor kerk-wees. Die literatuurstudie is afgesluit met 'n toets oor die toepaslikheid van die teoretiese strategiese bestuursproses op die wese en werk van 'n gemeente van die GKSA.

'n Empiriese studie rakende strategiese bestuur in die gemeentes van die GKSA het aangedui dat die meerderheid van gemeentes nie oor 'n gemeente-strategie beskik nie.

Die hoofrede hiervoor is dat gemeentes nie oor die nodige kennis en vaardigheid beskik om 'n strategieproses te lei en te fasiliteer nie. Die empiriese studie het ook verskeie goeie praktyke by gemeentes geïdentifiseer wat wel strategiese beplanning implementeer. Hierdie goeie praktyke is vervat in die raamwerk vir die ontwerp en uitvoering van 'n gemeente-strategie.

Die kennis en inligting wat ingewin is met die literatuurstudie asook die empiriese navorsing is gekombineer in 'n raamwerk vir die ontwerp en implementering van 'n gemeente-strategie. Hierdie raamwerk kan gebruik word deur gemeenteleiers wanneer daar 'n gemeente-strategie vir die tuisgemeente ontwerp en geïmplementeer word.

Die navorsing maak die aanbeveling dat die Teologiese Skool van die GKSA oorweging skenk aan die insluiting van 'n kursus rakende strategiese bestuur in die sillabus van voornemende predikante. Die kursus moet ontwerp word om spesifiek die omstandighede en behoeftes van die GKSA in ag te neem en moet nie ooreenstem met strategiese bestuur wat by die kurrikulum vir die opleiding van studente in Baccalaureus Commerciï ingesluit is nie. Weens die snelle veranderinge in die 21<sup>ste</sup> eeu, word aanbeveel dat 'n verkorte weergawe van die kursus ook opgestel en aangebied word aan predikante wat reeds in die bediening staan. Strategiese bestuur is 'n gespesialiseerde vakgebied en Strategiese Bestuurskonsultante is normaalweg duur. Daarom beveel die studie ook aan dat die Administratiewe Buro van die GKSA oorweging skenk daaraan om hul eie Strategiese Bestuurskonsultant aan te stel met die opdrag om alle tuisgemeentes met raad en advies te bedien rakende die ontwerp en uitvoering van elkeen se unieke gemeente-strategie.

## **SLEUTELTERME**

Bestuur

Gemeente

Gemeentestrategie

Kerk

Predikant

# TABLE OF CONTENTS

---

## CHAPTER 1

---

### PROBLEM STATEMENT AND OBJECTIVES

1.1	BACKGROUND	1
1.1.1	The Church of Jesus Christ globally	1
1.1.2	The Reformed Churches in South Africa	2
1.1.3	Crafting and implementation of strategy	4
1.2	PROBLEM STATEMENT	9
1.3	GOALS OF THE STUDY	12
1.3.1	Main objective	12
1.3.2	Secondary objectives	13
1.4	RESEARCH METHODOLOGY	14
1.5	CHAPTER LAYOUT	15

---

## CHAPTER 2

---

### THE STRATEGIC MANAGEMENT CONTEXT

2.1	BACKGROUND	16
2.2	DEFINING STRATEGIC MANAGEMENT	16
2.3	STRATEGIC MANAGEMENT POSITION TOWARD OTHER MANAGEMENT SCIENCES	18
2.3.1	General management	18
2.3.2	Financial management	19
2.3.3	Marketing management	19
2.3.4	Operations management	20
2.3.5	Project management	20
2.3.6	Leadership versus Management	21
2.4	LEVELS OF STRATEGIC MANAGEMENT	23
2.5	PROCESS OF STRATEGIC MANAGEMENT	23

<b>2.5.1 Develop a vision</b>	<b>26</b>
<i>2.5.1.1 Purpose of this phase</i>	<i>26</i>
<i>2.5.1.2 Outcome of this phase</i>	<i>27</i>
<i>2.5.1.3 Action steps to be executed during this phase</i>	<i>30</i>
<b>2.5.2 Set Objectives</b>	<b>31</b>
<i>2.5.2.1 Purpose of this phase</i>	<i>31</i>
<i>2.5.2.2 Outcome of this phase</i>	<i>31</i>
<i>2.5.2.3 Action steps to be executed during this phase</i>	<i>35</i>
<i>a. Analysis of the macro environment</i>	<i>36</i>
<i>b. Analysis of the operating environment</i>	<i>37</i>
<i>c. Analysis of the enterprise itself</i>	<i>41</i>
<b>2.5.3 Craft the strategy</b>	<b>44</b>
<i>2.5.3.1 Purpose of this phase</i>	<i>44</i>
<i>2.5.3.2 Outcome of this phase</i>	<i>45</i>
<i>2.5.3.3 Action steps to be executed during this phase</i>	<i>45</i>
<i>a. Positioning</i>	<i>46</i>
<i>b. Strategic alliances and joint ventures</i>	<i>48</i>
<i>c. Mergers and acquisitions</i>	<i>49</i>
<i>d. Outsourcing</i>	<i>49</i>
<i>e. Internet strategies</i>	<i>49</i>
<i>f. Decide on overall strategy</i>	<i>50</i>
<i>g. Alignment of strategy to all departments</i>	<i>51</i>
<b>2.5.4 Implementation of the strategy</b>	<b>52</b>
<i>2.5.4.1 Purpose of this phase</i>	<i>52</i>
<i>2.5.4.2 Outcome of this phase</i>	<i>52</i>
<i>2.5.4.3 Action steps to be executed during this phase</i>	<i>53</i>
<i>a. Task 1: Building an organisation capable of good strategy execution</i>	<i>54</i>
<i>b. Task 2: Marshalling enough money and people behind the drive for strategy execution</i>	<i>55</i>
<i>c. Task 3: Instituting policies and procedures that facilitate rather than impede strategy execution</i>	<i>55</i>

d. Task 4: Adopting best practices and pushing for continuous improvement	55
e. Task 5: Installing information and operating system that enable team members to carry out their strategic roles proficiently	56
f. Task 6: Tying rewards directly to achievement of strategic targets	56
g. Task 7: Instilling a culture that promotes good strategy execution	57
h. Task 8: Exercising strong leadership to drive strategy execution forward	57
<b>2.5.5 Evaluating performance and initiate corrective adjustments</b>	<b>58</b>
2.5.5.1 Purpose of this phase	58
2.5.5.2 Outcome of this phase	58
2.5.5.3 Action steps to be executed during this phase	59
<b>2.6 THE MANAGEMENT OF CHANGE</b>	<b>60</b>
2.6.1 Nature of change	60
2.6.2 Change management	61
2.6.3 Resistance to change	63
2.6.4 Change cycle	65
<b>2.7 UNIQUE NATURE OF SERVICE ORGANISATION</b>	<b>66</b>
<b>2.8 STRATEGIC MANAGEMENT IN NON-PROFIT ORGANISATIONS</b>	<b>69</b>
<b>2.9 SUMMARY</b>	<b>71</b>

---

## CHAPTER 3

---

# THE ESSENCE AND WORK OF A CONGREGATION IN THE GKSA

<b>3.1 BACKGROUND</b>	<b>72</b>
<b>3.2 DIFFERENT FORMS OF CHURCH GOVERNANCE</b>	<b>72</b>
3.2.1 The Roman Catholic or Pontiff system	73
3.2.2 The Lutheran or Territorial system	73
3.2.3 The Fraternal system	73
3.2.4 The Independent or Congressional system	74
3.2.5 The Reformed or Presbyterian system	74
<b>3.3 THE CHARACTER AND SERVICE OF THE CHURCH</b>	<b>75</b>

<b>3.3.1</b>	<b>The character of the church</b>	<b>76</b>
<i>3.3.1.1</i>	<i>God's chosen people</i>	<i>77</i>
<i>3.3.1.2</i>	<i>The body of Christ</i>	<i>78</i>
<i>3.3.1.3</i>	<i>Building of the Holy Spirit</i>	<i>80</i>
<b>3.3.2</b>	<b>The service areas of the church</b>	<b>81</b>
<i>3.3.2.1</i>	<i>Leitourgia</i>	<i>81</i>
<i>3.3.2.2</i>	<i>Kerugma</i>	<i>82</i>
<i>3.3.2.3</i>	<i>Koinonia</i>	<i>82</i>
<i>3.3.2.4</i>	<i>Diakonia</i>	<i>83</i>
<b>3.4</b>	<b>THE GKSA</b>	<b>86</b>
<b>3.4.1</b>	<b>The Three Forms of Unity accepted in the GKSA</b>	<b>86</b>
<b>3.4.2</b>	<b>Roles and responsibilities of individuals in the GKSA</b>	<b>87</b>
<b>3.4.3</b>	<b>Roles and responsibilities of meetings or ecclesiastical assemblies in the GKSA</b>	<b>89</b>
<b>3.5</b>	<b>SUMMARY</b>	<b>92</b>

---

## CHAPTER 4

---

# THE ROLE OF STRATEGIC MANAGEMENT IN THE GKSA

<b>4.1</b>	<b>BACKGROUND</b>	<b>93</b>
<b>4.2</b>	<b>STRATEGIC MANAGEMENT IN THE LOCAL CONGREGATIONS OF THE GKSA</b>	<b>94</b>
<b>4.3</b>	<b>DIFFERENCES AND SIMILARITIES BETWEEN STRATEGIC MANAGEMENT IN A CONGREGATION AND ANOTHER ORGANISATION</b>	<b>97</b>
<b>4.3.1</b>	<b>Similarities in the strategic management process in normal organisations and a congregation</b>	<b>97</b>
<i>4.3.1.1</i>	<i>Develop a vision</i>	<i>98</i>
<i>4.3.1.2</i>	<i>Set objectives</i>	<i>101</i>
<i>4.3.1.3</i>	<i>Craft a strategy</i>	<i>109</i>

<i>4.3.1.4 Implementation of the strategy</i>	<i>112</i>
<i>4.3.1.5 Evaluating performance</i>	<i>115</i>
<i>4.3.1.6 Leadership and management of change</i>	<i>117</i>
<b>4.3.2 Differences in the strategic management process in normal organisations and a congregation</b>	<b>118</b>
<b>4.4 SUMMARY</b>	<b>121</b>

---

## **CHAPTER 5**

---

# **EMPIRICAL STUDY ON THE EXECUTION OF STRATEGIC MANAGEMENT IN THE LOCAL CONGREGATIONS OF THE GKSA**

<b>5.1 INTRODUCTION</b>	<b>123</b>
<b>5.2 PURPOSE AND RESULTS OF THE EMPHIRICAL STUDY</b>	<b>123</b>
<b>5.2.1 Purpose of the empirical study</b>	<b>124</b>
<b>5.2.2 Response from the questionnaires</b>	<b>125</b>
<b>5.3 DISCUSSION OF QUESTIONNAIRE</b>	<b>125</b>
<b>5.3.1 Section A: Biographical section</b>	<b>125</b>
<b>5.3.2 Section B: Occurrence of strategic management in the congregations of the GKSA</b>	<b>127</b>
<b>5.3.3 Section C: Congregations that are not practising strategic management</b>	<b>129</b>
<b>5.3.4 Section D: Congregations that are practising strategic management</b>	<b>131</b>
<b>5.4 CONCLUSION</b>	<b>149</b>

---

## **CHAPTER 6**

---

# **FRAMEWORK FOR STRATEGIC MANAGEMENT IN THE GKSA CONGREGATIONS**

<b>6.1</b>	<b>BACKGROUND</b>	<b>151</b>
<b>6.2</b>	<b>STRATEGIC MANAGEMENT FRAMEWORK</b>	<b>151</b>
<b>6.2.1</b>	<b>Approach to a congregational strategy</b>	<b>154</b>
<b>6.2.2</b>	<b>Phase 1: Develop a strategic vision</b>	<b>156</b>
<i>6.2.2.1</i>	<i>Purpose of this phase</i>	<i>156</i>
<i>6.2.2.2</i>	<i>What must be done during this phase</i>	<i>156</i>
<i>a.</i>	<i>Mission statement</i>	<i>157</i>
<i>b.</i>	<i>Vision statement</i>	<i>157</i>
<i>c.</i>	<i>Determining the strategic gap</i>	<i>157</i>
<i>6.2.2.3</i>	<i>Good practices during this phase</i>	<i>158</i>
<b>6.2.3</b>	<b>Phase 2: Set the objectives</b>	<b>161</b>
<i>6.2.3.1</i>	<i>Purpose of this phase</i>	<i>161</i>
<i>6.2.3.2</i>	<i>What must be done during this phase</i>	<i>161</i>
<i>a.</i>	<i>Set the objectives</i>	<i>161</i>
<i>b.</i>	<i>Analyse the external macro environment</i>	<i>162</i>
<i>c.</i>	<i>Analyse the “operating environment”</i>	<i>163</i>
<i>d.</i>	<i>Analyse the congregation itself</i>	<i>164</i>
<i>6.2.3.3</i>	<i>Good practice during this phase</i>	<i>166</i>
<b>6.2.4</b>	<b>Phase 3: Craft the strategy</b>	<b>168</b>
<i>6.2.4.1</i>	<i>Purpose of this phase</i>	<i>168</i>
<i>6.2.4.2</i>	<i>What must be done during this phase</i>	<i>169</i>
<i>a.</i>	<i>Vision, mission and strategic gap</i>	<i>169</i>
<i>b.</i>	<i>Objectives</i>	<i>169</i>
<i>c.</i>	<i>Analysis from external environment</i>	<i>170</i>
<i>d.</i>	<i>Analysis from the “operating environment”</i>	<i>170</i>
<i>e.</i>	<i>Analysis from the congregation itself</i>	<i>171</i>
<i>f.</i>	<i>Congregations differ from any other worldly organisation</i>	<i>171</i>
<i>6.2.4.3</i>	<i>Good practice during this phase</i>	<i>173</i>
<b>6.2.5</b>	<b>Phase 4: Implementation of the congregational strategy</b>	<b>175</b>
<i>6.2.5.1</i>	<i>Purpose of this phase</i>	<i>175</i>
<i>6.2.5.2</i>	<i>What must be done during this phase</i>	<i>176</i>

a. <i>Develop abilities and talents of congregation members</i>	176
b. <i>Align structures and processes to support the congregational strategy</i>	176
c. <i>Finding and allocating resources</i>	177
d. <i>Adopt best practices and continuous improvement</i>	177
e. <i>Reward and encouragement</i>	178
f. <i>Congregational culture alignment</i>	178
g. <i>Strong leadership to drive strategy execution</i>	179
<b>6.2.5.3 Good practice during this phase</b>	<b>179</b>
<b>6.2.6 Phase 5: Evaluate, monitor and adjust</b>	<b>180</b>
<b>6.2.6.1 Purpose of this phase</b>	<b>180</b>
<b>6.2.6.2 What must be done during this phase</b>	<b>180</b>
a. <i>Frequent evaluation of short term milestones and results</i>	181
b. <i>Yearly evaluation of strategic milestones and results</i>	181
<b>6.2.6.3 Good practice during this phase</b>	<b>181</b>
<b>6.3 CONCLUSION</b>	<b>182</b>

---

## CHAPTER 7

---

### CONCLUSIONS AND RECOMMENDATIONS

<b>7.1 BACKGROUND</b>	<b>183</b>
<b>7.2 CONCLUSIONS AND RECOMMENDATIONS</b>	<b>184</b>
<b>7.2.1 The theory of strategic management</b>	<b>184</b>
<b>7.2.2 The essence and work of a congregation in the GKSA</b>	<b>185</b>
<b>7.2.3 Strategic management in a congregation</b>	<b>187</b>
<b>7.2.4 Empirical study on strategic management in the GKSA</b>	<b>188</b>
<b>7.2.5 Framework for crafting and executing a congregational strategy</b>	<b>189</b>
<b>7.2.6 Practical application of the outcomes of this study</b>	<b>190</b>
<b>7.2.7 Recommendations from this study</b>	<b>191</b>
<b>7.3 POSSIBLE FIELDS FOR FURTHER STUDY</b>	<b>192</b>
<b>7.4 FINAL NOTE</b>	<b>192</b>
<b>REFERENCES</b>	<b>194</b>

---

<b>ANNEXURE A: Approval for the research</b>	<b>202</b>
<b>ANNEXURE B: Examples of mission and vision statements</b>	<b>203</b>
<b>ANNEXURE C: Biblical references calling the church</b>	<b>205</b>
<b>ANNEXURE D: Questionnaire</b>	<b>209</b>

## LIST OF FIGURES

<b>Figure 1: The strategy-making, strategy-executing process</b>	<b>6</b>
<b>Figure 2: The strategy-making, strategy-executing process</b>	<b>24</b>
<b>Figure 3: Schematic presentation of the strategic management process</b>	<b>25</b>
<b>Figure 4: Reference to the different sections of the strategic management process</b>	<b>26</b>
<b>Figure 5: The growth stages of an organisation</b>	<b>29</b>
<b>Figure 6: Components of a Balanced Scorecard</b>	<b>33</b>
<b>Figure 7: The Five Forces model of competition</b>	<b>38</b>
<b>Figure 8: A strategic group map</b>	<b>39</b>
<b>Figure 9: SWOT analysis</b>	<b>42</b>
<b>Figure 10: Value chain analysis</b>	<b>43</b>
<b>Figure 11: Market positions</b>	<b>47</b>
<b>Figure 12: The strategy thinking hierarchy</b>	<b>51</b>
<b>Figure 13: The change cycle</b>	<b>66</b>
<b>Figure 14: The character and service areas of a congregation</b>	<b>76</b>
<b>Figure 15: Model of Ephesians chapter 4</b>	<b>84</b>
<b>Figure 16: Radar graph for a congregation</b>	<b>160</b>
<b>Figure 17: Group map for congregations</b>	<b>168</b>
<b>Figure 18: Example 1 of visual display of a congregational strategy</b>	<b>174</b>
<b>Figure 19: Example 2 of visual display of a congregational strategy</b>	<b>175</b>

## **LIST OF TABLES**

<b>Table 1: The McGregor X and Y Theory</b>	<b>22</b>
<b>Table 2: Steps to leading organisational change</b>	<b>62</b>
<b>Table 3: Ten principles of change management</b>	<b>63</b>
<b>Table 4: Six-phase model to manage resistance to change</b>	<b>64</b>
<b>Table 5: Description and symptoms of the commitment-resistance model</b>	<b>65</b>
<b>Table 6: Strategic management framework</b>	<b>152</b>
<b>Table 7: Summary framework for congregational strategy</b>	<b>189</b>

# **CHAPTER 1**

## **PROBLEM STATEMENT AND OBJECTIVES**

### **1.1 BACKGROUND**

#### **1.1.1 The Church of Jesus Christ globally**

The purpose of the Church of our Lord Jesus Christ can be summarised by quoting Matthew 28:19: “Therefore go and make disciples of all nations, baptise them in the name of the Father and of the Son and of the Holy Spirit, and teach them to obey everything I have commanded you.” (Bible, 1996). On His ascension, Jesus Christ said in Acts 1:8: “But you will receive power when the Holy Spirit comes on you, and you will be my witnesses in Jerusalem, and in all of Judea and Samaria, and to the ends of the earth.” Matthew 5 describes the church as the light of the earth. The church must shine its light to everyone so that the good deeds can be seen, and the Father can be praised. In 1 Corinthians 12 the church is compared to a body that consists of many parts, but is one entity. The different parts of the body work together and support each other to fulfil its purpose. Although the purpose and message of the Church of Jesus Christ is timeless, it operates in an ever-changing world. In order to fulfil their purpose here on earth, Christians must employ all means at their disposal to achieve their great command. It is therefore important to explore new and relevant methods and practices to spread God’s Word (Warren, 2007:43). In Mark 7:13 Jesus Christ cautioned the church not to hold on to outdated customs, and thereby nullifying the effectiveness of a congregation.

The church is not similar to any other organisation or business in the community. It is unique in that it belongs to Jesus Christ, and that He is the head of the church (Ephesians 1:22). According to Vosloo & Van Rensburg (1996:1445) the church is unique and God-given, however God uses ordinary people (1 Corinthians 3:5) to serve His church, to grow (Matthew 28:19) and maintain (Matthew 28:20) it.

### 1.1.2 The Reformed Churches in South Africa

The Reformed Churches in South Africa, better known under its Afrikaans name “Die Gereformeerde Kerke in Suid Afrika” (GKSA), was formed in 1859. There are 100 829 members of whom 23 761 are children. Although mainly an Afrikaans church, its members are not exclusively white Afrikaans-speaking people but include members of other races and languages (Du Plessis, 2009:419). The GKSA conforms to the “Reformed” or “Presbyterian” form of church governance.

The Reformed Churches in South Africa are Protestant. Together with the Dutch Reformed Church, the Nederduitsch Hervormde Kerk van Afrika and the Afrikaans Protestant Church it forms the mainstream church denominations under Afrikaans-speaking South Africans. True to the principles of the Reformation during the 16<sup>th</sup> century, the GKSA endorse the five “sola’s” (Van Wyk, 2002:6):

- Sola Gratia, meaning *grace only*
- Sola Fide, meaning *faith only*
- Sola Christo, meaning *Christ only*
- Sola Scriptura, meaning *The Scripture only*
- Soli Deo Gloria, meaning *to God all the honour*

In the 21<sup>st</sup> century, the pace of living is fast, and changes are constantly occurring around us on a daily basis. Therefore it is important for the church to add two more proverbs in order to stay true to its purpose. The first one is “ecclesia reformata semper reformanda” meaning that a reformed church should continuously reform itself. It must continuously test itself (1 Corinthians 13:5), its strategies and its methods against its God-given calling and make all the necessary adjustments to become and remain true to its purpose. The second one is “societas semper reformanda”, meaning the society in which we live should also reform itself continuously in order to stay true to its God-given purpose during the volatile times we live in (Van Wyk, 2001:145).

In line with 2 Timothy 3:16, the GKSA is convinced that the Bible is the Word of God, and that a true Church will reflect the following features:

- Preaching the gospel of Jesus Christ in a pure fashion and true to the Bible
- Upholding the sacraments as required by Jesus Christ
- Actively pursuing the discipline required by Jesus Christ of his followers (Belgic Confession, article 32).

These three articles of faith in the confessions of the GKSA are not negotiable. However the methods according to which they are pursued need methodical adjustments as times change (Vergeer, 2000:5.1).

The denomination (GKSA) is not a church as such; the local congregations in the various geographical areas are “church” as required in various places in the New Testament. A congregation should therefore focus to be a complete church (Spoelstra, 1989:6). Therefore it should not see itself as a branch of the “larger church” and thereby only focuses on some aspects of what God expects of His church. All superior meetings are there to help, support and assist the local congregations. The local congregations are not subordinate to the larger denomination. The denomination is there to form a support structure for the various independent local congregations.

To be true to the principles of a Reformed Church, the three-yearly synod appointed a commission with the mandate to report on the maintenance and growth of the church. The report tabled at the meeting in the year 2000 recognized the importance for a congregation to investigate and propose practical strategies and methods to address the decline in membership, and to fulfil its purpose in general (Vergeer, 2000:2.3). The report issued the following five statements on which the strategies and practices of the GKSA must be based:

- The purpose and essence of the church is determined by God in His Word
- God Himself takes care of His church, and He will protect and grow His church
- The Church is God’s mission in this world
- God uses people, His children, to work in His church to maintain and grow it
- The activities of the church are focused on the Kingdom of God

The report also mentioned some strategies and practices that are not based on biblical principles and must therefore be rejected (Vergeer, 2000:2.4):

- The church is seen as a humanistic organisation which must be governed and managed as a business
- Institutionalism - the people's relationship with God is replaced by a relationship with the church organisation
- Over-emphasis on the status quo of current structures and procedures to the detriment of the biblical purpose of the church (Sola status quo)
- Obsessions with change - to change simply to fit the latest trends without thorough testing against the Bible
- Congregations who have no definite plans and strategies regarding the pursuit of their biblical objectives
- Over-emphasis of people in specific positions of the church, and the passiveness of the rest of the members
- Leaderless congregations - members of congregations not willing to commit their talents to the purpose of the church
- Visionless congregations - they lose their focus on the higher purpose and get bogged down with humanistic and superficial issues

### **1.1.3 Crafting and implementation of strategy**

Crafting and implementing strategy is the heart and soul of managing a business enterprise. When managers evaluate the business prospects of any organisation, there are three central questions facing the analyst (Thompson *et al*, 2007:2):

- What is the organisation's present situation?
- Where does the organisation need to be in the future?
- How should it get to the future state?

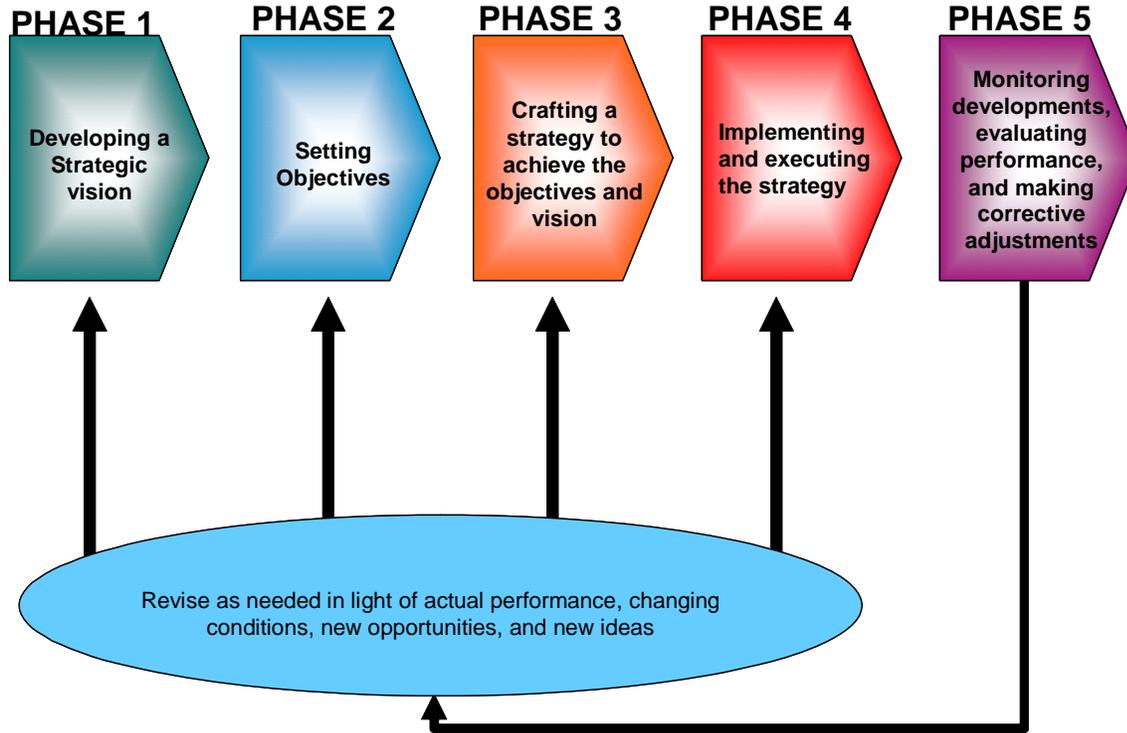
Arriving at the probing answer to the question of *what is the organisation's present situation*, prompts managers to evaluate industry conditions and competitive pressures, the organisation's current performance, its resource strengths and capabilities. All great companies began their success path by confronting the brutal facts of their current reality.

Starting with an honest and diligent effort to determine the truth of the current situation, the right decisions about the future often become self-evident (Collins, 2001:88). The question of *where does the organisation need to go in the future* pushes managers to make choices about the direction into which the organisation should head. Successful companies are much like hedgehogs: simple dowdy creatures that know where they are going and focus on that. Mediocre companies are often like foxes: crafty, cunning creatures that know many things but lack consistency (Collins, 2001:119). The question of *how should it get at the desired future state* challenge managers to craft and execute a strategy capable of moving the organisation from its current position into the intended future state. Jack Welch, former CEO of General Electric is quoted as saying that crafting and executing strategy, means making clear-cut choices about how to conduct operations. Without a strategy, an organisation is like a ship without a rudder (Thompson *et al.*, 2007:2). A company's strategy consists of the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations and achieve the target levels of organisation performance.

Strategic management consists of the crafting or formulation of an entity's strategy as well as the implementation or execution of the formulated strategy. Strategy formulation means deciding where the organisation is today and where the organisation should be in future. Strategy implementation encompasses deciding how to get the organisation from where it is today to where it should be in future (Thompson *et al.*, 2007:7).

In **Figure 1**, the process of crafting and executing strategy is summarised as a five-phase process (Thompson *et al.*, 2007:20):

Figure 1: The strategy-making, strategy-executing process



(Source: Thompson *et al.*, 2007:20)

*Phase 1: Developing a strategic vision*

A clearly articulated vision communicates the organisation's aspirations for the future, and helps to steer all the energy and resources into a common direction. The importance of a clear vision of the future is highlighted in Proverbs 29:18 (Bible, 2006) where it is stated that without a vision, people perish.

*Phase 2: Setting of objectives, which convert the vision into specific performance targets*

Objectives function as yardsticks for measuring how well the organisation is doing (Thompson *et al.*, 2007:29). This integrated set of objectives must be balanced between long-term (five to ten years into the future) and short-term (one to two years into the future) activities, as well as financial and strategic issues (Garrison *et al.*, 2006:449). An

organisation, whose objectives are solely based on, for example financial objectives, would not be sustainable.

*Phase 3: Crafting a strategy to achieve the objectives and vision*

Strategy making is not a top management function, but must be as inclusive as possible. The strategies and plans of different functions and departments must be horizontally aligned with each other, and vertically aligned with the strategic objectives.

*Phase 4: Implementing and executing the strategy*

This phase is the well structured and managed execution of the various strategic plans. It is important that management ensures that the necessary resources, skills and expertise are ready and available for the successful implementation of the plans. Structures, policies and procedures must be changed if it does not support the plans.

*Phase 5: Monitoring developments, evaluating performance, and making corrective adjustments*

This phase entails continuous measuring and monitoring of the execution of the strategic plans. An organisation's direction, objectives, strategies or plans have to be revised continuously if changes in the external or internal conditions warrant it.

The strategic management process starts with and is initiated and directed by the formulation of strategy, also called the strategic planning process. This plan summarises the major outcomes of each of the phases of the strategic planning process and is the blueprint that direct the decisions in enterprise during the next few years (Flanagan & Finger, 2006:306). The strategic planning process entails the following steps:

- Defining the purpose objective, which expresses the desired future state of the company in three to five years from now. It involves creating a clearly articulated vision for the company, which communicates management's aspirations for the company to stakeholders. This also helps in steering the energy and resources of the company in a common direction (Thompson *et al.*, 2007:20). The purpose

objective also involves articulating the company's mission, which typically describes its present business and purpose. In other words, what they are, what they do, and why they are here (Thompson *et al.*, 2007:24). The last step in the purpose objective process is to set strategic performance objectives. The purpose of setting objectives is to convert the vision into specifically measurable targets. They function as a yardstick for determining how well the organisation is progressing towards achieving the vision.

- The next step in the strategic planning process is to conduct an analysis of the macro environment (David, 2005:77). This is done by performing an analysis of the political, economical, social and technological (PEST analysis) conditions. The aim is to identify those factors that potentially will have a significant effect on the industry as a whole, as well as on the company. These factors might have a decisive influence on the strategy that the management will craft for the company.
- Thereafter an analysis of the operating environment should be conducted. According to Thompson *et al.* (2007:52), thinking strategically about the company's industry and competitive environment entails using concepts and analytical tools to get a clear answer to the following seven questions:
  - o What are the industry's dominant economic features?
  - o What kind of competitive forces are industry members facing and how strong is each force?
  - o What factors is driving industry change and what impacts will they have?
  - o What market positions do rivals occupy?
  - o What strategic moves are rivals likely to make next?
  - o What are the key success factors for future competitive success?
  - o Does the outlook for the industry present the company with an attractive opportunity?
- In the next phase of crafting strategy, the focus is narrowed from the macro and industry environment to the enterprise itself. The internal strengths and weaknesses of the company are described and their significance for the future strategic direction is identified. The external threats and opportunities are also

listed and their impact on the strategic direction is described. This analysis is called a SWOT analysis (Thompson *et al.*, 2007:104).

Strategic planning involves choosing the right strategic direction and actions for the company given its own resource strengths and weaknesses, and what the environment and industry offers the company. This sets the direction for operational planning which involves making action plans for the next year in pursuit of those strategic objectives. Effective strategic management as well as operational efficiency is needed for an entity to be successful (Chase *et al.*, 2004:8).

While *planning* involves developing objectives and preparing various budgets and operational plans to achieve goals, *control* involves the steps taken by management to increase the likelihood that the objectives set down in the planning stage are attained and that all parts of the organisation work together to achieve the goals. Every enterprise should develop a customised control system to track their performance against the key performance indicators, which defines its strategic effectiveness. Control systems are the linkage between strategic planning, operational planning and the execution thereof. Feedback provided by control systems can prompt management to make necessary adjustments or corrections to the plans (Flanagan & Finger, 2006:351).

## **1.2 PROBLEM STATEMENT**

The GKSA is not a business, and the different congregations are not branches or subsidiaries of a head office. The GKSA firmly believes that Jesus Christ is head of His Church. Any person in the church community who is appointed in a specific position is called by God, and has the responsibility of reporting on his work to God. That is why the GKSA believes that the denomination, and in particular the individual congregations, must strategise, conduct and govern all their activities orderly and well disciplined. If not, everything will be chaotic (Church Order, 2003:13).

Although a minister is not the head or CEO of the congregation, he is seen to be the de-facto leader in the congregation. The inauguration formulary for a minister states that he

must act as a shepherd to the congregation. The main purpose of the minister is to preach the Word of God, and to take pastoral care of the members of his congregation. However, as part of the execution of his duties, a minister is confronted with the reality of crafting and executing the congregational strategy of the local congregation (Van Rooy, 2006).

A congregation should be careful not to focus on current issues only, but also on an appropriate long-term plan in order to achieve its goals (Vergeer, 2000:2.4.6, 2.4.13 and 2.4.14). Van Rooy (2007:40) warns that a congregation is seeking its own destruction if to survive has become its main purpose. A congregation that only focuses on internal issues is not true to its calling. Van Wyk (2001:81) states that a church, standing idle like a ship in the harbour, will rust and sink. The ship's work is on the open sea. This is indicative of the work of the Church in the world beyond the borders of the congregation. Van Rooy (2007:39) emphasises that spreading the gospel must not only be the preference or hobby of some members of a congregation; the strategy should be that the entire congregation should be involved. If a congregation is not clear on what the criteria are for measuring its success, it will tend to measure its success against the wrong criteria such as membership growth, financial assets or number of projects initiated (Vorster, 1999:6). This will lead to wrong perceptions; thus resulting in wrong decision-making.

During the year 2007 a study was conducted by Grobler amongst the local congregations of the GKSA regarding the business management skills required of ministers. One of the facets highlighted in that study was that there is a need for the understanding and application of the fundamentals of strategic management in the local congregations (Grobler, 2007:104).

The study showed that only half of the responding congregations have a vision (Grobler, 2007:85) and less than half of those congregations have the vision available in writing. De Klerk (2007:8) states that a well articulated vision of a congregation acts like glue keeping people together, acts like a magnet attracting members as well as outsiders to the congregational goals, and acts like a measuring stick, measuring whether they are

progressing towards their goals. The study also showed that most of the congregations acknowledge the importance of strategic planning. Although the majority of respondents indicated that they measure themselves against a set of criteria to determine whether they are true to their purpose, many of the criteria are not specific, and some criteria are subject to different interpretations. Up to 30% of congregations do not communicate the results of their measurement back to the members of the congregation (Grobler, 2007:105). Having criteria but not regularly measuring actual performance against it, as well as not formally communicating the results, will not add any value to the measurement (Warren, 2007:111).

From the PEST analysis done in that study, it was concluded that there are certain aspects that have already had a large impact on the congregations. This will require proper strategic planning to manage. In 67% of congregations, the fact that both parents in households are working had an influence on the operations of the congregation to a large or very large extent. Congregations should strategically plan how to deal with this reality. In 93% of the congregations the AIDS pandemic had no influence or only influenced them to a lesser extent until now. The AIDS pandemic has a huge influence on the entire South African society, and the congregations in the GKSA should strategically plan how to manage the influence AIDS will inevitably have on the congregation (Grobler, 2007:105).

An analysis of driving forces, which will have a determining influence on the congregations in the next few years, was also done. These forces will require careful crafting and execution of strategies. For example, how to attract and maintain the commitment of 18 to 25 year old people is not an issue that can be dealt with as part of normal operations. This will require creative thinking and most likely also request that certain adjustments are made to current culture and accepted norms. How to plan and approach the future activities of a congregation given the realities identified in the PEST and driving force analysis, can only be done successfully as part of a well-crafted strategy (Grobler, 2007:105).

In the SWOT analysis, a number of aspects were listed, which will also require careful strategic planning. A major threat that was identified is the fact that people are caught up in a very busy lifestyle, which leaves less time for formal congregational activities. Managing this reality will need creative strategies from leaders in congregations. One of the major opportunities listed was to use the needs in South Africa (such as poverty, unemployment and the skills shortage) as a means to spread the gospel of Jesus Christ. Because many people in congregations will venture into unknown frontiers when doing this, it will require creative strategies as well as proper execution of these strategies. If this is read together with the fact that in 85% of the congregational projects with an outward focus, participation of congregation members is less than 40%, and that in 72% of the congregations less than 20% of time and energy is devoted to reaching out to people outside the congregation, exploiting this opportunity will require good strategies (Grobler, 2007:106).

As indicated above, there are numerous factors that emphasise the need for crafting and executing an appropriate congregational strategy. Although a congregation is primarily spiritual by nature, the management aspects should not be neglected. Ineffective management can restrict the congregation in the fulfilment of its calling (Vorster, 2008:xii). The reason for undertaking this study is to contribute toward the goal of the GKSA in achieving its God-given calling by developing a framework for local congregations to perform effective strategic management.

### **1.3 GOALS OF THE STUDY**

#### **1.3.1 Main Objective**

The work done by local congregations of the GKSA on the harvest field of God (Matthew 9:37) is too important to be conducted in a haphazard way. The main objective of this study will be to develop a framework that can be used by all local congregations of the GKSA in the formulation and implementation of their congregational strategy.

The framework will be based on sound theory in the field of Strategic Management, biblical guidelines, as well as best practices currently employed by congregations.

### **1.3.2 Secondary Objectives**

To achieve the main objective, the following secondary objectives will also be pursued:

- Identify best practices in congregations which can be shared by other congregations
- Identify possible future issues which may confront the GKSA that should be pro-actively managed by a well-founded strategic management process
- Emphasise the importance of strategic management in any organisation, and specifically in the local congregations of a church

The Church belongs to Jesus Christ who uses ordinary people as instruments to work on His harvest field. Developing a model to assist congregations in the crafting and executing of their strategy is only one of the ways to exploit God-given talents to the fullest. On its own, a congregational strategy will not contribute to any success in a congregation. Strategy formulation should be seen as only one of the many things that should be done in order for a congregation to fulfil its purpose. Collins (2001:14) indicates that none of the “great” companies he has studied ascribe their success to a single defining action, a grand program or one killer innovation. Rather, their success was like relentlessly pushing against a flywheel, turn upon turn, building momentum, until it was spinning. This success created more success. Similarly, the crafting and execution of a congregational strategy should enable congregation members to develop their talents (Matthew 25:14–30) and work together as a unit (1 Corinthians 12:12), in good order (1 Corinthians 14:33), with zeal and fervour (Romans 12:11), building the congregation on the foundation of Jesus Christ (1 Corinthians 3:11). But if God’s blessing is not prayed onto the work, the builders will labour in vain (Psalm 127:1).

## 1.4 RESEARCH METHODOLOGY

Authorisation to conduct this study was obtained from the Theological School of the GKSA (**Annexure A**). Information will be obtained from both secondary and primary sources.

Secondary sources: Since some sources see a church as part of the definition of the service industry (Dibb & Simkin, 2004:280), a literature study will be undertaken to establish the most recent theory on the crafting and execution of a strategy in other organisations. Furthermore, a literature study will be performed on the prescriptions of the Bible and other Christian literature for a congregation regarding the crafting and executing of its congregational strategy.

Primary sources: A list with the names and addresses of all the GKSA congregations will be obtained from the Administrative Bureau of the GKSA in Potchefstroom. An empirical study will be performed by sending questionnaires via e-mail or traditional mail to all the local congregations of the GKSA. Information will be gathered from them regarding their approach towards crafting and executing their congregational strategy. If their response is not satisfactory, a follow-up on non-responding congregations will be done. From the information obtained by means of the questionnaire and the visits, the best practices will be identified. The questionnaire will consist of dichotomous questions allowing a “yes” or “no” answer as well as open-ended questions regarding the best practices currently employed in the congregations. Before distributing the questionnaire, it will be pre-tested on a small sample of congregations to ensure that the questions are clear. Congregations will be clustered into three main groups, namely rural congregations, metropolitan congregations and Black congregations.

Due to the exploratory nature of this study, hypotheses will not be formulated. The study’s emphasis will be the development of a framework or guideline for local congregations to effectively plan and execute their congregational strategy.

## 1.5 CHAPTER LAYOUT

The study will be divided into seven chapters:

- Chapter 1 will indicate the scope of the study and methods that will be used to execute the study. The chapter include an introduction, problem-definition and objectives, as well as a description of the research methodology.
- Chapter 2 will explore available literature on the theory of strategic management.
- Chapter 3 will explore how the Bible as well as other literature sees the essence and work of a congregation.
- Chapter 4 will discuss the applicability of strategic management in a congregation, as well as the relevance of the theoretical model as discussed in chapter 2 on a congregation.
- In Chapter 5 an empirical study will be done to describe the current practices in the local congregations of the GKSA regarding crafting and execution of the congregational strategy.
- In Chapter 6 the best-practices from the empirical study will be integrated with the literature study to develop a framework or guideline which can be used by all congregations of the GKSA in the crafting and execution of their congregational strategy.
- Chapter 7 will be a conclusion and recommendation on the use of the proposed strategy execution model.

## **CHAPTER 2**

### **THE STRATEGIC MANAGEMENT CONTEXT**

#### **2.1 BACKGROUND**

There is nothing as practical as sound theory (Coetsee, 2003:13). In this chapter, the theory of strategic management will be explored by means of a literature study. This will serve as one of the pillars for the framework that will be developed as the main objective of this study. The literature study will include defining strategic management, positioning it amongst other management disciplines as well as explore the different levels of strategic management. The study will also explore the process of strategic management as it is applied in practice. Specific considerations regarding service and non-profit organisations will be explored. Because change is central to almost all strategies (Faulkner & Campbell, 2006:19), this chapter will include a literature study on the theory and importance of change management.

#### **2.2 DEFINING STRATEGIC MANAGEMENT**

Strategic management originated in the 1950's under the title of "business policy" (David, 2005:5). This often involved ex-senior executives teaching case studies with which they were familiar in an attempt to draw out lessons with more than idiosyncratic relevance (Faulkner & Campbell, 2006:3). In the 1990s it became a much more scientific process, and is widely practised today in many leading organisations (David, 2005:5). Many definitions of strategy and strategic management can be found in dictionaries, encyclopaedias and books on management. Some of the definitions are as follows:

- Strategic management is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objectives (David, 2005:5)
- Strategic management is the analysis, decisions, and actions an organisation

undertakes in order to create and sustain competitive advantage (Dess *et al.*, 2008:8)

- Strategic management is about charting how to achieve a company's objectives, and adjusting the direction and methods to take advantage of changing circumstances (Faulkner & Campbell, 2006:3).
- Strategic management is the crafting of a strategy that represents a managerial commitment to pursue a particular set of actions to achieve its objectives (Thompson *et al.*, 2007: 3).

To unpack what exactly strategic management entails, the following are clear components:

- Strategic management is a scientific process consisting of analysis, decisions and actions (Dess *et al.*, 2008:8).
- Someone who does not have clear goals does not need a strategy. Setting clear goals and crafting plans on how to achieve the goals are fundamental to strategic management (Wiebes *et al.*, 2007:xiv). The goals are normally to ensure the sustainability of an organisation, such as creating a competitive advantage (Thompson *et al.*, 2007:6).
- The process of strategic management has various phases. At a high level there are two phases namely crafting or formulating of the strategy and the execution and evaluation of the strategy (David, 2005:5).
- Strategic management not only focus on achieving short-term targets, but also incorporate long-term perspectives (Dess *et al.*, 2008:8).
- Strategic management transcends all functional areas of an organisation, and integrate their respective goals (Wiebes *et al.*, 2007:xiv). Strategic management requires managers to take an integrative view of the organisation and assess how all of the functional areas and activities fit together to help the organisation achieve its goals and objectives (Dess *et al.*, 2008:22). Developing an effective strategy requires leadership to apply several lenses simultaneously to look at the organisation. A one sided glance at the organisation will cause mistakes or losing out on major opportunities (Stern & Deimler, 2006:193).
- Strategic management focus on effectiveness (doing the right things) as well as

efficiency (doing things right) (Dess *et al.*, 2008:10).

Strategic management can be summarised as the process whereby leadership of an organisation determines where the organisation is currently, where it needs to go in the future, design the actions to get there, and then leading the organisation on the chosen way. Strategic management is a risky business and there are no guarantees (Ungerer, 2009:14). The reality is that many companies do not get the basics right on strategic management.

## **2.3 STRATEGIC MANAGEMENT POSITION TOWARD OTHER MANAGEMENT SCIENCES**

An organisations' strategy transcends all functional areas of an organisation, and integrate their respective goals (Wiebes *et al.*, 2007:xiv). For this reason, it is necessary to define the other major management sciences that are functioning in an organisation.

### **2.3.1 General management**

General management is the process through which people in managerial and leadership positions utilise the human and other resources of the organisation in order to achieve the organisational objectives (Eksteen *et al.*, 2002:327). Any organisation, be it a school, a church congregation, a small business organisation or a multinational global company, must be managed properly in order to achieve its objectives. While strategic management focuses more on the longer-term achievement of the organisational goals, general management rather focus on the achievement of operational objectives. The process of general management consists of four key functions, namely planning, organising, activating or leading, and controlling. Six supporting management activities, namely decision making, communication, motivating, coordinating, delegating and disciplining support these four key principles. (Van Rensburg, 2008:51).

### **2.3.2 Financial management**

Shareholders are the owners of a corporation, and they purchase shares because they want to earn a good return on their investment without undue risk exposure (Brigham & Michael, 2005:7). Return on investment can be in the form of frequent dividends, growth in the value of the shares, or a combination of the two. From a pure economical perspective, maximising shareholder wealth is the most important objective for most organisations (Brigham & Michael, 2005:7). To achieve this objective, good financial management is needed.

Financial management at the broadest level comprises the management of all financial activities of an organisation. Therefore it requires knowledge of financial accounting, management accounting, taxation, auditing and information systems. At a functional level, financial management relates to two dynamic and integrated decision processes, namely investment decisions for all types of assets, and the financial decisions regarding the sources of funding for the investments (APT, 2008:2).

### **2.3.3 Marketing management**

Many people think marketing is all about selling and advertising. This perception exists because people are bombarded with television commercials, direct mail offers, sales calls and internet pitches. However, selling and advertising is only the tip of the marketing iceberg. Marketing is about managing profitable customer relations. This implies attracting new customers by promising superior value and to keep and grow current customers by delivering satisfaction (Kotler & Armstrong, 2006:5).

In order to be successful, a marketing manager has to effectively manage the “marketing mix”. The marketing mix is a set of controllable, tactical marketing tools that a firm blends to produce the response it wants in the market. Kotler and Armstrong (2006:50) indicate the following components of the marketing mix:

- Product: The product-and-service combination the company offers the target market.

- Price: The amount of money customers have to pay to obtain the product.
- Place: The company's activities that make the product available to the target customers.
- Promotion: The activities that communicate the merits of the product and persuade target customers to buy the product.

Due to the added complexity of marketing a service, the marketing manager has to add three additional components when managing the marketing of a service organisation (Dibb & Simkin, 2004:282). These components are:

- People: Managing the actual interface the person rendering the service has with the customer.
- Physical evidence: Managing the environment (layout, décor, and lighting) and ambience ("feel") of the place where the service is actually rendered.
- Process: Managing the friendliness and flow of information (such as unnecessary queuing) in rendering the service.

#### **2.3.4 Operations management**

Operations management is defined as the design, operation and improvement of the system that creates and delivers the firm's primary products and services. To serve a customer well, invariably means in a timely fashion, with exceptional and expected quality and at the lowest cost possible (Chase *et al.*, 2004:6). Optimal operations management is necessary in all types of businesses, whether it is a production business or a service business. The expectations of the customer will differ from organisation to organisation; therefore the way in which the operations are managed will differ. Because the customer's perception of time and quality change over time, adapting the way the organisation's operations is managed will also be necessary (Chase *et al.*, 2004:6).

#### **2.3.5 Project management**

The Project Management Institute defines a project as a temporary endeavour undertaken

to create a unique product or service. Temporary means that every project has a definite end. Unique means that the product or service is different in some distinguishing way from other similar products or services (Burke, 2001:2).

Burke (2001:3) defines project management as the application of knowledge, skills, tools and techniques to project activities in order to meet stakeholders' needs and expectations from the project. In other words, the project manager must do whatever is required to make the project happen. Due to the characteristics of a project, namely unique and temporary, managing a project needs other managerial skills than the normal skills needed to manage an organisation in general.

Projects range in size, scope, cost and time from mega-international projects costing millions of dollars over many years to small domestic projects with low budgets taking only a few hours (Burke, 2001:2). Examples of projects range from civil projects (design and construct a new building), marketing projects (launch a new product), information technology project (implement a new computer system), sports project (tour of a rugby team), service projects (local congregation organising a bazaar) and domestic projects (going on holiday)

### **2.3.6 Leadership versus Management**

People in modern society do not wish to be managed and controlled, but to be led, facilitated, supported, mentored by example and convinced. In 1960, Douglas McGregor wrote a book titled "The Human Side of Enterprise", which has become an important philosophical base for the modern view on people at work and for leadership style (Kreitner & Kinicki, 2004:14). **Table 1** summarises how managers used to view people at work, and how the modern view should be.

**Table 1: The McGregor X and Y Theory**

<b>Outdated (Theory X) assumptions about people at work</b>	<b>Modern (Theory Y) assumptions about people at work</b>
<ol style="list-style-type: none"> <li>1. Most people dislike work; they avoid it when they can.</li> <li>2. Most people must be coerced and threatened with punishment before they will work. People require close direction when they are working.</li> <li>3. Most people actually prefer to be directed. They tend to avoid responsibility and exhibit little ambition. They are interested only in security.</li> </ol>	<ol style="list-style-type: none"> <li>1. Work is a natural activity like play or rest.</li> <li>2. People are capable of self-direction and self-control if they are committed to objectives.</li> <li>3. People generally become committed to organisational objectives if they are rewarded for doing so.</li> <li>4. The typical employee can learn to accept and seek responsibility.</li> <li>5. The typical member of the general population has imagination, ingenuity and creativity.</li> </ol>

*(Source: Kreitner & Kinicki, 2004:14)*

Linked to this view of people at work, is the discussion regarding management versus leadership. Management is seen as controlling and directing subordinates' work efforts through planning, organising, motivating and co-ordinating. With leadership, the emphasis is more on creating a shared vision, generating energy, empowering, coaching and mentoring, and creating a motivating environment for people to align and commit themselves to the vision (Coetsee, 2003:62). Important to note is that management versus leadership is a polarity. The one is therefore not right and the other wrong (Coetsee, 2006:254). Leadership and management must both be included as valued contributions within an organisation. Although leadership and management overlap, each entails a unique set of activities or functions (Kreitner & Kinicki, 2004:596). If a visionary leader cannot manage the people and structure the organisation in pursuit of the vision, the vision remains a "wish dream". On the other hand, if a leader emphasises action and implementation without vision, there may be much sweat and activity with none of it tied to any sense of purpose and direction.

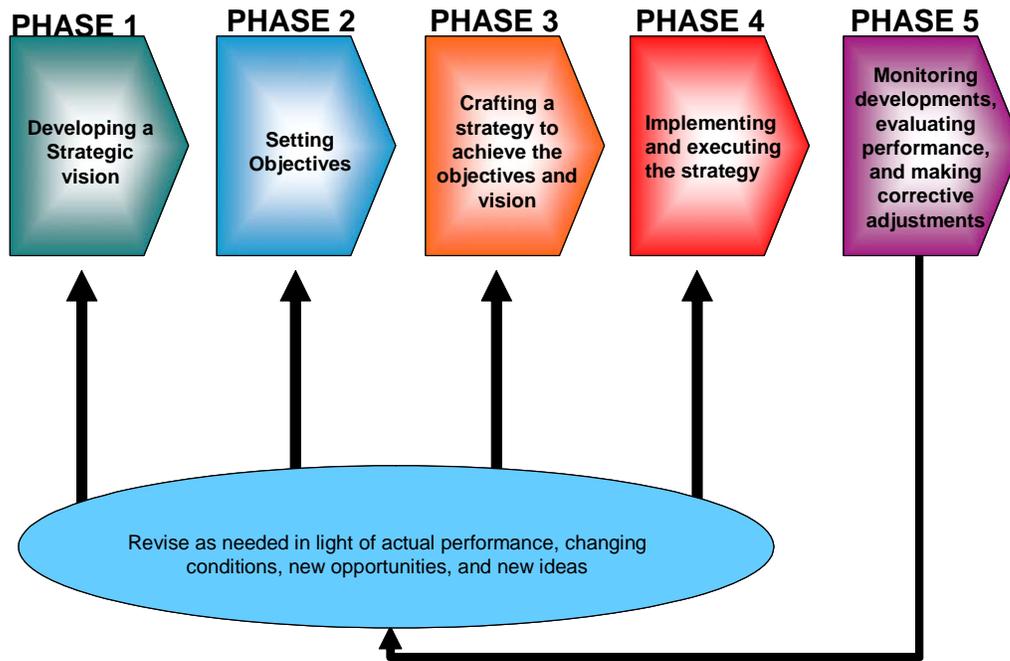
## 2.4 LEVELS OF STRATEGIC MANAGEMENT

This study will focus on the strategic management at the business level. This entails the crafting and execution of a single business' strategy. A related field of study, which will not be pursued in detail in this study, is the crafting and executing of a corporate strategy. In a corporate or diversified company, the strategy making challenges involves assessing multiple industry environments and developing a set of business strategies, as well as a corporate strategy for improving the attractiveness and performance of the overall business line-up (Thompson *et al.*, 2007:267). Corporate-level strategy addresses two related issues. Firstly, what businesses should the company compete in and secondly how can these businesses be managed in order for them to create synergy (Dess *et al.*, 2008:191). Synergy occurs when the performance of a portfolio of businesses adds up to more than the sum of the individual businesses when they would have functioned on their own (Faulkner & Campbell, 2006:522). The presence of a strategic fit within a diversified firm's business portfolio, together with corporate management's skills in capturing the benefits of the interrelationships, makes diversification capable of synergy, where the total is more than the sum of the individual parts.

## 2.5 PROCESS OF STRATEGIC MANAGEMENT

Just as different literature have different interpretations of the definition of strategic management, so does different literature offer different models for the process of strategic management. The idea that there is a fixed formula for success is an illusion (Ungerer, 2009:14). For purposes of this literature study, the process in **figure 2** as described by Thompson *et al.* (2007:xxvii) will be used as basis. The detailed description of each step as described by Thompson *et al.* will be supplemented by other literature.

**Figure 2: The strategy-making, strategy-executing process**

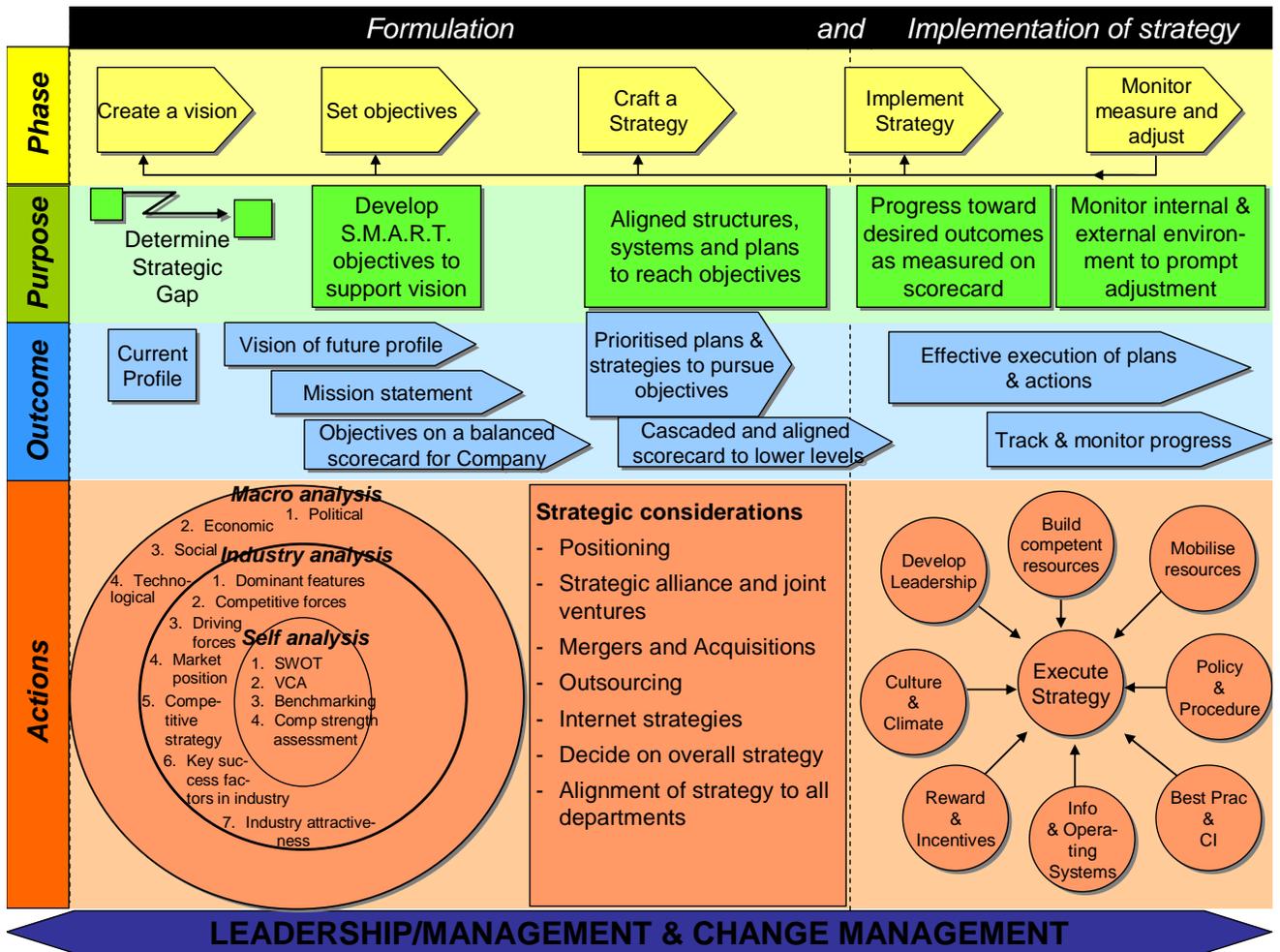


*(Source: Thompson et al., 2007:20)*

For each of the phases, the purpose (why to perform this phase), outcome (what to show after the phase) and process and action steps to follow to execute the phase, will be described.

**Figure 3** represents a schematic presentation of the strategic management process. The figure indicates the different phases of strategic management, the purpose and outcomes during each phase, as well as the detail analysis and actions needed during each phase.

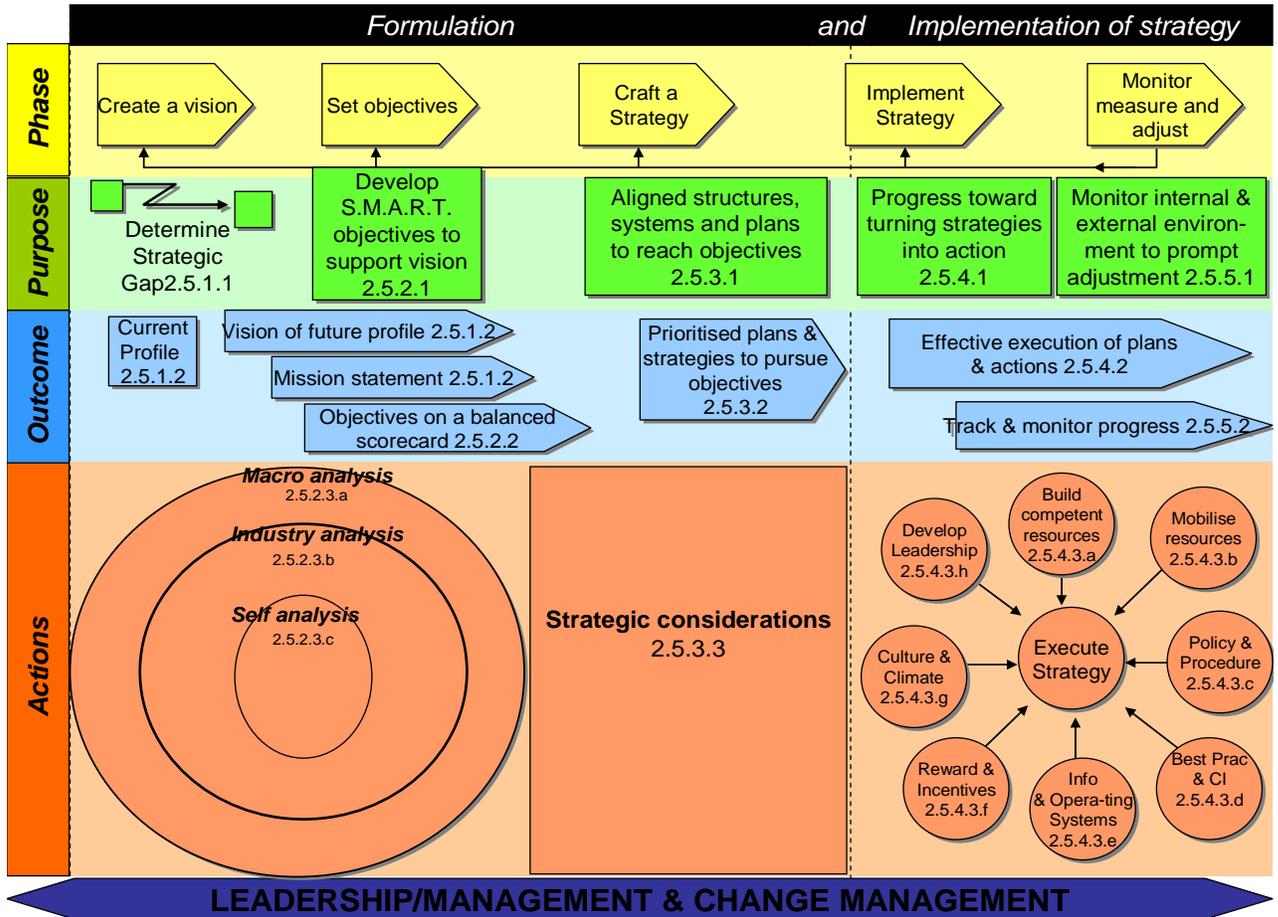
Figure 3: Schematic presentation of the strategic management process



(Source: Own compilation)

In figure 4 there is a reference to the different sections in which the components of the strategic management process will be discussed in this chapter.

**Figure 4: Reference to the different sections of the strategic management process**



(Source: Own compilation)

## 2.5.1 Develop a vision

### 2.5.1.1 Purpose of this phase

The main purpose of the formulation of a strategy is to describe where the organisation is today and where it should be tomorrow. The difference between the present situation and the desired future state is the strategic gap (Kotze, 2007:10). The purpose of this first phase of strategic management is to identify the strategic gap. The setting of an inspiring vision, and the understanding of the gap between the current state and the desired future state is not a new concept. In Nehemiah 1:3 the then undesirable current state is

described: “Things are not going well for those who returned to the province of Judah. They are in great trouble and disgrace. The wall of Jerusalem has been torn down, and the gates have been destroyed by fire.” Later in Nehemiah 2:17 the following vision statement was formulated: “Let us rebuild the wall of Jerusalem and end this disgrace.” In Nehemiah 2:18 it is described how a core group bought into the vision: “Yes, let’s rebuild the wall!”

### ***2.5.1.2 Outcome of this phase***

The first outcome of this phase is an effectively worded vision that will be used to mobilise and guide the organisation. According to Thompson *et al.* (2007:22), the characteristics of an effectively worded vision are:

- Graphic: It paints a picture of the kind of organisation it will be in the future.
- Directional: It is forward looking and describes the course for the future.
- Focused: It is specific enough to give guidance in making decisions and allocating resources.
- Flexible: It is not a once-and-for-all statement. It may be adjusted as and when external environmental changes take place.
- Feasible: It must be reasonable so that, with focused effort, the organisation can achieve this future state.
- Desirable: It must make good sense to the stakeholders.
- Easy to communicate: It is easy to explain it in a few minutes, and can often be quoted as a memorable slogan.

A vision is defined by Dess *et al.* (2008:24) as a goal that is massively inspiring, overarching and long term, and it represents a destination that is driven by and evokes passion. David (2005:54) states that a vision answers the question “what do we want to become”. According to Coetsee (2003:35), a vision consists of two interrelated sub factors. Firstly, goals, which focus on “what do we want to achieve, the dreams and ideals for which we strive”. Secondly, values that give direction to the principles of “how we are going to achieve it”. The purpose of a strategic vision is to point an

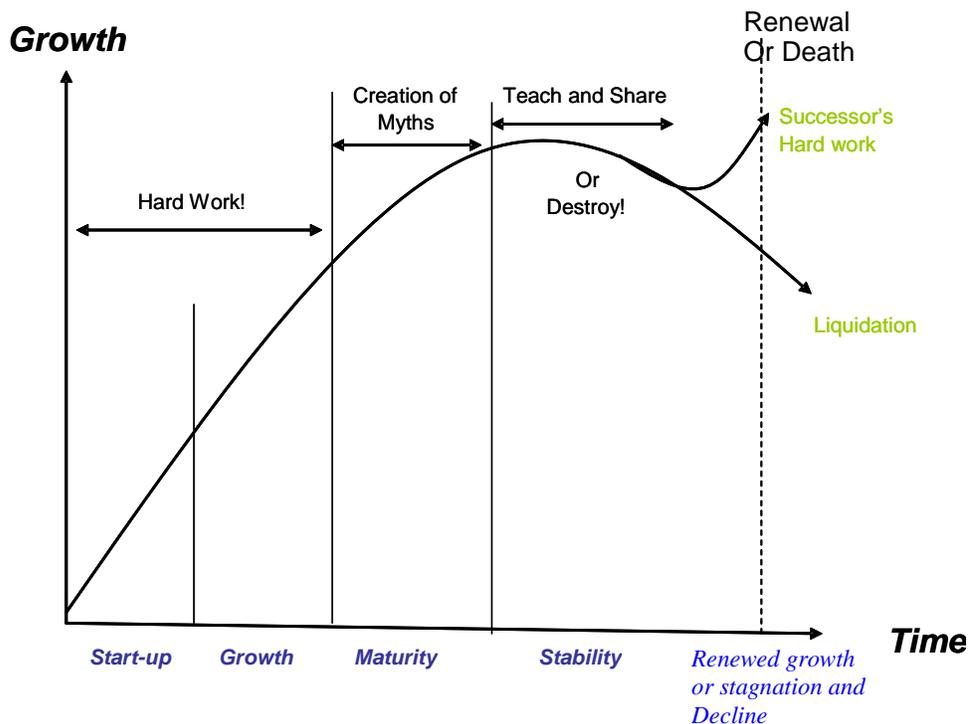
organisation in a particular direction, charts a strategic path, and moulds organisational identity. A clearly articulated vision communicates the organisation's aspirations and helps steer the energy of an organisation's personnel in a common direction (Thompson *et al.*, 2007:20). De Klerk (2007:8) states that a well articulated vision of a congregation acts like glue keeping people together, acts like a magnet attracting members as well as outsiders to the congregational goals, and acts like a measuring stick to measure whether they are progressing towards their goals. The purpose of this phase is to get clarity on "where the organisation is currently" and "where is the organisation heading to into the future". This is in line with the life principle stated by Covey (2004: 95) to "begin with the end in mind".

The second outcome of this phase is a mission statement. While the vision statement set the organisation's future course, the mission statement clarifies the organisation's present business purpose and reason for existence. The mission describes "who we are, what we do, why we are here" (Thompson *et al.*, 2007:24). Sometimes called a creed statement, a statement of purpose, statement of beliefs, a statement of business principles, or a statement of "defining our business", a mission statement reveals what an organisation is and whom it wants to serve (David, 2005:53). Very few successful organisations' mission statements identify profit as the purpose of the firm. Profit maximisation fail to motivate a large number of stakeholders such as clients, employees and customers (Dess *et al.*, 2008:24). Ideally, a company's mission statement is sufficiently descriptive to identify the company's products/services, specify the buyer's needs it seeks to satisfy, the customer groups or markets it is endeavouring to serve, and its approach to pleasing customers (Thompson *et al.*, 2007:24). **Annexure B** listed some examples of vision and mission statements of various organisations.

One of the building blocks of designing the journey into the future is to answer the question: What is the company's current situation? The third outcome of this phase of the strategic management process is to accurately describe the company's current profile, and thereby indicating the strategic gap between current state and desired future state (Kotze, 2007:9). Thompson *et al.* (2007:18) quote Abraham Lincoln: "If we know where

we are and something about how we got there, we might see where we should be trending”. By looking honestly at the current state, leadership already starts to identify aspects in the organisation that are not satisfactory, and need to be addressed in the strategy (Daniell, 2004:11). In an honest and diligent effort to determine the truth of your current situation, the right decisions about the future often become self-evident (Collins, 2001:88). Timmons and Spinelli (2003:276) highlight the need to understand the growth stage of any organisation. Like a human being, who has different needs at different stages of its growth, so does the needs of an organisation in terms of management, resources and future prospects change over time. The following is a schematic presentation of the different stages of growth of any organisation.

**Figure 5: The growth stages of an organisation**



(Source: Timmons and Spinelli (2003:276))

Kotze (2007:15) indicates that an organization’s current performance in the following areas must be described as part of the current profile:

- Products and services of the organisation
- Markets

- Technology
- All resources, including human, financial, physical
- Recognised trade unions
- Suppliers Competitors
- Culture

### ***2.5.1.3 Action steps to be executed during this phase***

Strategic planning is one of the most important jobs of the Chief Executive Officer and his team. They cannot delegate that to staff or support officials (Flanagan & Finger, 2006:305). If senior management don't take strategic perspectives continually, their organizations are likely to make major mistakes and miss opportunities (Stern & Deimler, 2006:192). Although senior management has the accountability for strategic planning, it should be an inclusive process. They must involve as many managers and key leaders as possible in the strategic planning process, because through involvement people become committed (David, 2005:55).

During this phase of strategic planning it is common practice to hire external consultants to facilitate the discussions and to manage the process. An outside person with expertise in developing mission and vision statements, who has unbiased views, can manage the process more effectively than an internal group (David, 2005:55). The external consultant will only act as facilitator of the process, and cannot relieve management of the responsibility or accountability for the formulation or the implementation of the strategy (Flanagan & Finger, 2006:584).

Although the crafting of the vision and mission must be an inclusive process by involving as wide a group of leaders as possible, it is not practical to involve everybody in the organisation during the debating, exploring and crafting the vision and mission. Therefore, to effectively communicate the vision and mission throughout the organisation is very important. Strategic visions became real only when the vision statement is imprinted in the minds of all organisation members (Thompson *et al.*, 2007:25). A

proper communication strategy to make the vision and mission statement imprinted in the minds of the organisation members should therefore be launched.

The analysis of the current profile, developing of the mission and vision statements, and the transparency of the strategic gap sets the scene for the rest of the strategic planning process.

## **2.5.2 Set objectives**

### ***2.5.2.1 Purpose of this phase***

The managerial purpose of setting objectives is to convert the strategic vision into specific performance targets (Thompson *et al.*, 2007:29). Stern and Deimler (2006:227) quote Bill Hewlett, cofounder of Hewlett-Packard, as stating: “What gets measured gets done”. These objectives provide the basis for designing and organising activities to be performed. This provides direction and allows for organisational synergy (David, 2005:158). The objectives are normally set in a top-down process. The objectives of the organisation as a whole in support of the vision are set firstly. Then it is cascaded down to the different units or departments in the organisation to set their objectives, which must be aligned with the organisational objectives. Executing it in this top-down method contributes to alignment and cohesion among objectives and strategies of the different parts of the organisation. Furthermore it helps unify internal efforts and create synergy to move the company as a unit along its chosen strategic path (Thompson *et al.*, 2007:35). David (2005:199) quotes Peter Drucker: “Objectives are not commands; they are commitments. They do not determine the future; they are the means to mobilise resources and energy of an organisation for the making of the future.”

### ***2.5.2.2 Outcome of this phase***

The outcome of this phase should be a set of objectives for the organisation as a whole that will be used as a guideline for the objective setting of individual departments in the

company as well as a yardstick to measure progress toward achieving the long-term vision. Dess *et al.* (2008:29) argue that for a set of objectives to be successful, they must adhere to the SMART principle:

- Specific: The objective must provide a clear message as to what needs to be accomplished.
- Measurable: The objective must be measurable of progress and final achievement.
- Appropriate: Objectives must be consistent and support of the vision and mission.
- Realistic: The objective must be achievable, given the organisation's environment, abilities and timeline set to achieve. In essence, it must be challenging but doable.
- Timely: There needs to be a time frame for accomplishing the set objective.

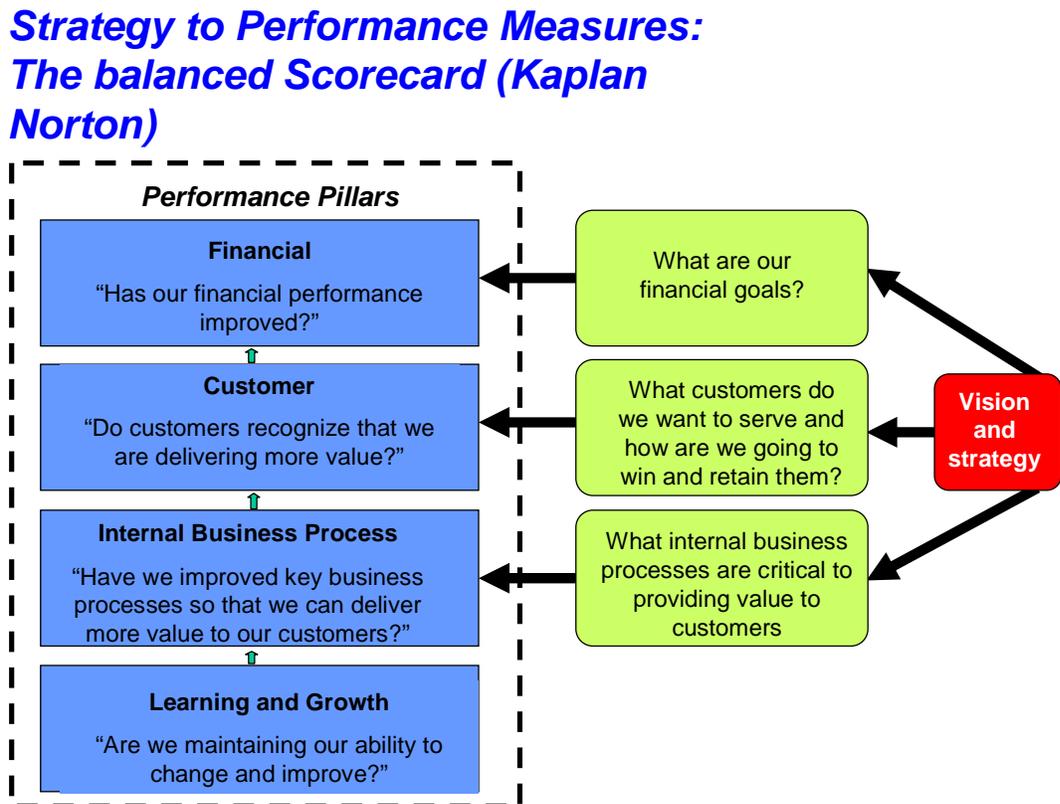
A pure focus on profit as the only objective is no longer appropriate in the 21<sup>st</sup> century. Corporate scandals, corruption, job insecurity, environmental damage and a lack of customer care are only some of the factors necessitating a set of balanced objectives to be pursued in order to be sustainable, and not only financial objectives (Daniell, 2004:81). The objectives should have a long-term focus, from which short-term milestones must be derived. Without long-term objectives, an organisation would drift aimlessly toward some unknown end (David, 2005:159).

An organisation's financial performance measures are really *lagging indicators* that reflect the results of past decisions and organizational activities. But past financial performance is not a reliable indicator of future prospects. The best and most reliable *leading indicators* of a company's future prospects are strategic outcomes that indicate whether the organisation's competitiveness and market position are going to be stronger or weaker (Thompson *et al.*, 2007:32).

To ensure a well-balanced strategy, a balanced scorecard methodology can be employed. Professors Robert Kaplan and David Norton at the Harvard Business School developed the balanced scorecard methodology (David, 2005:159). The balanced scorecard consists

of an integrated set of performance measures that are derived from and support the organisation's strategy throughout the entire organisation (Garrison *et al.*, 2006:449). If the balanced scorecard is correctly constructed, the performance measures should be linked together in a cause-and-effect basis. Therefore one of the advantages of the balanced scorecard methodology is that it continuously tests the underlying theories of the strategy the organisation is employing. This methodology is widely used globally, including non-profit and government organisations such as U.S. Department of Defence, Duke Children's Hospital and the University of California (Thompson *et al.*, 2007:32). The illustration in **figure 6** describes the basis of the balanced scorecard.

**Figure 6: Components of a Balanced Scorecard**



(Source: Thompson *et al.*, 2007:32)

*Financial* perspectives are those financial measures that are the key to sustainable success. Depending on the type of organisation, it will be measures such as operating profit, return on capital, sales growth or cost of production (APT, 2008:15).

*Customer* perspectives are those outcomes that must be achieved that are most important from a customer's perspective, to reach the vision. These measures typically include core or generic measures such as customer satisfaction, customer retention, or market share in the targeted market (APT, 2008:15). Without satisfied customers, the financial objectives would not be reached.

The *internal business process* perspectives are focussed on the internal business processes that will have the greatest impact on customer satisfaction and achieving the organisation's financial objectives (APT, 2008:19). Each business has its own set of processes creating value for customers and producing results. Depending on the type of organisation, the typical measures can be stability of plant operations, queuing or cycle-time. The internal business processes should be focussed on delivering the desired products and services to the customer in the most cost efficient way.

The *learning and growth* perspective focus on the technologies and capabilities that must be developed to meet the future needs of the organisation. Organisational learning and growth come from three principle sources, namely people, systems and procedures. Typical measures can be employee training, employee retention or employee satisfaction objectives (APT, 2008:20).

Organisations cannot do too many things simultaneously because resources and talents get spread too thin, leading to less than optimal outcome (David, 2005:162). Having 25 independent measures will be too complicated, and will leave the organisation confused. The objectives on the scorecard must be the manifestation of a single strategy, and should focus on a manageable number of items. The integrated system of measures should be linked in a cause-and-effect relation that describes the flight plan towards achieving the vision (APT, 2008:21). This implies that all the perspectives should be present and

successfully attended to in order for the organisation to reach its vision. These four perspectives can be seen as the pillars on which the successful achievement of the vision is build.

The four perspectives of the balanced scorecard should be considered a template, not a straightjacket. Companies rarely use fewer than four perspectives, but depending on the industry and business, a few perspectives might be added (APT, 2008:23). Of importance is that the objectives set out on the scorecard should convert the vision into specific performance targets; results and outcomes the organisation must achieve successfully in pursuit of its vision (Thompson *et al.*, 2007:29).

As is the case with the first phase, the process of setting and quantifying the objectives must be an inclusive process. It is flawed thinking to view setting objectives as something only high-level managers do. Objective setting should be a collaborative team effort, including leaders at various levels in the organisation, as well as key employees down through the whole organisation (Thompson *et al.*, 2007:37). The communication plan of the objectives right through the organisation must be drawn up and implemented. Leadership must ensure that people understand the measure as well as the rationale behind the measure. Too often people are told the “what” without the “why” (Stern & Deimler, 2006:239).

### ***2.5.2.3 Action steps to be executed during this phase***

Analysis is the critical starting point of strategic thinking (Thompson *et al.*, 2007:48). For this reason, there are lots of analyses that must be performed to reach the point of defining the organisation’s objectives. Also in this phase it is recommended to make use of an external consultant to guide the leadership through the thinking process. This allows for the best facilitation techniques to be applied. It also eliminates the distortion due to internal politics, hidden agendas and subjective pet topics from senior managers (Flanagan & Finger, 2006:584). The analysis starts with an analysis of the macro-environment. Thereafter, the focus is narrowed down to the operating environment,

which is the industry the organisation is participating in. Thereafter the analysis is narrowed down even further to the enterprise itself (Kotze, 2007:10).

*a) Analysis of the macro environment*

Strategies should not be developed in a vacuum. They must be responsive to the external environment. If not, your company can become the most efficient producer of buggy whips, leisure suites or slide rules (Dess *et al.*, 2008:37)! The main purpose of macro environmental scanning is to raise the consciousness of the organisation's leadership to developments that might impact the organisation (Thompson *et al.*, 2007:48). A number of checklists have been developed as ways of cataloguing the vast number of possible issues that might affect the organisation and its industry. A political, economical, social and technological (PEST) categorization is one of the frameworks often used as a template to guide the analysis (Quickmba, 2009). David (2005:77) identifies the following as key variables typically considered under each of the headings:

- Political: change in laws and regulations, political actions and trends, number and severity of protests, level of defence expenditure.
- Economical: interest rates, inflation rates, gross domestic product, stock market trends, consumer spending rates, unemployment rates, availability of credit, globalisation.
- Social: Immigration and emigration rates, life expectancy, racial equality, levels of education, gender roles, social security, social programs.
- Technological: telecommunication developments and products, price trends on technology, e-commerce trends.

Dess *et al.* (2008:39) states that the analysis should include two perspectives. Firstly, it should include environmental scanning, which entails surveillance of the external environment to predict changes and detect changes already underway. Secondly, it should include environmental monitoring, which entails tracking of trends, sequence of events and activities that might indicate important information to the organisation.

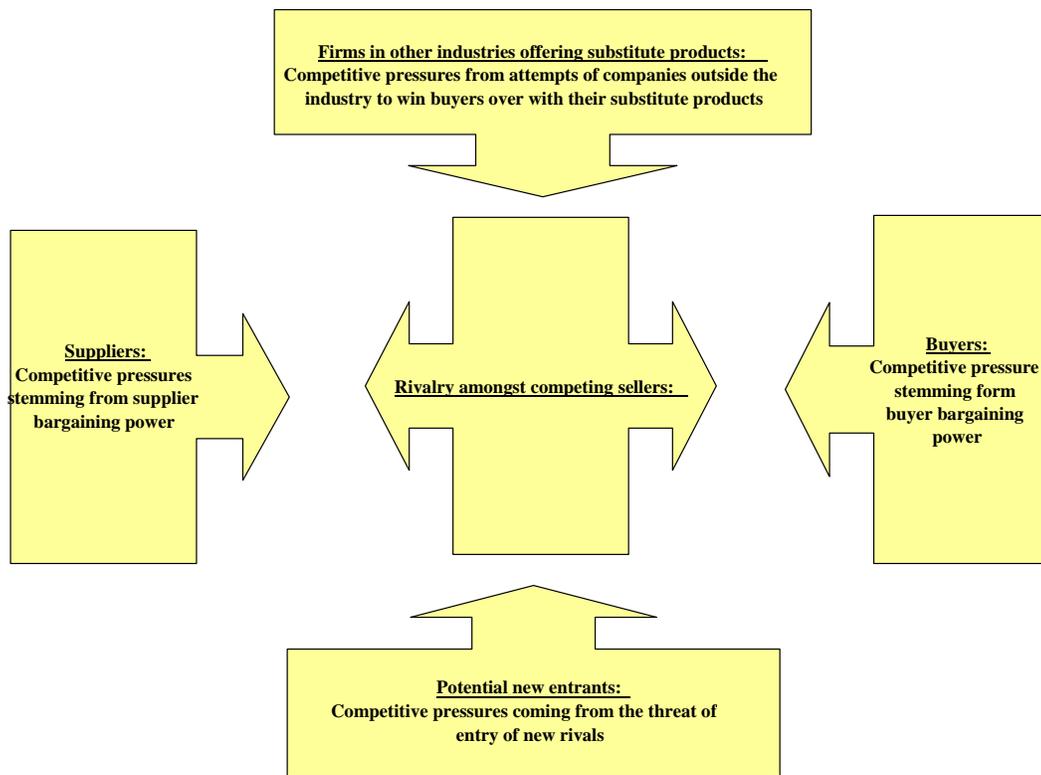
Kotze (2007:41) proposes scenario thinking on the different variables. Given certain assumptions, management should observe the linkage between the political, economical, social and technological variables, thereby attempting to describe probable future scenarios with strategic implications on your organisation.

*b) Analysis of the operating environment*

To gain a thorough understanding of a company's industry and competitive environment, managers need not spend unnecessary time gathering and digesting information. Analysis based answers to the following seven questions will provide managers with the understanding needed to craft a strategy that fits the environment (Thompson *et al.*, 2007:52).

- What are the industry's dominant economic features? Getting an understanding of what the industry landscape is like, not only sets the stage for analysis to come, but also promotes the understanding of the kinds of strategic moves the industry members are likely to employ. Items to consider in describing the dominant economic features are factors such as market size, number of rivals, life cycle of the products, economics of scale, global competition, learning curve effects and capital requirements (Thompson *et al.*, 2007:53).
- What kind of competitive forces are the industry members facing? The "five forces" model developed by professor Michael E Porter is the most commonly used analytical tool for examining the competitive environment. It describes the competitive environment in terms of five basic competitive forces (Dess *et al.*, 2008:52). **Figure 7** provides a descriptive picture of the forces.

**Figure 7: The Five Forces model of competition**



(Source: Dess et al., 2008:52)

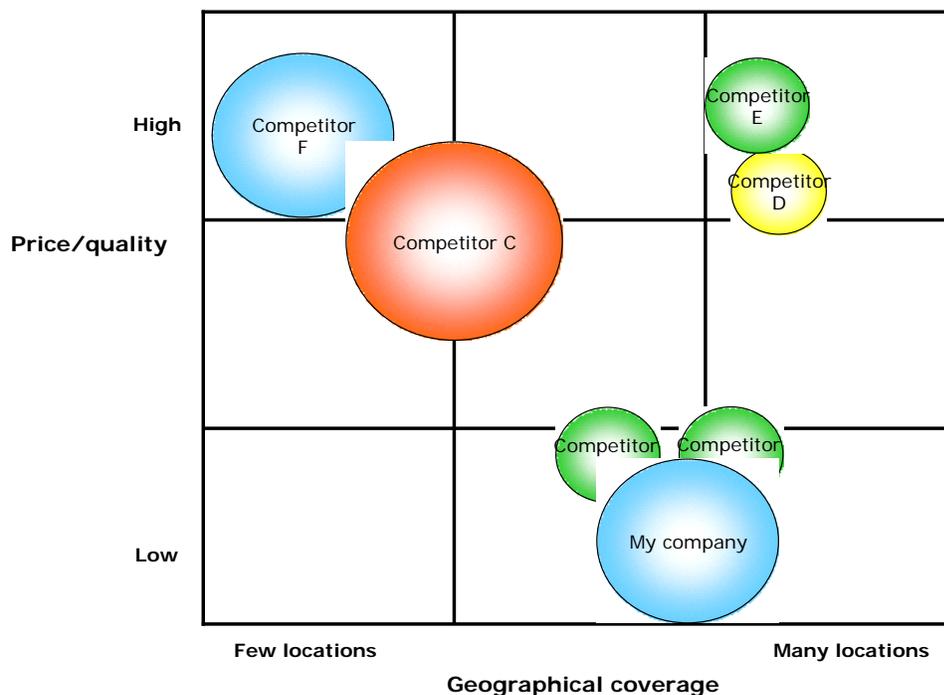
The way to use the five-force model to determine the nature and strength of competitive pressure in a given industry is by building the picture of competition in three steps. Firstly, identify the specific competitive pressures associated with each of the five forces. Then evaluate how strong the pressures comprising each of the five forces are. Lastly, determine whether the collective strengths of the five forces are conducive to still be in the industry (Thompson et al., 2007:54).

- What factors are driving industry changes and what impacts will they have? Industry conditions change because important forces are driving industry participants to alter their actions. The driving forces in an industry are those major underlying causes of change in the industry and competitive conditions. Driving force analysis has three steps. Firstly, the forces that drive behaviour

must be identified. Secondly, assess whether these driving forces still make it attractive to be in the industry. Lastly, determine what strategy changes are needed to prepare the organisation for the effects of these driving forces. Most common driving forces are new internet capabilities and applications, globalisation, market innovation, regulatory influences, counterfeiting and entry or exit of major firms (Thompson *et al.*, 2007:74).

- What market positions do rivals occupy? Since competing companies commonly sell in different price and quality ranges, through different channels, have different geographical coverage and so on, it stands to reason that all have different competitive positions. Understanding which companies are strongly positioned and which weakly positioned, as well as where your own company is positioned, is an integral part of analysing the industry and crafting strategy (Thompson *et al.*, 2007:81). **Figure 8** is an illustrative example of a strategic group map.

**Figure 8: A strategic group map**



(Source: Thompson *et al.*, 2007:81)

Understanding which rivals are similarly positioned and therefore close rivals and which are distant rivals assist in deciding where “the best” place to be on the map is.

- What strategic moves are competitors likely to make? Unless a company pays attention to what competitors are doing and knows their strength, weaknesses and plans, it ends up flying blind into the competitive battle (Thompson *et al.*, 2007:85). Dess *et al.* (2008:40) defines competitive intelligence as a firm’s activities of collecting and interpreting data on competitors, understanding their strengths, weaknesses and objectives. Activities should be done within good ethical conduct and should not be spying. Up to 90% of information needed for a proper competitor assessment is available in the public domain, such as annual reports, advertisements, press releases, analyst reports and industry experts (Quickmba, 2009).
- What are the key success factors (KSF) for future competitive success? KSF are those six or seven product attributes competencies, capabilities or market achievements with the greatest impact on future success in the market. KSF can be technology related, such as unique production methods, marketing related, such as clever advertising, distribution related, such as direct sales capabilities, or many other attributes. KSF are by nature so important that all firms in the industry must pay close attention to them, or risk becoming part of history (Thompson *et al.*, 2007:87). Becoming distinctively better than rivals on two or three of the KSF can create a competitive advantage for the company (Kotze, 2007:51). But being weak at any of the KSFs can undo all the good of the other well-executed items. Correctly diagnosing an industry’s KSF raises a company’s chances of crafting a sound strategy.
- Does the outlook for the industry present the company with an attractive opportunity? The final step in evaluating the industry is to decide whether the industry offers sufficient opportunity to still be in it. Factors such as growth potential, life cycle stage of the product or service, degrees of inherent risk and possible regulatory issues are things that can make an industry unattractive.

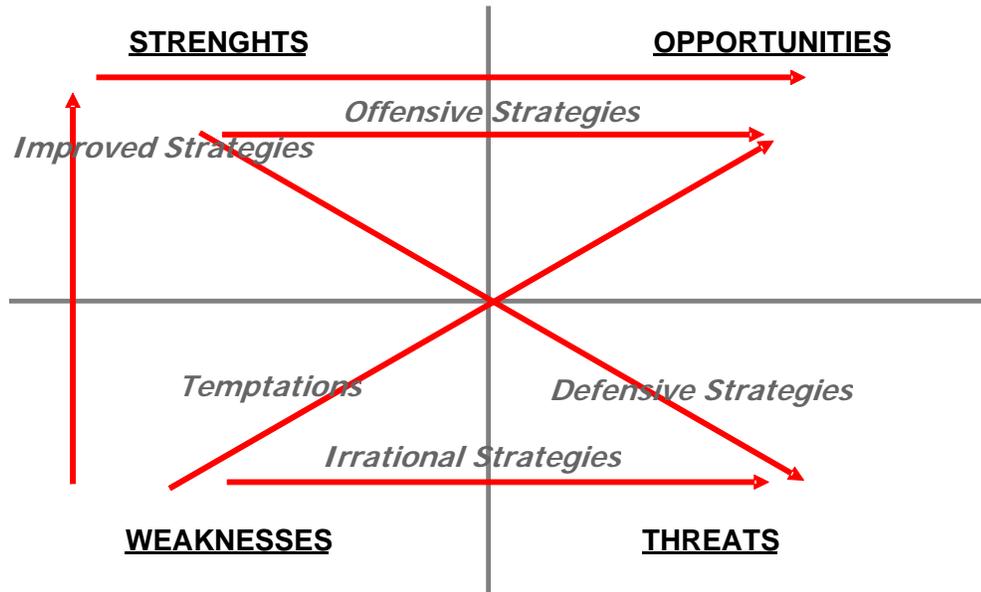
Conclusions regarding industry attractiveness are a major driver of the company's strategy (Thompson *et al.*, 2007:82).

*c) Analysis of the enterprise itself*

Thompson *et al.* (2007:95) propose four analytical tools to be used to analyse the organisation's internal environment, namely the strength-weakness-opportunity-threat (SWOT), the value chain analysis, benchmarking and competitive strength assessment.

- SWOT analysis. This analysis has been a framework of choice among many managers for a long time because of its simplicity and its portrayal of the essence of sound strategy formulation (Quickmba, 2009). This essence is to turn the company's internal weaknesses into internal strengths, and to use these strengths to capitalise on opportunities that the environment brings, and to defend the threats that the external environment poses (Dess *et al.*, 2008:44). Strengths are things that the company is good at, or an attribute that enhances its competitiveness. This includes items such as a powerful strategy, strong financial position, cost advantages and superior product quality. A weakness is something a company lacks or does poorly, or is a condition that puts it at a disadvantage. This includes items such as lack of skills, weak financial position, no clear strategy or high cost of production. Opportunities are circumstances in the external environment that can be exploited to the benefit of the organisation. It includes items such as rise in buyer demand, favourable economic conditions and the exit of rivals. Threats are factors in a company's external environment that poses a threat to the well being of the organisation. Threats stem from new technologies, new rivals entering the market, new regulations and unfavourable demographic shifts (Thompson *et al.*, 2007:106). **Figure 9** is a summary of the possible strategies stemming from the SWOT.

**Figure 9: SWOT analysis**

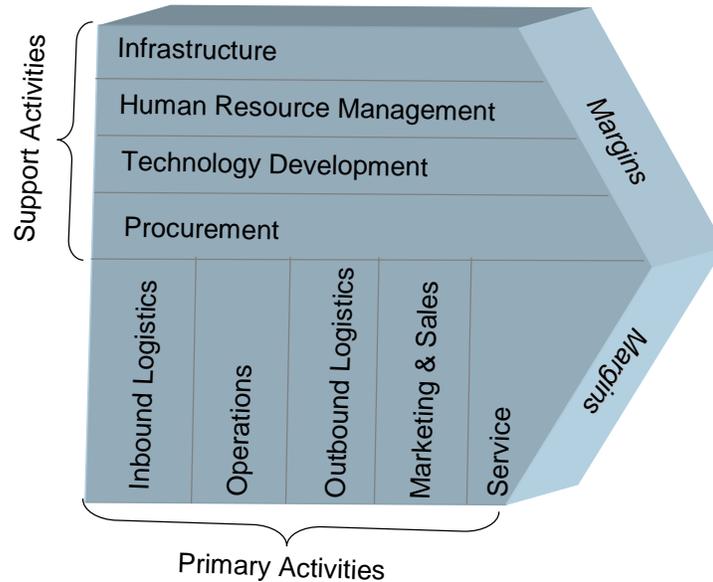


(Source: Own compilation)

- Value chain analysis (VCA). The ability of a company to understand its own capabilities and processes to satisfy the needs of the customer is a crucial component for crafting a successful strategy (Quickmba, 2009). With this purpose in mind, Michael Porter introduced the VCA as an analytical tool. The VCA views an organisation as a sequential process of value creating activities. Understanding the sequence of activities that creates value is useful in understanding the building blocks of competitive advantage (Dess *et al.*, 2008:76). It also reveals how the value chain activities are tied together to ultimately create value. In **figure 10** a typical example of a VCA is described, including the primary and supporting actions (Dess *et al.*, 2008:76).

**Figure 10: Value chain analysis**

Typical components of a Value Chain Analysis



(Source: Dess et al., 2008:76)

- Benchmarking. This is a tool that allows a company to determine whether its performance of a particular function or activity represents “best practice” when cost and effectiveness are taken into account. Benchmarking entails comparing how different companies perform various activities, and then make cross company comparisons on cost and effectiveness. The objective of benchmarking is to identify best practices in performing activities in order to learn from other. As an input into strategy formulation it is important to take note of areas where your own organisation is not performing well compared to others (Thompson et al., 2007:116). Dess et al. (2008:76) identifies two types of benchmarking. Firstly, competitive benchmarking restricts the search for best practices to companies in the same industry. Secondly, functional

- benchmarking endeavours to determine best practices regardless of the industry.
- Competitive strength assessment. In the competitive business world, it is important to understand your organisation's competitive strength. Information gained from the VCA and benchmarking is not sufficient enough. Thompson *et al.* (2007:122) proposes a four-step process to determine your organisation's overall competitive strength. Step one is to list all the KSF of the industry. Step two is to rate all the major competitors in the industry against these KSFs. Step three is to add all the scores of the companies rated. Step four is to draw conclusions about your organisation's competitive advantage or disadvantage. This information is important inputs to strategy formulation. It can assist in deciding on an offensive or defensive strategy, as well as in what areas to focus.

The organisations informed sensitivity to the above analysis is a starting point for making strategic choices and the crafting of a strategy (Ungerer, 2009:14). It is the task of leadership to get a clear fix on what strategic and competitive challenges confront the company, which of the company's shortcomings need fixing, how to address obstacles in improving its position in the market, and what specific issues merit front-burner attention from management (Thompson *et al.*, 2007:125).

### **2.5.3 Craft the strategy**

#### ***2.5.3.1 Purpose of this phase***

Thompson *et al.* (2007:2) quote Jack Welch, well known former CEO of General Electric as saying: "Strategy means making clear-cut choices about how to compete", and Sharon Oster, professor at Yale University, as saying: "A strategy is a commitment to undertake one set of actions rather than another". A perception exists that a well-run company should be able to beat its competitive rivals on all dimensions simultaneously. Taught by some management thinkers that they do not have to make trade-offs, management must be careful not to acquire a macho sense that to make trade-offs is a sign off weakness. Understanding the need for strategic choices is very important (APT, 2008:18). Business

success is a result of a number of factors combined to create positive conditions for the organisation (Ungerer, 2009:14). The purpose of this phase of strategic management is for leadership to make clear decisions on what the plan of action will be for the future in pursuit of its vision.

To make clear-cut choices on how to achieve the vision is not new. In Nehemiah 2:3-9 it is described how Nehemiah planned to achieve one pillar of the vision, namely to get safely to Jerusalem. Nehemiah also planned to achieve another pillar of his strategy, namely how to get access to the wood in the King's forest.

#### ***2.5.3.2 Outcome of this phase***

The outcome of this phase will be a chosen strategy on how to achieve the company's strategic objectives in pursuit of the vision. The plans and strategies should be a well-balanced focus on all the perspectives as indicated on the balanced scorecard.

Just as was the case with the previous two phases in the strategic management process, this phase must also be as inclusive as possible. Although external consultants will typically still guide and facilitate the discussions, managers and key employees from departments and divisions should be included in the strategy formulation (David, 2005:200). Another outcome of this phase should also be a communication and mobilization plan to introduce the different components on the chosen strategy to the whole organisation.

#### ***2.5.3.3. Action steps to be executed during this phase***

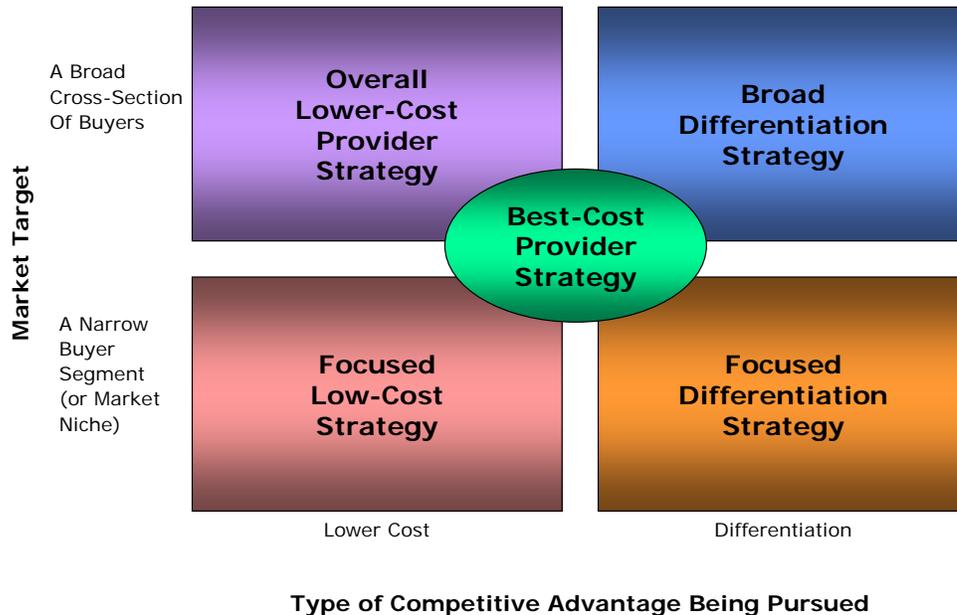
Armed with the information from the previous phases in the process, namely the vision, mission, strategic objectives, the analysis of the macro environment, the industry and the organisation itself, creative thinking is now necessary to craft the best strategy (David, 2005:200).

### *a) Positioning*

There are many strategies to create a competitive advantage for an organisation, but all will involve giving the customers what they perceive as superior value. Value for a customer might mean a good product at a lower price, a superior product that is worth paying more for, or a best value offering that represents an attractive combination of price, features, quality, service and attributes (Thompson *et al.*, 2007:133). A well-crafted strategy recognizes that trade-offs are necessary in the strategy. Trade-offs is necessary when activities are incompatible (Dess *et al.*, 2008:156). Offering a product cheaper than all competitors, but at the same time with more features than all competitors, is not compatible. When looking beyond the detail of various companies' strategy, the first basic difference is their positioning. Porter identifies five generic strategic approaches to stake out a market position from which an organisation must choose to build its strategy upon (Thompson *et al.*, 2007:134). **Figure 11** illustrates the five positions.

**Figure 11: Market positions**

**The Five Generic Competitive Strategies:  
Each Stake Out a Different Market Position**



(Source: Thompson *et al.*, 2007:134)

A *broad low cost provider* strategy strives to achieve lower overall costs than rivals and appealing to a broad spectrum of customers, usually by under-pricing rivals. Successful low-cost leaders are exceptionally good at finding ways to drive costs out of their business. This strategy typically occurs when products of rival sellers are essentially identical and there are many suppliers of the product (Thompson *et al.*, 2007:143).

A *focused (or niche) low cost* strategy concentrates on a narrow buyer segment and out compete rivals by having lower prices available to serve the well defined market segment. This strategy typically occurs when a large industry leader oversees, or is not interested in the specific niche, but the niche is large enough for your organisation to serve (Thompson *et al.*, 2007:154).

A *broad differentiation* strategy seeks to differentiate the company's product offering

from rivals in ways that will appeal to a broad spectrum of buyers. Differentiation of the organisation's product can take many forms, such as durability of product, ease of use, reliability, status or image (Thompson *et al.*, 2007:146). This strategy typically occurs when buyer needs are diverse, and there are many ways to differentiate the product.

*A focused (or niche) differentiation* strategy concentrates on a narrow buyer segment and out compete rivals by customized attributes of the product that meets the requirements and preference of the well defined market segment. This strategy typically occurs when a large industry leader oversee, or are not interested in the specific niche, but the niche is large enough for your organisation to serve (Thompson *et al.*, 2007:154).

*A best-cost provider* strategy aims at giving customers more value for their money by incorporating good-to-excellent product attributes at a lower cost than rivals. A best cost provider strategy works best in markets where buyer diversity makes product differentiation the norm but where buyers are also sensitive to price (Thompson *et al.*, 2007:151).

By not clearly making strategic decisions on the company's product offering strategy, a company runs the risk of "getting stuck in the middle" of the strategic choices. This will leave them not satisfying any of the targeted market segments (Quickmba, 2009).

Once a company has settled on which of the five generic strategies to employ, attentions turn to what other strategic actions it can take to complement its choice of a basic competitive strategy. Several options should be considered and choices must be made (Thompson *et al.*, 2007:161). Listed below are some of the well-known items.

#### *b) Strategic alliances and joint ventures*

A strategic alliance is a formal agreement between two or more separate companies in which there are strategically important collaborations of some sort, such as joint research, development of new technology or joint distribution channels. As an example, Toyota

has strategic alliances with many of its automotive part suppliers (Thompson *et al.*, 2007:161). Joint Ventures represent a special type of alliance, wherein the partnering firms contribute equity to form a new legal entity (Dess *et al.*, 2008:214).

*c) Mergers and acquisitions*

These strategic options should be considered where strategic alliances or joint ventures do not go far enough in providing a company with the access to needed resources or capabilities to pursue its vision (Thompson *et al.*, 2007:161). With acquisitions, one firm buys another firm either through the issuing of shares, cash or insurance of debt. Mergers, on the other hand, entail a combination or consolidation of two firms to form a new legal entity (Dess *et al.*, 2008:210).

*d) Outsourcing*

This strategy is the moving of some of the non-core activities of the company to outside service providers, allowing the company to focus more attention on its core-activities (Chase *et al.*, 2004:372). This strategic choice is often considered when outsiders can perform these non-core activities, such as distribution or administration activities, better or cheaper than the company itself, leaving it better off just acquiring the service from the outside service provider (Thompson *et al.*, 2007:175).

*e) Internet strategies*

One of the biggest strategic issues facing organisations across the world today is the decision on what role the internet should play in the organisation's competitive strategy. Should a company only use the web as means of disseminating product information, as a secondary channel for selling its product, or as the only channel to sell its product (Thompson *et al.*, 2007:183)? In addition to this, the internet can be used to compare product information when purchasing. The company can also make use of the internet to capture a niche market that may have been previously inaccessible. As part of strategy

formulation, strong leadership is needed to maintain a birds' eye perspective of the overall approach and strategy toward the use of the multiple dimensions offered by the internet (Dess *et al.*, 2008:175).

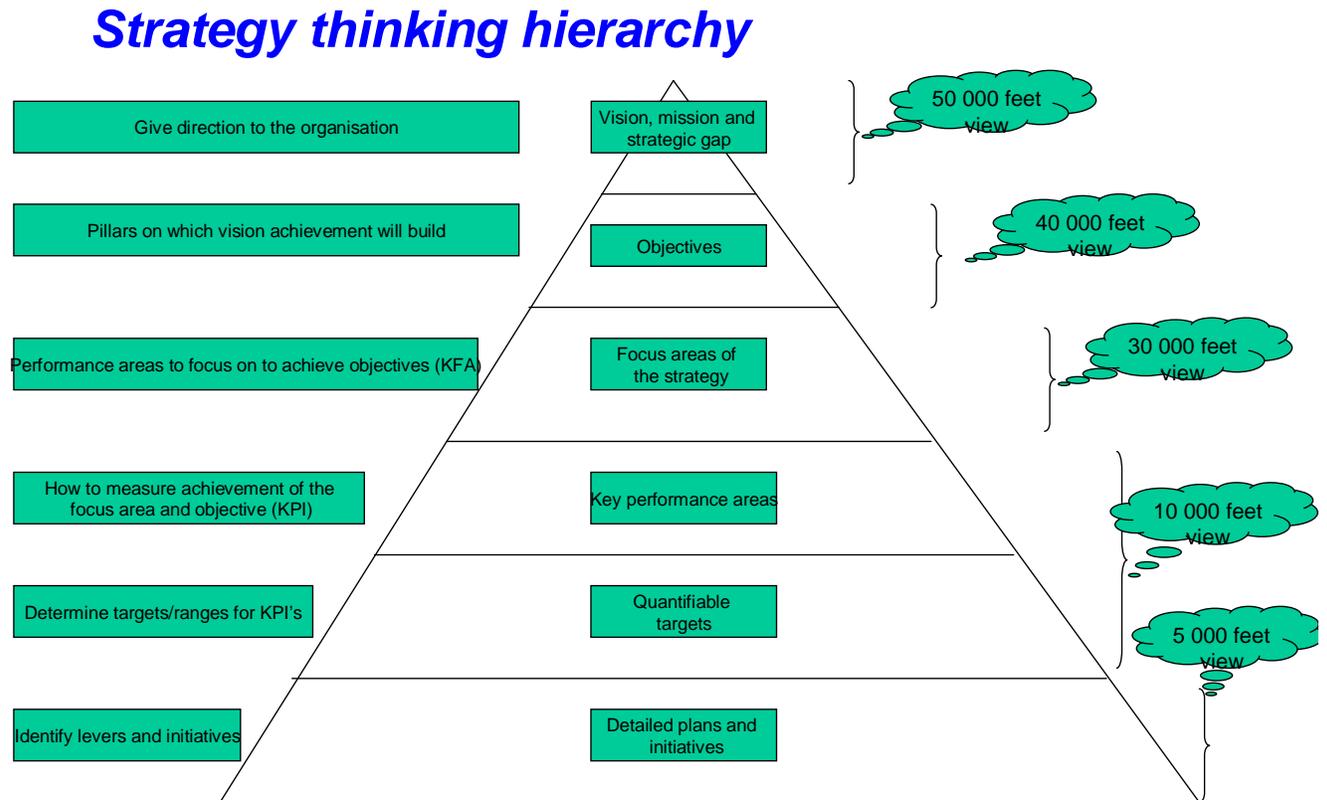
*f) Decide on overall strategy*

In the process of setting a strategy, there is no discipline more important than paying full attention to priorities. Given the complexity of the 21<sup>st</sup> century, it is absolutely essential to identify and select the right actions and investments to support the chosen strategy, and to focus resources and energy on them (Daniell, 2004:58). Formulating the strategy does not end when objectives for the future strategic path has been determined. These objectives need to be broken down into specific performance targets (Thompson *et al.*, 2007:34).

The balanced scorecard, as introduced in section 2.5.2.2. should be developed completely. For each of the components on the balanced scorecard, three to five prioritised objectives, or key performance areas (KPA), should be identified. A KPA is an individual management result that has high value to the organisation in terms of its strategic plan, as well as in terms of the demands placed upon the organisation by the key success factors of the industry in which it operates.

Dess *et al.* (2008:29) indicated that each objective must adhere to the SMART criteria. Measurable means that there must be at least one indicator or yardstick that measures progress against fulfilling the objective. One or more key performance indicator (KPI) will measure each one of the KPAs. They measure, usually in some form of combination of quantity, time, quality or cost, the ongoing performance of each KPA against set milestones or outcomes (Flanagan & Finger, 2006:309). This will act as a yardstick to measure progress toward achieving the objective. Because starting with the end in mind, as well as the fact that prioritising is so important when crafting a strategy, the things should not be done out of sequence. The “thinking hierarchy” for the crafting of a strategy can be displayed as follows:

Figure 12: The strategy thinking hierarchy



(Source: Own compilation)

g) Alignment of strategy to all departments

The strategic planning process ends with a link to lower-level planning processes with the setting of divisional and departmental targets and the formulation of strategy guidelines (Flanagan & Finger, 2006:309). In many respects, the nature of a division or departmental strategy is dictated by the choices of the overall company strategy. A business pursuing high-end broad differentiation strategy needs a Production Department strategy that is geared up for superior quality and a marketing strategy aiming at touting the differentiating features of the product. The functional or divisional strategy must enhance the company's higher-level strategic thrusts (Thompson *et al.*, 2007:187).

Although the overall company strategy set the direction and guidance for the functional strategy, they must go through very much the same process of formulating their strategy than the process describes for the company. They will also set a vision and mission, determine objectives, and do all the analysis such as the macro environment analysis and internal SWOT, but with the difference that they will focus on the world of the specific department (Kotze, 2007:17).

Especially at the departmental level, it is important not to confuse setting strategy with operational effectiveness. Although the quest for productivity has resulted in large operational improvements, many companies have been frustrated by their inability to translate those gains into a sustainable competitive advantage. Operational effectiveness, as well as a well-crafted functional strategy, is necessary to create a sustainable competitive advantage (APT, 2008:6).

## **2.5.4 Implementation of the strategy**

### ***2.5.4.1 Purpose of this phase***

The formulation of strategy, as described in the previous three phases, is essentially an intellectual process, involving a lot of analysis and creative thinking. But to take it from paper to reality is always the difficult step (Wiebes *et al.*, 2007:247). Even the most technically perfect plan will serve little purpose if it is not implemented. A technically imperfect plan that is implemented well will achieve more than the perfect plan that never gets off the paper on which it is typed (David, 2005:242). The purpose of this phase in the strategic management process is to turn the formulated strategy into action, and thereby moving towards achieving the objectives to realize the vision.

### ***2.5.4.2 Outcome of this phase***

Successful strategy formulation does not guarantee successful strategy implementation.

To do something (strategy implementation) is often more difficult than to say you are going to do it (strategy formulation) (David, 2005:242). Senior executives cannot simply direct subordinates to abandon old ways and take up new ways, and they certainly cannot expect the needed actions and changes to occur in rapid-fire fashion. Strategy execution is not the domain of a few, but should equate to the contribution of all in the organisation (Ungerer, 2009:14). Some team members may be sceptical about the merits of the strategy, or perceive it as threatening to their departments or careers. Moreover, different team members may interpret the new strategy differently or have different ideas on what is needed to implement it (Thompson *et al.*, 2007:360).

Like formulating the strategy, executing the strategy is not a job only for a few senior managers. Broad participation right through the organisation is required. All employees are participants in the strategy execution phase, therefore it requires a real team effort (Thompson *et al.*, 2007:360). To facilitate and initiate the implementation of the strategy in the organisation, many organisations form a specific implementation team (Daniell, 2004:264; Wiebes *et al.*, 2007:231). The outcome of this phase is an organisation where there is enough enthusiasm for the strategy and in which the implementation is a company wide crusade (Thompson *et al.*, 2007:361). All actions and decisions in the organisation should flow from an informed perspective (Ungerer, 2009: 14).

#### ***2.5.4.3 Action steps to be executed during this phase***

Strategy formulation concepts and tools do not differ greatly for small, large, profit or non-profit organizations. However, strategy implementation varies substantially among different organizations (David, 2005:242). Hence, there is no definite managerial recipe for successful strategy implementation that cuts across all company situations and all types of strategies. Despite the need to tailor a company's strategy execution approaches to the particulars of the situation, Thompson *et al.* (2007:361) identified eight managerial tasks that are generic to successful implementation:

*a) Task 1: Building an organisation capable of good strategy execution.*

Proficient strategy execution depends heavily on competent, better-than-average competitive capabilities and effective internal organisation. Daniell (2004:266) points out that one of the first steps in implementation of strategy is to identify the gaps between the resources demanded for strategy implementation and the available resources. Building an organisation capable of executing the strategy is thus high priority. Thompson *et al.* (2007: 363) identify three organisational building actions that are paramount for ensuring the right capability.

Firstly, staffing the organisation with the right personnel. This involves putting together a strong leadership team, with skilled people to “make things happen” in key leadership positions. It also involves the recruiting and retention of key personnel.

Secondly, building core competencies and capabilities. Upgrading skills through focused training programs are one way of achieving strategic projects and strengthening long-term prospects (Daniell, 2004:266). Thompson (2007:369) points out that organisations must not only develop the ability of its members to do the right things, but also develop the ability to do it consistently well. Dess *et al.* (2008:391) also emphasises that the learning and sharing of knowledge should take place at all levels of the organisation, and should not be limited to certain sections or levels. Stern and Deimler (2006:327) put it strongly by pointing out that learning is a major requirement for organisational survival.

Thirdly, structuring the organisation and work effort. Stern and Deimler (2006:281) points out that structure follow strategy. Organisational structure refers to the formalised patterns of interactions that link an organisation’s tasks, technologies and people. The organisation structure helps to ensure that resources are used effectively in accomplishing an organisation’s objectives (Dess *et al.*, 2008:340). An organisation’s structure should match the requirements posed by the strategy.

*b) Task 2: Marshalling enough money and people behind the drive for strategy execution*

Early in the implementation of the strategy, leaders should determine what resources will be needed, and focus the allocation of these resources to the right places in the organisation where it is key for successful strategy execution (Ungerer, 2009:14). Resources include money, people, assets as well as entrepreneurial business plans (Timmons & Spinelli, 2003:347). Thompson *et al.* (2007:389) warns that allocating too little resources to the right places will lead to slow progress and impede efforts. But allocating too many resources will end up in inefficiencies and wasted effort.

*c) Task 3: Instituting policies and procedures that facilitate rather than impede strategy execution*

A change in strategy or a push for better strategy execution generally requires some change in work practices and the behaviour of personnel. One way of promoting such changes is by instituting a select set of new policies and procedures deliberately aimed at steering the actions and behaviour of organisation personnel in a direction more conducive to good strategy execution. Revised policies and procedures not only provide guidance, but also enforce much needed consistency in how particular strategy-critical activities are performed throughout the organisation (Thompson *et al.*, 2007:391).

*d) Task 4: Adopting best practices and pushing for continuous improvement.*

A best practice is a technique for performing an activity or business process particularly well, as demonstrated by at least one company over a sustainable period. Benchmarking is the backbone of the process of identifying, studying and implementing best practices (Thompson *et al.*, 2007:393). External benchmarking involve going outside the organisation to examine what industry competitors and excellent performers outside of industry are doing, and identify best practices (Chase *et al.*, 2004:289). But Dess *et al.* (2008:393) also point at the importance of internal benchmarking in the organisation, and therefore sharing best practices in the organisation. The more an organisation employs

best practices in performing their activities, the closer the organisation moves toward performing all the strategy critical activities as effective and efficient as possible (Thompson *et al.*, 2007:394).

Continuous improvement, also known under the Japanese term “*kaizen*”, seeks continual improvement in the use of all resources through the application of suggestions and ideas of team members (Chase *et al.*, 2004:280). According to the doctrine of continuous improvement, there is no such thing as “good enough” and that everyone has a responsibility to continuously seek improvement ideas. Installing a mindset of continuous improvement is conducive for successful strategy implementation (Thompson *et al.*, 2007:396). As Collins (2001:1) puts it: “Good is the enemy of great”.

*e) Task 5: Installing information and operating systems that enables team members to carry out their strategic roles proficiently*

Having a good strategic plan with enough people and other resources mobilised for execution is not enough to achieve objectives. The organisation’s strategies can’t be executed without good information and operating systems to enable execution. The best is always to put the necessary operating and information systems in place early in the strategy execution process rather than to scramble in an effort to catch up (Thompson *et al.*, 2007:402).

*f) Task 6: Tying rewards directly to achievement of strategic targets*

A properly designed reward and recognition structure is one of management’s most powerful tools for mobilising the organisation for strategy execution. Rewarding individuals, departments or even the organisation as a whole for achievement of strategically important targets and results, will support greater employee commitment to good day-in day-out strategy execution (Thompson *et al.*, 2007:404). Not only should the achievement of targets, but also the reaching of certain milestones should be celebrated (Wiebes *et al.*, 2007:254). Dess *et al.* (2008:311) points out that rewards

should be clearly linked to the desired behaviour or outcome that is being rewarded.

Financial incentives generally head the list of tools for rewarding strategic supportive behaviour and outcomes. This includes pay increases, performance bonuses and piecework incentives. But successful organisations also makes extensive use of non-monetary rewards, such as frequent words of praise, special mention in newsletters or allocation of new stimulating assignments (Thompson *et al.*, 2007:405).

*g) Task 7: Instilling a culture that promotes good strategy execution*

Organisational culture can be defined as a system of shared goals (what is important) and beliefs (how things work) that shape an organisation's people, structures and controls to produce behavioural norms (the way things are done around here). Organisation culture has a powerful influence on what goes on in organisations and how they perform. Effective leaders should understand the importance of culture and strive to shape and use it as an important lever in strategy execution (Dess *et al.*, 2008:309). Instilling a culture of strategy execution is of vital importance for organisational success (Ungerer, 2009:14).

Leadership should strive to preserve, emphasise, and build upon aspects of an existing culture that support the new strategy. Aspects of an existing culture that are antagonistic to the new strategy should be identified and changed (David, 2005:264). The tighter the culture-strategy fit, the more the culture will steer employees into displaying behaviour and adopting operating practices that promote good strategy execution (Thompson *et al.*, 2007:427).

*h) Task 8: Exercising strong leadership to drive strategy execution forward*

Good leadership during strategy execution is vitally important (Dess *et al.*, 2008:379). Collins (2001:39) indicates that a common denominator of companies achieving sustainable good results is quality leadership. There are times when leading the strategy execution process entails being hard-nosed and authoritarian, times when it is best to be a

perceptive listener and a compromising decision maker, times when matters are best delegated to people closest to the scene of the action, and times when mentoring and coaching is appropriate (Thompson *et al.*, 2007:439). In Nehemiah 4:14 it is described how good leadership motivated the people to keep on with their work in pursuit of achieving the vision.

## **2.5.5 Evaluating performance and initiate corrective adjustments**

### ***2.5.5.1 Purpose of this phase***

The strategic management process results in decisions that can have significant long-lasting consequences. Erroneous strategic decisions can inflict severe penalties and can be exceedingly difficult, if not impossible, to reverse. Strategists agree therefore that continuous evaluation is vital to an organisation's well being. Timely evaluation can alert management to problems or potential problems before the situation becomes critical. Furthermore, success today is no guarantee for success tomorrow. An organisation should never be lulled into complacency with success (David, 2005:311). No business strategy, no matter how brilliant, can be brought to fruition unless performance is measured regularly. The purpose of this phase is to do continuous measurement at all levels; individuals, team, department and the organisation as a whole (Stern & Deimler, 2006:227).

### ***2.5.5.2 Outcome of this phase***

Frequent measurement and monitoring is the trigger point for management to decide whether to continue or to change the organisation's vision, objectives, strategy or strategy execution methods. As long as the organisation's direction and strategy seems well matched to the industry's competitive conditions, and performance targets are being met, leadership may well decide not to alter course, but just do some fine tuning to ensure effective execution. But whenever a company encounters disruptive changes in the environment, downturn in its market position or persistent shortfalls in performance,

management are obligated to ferret out the causes; do they relate to poor strategy, poor strategy execution, or both? Timely corrective action is necessary. It is not unusual for an organisation to find one or more aspects of its strategy are not going as well as intended, and to take corrective measures in time (Thompson *et al.*, 2007:43). Nehemiah 4 verse 21 describes how Nehemiah had to adjust the execution of the plans by re-allocating men to stand guard while the others worked. This adjustment was necessitated by external factors. Nehemiah 4:8 states the conspiracy and planned attacks by their enemies. If this adjustment was not made, reaching the vision would have been in danger. But sometimes it is necessary to take note of developments, but not to change plans. After assessing the threat from his enemies, Nehemiah decided not to alter any strategy or actions and to continue with the plans as it is (Nehemiah 6:9). The outcome of this phase is therefore continuous assessment of performance results to determine future behaviour.

Strategy execution is created through involvement, meaning the efforts of employees are aligned and focussed on the execution of the strategic choices and plans. This focus and alignment can be strengthened retrospectively, by regular feedback and reflection for achieving ongoing success (Ungerer, 2009:14).

### ***2.5.5.3 Action steps to be executed during this phase***

Measurements linked only to short-term profitability of a business would damage its long-term performance. Stern and Deimler (2006:227) emphasize that the metrics employed must be aligned with the strategic objectives. Timing of performance evaluation must match the time horizon of the strategy. If a strategy is meant to play out over many years, regular measurements should be linked to milestones over the entire period. Measurements need to be done regularly to ensure enough time to react to it. David (2005:311) however also caution about too much measurement, as it can be expensive and counter productive.

Strategic evaluation is necessary for all sizes and kinds of organisations. Because these

evaluations should initiate managerial questioning of expectations, assumptions, and trigger improvements or redirect actions, it should be done on a continuous basis, and not only at the end of periods, such as financial year-end. Waiting until the year-end could be too late to change direction, or could lead to lost opportunities (David, 2005:313).

Good leadership and insight is necessary when evaluating and deciding on future actions as a result of measures. Failure to make satisfactory progress toward accomplishing goals and objectives signals the need for corrective actions. The reasons for unsatisfactory progress can vary, amongst others, from unreasonable policies, unexpected turns in the economy, ineffective strategies or inefficient execution of strategic plans (David, 2005:317). Determining how to react to slow or no progress can vary from minor adjustments to the removing of under performers and replacing them with more capable team members (Daniell, 2004:273).

## **2.6 THE MANAGEMENT OF CHANGE**

### **2.6.1 Nature of change**

Change is a constant feature of any organisation (Coetsee, 2003:188). Change is not a new issue, neither is it limited to the business world. In Mark 8:34 Jesus indicated how people must change in order to follow Him, and in Revelations 3:14–21 He told the church in Laodicea to change their ways. But the rate of change in modern society is accelerating (Kreitner & Kinicki, 2004:672). Since the 1990s, the escalating rate of change influenced the crafting and executing of a strategy dramatically. Organisations are confronted by new bases of competition, redefinition of whole sectors, globalisation and telecommunications technology, which form a platform for new products and services. The ability to handle the implications of all such disturbances places high demands on strategic managers (Faulkner & Campbell, 2006:729). A need for planned pro-active change effort, rather than re-active management of the effects of change, is required. Strategic change involves improving the alignment of an organisation's environment, strategy and design (Cummings & Worley, 2005:12). The decision on how

to react to different changes in the environment is one of the leader's major tasks. As an example, successful organisations avoid technological fads and bandwagons, yet they become pioneers in the application of carefully selected technologies (Collins, 2001:162).

The scope or magnitude of change also differs. Changes might be low impact, which only demand minor reforms from the organisation. Changes might also be radical, which require transformational adaptations from the organisation (Coetsee, 2003:193).

This situation causes tension between the conflicting need for change and the need for stability in an organisation (Stern & Deimler, 2006:193). Ignoring the need for change can cause stagnation, which can befall any organisation and have very serious consequences (Stern & Deimler, 2006:333).

Every organisation is a collection of individuals, the vast majority of whom want to do a good job, want to learn and grow as they work, and want to feel they contribute to the goals of the organisation (Daniell, 2004:136). Because it is the organisation's people that craft and execute the strategy, it is important to guide them through the changes that a strategy brings.

### **2.6.2 Change management**

Due to the negative effect that unsuccessful change efforts can have on any organisation, it is important for leaders in the organisation to manage and lead the people through the change. A large number of approaches to change and change interventions exist. **Table 2** illustrates the eight-step process developed by John Kotter, a well-known expert in leadership and change management (Kreitner & Kinicki, 2004:683). This process can guide leaders in managing their change efforts.

**Table 2: Steps to leading organisational change**

<b>Step</b>	<b>Description</b>
1. Establish a sense of urgency.	Unfreeze the organisation by creating a compelling reason why the change is needed.
2. Create the guiding coalition.	Create a cross-functional, cross-level group of people with ample power to lead the change.
3. Develop a vision and strategy.	The vision and strategy must guide the change process.
4. Communicate the vision.	Structures must be created to continuously and consistently communicate the change vision.
5. Empower broad-based action.	Eliminate barriers to successful implementation, and encourage risk taking and creativity.
6. Generate short-term wins.	Recognise and reward short-term wins in order to create momentum for the long-term initiative.
7. Consolidate gains	Change process must be cascaded through the entire organisation. Reinvigorate the change process.
8. Anchor new approach in culture	Reinforce the change by highlighting connections between the new way and organisational success.

*(Source: Kreitner & Kinicki, 2004:683)*

In **Table 3** (Coetsee, 2006:48) describes the following ten principles, which any leader must adhere to during any change intervention, including the change created during the formulating and implementing of a strategy.

**Table 3: Ten principles of change management**

Description of Principle	Questions and comments to be tested throughout the project
<b>Principle 1: Establish what the results of the change process should be</b>	
- Define the end result before introducing the change. - Create a vision/describe the end result - Involve all stakeholders in this visioning	- Was a clear vision formulated? - Was the desired future state mapped out, communicated and understood? - Are we sure all stakeholders were represented in the visioning?
<b>Principle 2: Clarify the need for change</b>	
- Change just for change sake is unacceptable - Purpose of change must create an asset	- Is there common discomfort with the current state? - Is the need for change communicated honest and thorough? - Can we describe the new asset which will be created by the project?
<b>Principle 3: Involve and obtain commitment of all stakeholders in the planning and execution of the change process</b>	
- Information x knowledge x empowered x rewards and recognition x vision	- Do all understand the difference between involvement and commitment? - Have we got mechanisms to determine whether there is aligned commitment ? - Are the structures and methods in support of all 5 components of the equation?
<b>Principle 4: Diagnose present functioning</b>	
- This serves as basis for successful change	- Do we understand root cause of the problems? - Have we got a common understanding of culture and climate? - Have we confirmed that the diagnosis is valid? - Have we confirmed that the diagnosis is reliable? - Have we confirmed that the diagnosis is comprehensive?
<b>Principle 5: Develop a results-orientated rather than an activities orientated strategy for change</b>	
- Actions focused on defined outcomes - Measurements of outcomes must be described.	- Is the desired results clear and understood by all stakeholders? - Do all understand and differentiate between the "what" and the "how" - Are the milestones clearly indicated? - Are the measurements to determine outcomes clearly developed and understood?
<b>Principle 6: Assure that enabling structures are all aligned</b>	
- Commitment of opinion leaders - Vision, mission, values, goals all aligned	- Test desired results against vision, mission, strategies, values and goals. - Test change process against vision, mission, strategies, values and goals. - Have we regularly tested the alignment of leadership?
<b>Principle 7: Pay special attention to the organisation culture and</b>	
- Helps prevent resistance to change	- Are the climate measured on a regular and consistent basis? - Results diagnosed and treated on a timely basis? - Is the locus of control internal?
<b>Principle 8: Create a change adept learning organisation</b>	
- Organisational learning - Knowledge management	- Are the training and communication running effectively? - Are there evidence of knowledge sharing taking place? - Are knowledge management structures and systems in place? - Are creativity and learning promoted by facilities and reward systems?
<b>Principle 9: Diagnose and manage resistance to change</b>	
- Permanent and constant feature throughout the process	- Is the commitment-resistance continuum understood? - Are leaders empowered and enabled to manage resistance to change? - Are the structures in place to detect and treat resistance to change
<b>Principle 10: Build in reliable feedback mechanisms to monitor, manage and eventually evaluate the change process</b>	
- Valid feedback throughout the process - Redirect course of program if necessary	- Are the indicators we want to measure clear and accepted? - Is our change dashboard reliable and accurate? - Do we measure the results of the process as well as the process itself? - Do we use the feedback to adjust our process if required?

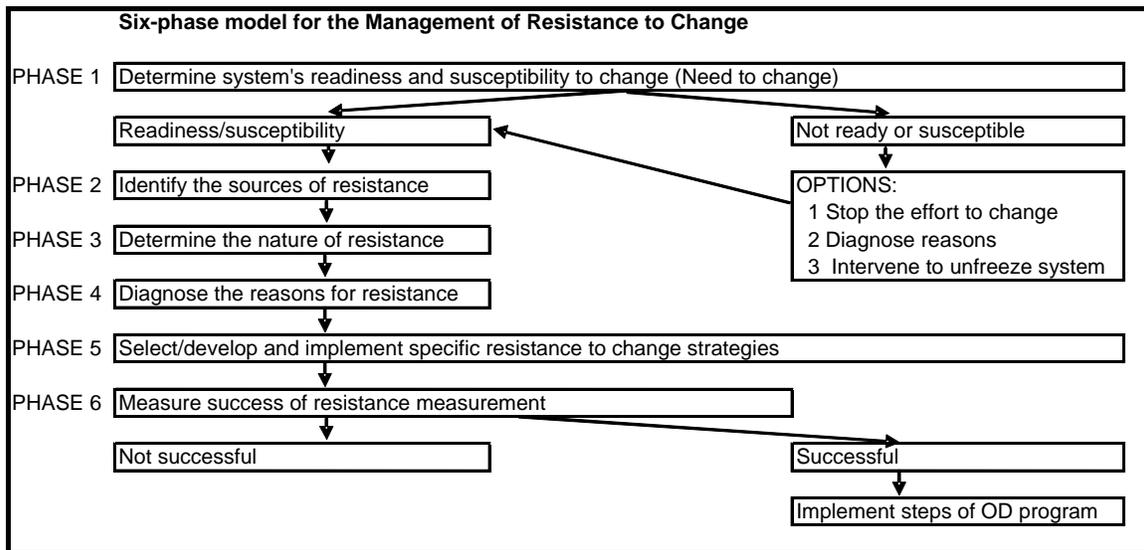
(Source: Coetsee, 2006:48)

### 2.6.3 Resistance to change

Resistance to change (RTC) can be described as one of the most important threats to successful implementation of change initiatives (Coetsee, 2006:259). Like change itself, RTC is not new, and is not limited to business organisations. In Mark 7:13 Jesus pointed out what damage is caused to the congregation due to resistance to employ necessary

change. Although RTC has positive purposes such as forcing leaders to re-think and re-evaluate the envisaged change, it normally has a negative and destructive side. It is important for leaders to learn how to manage RTC because failed change efforts are costly. Such costs include decreased employee loyalty, lowered probability of achieving corporate goals, a waste of money and resources, and difficulty in fixing the failed change effort (Kreitner & Kinicki, 2004:685). Leaders should be trained and coached to understand why people resist change, the levels of RTC as well as strategies to overcome RTC. **Table 4** show a six-phase model through which to manage RTC (Coetsee, 2003:203).

**Table 4: Six-phase model to manage resistance to change**



(Source: Coetsee, 2006: 22)

To manage the resistance to change successfully, leaders must also understand and appreciate the levels of resistance. **Table 5** displays the “Commitment Resistance continuum” (Coetsee, 2003:206). Appropriately managing change in the organisation must be aimed at leading the people to passionately committing themselves to the goals and values of what the change will bring. If not, people will stay in the middle, resulting in no change in their behaviour. In the worst case, they can move down to the bottom end of the continuum, resulting in exactly the opposite result the change effort was aimed at.

**Table 5: Description and symptoms of the commitment-resistance model**

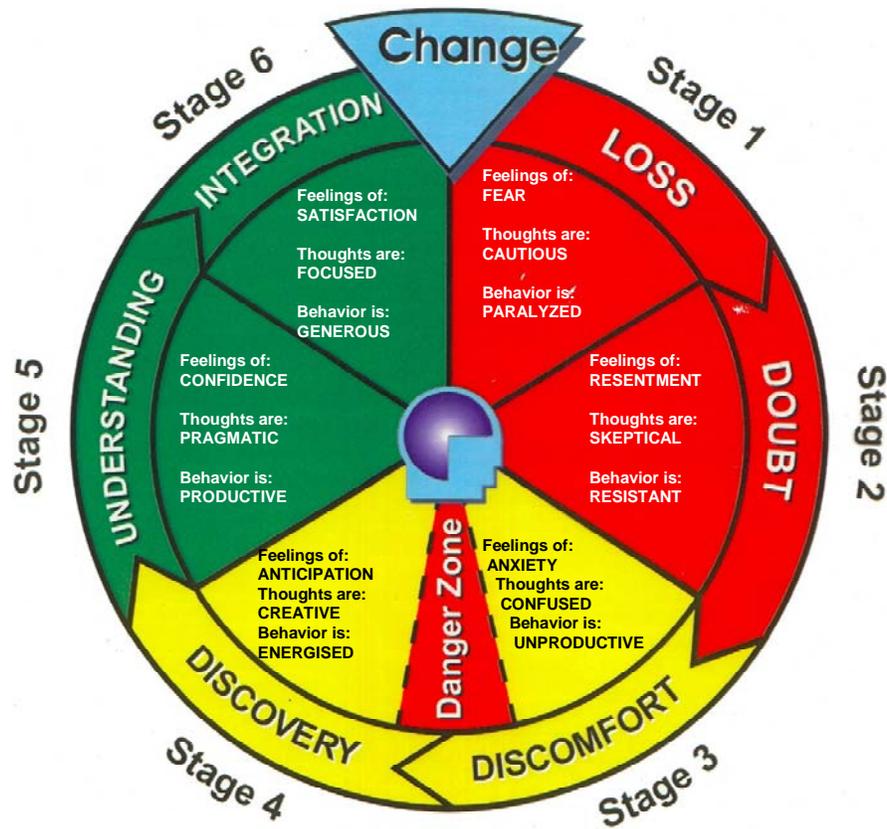
Description and symptoms of the commitment-resistance model					
A C C E P T A N C E	OF	C H A N G E	Phases	Descriptions	Symptoms
			Passionate commitment to goals and values	Being part of (being)	Obsessive/compulsive behaviour Full identification Enthusiasm (long term)
			Involvement (positive behaviour)	Taking part in (doing)	Participation Willing co-operation
			Supportive (positive attitude)	Being in favour of	Voting for Acceptance Doing what is ordered
R E S I S T A N C E	TO	C H A N G E	Knowing about it (taking note)	Informed Indifference	Not doing anything Passive resignation Lack of interest
			Apathy (lack of positive or negative feelings or attitudes)		
			Passive resistance (negative perceptions and attitudes)	Mild opposition	Voicing opposing views Regressive behaviour Non-learning
			Active resistance (opposing behaviour)	Strong opposition	Strong opposing views Doing as little as possible Work to rule Protest Blocking behaviour
			Aggressive resistance (destructive behaviour)	Destructive opposition	Purposefully committing errors Violent strikes and boycotts Subversion Sabotage and terrorising

(Source: Coetsee, 2003:206)

### 2.6.4 Change cycle

RTC must not be confused with the normal emotions that coincide with the journey of a change process. **Figure 13** is a presentation of a change cycle (Brock & Salerno, 1998:26) that illustrates the emotions during different phases of a change process. Leaders must understand that different people will go through the various stages at a different pace.

**Figure 13: The change cycle**



(Source: Brock & Salerno, 1998:26)

## 2.7 UNIQUE NATURE OF SERVICE ORGANISATIONS

Kotler and Armstrong (2006:257) state that service organisations have grown dramatically in recent years. At that stage, services accounted for 74% of the US gross domestic product and nearly 60% of personal consumption expenditures. Thus leading and managing businesses in the service industry are a growing science.

Service industries vary largely. Dibb and Simkin (2004:280) classify the service industry in three broad categories:

- Profit-making services such as tourism, consulting, medical and law practitioners.

- Public service and government services such as hospitals, military services and telecommunication services.
- Non-profit-making services such as charity organisations, universities and churches.

The management of service organisations differ to a large extent from organisations in the production or retail environments. Kotler and Armstrong (2006:257) explain that the nature and complexity of service organisations differ for four reasons:

- Service intangibility. The service cannot be seen, tasted, felt, heard or smelled before the service is actually rendered.
- Service inseparability. Physical goods are produced, then stored, later sold, and still later consumed. In contrast, services are produced, delivered and consumed simultaneously. A service cannot be separated from its provider.
- Service variability. The quality of the service depends heavily on who provides the service, as well as when, where and how it is provided. People rendering the service differ, and even the same person rendering the service can differ from one day to the next.
- Service perishability. A service cannot be produced and stored for later use. If a service is not rendered to a specific customer at a specific moment, that moment is lost forever.

Chase *et al.* (2004:220) point out that operations management for services is concerned with two broad contexts:

- Service business: This pertains to the management of the interaction between the organisation and the customer.
- Internal service: This bears reference to the management of the internal services required to support the activities of the larger organisation.

Because the product of a service organisation cannot be produced and stored for later consumption, the internal services supporting the ultimate service delivery must receive

much more focus than a traditional manufacturing organisation. For this reason, Faulkner *et al.* (2006:505) emphasise the need for efficient deployment of “back-office” assets in service organisations.

Service organisations are primarily concerned with providing customers with an “experience” (Faulkner & Campbell, 2006:504). Therefore, one of the major factors to consider during the design and management of a service organisation is the degree of customer contact (Chase *et al.*, 2004:223). Customer contact refers to the physical presence of the customer in the system while providing the service. The degree of customer contact may be roughly defined as the percentage of time the customer must be involved in the service relative to the total time it takes to perform the complete service. An example of a low degree of customer contact is a bank, where most of the service is delivered behind the scenes (Chase *et al.*, 2004:223). An example of a high degree of customer contact is a doctor’s consulting room, a barbershop or a church during a sermon. A high degree of customer contact is more difficult to control and more prone to bad experience. In a high degree of customer contact the customer can affect the time of demand, the exact nature of the service, and the quality (or perceived quality) of the service because of his/her direct involvement.

Unlike a physical product that can be returned and exchanged, a service is non-returnable. For this reason, quality control is even more important in the operational design of a service organisation. Literature defines service quality as the customer’s overall impression of the relative inferiority or superiority of the firm and its service. Assessing or measuring service therefore measures how well the service level matches customer’s expectations. Service quality involves comparing customer *expectations* with customer *perceptions of actual service* performance (Du Plessis & Rousseau, 2003:185). A special quality measurement tool called “SERVQUAL” has been developed for the service industry. The questionnaire consists of two parts. The first part focuses on the level of service the customer will expect from an ideal organisation within a specific industry. The second part focuses on the customer’s evaluation of the actual service offered by the company under evaluation (Jordaan & Prinsloo, 2004:65).

Chase *et al.* (2004:220) list the following generalisations of a service:

- Everyone is an expert on service. Everybody think they know what they want from a service organisation and, by the very nature of living all have a good deal of experience with the service creation process.
- Services are idiosyncratic. What works well in providing one kind of service may prove disastrous in another. For example, consuming a restaurant meal in less than half an hour may be exactly what you need at McDonalds, but totally unacceptable at an expensive French restaurant.
- Quality of work is not quality of service. An auto dealership may do good work on your car, but it may take a week to get the job done. That is bad service.
- Services normally contain a mix of tangible and intangible attributes that comprise a service package. This package requires a different approach to design and management than the production of goods, and may differ from customer to customer.
- Services are experienced, whereas goods are consumed.
- Effective management of service requires an understanding of marketing, personnel and operations.
- Service often takes the form of cycles of encounters with customers involving face-to-face contact, telephone contact and other forms of contact.

When crafting and executing strategy in a service organisation, the unique features mentioned above should be carefully considered (Faulkner & Campbell, 2006:503).

## **2.8 STRATEGIC MANAGEMENT IN NON-PROFIT ORGANISATION**

The strategic management process is not limited for use in production and service entities operating for profit purposes. The strategic management process is also used effectively by countless non-profit organisations, such as government institutions, educational institutions, libraries and churches (David, 2005:185).

Various good incentives exist for non-profit organisations to employ sound strategic management principles. Dess *et al.* (2008:C116) point out that the non-profit sector is also subject to fraud, conspiracy and corruption, as indicated by the case of United Way of America. This event was a turning point in public perception of charitable organisations, which caused a substantial drop in donations to this type of non-profit organisations. David (2005:185) points out that strategic management provides an excellent vehicle to develop and justify requests for financial support to pursue the non-profit organisation's vision and mission. In 1999 Michael Porter noted that the number of charitable organisations in America doubled since the 1970s, putting pressure on the availability of monetary and human resources. They also found that many of these non-profit organisations do not devote enough effort to measuring their results, figuring out how to create the most value for their specific cause, having resources scattered over too many fields and servicing too many grants. Their suggestion to rectify these inefficiencies was to engage in strategic management processes such as focused performance assessments, unique positioning and applying good governance principles (Dess *et al.*, 2008:C116). A survey conducted by McKinsey and Company in 32 leading non-profit organisations during 2004 indicated that only 46% of directors of these organisations had consensus about the vision, mission and goals for their organisations. This lack of consistency, coupled to the difficulty in measuring and evaluating their performance, was some of the reasons for them being ineffective in accomplishing their social missions (Dess *et al.*, 2008:C119).

The non-profit organisations are a very important part of a country. In America, the non-profit sector was the largest employer during the year 2005 (David, 2005:185). In South Africa, the importance of the non-profit sector is also recognized. The Non-profit Organisations Act (Act 71 of 1997) was promulgated to create an environment in which non-profit organisations can flourish, establish a regulatory framework in which non-profit organisations can conduct their affairs, and to encourage the maintenance of good governance, transparency and accountability.

## **2.9 SUMMARY**

In this chapter, the theory of strategic management was explored by means of a literature study. This will serve as one of the pillars for the framework that will be developed as the main objective of this study. The literature study included defining strategic management according to various sources, as well as positioning strategic management amongst other management disciplines. The study indicated two levels of strategic management namely corporate strategy and business strategy. The latter one is the subject for this study. The study also explored the process of strategic management as it is applied in practice. At a high level, strategic management is divided in two main phases namely the crafting or developing of the strategy as well as the implementation of the strategy. The crafting of an organisation's strategy entails creating a vision of the future, setting of objectives to pursue in order to realise the vision, as well as the designing of detailed plans to achieve the set objectives. The execution phase of the strategy entails turning the plans and projects into action, as well as continuous monitoring and adjustment where necessary. A church is categorised as part of the services industry. Due to the unique nature of the services industry, specific considerations regarding service and non-profit organisations were explored which must be taken into consideration when crafting and executing a strategy.

In the following chapter, the essence and work of a church congregation will be explored by means of a literature study. The unique characteristics and work of a true congregation will be an important input when crafting and executing a congregational strategy.

## **CHAPTER 3**

# **THE ESSENCE AND WORK OF A CONGREGATION IN THE GKSA**

### **3.1 BACKGROUND**

The purpose of this study is to design a framework to be used to guide congregations of the GKSA through the crafting and execution of a congregational strategy. In the previous chapter, a literature study was done to describe the process to be followed when crafting and executing any organisational strategy. This is the first building block for the intended strategic management framework for congregations in the GKSA. In this chapter a literature study will be done on the character and work of the church. This chapter is not intended to be a detail analysis or comparison of the different views of “church” by various denominations, but mainly focus on the view of the GKSA. The chapter is also not intended to be a detailed theological analysis. The aim is to obtain relevant information for the framework of congregational strategy in the GKSA. The chapter will indicate how the GKSA view the purpose and role of the church, as described in the Bible and GKSA confession documents, supplemented by other literature. The chapter will also provide the necessary background on the structure in the GKSA, focussing on the roles and responsibilities of meetings and individuals. The information gained in this chapter will form the second building block for the intended strategic management framework for use in the GKSA.

### **3.2 DIFFERENT FORMS OF CHURCH GOVERNANCE**

The Bible is clear that the Church belongs to Jesus Christ (Matthew 16:18) and that He is the head of the Church (Ephesians 1:22). But Jesus placed mere men in a position of authority to manage and govern the church here on earth (Matthew 16:19). Although it is commonly accepted amongst Christians that Jesus Christ is head of the church, the way

in which different church denominations manage and govern its activities varies. Spoelstra (1989:10) discusses some of the different forms of church governance as listed below.

### **3.2.1. The Roman Catholic or Pontiff system**

This system of church governance emphasises the unity of a visible and global church, which distinguishes between clergymen and laymen. It further emphasises the supreme authority and faultlessness of the Pope. The Pope acts as Jesus Christ's representative here on earth. The unity of the church manifests in one church language, one confession, and similar church ceremonies worldwide, and has one head, namely the Pope (Vorster, 2003:3). It defines the Roman Catholic Church as a worldwide congregation that is subject to the supreme ruling of the Pope (Spoelstra, 1989:10).

### **3.2.2 The Lutheran or Territorial system**

This system of church governance had its origin in Germany where Martin Luther disagreed with the supreme authority of the Pope (Spoelstra, 1989:10). Under this system, the ruler of the country not only has authority over the worldly things in his country, but also authority over the church. The government of the country does not only govern the relation between fellow men in the country, but also the relation between man and God (Vorster, 2003:3). This implied that when the ruler of a country is a Roman Catholic, all the citizens in the country would become Roman Catholics. And if the Reformist came into power, all the citizens would become Reformists. The church boundaries reached as far as the boundaries of the ruler; hence the alternative name of the territorial system. During the sixteenth century this had led to a bloody prosecution of opponents of the ruler (Spoelstra, 1989:11).

### **3.2.3 The Fraternal system**

In its purest form, this system is based on the assumption that the church does not have its origin in God, but in the fact that people unite in an organisation. Therefore the church

does not differ from any other society or organisation. The members of the organisation decide and delegate the authority and executive powers to people they select (Vorster, 2003:12). Therefore the vote of the majority has the highest authority.

### **3.2.4 The Independent or Congressional system**

The basis for this form of church governance is that each congregation is totally sovereign and independent. Believers at a specific place get together due to their faith, and form a totally independent organisation (Spoelstra, 1989:12). The unity of the larger global or national church is not accepted. Conferences or synods might be held, but it has no executive or decision-making powers (Vorster, 2003:12).

### **3.2.5 The Reformed or Presbyterian system**

Reformed refers to the views of faith of John Calvin (1509-1564). This emphasises that the church is not like a legally defined institution. The church is rather a union with Christ, through and with the means by which the Holy Spirit brings us to Him (Spoelstra, 1989:16). He places strong emphasis on the orderliness according to which things are done. The pillars of this form of church governance are (Du Plooy, 1993:11):

- Christ is head of the church.
- The local congregations are independent visible revelations of the body of Christ.
- The order and governance of the church is in the hands of the elders as required by the Bible (1 Timothy 5:17).
- The local churches must unite and support one another in superior meetings where they must take decision binding to all the local churches.
- The government of the country has no jurisdiction in the governance of the church. Neither has the church jurisdiction over the government. The church must be obedient to the government, pray for the government and testify to the government. The government must ensure freedom for the church to operate and protect the church from oppression.

The Christian faith is the faith covering the widest geographical area and is present in more nations than any other faith. Through the ages, the Christian faith has undergone stages of stagnation and recession, but also of growth and prosperity (Vorster, 1996:1). Christians are convinced that God will protect and grow the church until the end of time. In the 21<sup>st</sup> century, the church is faced with many challenges and opportunities, and different denominations within the Reformed family of churches structure themselves differently to face these future challenges and opportunities.

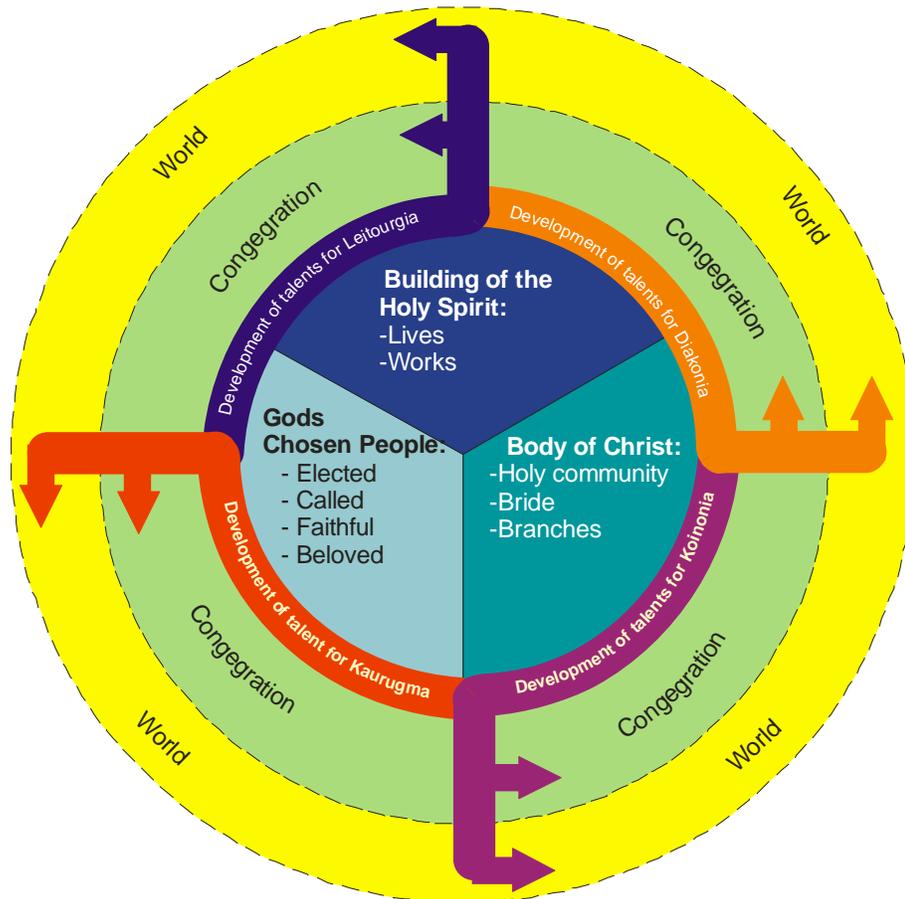
### **3.3 THE CHARACTER AND SERVICE OF THE CHURCH**

In 2 Timothy 3:16 it is stated that all Scripture is God-breathed. Any group or organisation that wants to claim the title *church of God*, must find its purpose in Scripture. To view the purpose and character of the church from only one or two of the metaphors described in the Bible, will lead to a model where the congregation is not true to its calling. The different descriptions of the church in the Bible are all interwoven, and must be seen in totality when designing, renewal or strategising in the congregation (Vorster, 1996:58). Kruger (2007:44) indicates that if a holistic view of the essence of church is not taken, the congregation can take on various untrue forms:

- It can become an “institution”, where the organisational side of a church become the main object, and a living relation with Christ is underplayed.
- It can become a “culture”, where the church is reduced to be a part of being a specific culture group.
- It can become a “business”, where money, buildings and membership numbers become the major measures of success.
- It can become a “club”, where everything in the congregation is done in support or for the benefit of its own members.

The discussion in this study on the character and work of the church will be guided by the following illustration:

**Figure 14: The character and service areas of a congregation**



*(Source: Own compilation)*

The centre of the circle represents the essence of what a congregation is. The circled arrows around the centre represent the service areas on which a congregation should focus in order to fulfil their calling. The two outer circles represent the work terrain of a congregation.

### **3.3.1 The character of a church**

Anyone thinking about or describing the essence and character of the church should

realise that its work will never be completed, and to describe it cannot be limited to one model or framework (Vorster, 1996:58). In the Bible, the metaphors to describe the church can be divided into three categories, and is related to the trinity character of God, namely God the Father, God the Son and God the Holy Spirit. Vorster (1996:41) categorises the church into the main categories namely God's chosen people, Body of Christ and Building of the Holy Spirit. This framework will be used as basis to discuss the answer to the question: *What is a church?* Each metaphor to describe the church has specific implications for any strategic planning that takes place in the congregation.

### ***3.3.1.1 God's chosen people***

In the Old Testament, Israel was God's chosen people. But through Christ, God's chosen people are now from all nations, cultures and languages. They find their unity in Christ. The term God's people indicate the church's uniqueness and dependence on God for its existence (Vorster, 1996:43). This metaphor of describing the church is enlightened by four terms namely elected, called, faithful and beloved.

Firstly, "elected" indicates that to be a part of the chosen people is vested in God's action and grace, and not in what people can do (Deuteronomy 14:2; Leviticus 20:26). Through his Son Jesus Christ, God elected a nation for Him. Everything that is planned or done in the church must be seen in this light. The origin, existence and continued existence are depended on God, and not on any plans or strategies of men. Strategic planning and renewal in the church must be done with the knowledge and acceptance that it is only by God's grace that it will bare fruit (Vorster, 1996:44). All strategies must be aimed at preparing the way for God to do His work. All strategies, plans and work of people in the church must be done because they are elected, and not to become elected.

Secondly, in Romans 1:6-7 and 1 Corinthians 1:2 the Bible describes the church as "called". This indicates that the people in the church are freed from the sins of death in order to do their work. The church stands in a new relation with God the Father through Christ. The freedom from sin through the work of Christ is the unifying factor for the

people in the church. All strategies, plans and work must reflect that unity, and not other factors such as traditions or culture (Vorster, 1996:46).

Thirdly, Ephesians 1:1 describes the church as “faithful” followers of Christ. God elected His people, called them together through the work of Christ, and now the people must respond positively to the calling with faith. This creates a unique relation that is different from any other relation in society. Any plan or strategy must start and finish in faith, and should not be based on intellect or cultural norms. Everything done in the church should be aimed at growing the relationship with God, and growing the faith of people in God (Vorster, 1996:48).

Lastly, Romans 1:7 and Jude 1:20 describe the church as “beloved” by God. God’s love for His people through Christ is aimed at the object of the church. The church is the visible sign of God’s love. The whole existence of the church is based on love through Christ. Everything in the church, including strategic planning, must be based on love, or else it is untrue (Vorster, 1996:49).

### ***3.3.1.2 Body of Christ***

The use of the term “Body of Christ” to describe the church is common in the New Testament. Colossians 1:18 describes Christ as the head of the body, which is the church. Ephesians 1:22 states that God has put all things under authority of Christ and has made Him head over all things for the benefit of the church, which is the body. Ephesians 2:15-16 describes how Christ reconciled Jews and Gentiles together in one body, the church. Romans 12:5 states that all individuals in the church are individual parts of the body, and 1 Corinthians 12:12-31 indicates how all the parts must work together to fulfil its purpose.

Vorster (1996:50) points out that Christ is head of the church, but not a head like a schoolmaster at a school or the head of an organisation. Christ as head of his church must be seen in the same light than a physical head of a body. The head and the body are

inseparably connected to each other. Without the head the body will not function, and through the head, the different parts of the body are connected and functioning. Strategies, plans and activities in the church must be aimed at growth in the body towards maturity in order to function as intended by the Head.

The Bible uses different metaphors to describe the relation between Christ, the Head, and His church, the body. Vorster (1996:51) indicates three metaphors, namely holy community, bride of Christ and vineyard with its branches.

Firstly, in Ephesians 2:1-5 it is stated that people are dead because of disobedience and many sins, but through “holy community” with Christ, his people can share in His grace. But this community must be much more than a mystical relation. It must be lived out and visible (Vorster, 1996:52). In various places in the Bible guidance are given on how to practice this. Examples are:

- Love each other as brothers and sisters (Hebrews 13:1)
- Do good to everyone, especially to those in the family (Galatians 6:10)
- Warn those who are lazy, encourage those who are timid, take care of those who are weak, be patient with everyone (1 Thessalonians 5:14)
- Preach the word of God. Be prepared, whether the time is favourable or not. Patiently correct, rebuke and encourage your people with good teaching (2 Timothy 4:2)
- Be happy with those who are happy and weep with those who weep (Romans 12:15)
- Forgive one another just like God through Christ has forgiven you (Ephesians 4:32)
- Always be eager to practice hospitality (Romans 12:13)
- Live in harmony in the church and try to build each other up (Romans 14:10)
- Share each other’s burdens (Galatians 6:2)

Vorster (1996:52) emphasises that all strategies and plans in a congregation should allow and facilitate living out this holy community. If not, the congregation will be untrue to its

purpose. The practicing of community should not end within the borders of the congregation, but should reach out to the broader community.

Secondly, in Revelations 21:2, 9 the church is described as “the bride” of Christ. And in Ephesians 5:25-26 it is stated how much Christ loves his bride. This metaphor describes the exclusivity and personal character of the relation between Christ and his church. All strategies, plans and activities in the church should be executed so that this exclusive and personal relation is reflected. When doing strategic planning, care should be taken not to replace this relation with Christ with a relation to the visible institution of the church (Vorster, 1996:53).

Lastly, in John 15:1-8 Christ himself described the church as branches of Him. This metaphor emphasises the intensity and firmness of the relation between the church and Christ. The branch gets all its strength from the vineyard, bare its fruit when connected to the vineyard, and there is no life for the branch outside the vineyard. Outside Christ, there will be no life and no fruit for the church (Vorster, 1996:54). All strategies, plans and activities in the church must reflect the firm and intense relation with Christ.

### ***3.3.1.3 Building of the Holy Spirit***

In Ephesians 2:20 Paul describes the church as a building, with Christ the cornerstone of the building. In 1 Corinthians 3:16 it is stated that the Holy Spirit lives in this building. This metaphor emphasises two main focus points, namely that the church is a building in which the Holy Spirit lives as well as work (Vorster, 1996:55).

Firstly, to describe the church as the place where the Holy Spirit lives must be seen as symbolic from the Old Testament, when God’s presence was experienced in the temple. Although the church here on earth will never be perfect, it is a preview of the dispensation to come with the second coming of Christ. Because of the fact that the church is the dwelling of the Holy Spirit, it is unique and different from any other earthly organisation. Care should be taken with strategic planning in the church that the church

is not transformed into a normal earthly organisation (Vorster, 1996:56).

Secondly, although not limited to the church, the church is the main workplace of the Holy Spirit. And the work of the Holy Spirit is to continuously build the body. Because of the continuous building process, the strategies, plans and activities of the church must not stagnate into formal rituals or institutionalism. If so, the church will oppose the work of the Holy Spirit. The work of the Holy Spirit requires continuous renewal of the church to fulfil its mission (Vorster, 1996:57).

### **3.3.2 Service areas of the church**

In Ephesians 4:12 Christ indicated that His church must be prepared for a life of service. The service areas of the church are commonly divided into four areas, namely *leitourgia*, *kerugma*, *koinonia* and *diakonia* (Van Rooy, 2002:79).

#### ***3.3.2.1 Leitourgia***

*Leitourgia* focuses on experiencing the grace of God, confession of sins, worshiping God and praising His name. Burger (1999:206) indicates that the service of *leitourgia* in the congregation can be divided in the following moments:

- Becoming focussed
- Remember God's greatness and be amazed
- To receive and to rejoice
- To acknowledge their sins and pray for forgiveness
- To devote and bind themselves to God

*Leitourgia* should never be limited to words, but should be deeds as well (Olivier, 2004:200). Strategic planning in a congregation should encourage *leitourgia* and all stumbling blocks, such as outdated customs (Burger, 1999:206) inhibiting praising and worshiping God, should be addressed.

### **3.3.2.2 *Kerugma***

Kerugma focuses on the preaching of the gospel. The preaching might be with the aim to understand the gospel better, to discuss it with others; be it members of the congregation, children, evangelisation to people who know the gospel but drifted away or people who have not heard it before (Van Rooy, 2002:79). Kerugma has its origin in the great command of Jesus Christ as we read it in Matthew 28:19-20: “Therefore, go and make disciples of all nations, baptizing them in the name of the Father and the Son and the Holy Spirit. Teach these new disciples to obey all the commands I have given you”. From a strategic planning perspective, care should be taken to ensure that the congregation give attention to the total fulfilment of the command by Jesus Christ. A congregation should not tolerate focussing only on preaching the gospel internally to the congregation, preaching only parts of the gospel or false preaching of the gospel. Van der Walt (2008:24) describes the disastrous consequences of an “introvert church (congregation) that cannot see over its own walls. It is like a rugby team that practices every day, but never takes part in a game”.

### **3.3.2.3 *Koinonia***

Koinonia focuses on close mutual relations and involvement (1 John 1:3), on sharing (Galathians 6:6) and on willingly contributing (Romans 15:26). Koinonia focuses on binding Christians into a unity. This unity is founded in Jesus Christ and causes people from different backgrounds and different personalities to willingly share and associate with one another. Burger (1999:231) emphasises that the foundation for koinonia is love. In the New Testament, there are more than 50 verses referring to “care for each other” (Olivier, 2004:202). Humans were made to the image of God, and are therefore a communal being. By nature, humans have a need to experience koinonia. The first congregation, as described in Acts 2, has emphasised and lived out koinonia actively. Koinonia in the congregation should be of such a nature that people from outside the congregation will be drawn in. From a strategic planning perspective, care should be

taken to ensure that a congregation promote koinonia, and anything that causes the people who feel abandoned when they are “down-and-under” should be removed.

#### ***3.3.2.4 Diakonia***

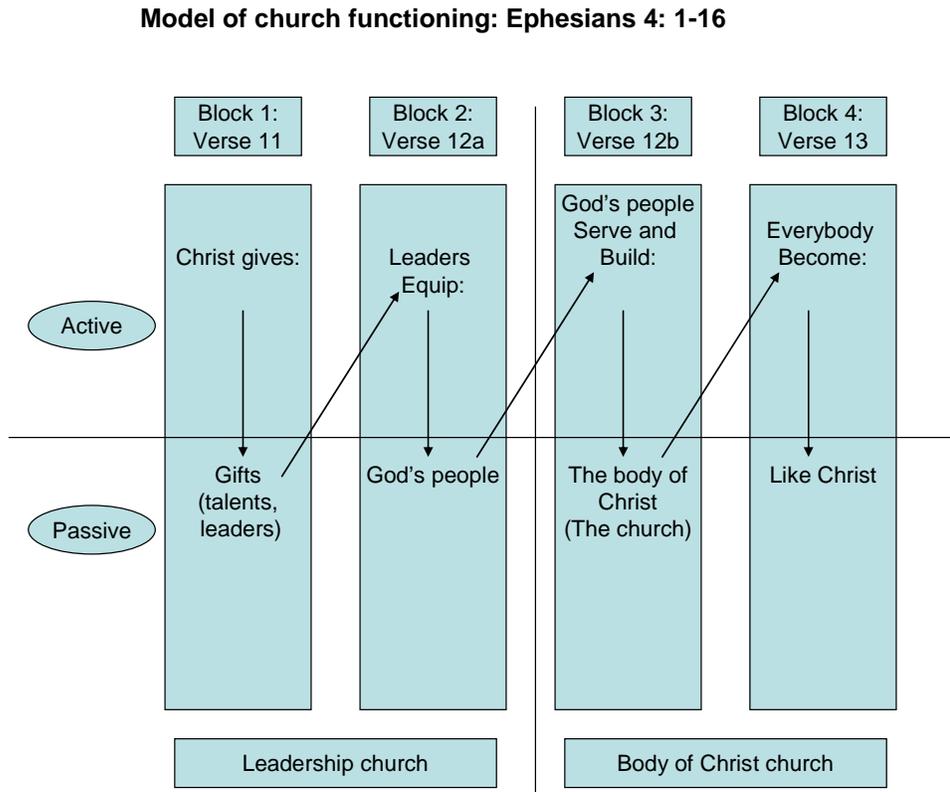
Diakonia focuses on caring and providing for the poor and needy. The needs are not limited to physical needs, but also include need on emotional, spiritual and relational level (Olivier, 2004:200). Diakonia should not be limited to the local congregation but should focus heavily on the world outside the congregation (Burger, 1999:245). From a strategic planning perspective, care should be taken to address diakonia, without going too far and convert the church into a welfare organisation. **Annexure C** contains a list of biblical references calling the church to the service of leitourgia, Kerugma, koinonia and diakonia. This will be an important input during the development of a congregational strategy, not only as a source of information, but also to gain commitment from members of the congregation. It will also assist in the self-evaluation of the congregation, and with corrective and improvement initiatives that might be exploited.

When any of these focus areas of service are not getting the deserved attention in the congregation, the church is not in balance and therefore not fulfilling its purpose (Van Rooy, 2002:88). A congregation should give balanced attention to all the areas.

For a congregation to fulfil all the areas of service, and thereby being true to the character of a church of Christ, God gave special gifts to all His people (Ephesians 4:7). In 1 Corinthians 12:7 the faithful are reminded that spiritual gifts is given to each of them so that they can help each other to build up the church. But all talents must be developed in order to be of use. This development of gifts from God must continue until all the faithful come to unity in their faith and knowledge of God’s Son that they will be mature in the Lord, measuring up to the full and complete standard of Christ (Ephesians 4:13). If the talents are not developed and employed in the congregation, some congregation members will become passive onlookers, inactive and immature in their faith (Vergeer,

2000:2.4.18). Kruger (2007:56) indicates in the following model how important it is to develop the gifts.

**Figure 15: Model of Ephesians chapter 4**



(Source: Kruger, 2007:56)

If the gifts are not developed and deployed in the church, the church will be reduced to an organisation where only the leaders work, and the rest of the congregation are passive. From a strategic planning perspective it is necessary to take serious note of this development that should take place in a congregation, and the vision of becoming mature in the Lord.

Hendriks (1992:13) indicates that over-emphasis on some of the metaphors or services can lead to a model for the congregation that is one-sided, and not true to the true

character of a congregation. Hendriks describes four models for congregation that might happen.

- The “Institute” or “control and govern” model. The emphasis in this model is that the church is God’s perfect organisation and the front-runner of the New Jerusalem. This view gives the church as an organisation tremendous power, and therefore people in certain offices also tremendous power. On the positive side, this model fosters unity and stability. But on the negative side it elevates people to roles and power, which is not given to them by Christ (Hendriks, 1992:18).
- The “Preaching” or “teach and organise” model. The emphasis in this model is the pure preaching of the Word and Sacraments. To ensure that the preaching of the Word is pure, communication in this model very often is reduced to one-way communication and teaching. On the positive side, fallacies are prevented in these congregations. But on the negative side, the large emphasis on pure preaching can put one-sided emphasis on the cognitive understanding of the Word, and downplay the spontaneous work of the Holy Spirit (Hendriks, 1992:23).
- The “Body” or “rejoice and testify” model. The emphasis in this model is on the premise that the body must build and care for the different parts. Spontaneous worshipping and testimonials are the order of the day. On the positive side, the caring for each other causes people to be drawn to these churches easily. On the negative side, because everybody “does as it is lead by the Spirit” the Word as norm for any thought or action can be set in the background (Hendriks, 1992:28).
- The “Transformation” or “protect and commiserate” model. The emphasis in the model is on the care for the oppressed and the needy. This can turn the church into just another worldly organisation. On the positive side, Christ’s command to care for the people is high on the agenda. On the negative side, the political-ideological agenda can cause the church to deviate from its God-given calling to preach the gospel.

From a strategic management perspective, it is important to take note of these models that might exist in the local congregation. Firstly, during the self-assessment of the congregation it can be used to categorise the congregation in a specific category, making it easier to understand its current situation. Secondly, these models provide borders for a congregation to realise when they are over-emphasising some of the characteristics or services on the account of other. Because these models develop over a long period of time (Hendriks, 1992:35), changing it will involve pro-active management of change, which is an essential part of the strategic management process.

### **3.4 THE GKSA**

During the 15<sup>th</sup> and 16<sup>th</sup> century church reformers such as Luther, Zwingli and Bucer voiced strong opposition to the way the Roman Catholic Church was governed and organised. The absolute power of the Pope was not acceptable to them. A second-generation church reformer, John Calvin, introduced the Reformed, or Presbyterian way of governing and conducting the operation of the church (Du Plooy, 1993:6). Over a period of many years, this way of governing and operating the church was described and documented. This process was finalised at the synod of Dordrecht in the year 1618/19 when the “Doctrine of Dordrecht” was accepted (Doctrine of Dordrecht, 2003:1).

#### **3.4.1 The Three Forms of Unity accepted in the GKSA**

Since its inception at the synod of Reddersburg in 1862, the GKSA has accepted the Presbyterian or Reformed tradition. As part of the Reformed family of churches, it subscribes to three confessional documents, namely the Belgic Confession, the Heidelberg Catechism and the Doctrine of Dordrecht (GKSA, 2009).

- The “Belgic Confession” was compiled by Guido de Brès in 1561 during a time of large scale prosecution of the Protestant churches. To protest against this cruel oppression and to prove that the adherents to the Reformed faith were not rebels, but law-abiding citizens, this confession was drafted. Various synods during the

- 16<sup>th</sup> century, including the National synod of Dordrecht in 1618/1619 has accepted it as one of the confessional documents of the Reformed churches. The confession stands as one of the best symbolic statements of Reformed doctrine.
- The “Heidelberg Catechism” originated in 1563 in Germany. At the request of emperor Frederik III of Paltz, Zacharias Uranus and Casper Olevianus drafted a syllabus for use in schools . Various synods during the 16<sup>th</sup> century, including the National synod of Dordrecht in 1618/1619 has accepted it as one of the confessional documents of the Reformed churches. The Heidelberg Catechism is still in use in the GKSA to educate children, as well as to remind grown-ups, on fundamental questions regarding faith.
  - The “Doctrine of Dordrecht” was drafted in order to settle serious controversy in the Dutch churches, which was initiated by the teachings of Jacob Arminius. The statement specifically rejected five fallacies preached by Arminius’ followers, namely foreseen faith, universal atonement, partial depravity, resistible grace and the possibility of a lapse from grace. On each of the main points, the statement consists of a positive and a negative part. The former being an exposition of the Reformed doctrine and the latter a repudiation of the corresponding errors.

From a strategic planning perspective these confessional documents plays an important role. They are fundamental tools to refute fallacies and create unity between the congregations within the GKSA, as well as with other denominations outside the GKSA family of churches. It also provides guidance on practical questions. Therefore, as part of the strategic planning process in a congregation, consideration should be given on how to utilise them to equip members with the knowledge and wisdom they bring.

### **3.4.2 Roles and responsibilities of individuals in the GKSA**

Article 2 to article 28 of the Church Order describe the different roles or functionaries in the GKSA. Christ never transferred His authority to any of the people in these roles, but only empowers them to fulfil the specific role. They are therefore only instruments in

His hands to fulfil their role. They are not dignitaries with authority based in their “higher office” (Vorster, 2003:15). There are four specific roles, namely:

- The ministers serving in the congregations. Article 16 of the Church Order defines their calling as to take the lead in preaching the Word of God, leading in prayers, serving the sacraments, pastoral care of the congregation, and in conjunction with the elders, apply discipline and good order in the congregation.
- The professors at the Theological School. Article 18 of the Church Order defines their calling as to train prospective ministers to fulfil their calling and to ensure that fallacies do not creep into the church.
- Elders. Article 23 of the Church Order defines their calling as to assist the ministers in the execution of their duties, and to ensure that everything in the congregation occurs in an orderly manner and in a well-disciplined way. They must direct and govern the affairs of the congregation (1 Timothy 5:17). God called them to this position via election by the congregation. They are responsible for and to all the congregation members in a ward. They must lead, support and visit them, and must apply the discipline as described in Matthew 18:15-17.
- Deacons. Article 25 of the Church Order defines their calling as to be the living proof of the love of Jesus Christ amongst the community.

The three roles in a local congregation, namely the minister, the elders and the deacons, are not subordinate to one another. There is equality in responsibility and this principle constitutes the equality of the roles. Each role is an instrument in the hands of Christ and is therefore responsible to Christ (Vorster, 2003:36).

Although not discussed in the Church Order, the GKSA believes in another role in the congregation, namely the “office of believer” (Vorster, 2003:35). Members of the congregation, who are not called to the specific role of minister, elder or deacon, are not passive customers who only receive. There is an obligation on all members to devote the gifts that have been bestowed upon them to the glory of Christ and to the mutual benefit of the entire congregation. This devotion must happen in love; else the congregation will become a resounding gong or a clanging cymbal (Vorster, 1999:7). Every member must,

through words and deeds, on a daily basis confess the hope of the gospel of Christ (Vorster, 1999:8). The service of the believer integrates with his/her every-day life, whether it is in their career, their marriage or their private life (Venter, 2005:17). It is noteworthy that nowhere in the Bible are the believers prepared for a comfort-zone life. Ephesians 4:12 requires that God's people must be prepared for a life of service. The Bible does not know any congregation where only the minister, elders and deacons work, and the rest are taking a back seat. The Bible demands a congregation in which the church council, as well as every member of the congregation, is working together (Venter, 2005:15).

The roles and responsibilities of individuals in the GKSA are based on Biblical guidelines, and strategic planning in the congregations should enhance and support this.

### **3.4.3 Roles and responsibilities of meetings or ecclesiastical assemblies in the GKSA**

Apart from the individual roles and responsibilities, the roles and functions of the different meeting structures in the GKSA are discussed in article 29 to article 52. The article makes provision for four structures, namely:

- The local church council. In all congregations there must be a church council. Consisting of the minister, who acts as chairman, and the elders. As a corps or unity (Spoelstra, 1989:227) they must act as shepherds to and supervisors over the congregation (Acts 20:28), and ensure good discipline as required by articles 71-85 of the Church Order. If practical considerations require it, the deacons can and must also be involved in the church council (Spoelstra, 1989:229). The church council functions in, with and for the congregation. Communication with the congregation should take place on a continuous basis. The congregation is not there for the council; the council is there for the congregation. There is no hierarchy, and no person in the council can reign over another (Spoelstra, 1989:230). Whatever decision is taken by majority vote will be binding. In accordance with article 31 of the Church Order; if someone feels that the decision is wrong on Biblical grounds, the issue can be referred to superior meeting (which is discussed in the next section).

- The classis is an assembly of delegates from neighbouring congregations. Article 41 of the Church Order requires that each congregation sends the minister and an elder to meet at a predetermined time and place. The purpose of this meeting is to form a first level of support structure for the different congregations to advise, consult and reprimand one another on how they conduct their activities (Spoelstra, 1989:248). On a regular basis, the classis will send representatives to each congregation to investigate whether the congregation acts true to its calling as far as governance, preaching, sacraments and discipline are concerned (Church Order, article 44). The classis is not more important than the local church council (Spoelstra, 1989:248) and cannot take decisions on behalf of the local council. To prevent people from becoming or being seen as head of the church, the classis will elect a chairman every time they meet. The meeting itself is not a permanent structure; it only exists while it is convened (Spoelstra, 1989:250).
- In accordance with article 47 of the Church Order, the regional synod is an annual meeting consisting of representatives of the various classis meetings in a geographic area. This is the next level of support, debate and advice regarding issues that affect individual congregations and classes (Spoelstra, 1989:280). The regional synod also discusses and administers issues of mutual concern, such as giving financial support to poor congregations in their area, correspondence with local governments and interaction with other denominations in the area.
- Article 50 of the Church Order describes the constituting of a three-yearly national synod meeting, consisting of representatives of the various regional synods. More frequent synod meetings may be convened if at least two of the regional synods are of opinion that there is an issue that requires urgent attention. The national synod discusses and takes decisions on items which are of interest to the entire denomination, such as issues relating to training of ministers, elderly homes, Bible society activities, contact with other church denominations and contact with national government. Synod meetings are open meetings, except when disciplinary cases are discussed. This means that representatives of local congregations may attend synod meetings to “see, listen and learn” (Spoelstra, 1989:281). Local congregations are bound by decisions taken by the synod on behalf of the GKSA.

All three the superior meetings may appoint commissions to investigate and execute specific action. As an example, a commission is appointed with the task of administering the GKSA's old-age homes and orphanages.

The local congregations of the GKSA are independent, function as complete churches as required by the Bible, serve the sacraments and apply discipline as required by God (Spoelstra, 1989:6). They report only to Jesus Christ, who is not the highest, but the only head of His church (Du Plooy, 1993:5). All superior meetings are there to help, support and assist the local congregations. The local congregations are not sub-ordinate to the larger denomination. Article 85 of the Church Order states that, in non-essential matters, different congregations have the freedom to apply different methods and customs. The denomination is there to form a support structure for the various independent local denominations. The denomination (GKSA) is not a church; the local congregations are the church as required in various passages in the New Testament.

A congregation should therefore focus to develop and grow to maturity (Ephesians 4: 15) on all four service areas, namely leitourgia, kerugma, koinonia and diakonia. If not, it is not pursuing its objectives as required by its head Jesus Christ. As an example, Van Rooy (2007:40) puts it strongly when saying that, when the church does not adhere to the requirement of Jesus Christ to spread the Word to other nations (Matthew 28:19), it has no grounds to assume that Jesus Christ or the Holy Spirit is still accompanying them!

From a strategic planning perspective, it is important to take note of the roles and responsibilities of these ecclesiastical assemblies. Especially for the local church council it is important to accept that the local congregation is intended to be the complete church as required by its Head Jesus Christ, and that major assemblies is there to assist. The onus for strategic planning in order to fulfil its calling is therefore on the local congregation. They can and must not wait for someone else, for example a synod meeting, to describe and fulfil the unique congregational calling.

### **3.5 SUMMARY**

In this chapter information that will be relevant for strategic management in the congregations of the GKSA was explored. Metaphors describing the essence of what the church is, as well as the work of the church was discussed. The structure and roles of assemblies and individuals in the GKSA was also discussed. It is important to note that the GKSA's view of a congregation is that each congregation is a complete church as required by Christ in the Bible. Every congregation should execute what is expected of him, given the unique time and location it is placed in. A congregation is not only a branch of a bigger church, and therefore only focus on some aspects of the character and service of the church. This information will form the second building block for the intended strategic management framework for the local congregations in the GKSA. In the following chapter, information will be obtained on the applicability and need for strategic management in a congregation.

Every congregation should therefore ensure that they understand their true character and calling, and strategise how to achieve that unique calling. In the next chapter, the importance of a well-constructed and executed congregational strategy will be explored.

## **CHAPTER 4**

# **THE ROLE OF STRATEGIC MANAGEMENT IN THE GKSA**

### **4.1 BACKGROUND**

The main objective of this study is to propose a framework to be used to guide congregations of the GKSA through the crafting and execution of a congregational strategy. The first building block for this proposed framework was laid in chapter two, which is a literature study on crafting and executing any organisational strategy. The second building block of the proposed framework was laid in chapter three. In this chapter a literature study was done on the character and work of the church. This chapter was not intended to be a complete and detailed theological analysis or comparison of the different views of “church” by various denominations, but mainly focus on the view of the GKSA. The chapter indicated how the GKSA view the purpose and role of the church congregation, as described in the Bible and GKSA confessional documents, supplemented by other literature. In this chapter, the necessity for strategic planning in the GKSA will be explored, which is one of the secondary objectives of the study. The applicability of the strategic management model from chapter 2 will be tested. Since many people view strategic management, and the change it might lead to, as something that is not necessary for a congregation (Nel, 2006:33), the information gained in this chapter will be useful to make the proposed framework practical. The information will also be useful in the management of change needed in a congregation that decides to compile a congregational strategy.

## 4.2 STRATEGIC MANAGEMENT IN THE LOCAL CONGREGATIONS OF THE GKSA

The church is not like any other institution or organisation in society (Van Wyk, 2001:38). Although the church is primarily invisible and spiritual, it is a visible organisation in the world, and it spans across borders of nations, languages and countries. John Calvin strongly rejected the notion that the church is only a spiritual organisation of which the visible administrative side is downplayed as not important (Smit, 2008:305). The fellowship of the church must not only be seen as a mystical relation with Jesus Christ. The fellowship with other Christians must be *lived out* and must be a visible and measurable attribute (Vorster, 1996:52).

At the three-yearly synod of the GKSA, which was held in the year 2000, a report was tabled under the heading of “Preservation and Growth of the Church” (Vergeer, 2000). The report gave guidance to congregations regarding the strategies to address the conservation and building of the church. The report states clearly that all local congregations should develop and implement a congregational strategy that is applicable to their own unique environment (assignment 3, point 1.1). Any church council that does not pay attention to the structured planning and systematic growth of the congregation must be rejected as not true to the Bible (assignment 3, point 2.4.15). The congregational strategy’s main purpose must be to guide the congregation to fulfil its biblical purpose, and should not have only growth in membership as main driving force. The fact that people are turning their backs on the mainstream churches, including the GKSA who is losing about 2000 members per year (Van der Walt, 2009b:253), is an indication that it cannot be “business as usual” for them going forward (Van der Walt, 2009b:267).

The report gave the following principles to congregations that must be taken into account when crafting and executing their congregational strategy true to its biblical calling (assignment 3, point 2.4).

- The church is not a normal organisation that must primarily be improved by human management and organisational skills and techniques. Strategies must be aimed at

improving the congregational trueness to its biblical calling, and not improvement measured in human terms.

- All members of the congregation are not automatically saved children of God, and God will not protect all congregations until the end of time. In Revelation 2:5 it is clearly stated that if congregations do not repent, they will be removed from its place among the churches.
- A true relationship with God must not be replaced with a relationship with the institutional character of the church.
- Strategies must not be aimed at preserving all current practices and structures at all costs, especially if they do not serve the true biblical calling of the congregation, but only serve tradition (*Solus status quo*). Traditionalism is the over-emphasising of what has worked well in the past. This can work against true reformation, and create resistance to (necessary) change.
- Strategies must also not be driven by a thirst for change, without the change being thoroughly tested for effectiveness and biblical grounding. Congregational change just for the sake of change is not true to its biblical calling.
- The strategies should ensure that all in the congregation understand their biblical calling, so that things that are not of biblical importance do not bind people's conscience.
- Strategies must not only focus on the congregation, but take into consideration the close relation between church, marriage and family before God.
- Strategies must pay special attention to the guidance of the youth towards spiritual growth and maturity as clearly stated in Deuteronomy 6:4-8.
- Strategies must not assume or accept that congregational members can be true members, but live outside the close and intimate relation of the congregation and of Christ.
- Strategies must not neglect the doctrine of predestination and election as principles of Christian faith.
- Strategies must emphasise the importance of continuous prayer, in the congregation as well as in individuals, especially regarding the work and acts of the Holy Spirit.

- The specific circumstances and environment of the congregation should be analysed and considered when crafting and executing a congregational strategy. The subjective copying of what other congregations did, or what was done in the past, without careful consideration of the circumstances of the specific date and place, is not true to its biblical calling.
- Strategies must not be built on the assumption that only one denomination is the true church, and that all the others are not true churches. Strategies should not exclude cooperation with other denominations when building God's Kingdom here on earth, and in the specific community of the congregation.
- Strategies must ensure that the congregation pay attention to the total calling of the church. The missionary calling as stated in Matthew 28:19-20 must get full attention. The congregation must be careful not to only pay attention to parts of its calling, and neglect other parts.
- Strategies must ensure that the work of the congregation is done not only by people in specific positions, such as a minister, elder or deacon. Strategies must ensure that all believers are willing and able to employ their God-given talents in God's Kingdom, and that they are not sidelined and become passive and immature.
- Given the historical background of South Africa, strategies should focus not to have a racist foundation. Strategies should accept that God's people are from all nations, races and cultures, and that these differences are not stumbling blocks in the congregation's work in God's Kingdom.

The congregational strategy should aim at the maintaining and building of the church, but not at the expense of becoming untrue to its calling. All congregational strategic planning should be tested whether it is in support of the maintenance and building of a true church. Article 29 of the Belgic confession states the criteria for a true church:

- Where pure and true preaching of the gospel takes place
- Where the sacraments are served purely as introduced by Christ
- Where Christian discipline is applied

- Putting it shortly, a congregation where everybody behave and act according to the Word of God, refute everything that is contrary to the Word of God, and accept Jesus Christ as the only Head of the church

### **4.3 DIFFERENCES AND SIMILARITIES BETWEEN STRATEGIC MANAGEMENT IN A CONGREGATION AND OTHER ORGANISATIONS**

To serve the specific strategic planning needs of a congregation, it is necessary to list the differences and similarities between a congregation and an ordinary organisation. Each step in the strategic management process, as described in chapter 2 of this study, will be tested for relevance in the strategic management process in a congregation. This will assist in making decisions on the steps and phases to be included in a proposed framework for strategic management in the congregations of the GKSA. The comparison will also assist in managing resistance if some congregation members resist the idea of strategic management in a congregation.

#### **4.3.1 Similarities in the strategic management process in normal organisations and a congregation**

The similarities will be indicated by following the strategic management process as described in chapter 2 of this study, namely develop a vision, set objectives, craft the strategy, implementation of the strategy, and evaluate performance. Strategic management in any organisation is a process with different phases of which all should be done in an orderly sequence. In a congregation it should also be a process (Nel, 1994:113) in which the different phases should not be skipped or else it can create confusion and resistance instead of mission fulfilment (Nel, 1994:148). Although a congregation's main focus is its spiritual nature, good management is important. Bad management of the institutional aspect of congregations will result in not fulfilling its mission here on earth (Vorster, 2008:xii). Callahan (1990:246) warns that nobody should think that developing and growing a congregation is quick or easy. Growing and

maintaining the congregation will require long-term plans. Burger *et al.* (2005:168) emphasise that the process should be approached and conducted in continuous prayer.

#### ***4.3.1.1 Develop a vision***

- a) Sayings quoted by Thompson *et al.* (2007:2, 18) like “Without a strategy the organisation is like a ship without a rudder” and “If you don’t know where you are going, any road will take you there” emphasises the need for strategic planning in today’s dynamic world. If management don’t take strategic perspectives continually, their organisations are likely to make major mistakes and miss opportunities (Stern & Deimler, 2006:192). Without a proper strategy, the organisation will go from day-to-day, and will not survive in the longer term.

A congregation should be careful to not only focus on current issues, but should also have a proper long-term plan and strategy in order to achieve its goals (Vergeer, 2000:2.4.6, 2.4.13, 2.4.14). Van Rooy (2007:40) warns that a congregation is seeking its own destruction if to survive has become its main purpose. The congregations should focus on all the requirements to maintain and grow as expected by the Head. Stagnation in a congregation of the GKSA should never be acceptable (Smit, 2009:448). Christ expects of His church that everything must be conducted in good order (1 Corinthians 14:33). Although distinctively different from any worldly organisation, a congregation still needs a well developed and executed strategy in pursuit of its calling. Warren (2007:52) emphasises that a congregation’s strategy should be done on the foundation that Christ gave, and on nothing else. If not true to their calling they run the risk of being removed from their place amongst the churches (Revelations 2:5).

- b) The strategic planning process starts off with the setting of a vision for the organisation. The purpose of a strategic vision is to point an organisation in a particular direction, charts a strategic path, and moulds organisational identity. A clearly articulated vision communicates the organisation’s aspirations and helps steer the energy of an organisation’s personnel in a common direction (Thompson *et*

*al.*, 2007:20). The setting of an inspiring vision, and the understanding of the gap between the current state and the desired future state is the first step in pursuit of the future goals (Flanagan & Finger, 2006:306).

De Klerk (2007:8) states that a well articulated vision of a congregation acts like glue keeping people together, acts like a magnet attracting members as well as outsiders to the congregation goals, and acts like a measuring stick to measure whether they are progressing towards their goals. Burger (1999:45) sees the purpose of a vision in a congregation as to give meaning to the future (especially in tough times), to give direction to activities and to generate energy and vitality to execute its calling. A vision is necessary so that everybody in the congregation can know and understand where the congregation is going to in future (Kruger, 2007:61). Without a vision a congregation runs the risk of becoming disorderly as members and activities might work against each other. Warren (2007:56) indicates that a vision helps preventing that people waste endless time and energy debating small and less important things, as they have the all important vision keeping them focussed. Burger (1999:45) emphasises that a congregation should find its vision from God, through prayer and Bible study. A well thought through, debated and understood vision will contribute towards understanding why certain things take place in the congregation, which is more important than the fact that it takes place. Venter (1988:36) warns that when the fact of having a sermon is more important than understanding why and for what purpose, it is wrong! A vision must be continuously reinterpreted in order to stay relevant and prevent it from becoming a cold tradition (Van der Walt, 2009a:22). Warren (2007:78) promotes the use of symbols and slogans to communicate the vision. Embarking on a well-structured strategic management process in a congregation will facilitate the discussions and debates for setting a vision that is true to the calling in the Bible, as well as the communication of the vision.

- c) The next outcome of the first phase of strategic planning is a mission statement. While the vision statement states the organisation's future course, the mission statement makes clear what the organisation's present business purpose and reason

for existence are. It describes “who we are, what we do, why we are here” (Thompson *et al.*, 2007:24). Sometimes called a creed statement, a statement of purpose, statement of beliefs, a statement of business principles, or a statement of “defining our business”, a mission statement reveals what an organisation is and whom it wants to serve (David, 2005:53). A well-constructed mission statement provides focus for the organisation.

Any church renewal, models for operating or strategies in the church should start off with a proper understanding of the essence of what the church is (Kruger, 2007:42). Burger (1999:52) puts it strongly when he indicates that his biggest concern with the church is when congregations lose sight of their identity; if they are not clear on the answer to the question “who are we?”. A correct view of the reason for existence, or mission statement, is fundamental to any activities and action planned in the church (Nel, 1994:145). This will prevent an over-emphasis of certain models such as the shepherd-flock model, the body model or the institution model (Vorster, 1996:40). Kruger (2007:46) states that a congregation will land in troubled water when thinking it is in the “church business” instead of understanding that it is in the “Kingdom of God business”. All congregations are there for the sake of God’s Kingdom (Burger *et al.*, 2005:25). A congregation’s reason for existence is not something that they can decide on. Through prayer and Bible study, they must discover “who they are, what they do and why are they here”, given their specific geographic location and time in which they exist (Burger, 1999:80). A well-managed strategic management process in a congregation will spend ample time and energy on cultivating an understanding between the members regarding the true essence of the church (mission statement).

- d) Part of the first phase in the strategic planning process is to determine the gap between the current state and the desired future state as worded in the vision statement (Kotze, 2007:9). Thompson *et al.* (2007:18) quote Abraham Lincoln as saying:” If we know where we are and something about how we got there, we might see where we should be trending”. By looking honestly at the current state,

leadership already starts identifying aspects in the organisation that are not satisfactory, and needs to be addressed in the strategy (Daniell, 2004:11).

Van Wyk (2001:145) emphasises that a true church should continuously reform itself to its calling in the Bible. The congregation should continuously examine and test itself (2 Corinthians 13:5-6). This look-in-the-mirror is essential for any meaningful growth to take place in a congregation. Many times this assessment highlights the shortcomings of a congregation, indicating to the congregation where energy and motivation is needed to rectify it (Nel, 1994:154). Burger (1999:300) emphasises that a congregation should face the facts regarding the gap between their current state and their Biblical calling, and not fall into the trap of finding excuses. They must not dodge away from the consequences of understanding the effects of the vision and mission (Van der Walt, 2009a:25). An integral part of a well managed strategic management process in a congregation will be to spend ample time and energy in determining whether the congregation is still growing towards its true purpose and calling, or are they in stagnating or even a dying phase (Nel, 2006: 117). They must determine what the gap is between current practises in the congregation compared to what Christ demands in the Bible and then move forward boldly and faithfully.

#### ***4.3.1.2 Set objectives***

- a) The setting of objectives is the second phase in the strategic planning process. The setting of objectives is done to convert the strategic vision into specific performance targets (Thompson *et al.*, 2007:29). Stern and Deimler (2006:227) quote Bill Hewlett, cofounder of Hewlett-Packard, as stating: “What gets measured gets done”. These objectives provide the basis for designing and organising activities to be performed. It also provides direction and allows for organisational synergy (David, 2005:158). A pure focus on profit as the only objective is no longer appropriate in the 21<sup>st</sup> century. Corporate scandals, corruption, job insecurity, environmental damage and lack of customer care are only some of the factors necessitating a set of balanced objectives to be pursued in order to be sustainable, and not only financial

objectives (Daniell, 2004:81). Without long-term objectives, an organisation would drift aimlessly toward some unknown end (David, 2005:159). The objectives should have a long-term focus, from which short-term milestones must be derived. The balanced scorecard methodology was developed by professors Robert Kaplan and David Norton at the Harvard Business School to give guidance in the development of an organisation's objectives (David, 2005:159). Dess *et al.* (2008:29) emphasise that for a set of objectives to be successful, they must be specific, measurable, appropriate, realistic and timely.

For a congregation to achieve its vision and be true to its purpose, it should have clear objectives on what to do (Burger, 2005:19). Clarity on its objectives is very important for a congregation, else everybody will have its own perception whether the congregation is successful or not (Warren, 2007:37). A congregation is called for a life of service in various areas, such as Kerugma, Leitourgia, Koinonia and Diakonia discussed in section 3.3.2 of this study (Van Rooy, 2002:79). These service areas are examples of objectives which all must be pursued. A congregation that, for example, only focuses on internal issues and not pursue the objective of spreading the gospel outside the congregation boundaries, is like a ship standing in a harbour. The ship's work is on the open sea, and it will rust and sink if it only stays in the harbour (Van Wyk, 2001:81). Nel (1994:187) argues that objectives of a congregation should be reflecting God's will, should be achievable and measurable, and have balance between the maintenance and growth command. The objectives should be communicated well to everyone in the congregation (Warren, 2007:77). The setting of objectives to ensure that the congregation directs balanced attention at its full calling is an integral part of strategic planning, and without it a congregation runs the risk of being untrue to its calling. Warren (2007:67) emphasises the principle that the objectives should adhere to the SMART set of principles, namely to be specific, measurable, appropriate, realistic and timely.

- b) Change is a constant feature of any organisation (Coetsee, 2003:188), and the rate of change in modern society is accelerating (Kreitner & Kinicki, 2004:672). A need for planned pro-active change effort, rather than re-active management of the effects

of change, is required. Strategically planned change involves improving the alignment of an organisation's environment, strategy and design (Cummings & Worley, 2005:12), and thereby using the changed environment to the benefit of the organisation. The decision on how to react to different changes in the environment is one of leadership's major tasks during strategic planning. As an example, successful organisations avoid technological fads and bandwagons, yet they become pioneers in the application of carefully selected technologies (Collins, 2001:162). Methodologies used during the strategic planning process, such as the macro-economic environment analysis, the operating environment analysis and the enterprise analysis equips leaders in the organisation to respond strategically proactive to (necessary) change.

A congregation exists in the same world as other organisations, and are therefore not immune to change. Kruger (2004:15) points out that for a congregation, some things will never change. The gospel of Jesus Christ will never change, and the church's obligation to spread this unchangeable fact will also never change. But the church has to adjust on non-principle issues if it becomes necessary. Burger (1999:93) indicates that congregations must not get confused with the eternal and unchangeable gospel, and the application of the message of the gospel given the specific circumstances and time in which the congregation functions. In Mark 7:1-13 Jesus reprimanded the Pharisees for holding on to outdated customs, and thereby working against God's will. And in 1 Corinthians 9:20-21 Paul indicates how he adapted to changes in order to spread the gospel. In Colossians 4:5 it is expected of the faithful to make the best use of all opportunities to spread the gospel. Not to make best use of available technology is an example of a lost opportunity to a congregation if it does not want to react on the change. The synod report (in the year 2000) on "The maintenance and growth of the church" warned against preserving all current practices and structures at all costs (point 2.4.4) as well as change just for the sake of change as not true to its biblical calling (point 2.4.15). Lack of sound renewal in the church results in a formalised, traditionalistic and irrelevant church which will be detrimental to the fulfilment of its calling (Vorster, 2003:149). A

well-structured strategic management process will assist a congregation in pro-actively planning for necessary change, and to ignore unnecessary change.

- c) No organisation exists in a vacuum, and it must be responsive to the external environment. A number of checklists have been developed as ways of cataloguing the vast number of macro-environmental issues that might affect the organisation and its industry. A political, economical, social and technological (PEST) categorization is one of the frameworks often used as a template to guide the analysis (Quickmba, 2009). Leadership should observe the linkage between the political, economical, social and technological variables, thereby attempting to describe probable future scenarios with strategic implications on your organisation (David, 2005:77).

Kruger (2004:17) uses the words of Jesus in Mark 1:17, when He called the disciples to fish for people, to illustrate the work of the church in the world outside the congregation. For normal fishing, the external environment has a huge influence on the way you fish, like sea fishing versus river fishing, droughts, floods and even regulatory requirements for fishermen. The same applies to the church's assignment to fish for people. External influences might influence the way a congregation fishes, but it must continue with the work. Vergeer (2000:2.3.5.4.3) emphasizes that each *local congregation* is God's missionary church in the world. A congregation can therefore not fulfil its God-given purpose if it is uninformed about influences from the political (people of colour moving into congregational borders), economical (retrenchments), social (AIDS effect in the community) and technological (SMS and web applications) environment. A well-structured strategic management process in a congregation will assist them in identifying and reacting appropriately to challenges and opportunities of the external environment.

- d) For an organisation to prepare itself for the crafting of a strategy, it is important that enough information is available regarding the industry it is operating in. To gain a deep understanding of a company's industry and competitive environment, managers need not spend unnecessary time gathering and digesting information.

Analysis based answers to the questions discussed under section 2.5.2.3.b of this study will provide managers with the understanding needed to craft a strategy that fits the environment (Thompson *et al.*, 2007:52).

Due to the unique characteristics of a church, it is wrong to view a church as a business operating in a business environment. Although not a business environment, congregations in the GKSA are influenced by two main “church environments”, namely developments in the GKSA family of churches, as well as developments in the other Christian denominations. It is necessary to identify and understand these influences because the local congregation will be influenced by it to a lesser or larger extent. From the generic strategic management process discussed in the previous chapter, the following questions will provide useful information for the crafting and execution of the congregation strategy:

- What does the environment in which the congregation is serving look like? For a congregation to grow by attracting Christians from other denomination’s members is not aligned with the command of Christ in Mathew 28 (Warren, 2007:25). Identifying and describing God’s field (1 Corinthians 3:9) will give guidance to the congregation’s strategic planning on how to approach its work on evangelism. It must be accepted that the true battle is not against other denominations, but against the forces of evil (Kruger, 2007:13). Van der Walt (2009b:256) describes that churches and ministries operate in an environment where they are competing with a world full of secular temptations where people will not simply flock to the church because “it is the place to go”.
- What driving forces are driving behaviour and change in the church environment? Identifying the driving forces is the first step, followed by a decision process on how the congregation should react to the driving forces. Some driving forces might require that the congregation must be warned and protected, such as the growing post-modern phenomenon that people are interested in God, but does not see a place for the church in their relation with God (Burger, 1999:136). Other driving forces might be conducive for

the congregation to fulfil its purpose and should be embraced in the most appropriate way, such as the growing poverty and spiritual need of people (Burger *et al.*, 2005:1). The nature of a driving force is such that it *will* influence the congregation. How the congregation reacts to the influence of the driving force will determine whether the influence is good or bad. A well-structured strategic management process will assist the congregation in identifying and pro-actively planning for the changes that will occur.

- What other denominations and congregations exist in the area, and what can be learned from congregations of the GKSA and of other denominations in the environment? Church isolation, and therefore stagnation, should never be part of the agenda of a congregation in the GKSA (Smit, 2009:448). Much can be learned from other denominations by understanding what they do (Nel, 2006:67). To think that God's chosen people are only from one denomination is wrong (Vergeer, 2000:2.4.16). As part of a well-managed strategic management process, opportunities for cooperation with other congregations and denominations can be identified in the interest of preservation and growth of the Kingdom. Mapping them on a strategic group map will assist in making the different congregation's positions on various aspects more visible.
- What are the key success factors for a congregation to fulfil its calling in your specific area? A congregation should be careful, although he might be the bearer of the Good News, to become irrelevant for the people in its environment in bringing the Good News. It is dangerous for a congregation to think that his own vision and methods hold the only truth and to be blind to the view from "the outside" (Van der Walt, 2009a:21). Nel (2006:137) proposes that "12 keys for an effective church" can be used as key success factors to evaluate the local congregations against. If a congregation is weak in any "key success area" it runs the risk of nullifying all the good work it might be doing in other key areas. As part of the strategic management process, this type of analysis will assist the congregation with a view of itself from an "outside looking inside" perspective.

- e) No two organisations are exactly the same. To determine the organisation's internal strengths and weaknesses, as well as the opportunities and threats in the external environment, the SWOT analysis are an important analytical tool used during the strategic management process (Thompson *et al.*, 2007:97). This analysis has been a framework of choice among many managers for a long time because of its simplicity and its portrayal of the essence of sound strategy formulation (Quickmba, 2009). The essence is to turn the company's internal weaknesses into internal strengths, and to use these strengths to capitalise on opportunities that the environment brings, and to defend the threats that the external environment poses (Dess *et al.*, 2008:44).

No two congregations are exactly the same, even if they belong to the same Reformed family of churches. Congregations function and exist in different places and contexts. The spiritual gifts as indicated in 1 Corinthians 12:7 will differ from one congregation to another. The specific circumstances and environment of the congregation should be analysed and considered when crafting and executing a congregational strategy. The subjective copying of what other congregations did, or what was done in the past, is not true to its biblical calling (Vergeer, 2000:2.4.13). Congregations should embrace and use their strengths to move forward, but they should also acknowledge their weaknesses, and face them constructively. A well executed SWOT analysis, as part of the strategic management process in a congregation will assist in developing and employing the gifts (Ephesians 4:12-13) to grow and maintain the church. The process will also assist in prioritising the addressing of weaknesses. The analysis will also highlight which strengths can be used to capitalise on which opportunities.

- f) The ability of a company to understand its own capabilities and processes to satisfy the needs of the customer is a crucial component for crafting a successful strategy (Quickmba, 2009). With this purpose in mind Michael Porter introduced the VCA as an analytical tool. The VCA views an organisation as a sequential process of value creating activities. Understanding the sequence of activities that creates value

is useful in understanding the building blocks of competitive advantage (Dess *et al.*, 2008:76).

1 Corinthians 12:12-31 describes the church as a body, consisting of different parts that work together to fulfil its purpose. Each part of the body should fulfil its own function. If some parts are missing or not functioning, the whole body will suffer. Nel (1994:192) points out that by understanding the function and integration between the different parts, it is possible to create synergy (the whole is bigger than the sum of the parts). Ensuring that the structuring of activities, and people, in the congregation supports the strategy is important (Warren, 2007:85). Part of the strategic management process is to assess whether there is an understanding of how the congregation is structured in support of its strategy.

- g) An important part of the self-evaluation of an organisation is to do benchmarking. Benchmarking entails comparing how different companies perform various important activities, and then make cross company comparisons on the cost and effectiveness of the activities. The objective of benchmarking is to identify best practices in performing activities in order to learn from one another. As an input into strategy formulation it is important to take note of areas where your own organisation is not performing well compared to others (Thompson *et al.*, 2007:116).

Although each congregation in the GKSA is an independent and complete church, they are united in a family to support each other. Vergeer (2000:2.4.16) rejects the notion that only one church denomination is God's chosen people. Smit (2009:449) rejects the idea that the truth of the Kingdom of God can only be found in the beliefs and customs of the GKSA. Benchmarking activities and programs with other church denominations can be done to improve the mission fulfilment of a congregation. Warren (2007:42) puts it strongly by saying a congregation that thinks it cannot learn from operating models of other congregations, has an ego problem. As part of the strategic management process, congregations can identify issues and activities in which they are lacking, and obtain advice and support from other congregations.

#### 4.3.1.3 *Craft a strategy*

- a) Although senior management has the accountability for strategic planning, it should be an inclusive process. The involvement of as many managers and key leaders as possible is important in the strategic planning process, because through involvement people become committed (David, 2005:55). The implementation phase requires even broader participation right through the organisation. Because all employees are participants in the strategy execution phase, it requires a real team effort (Thompson *et al.*, 2007:360). Building an organisation with the necessary skills, resources and structures to execute the strategic and operational plans is part of a well-managed strategic management program.

The metaphor used in Ephesians 4 and 1 Corinthians 12 for the church as a body emphasises the need for all the parts of the body to work and function, else the body will not be healthy and growing. Congregations must ensure that people in specific positions, such as ministers, elders or deacons do not do all the work. No strategy should be designed and driven from the pulpit (Nel, 1994:154). All believers must be willing and able to employ their God-given talents in God's Kingdom, and they must not be sidelined and become passive and immature (Vergeer, 2000:2.4.18 and 2.4.22). A well-constructed strategic management process will facilitate the identification and enabling of all in the congregation to participate in the work to be done.

- b) Armed with the information from the previous phases in the process, namely the vision, mission, strategic gap, strategic objectives, as well as the analysis of the macro environment, the industry and the organisation itself, creative thinking is now necessary to craft the best strategy (David, 2005:200). There are many strategies to create a competitive advantage for your organisation, but all will involve giving your customers what they perceive as superior value. A well-crafted strategy recognizes that trade-offs is necessary in the strategy. Trade-offs is necessary when activities are incompatible (Dess *et al.*, 2008:156). Offering a product cheaper than

all competitors, but at the same time with more features than all competitors, is not a compatible strategic choice.

1 Corinthians 14:33 states that God is a God of order. Having all the information available from the process described above the congregation has the obligation to plan the way forward to maintain and grow the church; else the congregation will not function orderly. Without all the facts available from the analysis, plans and actions will be based on perceptions (Nel, 1994:156). De Klerk (2007:8) remarks that “when you fail to plan, you plan to fail”. Van der Walt (2009b:264) emphasises that a mind-shift and creativity is of great importance when planning for the future of the congregation, just as church reformers such as Luther and Calvin had to make mind-shifts in their time. While a worldly organisation will try to create as much value as possible for its members or course, the churches assignment will be to continuously reform to what is expected from Christ, the Head of the church. It is not a congregation that works, and the Holy Spirit that should help them. No, it is the Holy Spirit that works and it is the congregation that should find what their role is in the execution of this holy work (Burger *et al.*, 2005:167). A well-developed strategic management process will facilitate discussion on what the best options are to pursue given the available information. This must take place in full understanding that the one who plants and the one who waters work together with the same purpose (1 Corinthians 3:8). Because the situation and variables will differ from one congregation to another, no one strategy will look exactly the same (Burger, 1999:300). From the strategic management process discussed in the previous chapter, the following generic strategic options can provide useful options for the crafting and execution of the congregation strategy:

- Alliances and joint ventures. The view that true believers only belong to one denomination is wrong (Vergeer, 2000:2.4.16). The GKSA must not view itself as the church denomination with the sole mandate on the truth of the Gospel (Smit, 2009:467). Sensitivity, insight and praying cooperation is needed between denominations in a specific community. Specific issues, such as ensuring that children’s school education in a specific town comprising training and instruction according to biblical principles

(Vorster, 2003:39), can contribute to the growth of the Kingdom. The work of a congregation is too overwhelming to try and invent the wheel themselves on everything. Through joining of forces and close cooperation, even with organisations other than churches and other congregations, efficiency of execution of work increases (Burger *et al.*, 2005:133).

- Mergers. In many congregations adequate finance is an issue (Vergeer, 2000:5.3.5.2). Mergers or service agreements must be considered between different congregations of the GKSA in order to keep going with the work in God's Kingdom.
- Outsourcing as a strategy in the business world is to regain focus on the core business of the enterprise (Chase *et al.*, 2004:372). The first step is to identify resource intensive non-core activities, and secondly to stop or outsource them. The same principle can be applied on a congregation. Part of a well-executed strategic management process will be to identify those activities that are taking up excessive time and energy, thereby drawing focus away from the congregation's main objectives. This might include over emphasis on humanitarian welfare activities, or even over emphasis on fundraising activities. These activities should then be revisited as part of the strategic planning process.
- Internet strategies. One of the biggest strategic issues facing an organisation today across the world is the decision on what role the internet should play in the organisation's competitive strategy (Thompson *et al.*, 2007:183). Everything on earth and in heaven is under the authority of Christ (Mathew 28:18). By not using the latest technology to serve God is to give the devil free access to it (Warren, 2007: 224). It is part of the work of the church to ensure that Jesus is accepted as king on all facets of life (Burger *et al.*, 2005:26). Part of a well-executed strategic management process will be to identify those technologies that will contribute to the congregation fulfilling its purpose.

- c) In the process of setting up a strategy, there is no discipline more important than paying full attention to priorities. Given the complexity of today's world, it is absolutely essential to identify and select the right actions and investments to support the chosen strategy, and to focus resources and energy on them (Daniell, 2004:58). Formulating the strategy does not end when objectives for the future strategic path has been determined. These objectives need to be broken down into specific performance targets (Thompson *et al.*, 2007:34).

All congregations must have a systematic plan to build the church (Vergeer, 2000:2.4.14). This implies a plan that is executed over an extended period of time, and that will not happen in a few months. It is important to understand the magnitude of the work that a congregation should do, but it is important not to try and do everything at once (Warren, 2007:59). Therefore, priorities must be set of what must be done and in what sequence to achieve the objectives. One example is that only after koinonia has been established, the congregation will be in a position to effectively launch evangelism actions (Vergeer, 2000:2.3.3.7). The congregation should be careful of two things when realising all the opportunities and threats facing them. On the one side, the congregation might be tempted to try and tackle everything at once. On the other side, a congregation might be overwhelmed to such an extent by the magnitude of the work, that they don't do anything (Burger *et al.*, 2005:35). Part of a well-executed strategic management process is to set the priorities of what must be achieved, taking into consideration the strengths and weaknesses of the congregation.

#### ***4.3.1.4 Implementation of the strategy***

- a) Successful strategy formulation does not guarantee successful strategy implementation. It is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation) (David, 2005:242). Strategy formulation concepts and tools do not differ greatly for small, large, profit or non-profit organizations. However, strategy implementation varies substantially among different organizations (David, 2005:242). Hence, there is no

definite managerial recipe for successful strategy implementation that cuts across all company situations and all types of strategies. Despite the need to tailor a company's strategy execution approaches to the particulars of the situation, Thompson *et al.* (2007:361) identified eight managerial tasks that are generic to successful implementation. In chapter 2 section 5.4.3 these actions were discussed in more detail.

In various places in the Bible, God called his people to be prepared for a life of service (Eph 4:12, Mat 28:18-20). A proper action plan is required to turn a dream into reality. Burger (1999:101) indicates that many congregations in the Dutch-Reformed Church spend lots of time and energy to formulate and plan their work in pursuit of its mission, but the execution is lacking. Nel (1994:196) indicates the importance of not only planning the strategy, but also planning the execution of the strategy. The congregation must prepare and equip itself for the service it must render. From the strategic management process discussed in the previous chapter, the following areas can provide useful guidance of what should be considered in the planning of the execution of the congregation's strategy:

- Develop the competence and ability of the members. Ephesians 4:12 commands that the gifts of God's people must be developed for their life of service. Warren (2007:31) links this continuous development of the gifts to Ecclesiastes 10:10: "If the iron be blunt, and he do not whet the edge, then must he put in more strength: but wisdom is profitable to direct". In Hebrew 5 the congregation is reprimanded because they did not mature in their faith and is compared to babies still needing milk in stead of grown-up people eating healthy foods. Because of that, they must still be taught instead of them teaching others. Part of the strategy execution process must be to devote specific time and resources to the developing of the congregation's members' talents. During the analysis phase of the strategic planning process, certain needs would have been highlighted which can determine priorities for specific focussed development. Burger *et al.* (2005:174)

indicates that one of the distinguishing features of growing congregations is that they identify and develop the God-given talents of their members.

- Structuring of activities. As part of the strategic management process, specific attention should be given to the question whether the congregation is structured adequately to pursue its goals, and to make adjustments where necessary. During the analysis phase specific attention was given to understand its current structure (VCA). Nel (1994:222) agrees by stating that “form” and “norm” should not be confused. Structure in the congregation should not deviate from certain biblical guidelines, for example that deacons should be responsible for the care of the needy (Church order article 25), or that the elders should be responsible for managing God's household (Titus 1:7). But Callahan (1990:203) states that all structures have an interim status. Smit (2008:397) warns about the over-structuring of a congregation. If the structure of people, processes or customs is such that they hinder and block, rather than facilitate and help the execution of the congregation's mission, it should be addressed. Part of the congregational strategy implementation will be to adjust existing structures that are not supporting the fulfilment of the congregation's calling.
- Finding and allocating resources. The way that a congregation allocates resources, such as budget allocation, agenda time on important meetings or leadership skills are important indicators how serious the congregation is with the different objectives. Callahan (1990:32) use the example of a congregation that allocates the most experienced leadership skills available to the finance committee. Naturally finances will become a large focus for the congregation. From the information gained in the analysis phase, for example from the SWOT analysis, the allocation of appropriate resources is an important step in a well-executed strategic management process.
- Adopting best practices and continuous improvement. Congregations in the GKSA family of churches should support each other. Blind copying of what other congregations are doing is the wrong approach (Vergeer, 2000:2.4.13). But learning from best practices of other congregations on how to approach

and execute certain activities can add to the efficiency of the congregation's work. For a congregation to walk the road alone is very difficult. Much can and must be learned from other Christians in the same, as well as from other denominations on how to approach and execute activities.

- Rewards and incentives. A properly designed reward and recognition structure is one of management's most powerful tools for mobilising the organisation for strategy execution. Rewarding individuals, departments or even the organisation as a whole for achievement of strategically important targets and results, will support greater employee commitment to good day-in day-out strategy execution (Thompson *et al.*, 2007:404). Although rewards in the traditional sense is not applicable for a congregation, worshipping God together when He bless the work of the congregation with successes is part of building unity and motivation in the congregation.
- Organisational culture has a powerful influence on what goes on in organisations and how they perform (Dess *et al.*, 2008:309). Aspects of an existing culture that are antagonistic to the new strategy should be identified and changed (David, 2005:264). Part of a well-executed strategic management process for a congregation will be to diagnose the current culture, and to change the culture where the culture does not support the congregation's strategy.
- Good leadership during strategy execution is vitally important (Dess *et al.*, 2008:379). Warren (2007:132) indicates that good leadership is one of the determining factors for a congregation's success. Part of the strategic management process in a congregation will be the identification and development of leaders to steer the process (Nel, 1994:197).

#### ***4.3.1.5 Evaluating performance***

- a) Frequent measurement and monitoring is the trigger point for management to decide whether to continue or to adapt the organisation's vision, objectives, strategy or strategy execution methods. As long as the organisation's direction and strategy

appears to be on target, some fine-tuning might be all that is needed to ensure effective execution. However, whenever a company encounters disruptive changes in the environment, downturn in its market position or persistent shortfalls in performance, management are obligated to ferret out the causes; do they relate to poor strategy, poor strategy execution, or both? Timely corrective action is necessary. It is not unusual for an organisation to find one or more aspects of its strategy are not going as well as intended, and to take corrective measures timely (Thompson *et al.*, 2007:43).

Strategic evaluation is necessary for all sizes and kinds of organisations (David, 2005:313). If a congregation is not clear on what the criteria are for measuring its success, it will tend to measure its success against the wrong criteria such as membership growth, financial assets or number of projects initiated (Vorster, 1999:6). This will lead to wrong perceptions; thus resulting in wrong decision-making. The congregation should continuously examine and test itself (2 Corinthians 13:5-6), not only at the beginning of the strategic management process, but continuously (Warren, 2007:61). Congregations are not successful when they do well compared to normal organisational goals such as money, membership numbers or glorious events, but when they fulfil their God-given calling (Burger *et al.*, 2005:12). Nel (1994:199) indicates the purpose of continuous measurement in a congregation is to improve the efficiency of plans in pursuit of its goals. Part of the strategic management process in a congregation will be to design the most appropriate measures against which the congregation, and its progress with the execution of its strategy, are measured.

- b) A need for planned pro-active change effort, rather than re-active management of the effects of change, is required. Strategic change involves improving the alignment of an organisation's environment, strategy and design (Cummings & Worley, 2005:12). This situation causes tension between the conflicting need for change and the need for stability in an organisation (Stern & Deimler, 2006:193). Part of the strategic management process is to manage the changed process, which might include resistance to change.

Although the Bible requires a congregation to continuously reform and change to become more like Christ (Ephesians 4:15), resistance to change does occur (Vergeer, 2000:2.4.6). Nel (1994:120) describes change, as well as resistance to (necessary) change, in a congregation also as a process, which must be well managed. Part of a strategic management process in a congregation will be to manage any change that the process brings, including managing the resistance to necessary change.

- c) For an organisation to be sustainably successful, they need to have strong and effective leadership. One of the most important roles for leadership in any organisation is to both create and implement proper strategies for the organisation. Leaders should ensure that the organisation does the right things (being effective) and do the things right (efficient) (Dess *et al.*, 2008:379).

In the crafting and execution of strategy in a congregation, leadership plays a decisive role. Nel (1994:59) puts it that if a church is not growing, it is advisable to take a close look at the leadership in the congregation. Many times, lack of leadership is the root cause of the problem. Burger *et al.* (2005:175) indicates that good leadership is a distinguishing characteristic in congregations that are successful. And this leadership is not only from formal leaders such as the pastors, but also from many people not in specific elected positions.

#### ***4.3.1.6 Leadership and management of change***

- a) Leading any organisation through the dynamic and fast changing world of the 21<sup>st</sup> century places high demands on leaders. They must be able to inspire and lead people toward doing the right things (effectiveness), but also manage activities for orderly execution (efficiency). Leaders must also manage the changes that strategy formulation and execution bring. If not, the progress toward the strategic goals will be hampered seriously.

It is not uncommon for people who lead a congregational strategy to come under serious critique (Nel, 2006:33). Leaders in the congregation must manage the strategy process, and the changes required as part of the strategy, with wisdom. Transparency, good communication and patience are required. A leader in the congregation should continuously equip himself and act in full dependence and faith that God will provide the wisdom needed (Kruger, 2007:133). It is also important to make sure that the leadership role is not centred on one leader; very often the minister. The minister is not an “all-rounder” (Kruger 2007:65). Creating too much of the strategy around one leader will cause the strategy not to be sustainable.

#### **4.3.2 Differences in the strategic management process in normal organisations and a congregation**

- a) A vision is defined by Dess *et al.* (2008:24) as a goal that is massively inspiring, overarching and long term, and it represents a destination that is driven by and evokes passion. David (2005:54) states that a vision answers the question “what do we want to become”. A clearly articulated vision communicates the organisation’s aspirations and helps steer the energy of an organisation’s personnel in a common direction (Thompson *et al.*, 2007:20). The vision and related strategy is the single unifying factor for an organisation.

A congregation is not like any other organisation. Although the visible part of a congregation is important, it is primarily spiritual by nature. Therefore it would be detrimental for a church congregation, and its individual members, if the true relation with God is confused or replaced with the vision. Then the vision becomes a purpose in itself, and even a false god (Van der Walt, 2009a:22). Without the power of the Holy Spirit, nothing in the congregation will bare fruit. The key to success lies in the work of the Holy Spirit, not in models, structures or a vision (Kruger, 2007:97).

- b) When circumstances require it, organisations change their core product to suite the changing needs. A well-known example is the way in which technology companies

discontinue products to introduce totally different products such as the replacement of cassette tapes with MP3 players. As part of strategic management, many organisations will spend large budgets to be the first to develop new technology, even if it replaces their own product.

A congregation should never change its core for any reason, even if it stands to lose some of its members. The purpose of the church can and must never change according to the taste and fashion of people. The characteristics of a true church as described in article 28 of the Belgic confession namely “Where the pure and true preaching of the gospel takes place, where the sacraments are served purely as introduced by Christ and where Christian discipline is applied” can and must not be sacrificed. Non-principle procedures, methods and customs may be adjusted to become more functional, but the core character and assignment must be unchanged (Kruger, 2004:18). Strategic planning in a congregation should therefore not focus to improve according to worldly standards, but improve to become more mature and more like Christ (Ephesians 4:15).

- c) As part of the strategic management process, the setting of objectives is to convert the strategic vision into specific performance targets (Thompson *et al.*, 2007:29). It also provides direction and allows for organisational synergy (David, 2005:158). The objectives are normally set in a top-down process (Flanagan & Finger, 2006:309). The objectives of the organisation as a whole in support of the vision are set in the first place. Then it is cascaded down the different units or departments in the organisation to set their objectives, which must be aligned with the organisational objectives. Doing it in this top-down method contributes to alignment and cohesion among objectives and strategies of the different parts of the organisation (Thompson *et al.*, 2007:35).

The setting of objectives in a congregation can never be in a top-down fashion. The reason for this is that there is no hierarchy in the church. Every office-bearer is an instrument in the hands of Christ and is therefore responsible to Christ. None of the offices in the church are subordinate to each other. Minister, Elder, Deacon and Believer

each bears an own responsibility as instrument in the broad ministry of Christ (Vorster, 2003:35). There is no Executive Committee or Board of directors in a congregation that has the authority to force down the objectives of a strategy. Strategic management in a congregation should take cognisance of this lack of top-down approach.

- d) As part of the strategic management process in worldly organisations, setting stretched objectives is used as a tool for pushing the organisation to perform at its full potential and deliver the best possible results for the owners or shareholders in the organisation. Challenging personnel to go all out and deliver “stretched” performance targets pushes an enterprise to exhibit more urgency in improving its financial performance and its business position. These objectives are tangible targets and measures as set out on the “balanced scorecard” (Thompson *et al.*, 2007:30).

The church is primarily invisible and spiritual by nature and is not limited to specific nations, countries, cultures or languages. The institutional character of a church, and the congregation, is not the primary focus (Van Wyk, 2001:39). During strategic planning in a congregation, emphasis on concepts such as “stretched targets” and “improvement” can elevate the institutional character of the church, leading the church to deviate from its character of God’s people, Body of Christ and Dwelling of the Holy Spirit. Burger (1999:16) reminds congregations that their work should not primarily be to build the congregation itself, but to build the Kingdom of God. The aim of strategic management in a congregation should not focus on what is best for the congregation, but what God wants to do with and through the congregation (Nel, 1994:113). A congregation should pray and look for answers not so for God to accompany them on their road ahead, but that the congregation is on the road with God (Burger *et al.*, 2005:23).

- e) An integral part of the planning and executing of a strategy in a worldly organisation is to ensure that an appropriate reward and recognition systems is designed and applied. A properly designed reward and recognition structure is one of management’s most powerful tools for mobilising the organisation for strategy

execution. Rewarding individuals, departments or even the organisation as a whole for the achievement of strategically important targets and results, will support greater employee commitment in order to obtain good day-in day-out strategy execution (Thompson *et al.*, 2007:404).

A true church will recognise that its existence is due to God's grace and its continued existence is at the mercy of God. Anything that it achieves is through the grace of God (Heidelberg Catechism question 54). Every member must fulfil his/her purpose in accordance with the talents bestowed upon him/her, but only with the blessing of God any success will come. The one will plant, the other give water, but God will make it grow (1 Corinthians 3:6). Although the faithful must encourage each other and build each other up (1 Thessalonians 5:11), rewards and recognition during the execution of duties should be done in such a way that all glory is still attributable to God, and not to individuals. Although the faithful can and must use the best and most scientific methods to build the congregation, it should be accepted that the real growth is the work of the Holy Spirit (Nel, 1994:19).

#### **4.4 SUMMARY**

In this chapter information that is relevant for strategic management in the congregations of the GKSA was explored. The study indicated the need for strategic management as requested by the synod report of the year 2000. The chapter also indicated that the progressive phases for crafting and executing a strategy, as discussed in chapter 2, are applicable not only on a worldly organisation's strategy, but also for a congregational strategy. The first phase in the process is to develop a strategic vision. This entails creating a shared understanding of the essence and purpose of a congregation, as well as a shared desire to move closer to their true form. The second phase of the strategic management process requires the setting of objectives. Through analysis and research the congregation must determine the major areas or pillars on which to focus and build on in order to fulfil its biblical purpose. The third step in the process is to craft the strategy the congregation will follow. Decisions must be taken on the priorities, timelines and

actions to be executed by congregation in future. The forth step in the strategic management process is the execution of the activities. The priorities identified in the crafting of the congregational strategy should now be planned in detail, resourced and executed. The last step in the process is to evaluate, monitor and adjust. The aim is to determine whether the congregational strategy is being executed efficiently and whether the congregation is progressing towards fulfilling its calling.

Certain differences between a congregation and other organisations were also highlighted which should be considered when designing a framework for strategic management in the GKSA. This information will be useful to make the proposed framework practical. The information will also be useful in the management of change needed in a congregation, in the instance of deciding to compile a congregational strategy. In the following chapter, information will be obtained from congregations on practical experiences and best practices currently in use in the congregations of the GKSA.

## **CHAPTER 5**

# **EMPIRICAL STUDY ON THE EXECUTION OF STRATEGIC MANAGEMENT IN THE LOCAL CONGREGATIONS OF THE GKSA**

### **5.1 INTRODUCTION**

In the preceding chapters, the necessary theoretical background for this study of strategic management in the congregations of the GKSA was obtained. Chapter two is a literature study on the strategic management process. The study indicated that, in order to be successful, a strategic management process must be followed, irrespective of the type or size of the organisation. Although organisations differ materially in various aspects, the fundamentals of the process to be followed for successful strategic management are applicable to all types of organisations. Chapter three is a literature study on the essence and task of a congregation, with specific reference to the local congregations of the GKSA. Chapter four indicated the importance of strategic management in a congregation, as well as the applicability of the process, as described in chapter two, in a congregation. In the chapter to follow, information regarding current strategic management practices in the congregations will be explored. This is the third building block of the proposed framework for congregational strategic management in the local congregations of the GKSA, which is the main objective of the study.

### **5.2 PURPOSE AND RESULTS OF THE EMPIRICAL STUDY**

In this chapter an empirical study was performed to establish what current practices takes place in the congregations of the GKSA regarding strategic management. A standardised questionnaire was developed for this purpose, and was discussed with five ministers to ensure that the questions in the questionnaire were clearly formulated.

Thereafter it was forwarded via electronic mail to ministers whose electronic addresses were available at the Administrative Bureau of the GKSA, and via traditional mail to all the other congregations in the GKSA. Information was gathered from them regarding the existence of a congregational strategy, as well as their approach and applications in crafting and executing their congregational strategy. In cases where the response was not satisfactory, a follow-up followed to non-responding congregations. Due to the exploratory nature of the study, a hypothesis will not be formulated. The primary focus of the empirical study is to obtain best practices and guidelines regarding strategic management already taking place in the congregations.

The questionnaire was formulated in accordance with knowledge gained during the literature study as reported in the previous chapters. Two types of questions were asked, namely:

- e) Dichotomous questions allowing a “Yes” or “No” answer
- f) Open-ended questions

A total of 190 electronic mail questionnaires were sent to the traditional white congregations of the GKSA. That was the total number of congregations who had a minister or ministers at the time of conducting the study, and included congregations in the rural, semi-metropolitan and well as metropolitan areas. There were 59 traditional black congregations who had a minister at the time of conducting the survey. Only 13 had an electronic mail facility. The questionnaire was sent via electronic mail to them, and via traditional mail to the rest of the population.

### **5.2.1 Purpose of the empirical study**

The primary focus of the empirical study is to obtain best practices of strategic management already taking place in the congregations. These best practices and guidelines already taking place in congregations regarding strategic management will be incorporated in the framework for strategic management in the congregations of the GKSA.

Secondary objectives of the empirical study are to:

- g) Determine to what extent congregations understand the importance of strategic management, and whether it actually takes place in the congregations of the GKSA.
- h) Determine whether there are differences between the approach of the rural and metropolitan congregations, as well as between predominantly White and predominantly Black congregations.
- i) Identify possible future issues that may confront the GKSA in order to proactively manage them by a well-founded strategic management process.

### **5.2.2 Response from the questionnaires**

From a population of 249 congregations, the initial response received was 52 questionnaires. After following up on the non-responding congregations, another 63 responses were received. The result is an overall response rate of 46%. In the initial response from the traditionally white congregations, 47 questionnaires were received. After following up on the non-responding ministers in the traditionally white congregations, another 53 questionnaires were received. This resulted in a response of 100 congregations out of a potential 190 traditional white congregations, which represents a 53% response rate. The initial response from the traditional black congregations was five. After following up on the non-responding ministers in the traditionally black congregations, another ten questionnaires were received. This resulted in a response of 15 congregations out of a potential of 59 traditional black congregations. This represents a 25% response rate from the traditional black congregations. In the following section, the results from each question in the questionnaire will be discussed.

## **5.3 DISCUSSION OF QUESTIONNAIRE**

### **5.3.1 Section A: Biographical information**

*Question A.1. Name of the minister*

This question was optional, and the minister had the option to complete the questionnaire anonymously.

*Question A.2. GKSA congregation in which town or city?*

This question was optional, and the minister had the option to complete the questionnaire anonymously.

*Question A.3. Is the congregation in a rural area, large town or metropolitan area?*

The purpose of this question is to obtain information to determine whether the strategic management practices in the rural areas, large towns and metropolitan areas differ. The results of the 115 respondents are as follows:

47	(1) Rural congregations
46	(2) Metropolitan congregations
22	(3) Large town congregations

*Question A.4. Which language is used in the congregation?*

All the respondents from the traditionally white congregations used Afrikaans as the main language, with 4 also having English sermons and 2 having sermons in an African language. The 15 traditionally black congregations used English or a Black language. If congregations are to be coached or lectured on the methodology to compile a congregational strategy, the fact that different languages are used in the various congregations should be taken into account. Congregational leaders would prefer to be coached in a language they are familiar with.

*Question A.5. How many members are in the congregation?*

The purpose of the question is to obtain information to determine whether the size of the congregation influences the strategic management practices in the congregations. The average size of the responding congregations was 369 members, with the largest 1600

members and the smallest 57 members. The percentage distribution of the 115 respondents was as follows:

35%	Less than 200 members
41%	Between 201 and 400 members
11%	Between 401 and 600 members
4%	Between 601 and 800 members
4%	Between 801 and 1000 members
5%	More than 1001 members

### **5.3.2 Section B: Occurrence of strategic management in the congregations of the GKSA.**

*Question B.1. Given the following definition, is strategic management or a process closely related to the description, executed in the congregation?*

**Definition:**

*Strategic management is defined as a structured process of analysis, planning and execution through which the leaders take an organisation with the following purposes:*

- (a) to analyse and understand their current situation,*
- (b) to analyse and understand their goals and objectives*
- (c) to plan and execute the focus areas and activities in pursuit of the goals and objective*

*Important elements of the strategic management process are, amongst others, vision statement, setting of objectives, swot-analysis and resource allocation.*

Of the 115 responding congregations, 48 respondents (42%) indicated that they have a process that can be defined as strategic management, and 67 respondents (58%) indicated that they do not execute strategic management. The fact that the majority of congregations do not have any form of long term strategy is concerning, because the synod report of the year 2000 specifically requested that all local congregations should develop and implement a congregational strategy that is applicable to their own unique environment (Vergeer, 2000:assignment 3, point 1.1). Any church council that does not pay attention to the structured planning and systematic growth of the congregation must be considered as not true to the Bible (Vergeer, 2000:assignment 3, point 2.4.15).

Without a long-term strategy, a congregation could easily stagnate, and stagnation in a congregation should never be acceptable (Nel, 1994:19). A congregation should be careful not only to focus on current issues, and should have a proper long-term plan and strategy in order to achieve its goals (Vergeer, 2000:2.4.6, 2.4.13, 2.4.14).

An analysis of the 48 respondents that perform strategic management indicates the following:

14 (30%)	Rural congregations doing strategic management
26 (55%)	Metropolitan congregations doing strategic management
8 (38%)	Large town congregations doing strategic management

From the study it is concluded that strategic management is practiced more frequently in metropolitan congregations than congregations in rural areas and large towns. More congregation members, who are familiar with strategic management at large organisations and companies where they work, are concentrated in the metropolitan congregations. More knowledge of the science of strategic management is available to initiate, lead and play an active part in such a process in the congregation. This study on “Strategic management in the GKSA” can play a role in equipping more leaders in congregations to do strategic management, especially for congregations where the skills to lead and manage the process are not available.

The distribution of the occurrence of strategic management in the different sizes of congregations is as follows:

11 of 35	Congregations with less than 200 members
17 of 41	Congregations between 201 and 400 members
9 of 11	Congregations between 401 and 600 members
2 of 4	Congregations between 601 and 800 members
4 of 4	Congregations between 801 and 1000 members
5 of 5	Congregations with more than 1001 members

From the study it can be concluded that the frequency of congregations doing strategic management is bigger in large congregations than in small congregations. In larger congregations, the institutional character becomes much more complex to manage; therefore the need to do strategic management is much more evident. Financial constraints, such as the cost to hire an external facilitator, also contribute to the fact that smaller congregations are not doing strategic management. The benefit of using strategic management as a tool to understand and fulfil its mission should however not be limited to larger congregations. In fact, David (2005:185) emphasises that the benefits of practising strategic management has made countless non-profit organisations, such as government institutions, educational institutions, libraries and churches much more effective.

### 5.3.3 Section C: Congregations that are not practicing strategic management

*Question C.1. If the congregation does not practice strategic management, what are the main reasons for it?*

The 58% of congregations that are not practicing strategic management in the congregation indicated one or more of the following as the reasons for not practicing strategic management:

38	There are not enough skills in the congregation to lead or facilitate the process
31	Congregation never deemed it necessary to apply strategic management
8	The congregation never had enough time to consider strategic management
4	A congregation is not a business and therefore there is no need for strategic management
2	Did not work in the past
2	Christ manages the congregation according to His plan
1	Congregation is too small and wide-spread

*Question C.2. If the congregation is not practicing strategic management currently, are you of the opinion that it should be done?*

Of the 67 congregations that is not practicing strategic management, 56 indicated that they are of the opinion that a congregation should have a congregational strategy, 9 are of the opinion that it should not be done, and 2 did not have an opinion on whether it should be done or not.

The conclusion is therefore that practical reasons such as knowledge about strategic management and the skills to facilitate and lead the process, is preventing the majority of congregations from implementing strategic management. Only nine of the responding 115 congregations do not support the principle of strategic management in a congregation. The fact that the majority of congregations not practicing strategic management do not have a principle problem with it, but rather practical problems such as knowledge about the process, is positive. This means that, if leaders in the congregation can be empowered with knowledge of the process and with facilitation in the execution of the process, more congregations can reap the benefits of a well-executed congregational strategy. Vorster (2008:xii) warned that a lack of good management will jeopardise the ability of congregations to fulfil their mission here on earth. This study on Strategic management in the GKSA can therefore play a role in assisting more congregations to craft and execute a congregational strategy aiming at fulfilling their mission here on earth.

Of the nine that does not support the principle of strategic management in a congregation, four indicated that a congregation is not a business, and therefore strategic management is not applicable. Another two indicated that they do not support the principle of strategic management, because Christ manages his congregations according to His will. Supporting these six respondents' view is the fact that the church is not like any other institution or organisation in society (Van Wyk, 2001:38). Although the church is primarily invisible and spiritual (Church with capital C), it is a visible organisation (church with a small letter c) in the world, and it spans across borders of nations, languages and countries. The Bible is clear that the Church belongs to Jesus Christ (Matthew 16:18) and that He is the head of the Church (Ephesians 1:22). But Jesus

placed mere men in a position of authority to manage and govern the church here on earth (Matthew 16:19). Every congregation must pursue their calling in good order. Everything in heaven and on earth is under the authority of Christ. This includes the science of strategic management. It is however important that the congregational strategic management process should take cognisance of the uniqueness of a congregation as described in chapter three of this study. Sufficient knowledge about the strategic management process will assist to break down the resistance that some leaders might have to the process. This study on Strategic management in the GKSA can contribute towards creating understanding of the strategic management process and breaking down resistance to do strategic management in a congregation.

Two respondents do not support the principle of strategic management, because it did not work in the past. This highlights the importance that a strategic management process should not be approached in a haphazard way, or done without taking into account the unique character of a congregation. It is important for congregational leaders to learn to manage the impact and change that a strategic management process will bring, because failed change efforts are costly. Such costs include decreased loyalty, lowered probability of achieving goals, a waste of money and resources, and difficulty in fixing the failed change effort (Kreitner & Kinicki, 2004:685).

#### **5.3.4 Section D: Congregations that are practicing strategic management**

*Question D.1. What best-practices regarding strategic management is taking place in the congregation that can be recommended to other congregations?*

The 48 congregations that are performing strategic management shared one or more of the following best practices that can be recommended to other congregations:

38	Thorough self-examination (in line with 2 Cor 13:5) energised us towards action
33	First reach consensus about the vision to reduce time spent on debating and

	working on less important matters
30	A proper scientific analysis of their environment contributed to the congregation focusing on and planning for the right objectives
29	We have learned from others how to approach the process (for example, we studied books on strategic management in congregations) or make use of external facilitators
27	Spend enough time before you commence with the process explaining the process to the congregation members
5	Continuous prayer for the strategic planning process
8	Having frequent think-scrums and small-group discussions (thorough planning session and monitor progress).
4	Frequent testing of process against the Bible
2	Leadership development
1	Appoint a leading committee with wisdom
1	Remember that the strategic process is a continuous learning process
1	Stay positive, even if things are not going as planned
1	Ensure small groups/commissions are aligned with overarching strategy
1	Keep the congregation well informed
1	Ensure congregation members understand the difference between the church as institution and Church as body of Christ
1	Reach out to and work together with other congregations
1	Create an atmosphere in which congregation members want to function

The best practices listed by the congregations are supported by the literature study done in chapter two and chapter three. The most dominant best practices, which will be incorporated in the proposed model for strategic management in the GKSA congregations, are listed below.

Best practice 1: Thorough self-examination (in line with 2 Cor 13:5) energised congregations towards action. With an honest and diligent effort to determine the truth of the current situation, the right decisions about the future often become self-evident (Collins, 2001:88). By looking honestly at the current state, leadership already starts identifying aspects in the organisation that are not satisfactory, and needs to be addressed

in the strategy (Daniell, 2004:11). Of the 48 congregations that implemented strategic management, 38 listed a thorough self-examination, as required in 2 Cor 13:5, as a best practice in their strategic management process. This thorough self-examination is supported by sound theory on strategic management as well as the unique character of a congregation, and should be part of the framework for strategic management in the GKSA.

Best practice 2: First reach consensus about the vision to reduce time spent on debating and working on less important matters. A clearly articulated vision communicates any organisation's aspirations and helps steer the energy of an organisation's personnel in a common direction (Thompson *et al.*, 2007:20). Warren (2007:56) indicates that a vision helps prevent congregation members not wasting endless time and energy debating small and less important things, as they have the all important vision keeping them focussed. A vision is necessary in order for all in the congregation to know and understand where the congregation is going to in future (Kruger, 2007:61). Without a vision a congregation runs the risk of becoming disorderly as members and activities might work against each other. Burger (1999:45) emphasises that a congregation should find its vision from God, through prayer and Bible study. Starting off by finding the congregation's vision is a theoretical sound starting point for a congregational strategy.

Best practice 3: A proper scientific analysis of their environment contributed to the congregation focusing on and planning for the right objectives. Strategies should not be developed in a vacuum. They must be responsive to the external environment. If not, an organisation can become irrelevant (Dess *et al.*, 2008:37). The Synod report on "Maintenance and growth of the church" (Vergeer, 2000:assignment 3, point 2.4) states that the specific circumstances and environment of the congregation should be analysed and considered when crafting and executing congregational strategy. The subjective copying of what other congregations did, or what was done in the past, without careful consideration of the circumstances of the specific date and place, is not true to its biblical calling. A thorough and scientific analysis of the environment in which the congregation

exists and function, is supported by sound theory on strategic management as well as the unique character of a congregation.

Best practice 4: We have learned from others how to approach the process (for example, we studied books on strategic management in congregations) or make use of external facilitators. Strategic management is a scientific process consisting of analysis, decisions and actions (Dess *et al.*, 2008:8). The process of strategic management has various phases. At a high level there are two phases namely the crafting or formulating of the strategy and the execution and evaluation of the strategy (David, 2005:5). Strategic management not only focus on achieving short-term targets, but also incorporate long-term perspectives (Dess *et al.*, 2008:8). In a congregation it should also be a long-term process (Nel, 2006:31) of which the different phases should not be skipped because it can create confusion and resistance instead of mission fulfilment (Nel, 1994:148). Growing and maintaining the congregation will require long-term plans. Burger *et al.* (2005:168) emphasise that the process should be approached and conducted with continuous prayer. Much literature, including this study, exists and congregations in the process of implementing strategic management should learn from others about the process.

Best practice 5: Spend enough time before you commence with the process explaining the process to the congregation members. In the traditional Afrikaans mainstream churches it is not uncommon for members to be hesitant to embrace the principle of strategic management (Nel, 2006:200). But with the many challenges a congregation faces, it should not refrain from taking up the challenge to do strategic management. Strategic management is a means to an end, and not the end itself. Therefore it is good practice to rather start slower and engage as many people as practically possible (Nel, 2006:178). Explaining the need for, the benefits of, and the process of strategic management is a best practice that will be included in the framework for strategic management in the GKSA.

*Question D.2. What lessons have you learned regarding strategic management that you want to share with other congregations to prevent them from making the same mistakes?*

The 48 congregations that are performing strategic management shared one or more of the following trials during the process, which should be noted by other congregations:

34	The process commenced with only a small number of people participating, leading to non-participation of the majority
10	Our planning horizon was too short (for example, only one year ahead)
7	We first wanted to involve the whole congregation before commencing, thereby wasting a lot of time.
7	The process did not adequately recognise the difference between a congregation and other organisation, leading to an ineffective strategic management process
3	Recognise the conflict potential inherent in the process, and be accommodating and careful in managing the conflict
2	Ensure the Church Council understand and are empowered to fulfil their role
2	Lack of leadership hampered the process
2	Recognise the world outside the congregation. Do not only focus on the congregation itself
2	Have realistic timelines for the strategic management process
1	Current structures and traditions working against the strategic planning process
1	Participating congregation members loose their momentum
1	Don't use analysis instruments which is not scientifically correct
1	Don't approach the process without proper planning

The listed aspects from which the congregations learned are supported by the literature studies performed in chapter two and chapter three. The most dominant of these aspects, which will be incorporated in the proposed model for strategic management in the GKSA congregations, are listed below.

Aspect 1: The process commenced with only a small number of people participating, leading to non-participation of the majority of members. There were 34 of the 48

congregations indicating that their strategic management process was not inclusive enough. Strategies must ensure that the work of the congregation is done not only by people in specific positions, such as minister, elder or deacon. Strategies must ensure that all believers are willing and able to employ their God-given talents in God's Kingdom, and that they are not sidelined and become passive and immature (Vergeer, 2000:assignment 3, point 2.4.15). The theory of strategic management indicates that it is the job of the senior management team in an organisation to do strategic planning. They cannot delegate that to staff or support officials (Kotze, 2007:7). But although senior management has the accountability for strategic planning, it should be an inclusive process. It is important to involve as many managers and key leaders as possible in the strategic planning process, because through involvement people become committed (David, 2005:55). Although the crafting of the vision and mission must be an inclusive process, it is not practical to involve everybody in the organisation during the debating, exploring and crafting of the vision and mission. Therefore, to effectively communicate the vision and mission throughout the congregation is very important. Strategic visions become real only when the vision statement is imprinted in the minds of all organisation members (Thompson *et al.*, 2007:25).

Aspect 2: Ten of the respondents indicated that the time horizon when crafting their strategy was too short. This is an important lesson learned that must be incorporated into any strategic management model for a congregation, because strategic management not only focus on achieving short-term targets, but also incorporate long-term perspectives (Dess *et al.*, 2008:8). Without long-term objectives, an organisation would drift aimlessly towards some unknown end (David, 2005:159). Callahan (1990:246) warns that nobody should think that developing and growing a congregation is quick or easy. Growing and maintaining the congregation will require long-term plans. If time horizons for planning are too short, confusion between operational planning and strategic planning may exist, which will make both sciences ineffective.

Aspect 3: In aspect 1 it was indicated that some congregations experienced difficulty because too little members are involved. On the other extreme, seven congregations

indicated that they wasted time because they wanted to involve all in the congregation before proceeding. Although the crafting of the vision and mission must be an inclusive process by involving as wide a group of leaders as possible, it is not practical to involve everybody in the organisation during the debating, exploring and crafting of the vision and mission. An aspect to be incorporated in a framework for strategic management in a congregation is to strike a balance between too much and too little participation in the design of the strategy. Linked to this, sufficient communication regarding the strategic process must be ensured to prevent people from feeling excluded.

Aspect 4: The process did not adequately recognise the difference between a congregation and other organisation, leading to an ineffective strategic management process. The church is primarily invisible and spiritual by nature and is not limited to specific nations, countries, cultures or languages. The institutional character of a church, and the congregation, is not the primary focus (Van Wyk, 2001:39). The local congregations of the GKSA are independent, function as complete churches as required by the Bible, preaching the gospel, serving the sacraments and applying discipline as required by God (Spoelstra, 1989:6). Burger (1999:16) reminds congregations that their work should not primarily be to build the congregations themselves, but to build the Kingdom of God. This unique character must be recognised when doing strategic management in the congregation. Seven of the respondents indicated that their strategic management process did not take this uniqueness into account sufficiently. The aim of strategic management in a congregation should not focus on what is the best for the congregation, but what God wants to do with and through the congregation (Nel, 1994:113).

*Question D.3. As part of your strategic management process, did you identify any dangers or threats that could jeopardise the congregation fulfilling its purpose?*

Of the 48 congregations that is implementing strategic management, 39 indicated that their process identified specific items that hamper them from fulfilling their purpose, and nine did not indicate specific items. The fact that nine did not identify any dangers or

threats is an indication that the strategic management process followed in these congregations is sub-optimal. One of the most basic steps in the strategic management process is to analyse the environment and the organisation itself to identify dangers and threats that will need attention as part of the strategy. If leaders in a congregation can be equipped with knowledge about the science of strategic management it will increase the possibility of success. This study on “Strategic management in the GKSA” can play a role in equipping more leaders in congregations to implement strategic management, especially for congregations where the skills to lead and manage the process are not available.

*Question D.3.1. and Question D3.3. What are the specific threats or dangers that can jeopardise the congregation fulfilling its purpose, and how was it addressed through the strategic management process?*

The following is a list of items specifically identified by the congregations that is a threat or danger, and their recommendation as strategic answer to the issue:

<b>THREAT</b>	<b>STRATEGIC ANSWER</b>
Cling to the form instead of a true relation with God Personal preferences Inflexibility on less important issues	Emphasise relations with each other and with God as part of the way forward
Members passive and not involved	Specific teams in each ward dedicated to involving passive members Individual contact Monitor and corrective action Small-groups and care-groups
Busy lifestyle and comfort	Equipment of Elders and then equipping the faithful Divide and plan tasks in small manageable components

	Courses on “planning and prioritising” from a Reformed perspective
Majority of congregation members do not understand their calling or the calling of the congregation Self-centeredness and inward focus Wrong view of “church”	Presented a course in “Roeping vervullling” Continuous focus on Ephesians 4 Launch projects and programs where members can employ their talents Regular discussions in small groups about the essence of “church” Permanent agenda point for Church council meetings Regular preaching on this topic during Sunday sermons Personal discussions Restructure away from traditional ward-system toward small-group system Allocate ample time for discussions and understanding of shared vision
Change for the sake of change in order to serve a modern society	Structural changes to improve efficiency without moving away from Reformed principles
Group forming in the congregation	Focus and emphasis on Acts 2: “One of heart and soul”
Ineffective communication with the 18-40 year olds	Involve target group through understanding them (generation study) Structural adjustments (facilities, communication methods, coffee bar) Praise and worship songs outside official sermons
Inefficient self-evaluation which does not identify congregational weak points	Professional analysis of the congregation

<p>Negativity of some members and leaders toward (necessary) adjustments required to be a more efficient congregation / Resistance to change</p>	<p>Focus on self sacrifice in the interest of what Christ want from a congregation Ensure people understand the reasons for (necessary) changes Personal and small-group discussions Special meetings and group discussions Addressing of issues during the Sunday sermon Presentation of courses Be prepared that the congregation will loose some members due to their resistance to change Patience Not everything at once</p>
<p>To keep enthusiasm and momentum during the congregational growth process Lack of leadership in the growth process</p>	<p>Courses to equip and empower people Do necessary structural changes to keep focus on the important / priority items Keep everybody informed about activities and progress</p>
<p>Lack of finance</p>	<p>Specific programs and projects Proper planning of fund raising opportunities not to turn Minister into a “fund raiser”</p>

Although most congregations will be able to relate to each of the listed challenges, the priority as well as the method to appropriately deal with it will differ from one congregation to another. The synod report of the year 2000 emphasised that the specific circumstances and environment of the congregation should be analysed and considered when crafting and executing a congregational strategy. The strategic action plan of one congregation will not necessary be applicable to the next congregation. As part of the strategic management process, a thorough analysis by each congregation, resource

strengths and availability in each congregation, and the strategic priorities and choices made by each congregation will be different. The strategic management process must assist in the congregation finding God's answer to their unique challenges.

The seriousness and diversity of threats and dangers listed emphasise the need for a well-structured approach by congregation. Some challenges are primary in the spiritual area of a congregation, such as congregations having a wrong view of what a true church is. Other challenges are of a more operational nature, such as a lack of funds. Other challenges are of typical human nature, such as resistance to change. The work of the congregation in the Kingdom of God is far too important to try and address them in a haphazard or unstructured way. What is of great concern is that, having challenges such as these listed above, the majority of congregations in the GKSA do not have a structured congregational strategy to pave their way forward.

*Question D.4. What is the congregation's vision statement?*

Below is a list of the vision statements that were listed by the congregations.

- Doers of the Word in a world full of need.
- As a congregation of Christ, reach out with the Word to the community to make a difference.
- Spread the gospel outward as well as inward through words and deeds.
- Living congregation of Christ as required in His Word.
- Let us continuously change to be a God praising congregation: equipped with the Word, filled with the Holy Spirit, serve all people (close and far away) in and with the love of Christ.
- Growth.
- Thirsty, drink, flow.
- To be a true Church of Christ.
- To be a shining light in the community.
- Spiritual growth, growth in numbers through evangelisation, financial independence.

- A modern Reformed ministry of Jesus Christ on the West Rand.
- To address the needs in the congregation through small-groups and to spread the gospel to the community.
- Serve the Lord with happiness. God is the God of the covenant, Jesus is our Lord. Happiness is a gift of the Holy Spirit.
- Carry each other's burdens and thereby fulfil the Lord's demand.
- May all be thankful and obedient to God, serve Him and praise Him in everything.
- Through Christ we are Light bearers for the world.
- Spiritual maturity as described in Ephesians 4:13.
- To let the love of Christ shine in this world.
- We are excited about Jesus.
- Serve the Gospel to all nations.
- Actively take part in the growth of God's kingdom.
- Listen, trust, do/serve.
- Cachet empowers young people to be active Christians/faithful on campus.
- To be a congregation of Christ who serve and reach out to all in love.
- To be a glowing and growing congregation for God.
- To be Body and Bride of Jesus Christ.
- Dedicated for God – Service to each other and the truth for the world.
- To be actively Christian in all we do.
- The growth of God's kingdom through approachability and through unity in diversity.
- We build each other as the body of Christ to be the salt and the light for this world.
- We want to be a caring, growing, missionary church, which is well equipped to honour God through an anchored personal relation with Him, pure preaching and living His Word, as well as a praiseworthy life.
- Be Church through obedience to the Word of God.
- Where Christ is everything in everybody.
- Future focused ministry for the Reformed Church Pretoria-Meintjieskop.
- Ephesians 4:13 – through unity of faith and in knowledge of Christ grow to maturity; as perfect and mature as Christ.

- To empower the faithful for service in growing the body of Christ.
- Everyone together on God's way.
- Excited to be part of this congregation of Jesus Christ.
- Through word and deeds let the Church of Christ grow: Inward as well as outward.
- More Jesus, more love, more disciples.
- To be a visible and audible light bearing congregation in the community.
- In Your light we carry the light.
- To be a congregation which spread God's love amongst us and to the world.

A clearly articulated vision communicates the organisation's aspirations and helps steer the energy of an organisation's personnel in a common direction (Thompson *et al.*, 2007:20). According to Thompson *et al.* (2007:22), the characteristics of an effectively worded vision are graphic, directional, focused, flexible, feasible, desirable and easy to communicate. When evaluating the vision statement of the congregations, some are visions adhering to the theoretical requirements, and some do not. An example of a vision displaying all the components of a good vision is the following vision: "All together on God's way". The vision is a powerful and easy to understand and focuses and directs behaviour. An example of a vision which contradicts many of the principles of a good vision is the following: "We want to be a caring, growing, missionary church that is well-equipped to honour God through an anchored personal relation with Him, pure preaching and living His Word, as well as a praiseworthy life" (Ons wil 'n meelewende, groeiende, missionêre kerk wees wat behoorlik toegerus is om God getrou te eer deur 'n diep geankerde persoonlike verhouding met Hom, suiwer verkondiging en uitlewing van die Woord, asook 'n lofprijsende lewe). The vision is difficult to understand and remember, and contains many words that are difficult to understand by the average person.

According to Thompson *et al.* (2007:22), the vision statement is not a once-and-for-all statement. It may be adjusted as and when internal and external environmental changes take place. One congregation had the vision statement: "May all be thankful and obedient to God, serve Him and praise Him in everything" (Dat ons en alle mense uit

dankbaarheid aan God gehoorsaam sal wees, Hom dien en Hom altyd in alles sal verheerlik). But spontaneously over a period of time, the model of Ephesians 4 became much more of a driving force and unifying factor in the congregation, so that the original vision statement had to be changed.

Well-conceived visions are distinctive and specific to the particular organisation; they avoid generic statements with which the particular organisation cannot associate themselves (Thompson *et al.*, 2007:21). Not surprising therefore is that, although the different congregations in the GKSA belong to the same denomination, their vision statements differ. The local congregations of the GKSA are independent and should function as a complete church as required by the Bible (Spoelstra, 1989:6). Although worded differently, the theme of being a complete church as required in the Bible should therefore be visible in all the vision statements of the different congregations.

Dess *et al.* (2008:24) define a vision as a goal that is massively inspiring, overarching and long-term, and it represents a destination that is driven by and evokes passion. A vision is a powerful instrument that helps to shape the future behaviour of people. Therefore it is important that the vision is carefully articulated. In the case of a congregation, over-emphasis on some of the metaphors or services can lead to a model for the congregation that is one-sided, and not true to the true character of a congregation. A vision statement such as “Carry each other’s burdens and thereby fulfilling the Lord’s demand” mentioned above can be ineffective. The statement emphasizes the koinonia and diakonia aspects of a congregation, and does not inspire the leitourgia and kerugma areas of a congregation.

*Question 5. What percentage of the congregation knows the vision good enough to explain it to an outsider?*

Of the 48 congregations who are practicing strategic management, 44 responded to the question. They indicated the following regarding the percentage of the congregation members who knows the vision good enough to explain it to an outsider:

13	Less than 20% of the congregation knows the vision statement well enough to explain it to an outsider
16	Between 21% and 40% of the congregation knows the vision statement well enough to explain it to an outsider
9	Between 41% and 60% of the congregation knows the vision statement well enough to explain it to an outsider
4	Between 61% and 80% of the congregation knows the vision statement well enough to explain it to an outsider
2	Between 81% and 100% of the congregation knows the vision statement well enough to explain it to an outsider

De Klerk (2007:8) states that a well articulated vision of a congregation acts like glue keeping people together, acts like a magnet attracting members as well as outsiders to the congregation goals, and acts like a measuring stick to measure whether they are progressing towards their goals. A vision can only have this functionality if the majority of the members share it. How to effectively communicate with the younger generation was listed in question D.3 as one of the challenges congregations are facing. A vision statement should “talk” to all people in the congregation irrespective of diversity such as age. Having a long and difficult vision statement will not assist in better communication with the young generation. This is the reason why in the majority of congregations a very high percentage of the members did not internalise the vision sufficiently. Spending more time in the early phase of the congregational strategic management process to perform the vision statement right will assist in reaping the benefits that an effective vision statement brings

*Question 6. Who is leading the strategic management process in the congregation?*

The congregations that are implementing strategic management indicated one, or a combination of the following that is leading the strategic management process:

27	A commission appointed for this purpose
17	The minister

16	Congregation members who has knowledge of strategic management
8	The church council
5	An external consultant
2	Small-group chairpersons and commission chairpersons
1	The Elders

It is common practice to hire external consultants during the strategic planning phase to facilitate the discussions and to manage the process. An independent person with expertise in developing mission and vision statements, who has unbiased views, can manage the process more effectively than an internal group (David, 2005:55). The external consultant will only act as facilitator of the process, and cannot relieve management of the responsibility or accountability for the formulation or the implementation of the strategy (Flanagan & Finger, 2006:584). To facilitate and initiate the implementation of the strategy in the organisation, many organisations form a specific implementation team (Daniell, 2004:264; Wiebes *et al.*, 2007:231). Due to the financial cost related to it, not many congregations hire in external consultants. The principle to hire an external consultant was practiced by five congregations. To appoint a specific committee to lead and manage the planning and implementation of the congregational strategy is a best practice that the majority of the congregations follow. Especially if there are congregation members with skills and experience in the congregation, those talents must be used.

Article 16 of the Church Order defines the role of the minister as to take the lead in preaching the Word of God, leading in prayers, serving the sacraments, pastoral care of the congregation, and in conjunction with the elders, apply discipline and good order in the congregation. Although the minister should play a leading role in the strategic management process, care should be taken that the whole strategy does not revolve around the minister. Firstly, they are not necessarily skilled in the science of strategic management, and burdening them with conducting this process can put undue pressure on them. Especially taking into consideration the diversity of challenges, as indicated in question D.3, congregations face. Secondly, developing an effective strategy requires

applying several lenses to look at the organisation simultaneously. Strategising from only one leader's perspective will cause mistakes or losing out on major opportunities (Stern & Deimler, 2006:193). This will also cause the strategy to lose momentum if the specific minister leaves the congregation. Empowering ministers with the fundamentals of strategic management would benefit them, and the congregation, to successfully execute their calling (Grobler, 2008:748).

*Question 7. What percentage of congregation members are actively taking part in discussions and planning of the strategic management process?*

Of the 48 congregations who are practicing strategic management, 44 responded to the question. They indicated the following regarding the percentage of active participation in the discussions and planning of the strategic management process:

23	Less than 20% of the congregation are actively participating in the discussions and planning of the strategic management process
15	Between 21% and 40% of the congregation are actively participating in the discussions and planning of the strategic management process
5	Between 41% and 60% of the congregation are actively participating in the discussions and planning of the strategic management process
1	Between 61% and 80% of the congregation are actively participating in the discussions and planning of the strategic management process
0	Between 81% and 100% of the congregation are actively participating in the discussions and planning of the strategic management process

It is important to involve as many managers and key leaders as possible in the strategic planning process, because through involvement people become committed (David, 2005:55). In 52% of the congregations the active participation in planning and discussions for the congregational strategy is less than 20%, and in 86% of congregations it is less than 40%. This passiveness was identified as one of the major stumbling blocks in question D3 above. This call for specific action plans as part of the congregation strategy, such as specific teams in each ward dedicated to involving passive members, individual contact, monitor and corrective action as well as small-groups and care-

groups. A good communication strategy will also enhance bigger participation. Having a good communication strategy will be one of the important items to be included in the strategic management framework for congregations in the GKSA.

*Question 8. Are you, as the minister, satisfied with the current strategic management process in the congregation?*

Of the 48 congregations that are practicing strategic management, 23 are satisfied with the process as it is, 22 indicated that they would like to change some things in the process and 3 did not respond to the question. Equipping leaders in a congregation with more knowledge about the fundamental principles of the science of strategic management will increase the success and satisfaction with the strategy. This study on “Strategic management in the GKSA” can play a role in equipping more leaders in congregations to implement strategic management, especially for congregations where the skills to lead and manage the process are not available.

*Question 8.1. If you are not satisfied with the strategic management process in the congregation, what would you like to see done differently?*

Of the 22 who indicated that they would like to see some things change in the process, each indicated one or more of the following items as things they would like to change.

9	Would like to have participation and feedback from a larger portion of the congregation members
5	Although they acknowledge the words in 1 Cor 3:6, they would like see growth and improvement quicker
3	Better communication with the whole congregation regarding the process
2	Would like a person managing the process because the Reverend himself is not trained as a manager
2	Not all leaders are/want to be empowered to execute their mandate
2	Spend more time on planning the process
1	Prevent losing momentum after a while

1	Better integration between congregation's vision and individual's vision
1	Congregation growth mainly from other congregations and not from outside
1	Better utilisation of small-group system

The most dominant factor causing respondents to not being satisfied with the strategic management process is the low number of people involved. The desire for larger participation was also mentioned in question 7 above. The low internalisation of the vision by congregation members as indicated in question 5, will naturally lead to a low participation and empowerment in the further development and execution of the strategy. This emphasises the need to spend enough time in the first phase of strategic management to get a critical mass of people aligned behind the vision.

#### 5.4 CONCLUSION

The empirical study conducted in the congregations of the GKSA revealed that the majority (58%) of congregations are not implementing strategic management, but that an overwhelming majority agree that it is necessary and that it should be done. Although strategic management is practiced more often in larger congregations and metropolitan congregations, it is not limited only to specific types of congregations. The study also revealed that the process of strategic management followed in some congregations is not done optimally. An example of this is that some congregations has not identified threats and dangers faced by the congregation as part of their process. It is therefore advisable for many of the congregations of the GKSA to invest time and training in doing their congregational strategy on a more scientifically sound basis to reap the benefits from the process.

The answers from the questionnaires gave a number of good practices as well as potential areas of danger in the execution of strategic management in the congregations of the GKSA. In the following chapter, the three building blocks, namely the theoretical study of strategic management in chapter two, the nature and work of a congregation described

in chapter three, and the current practices as described in chapter five, will be combined into a model to guide congregations of the GKSA through the congregational strategic management process.

## **CHAPTER 6**

# **FRAMEWORK FOR STRATEGIC MANAGEMENT IN THE GKSA CONGREGATIONS**

### **6.1 BACKGROUND**

In the preceding chapters, the necessary background was obtained for the study of strategic management in the congregations of the GKSA. Chapter 2 is a literature study on the strategic management process. Chapter 3 is a literature study on the essence and task of a church congregation. The need for strategic management as well as the applicability of the theoretical model from chapter 2 was discussed in chapter 4. Chapter 5 shows the results of an empirical study into the current practices of strategic management in the congregations of the GKSA. In the following chapter, a framework will be designed for strategic management in the congregations of the GKSA. Knowledge gained from the preceding four chapters will be used to compile the framework. The framework will be based on sound theoretical principles of strategic management, but will take into consideration the specific nature and calling of a congregation. Practical advice from current practices of strategic management in the GKSA will also be incorporated into the framework.

### **6.2 STRATEGIC MANAGEMENT FRAMEWORK**

In order to be successful, strategic management is a process that must be followed, irrespective of the type or size of the organisation. Although organisations differ materially in various aspects, the fundamentals of a successful strategic management process are applicable on all types of organisations. Crafting and executing a congregational strategy should also adhere to sound theoretical principles, but should take into account the unique nature and work of a congregation. The following framework is based on the theoretical model as indicated in chapter 2 paragraph 5, but takes into account the unique work and nature of a congregation as discussed in chapters three to five.

**Table 6: Strategic management framework**

Purpose of phase	What to do in each phase: Finding answers to the following questions
<p><b>Phase 1: Develop a shared vision.</b></p> <p>Create a shared understanding of the essence and purpose of a congregation, as well as the need for change.</p>	<ul style="list-style-type: none"> <li>• What is a congregation that is true to its purpose (mission statement)? (Section 6.2.2.2.a)</li> <li>• What should the congregation strive to become (vision statement)? (Section 6.2.2.2.b)</li> <li>• How far did the congregation develop towards its true purpose and destination (strategic gap)? (Section 6.2.2.2.c)</li> <li>• Are there agreement that there is a need for the congregation to grow towards closing the gap between what the congregation is now and where it should be (reason for change)? (Section 6.2.2.2.c)</li> </ul>
<p><b>Phase 2: Set objectives.</b></p> <p>Determine the major areas on which to focus in order to fulfil its purpose as a congregation of Christ, and analyse the environment.</p>	<ul style="list-style-type: none"> <li>• What are the main pillars the congregation must work and build on to be true to its purpose and to fulfil its calling? (Section 6.2.3.2.a)</li> <li>• What are the things in the external environment that will influence and effect the way the congregation is fulfilling its calling?(Section 6.2.3.2.b)</li> <li>• How does the environment look like on which the congregation is called to fulfil its calling? (Section 6.2.3.2.c)</li> <li>• What are the developments in the church environment that will influence and affect the way the congregation is fulfilling its calling (Driving forces of change)? (Section 6.2.3.2.c)</li> <li>• Who are in our environment with which we can cooperate with to preserve and grow the Kingdom (Section 6.2.3.2.c)</li> <li>• What are those critical things a congregation should do well or else it will not be sustainable in fulfilling its calling (Key success factors)? (Section 6.2.3.2.d)</li> <li>• How well does the congregation execute the identified key success factors? (Section 6.2.3.2.d)</li> <li>• How does the congregation look like in all aspects of diversity? (Section 6.2.3.2.d)</li> <li>• What are the congregation’s strengths and weaknesses, and what are the</li> </ul>

	<p>opportunities and threats in the environment, that will influence the congregation’s ability to execute its calling (SWOT)? (Section 6.2.3.2.d)</p> <ul style="list-style-type: none"> <li>• Do the current structures in the congregation serve the fulfilment of its calling, or did it become irrelevant and outdated (Value chain analyses)? (Section 6.2.3.2.d)</li> <li>• What can be learned from other congregations (benchmarking)? (Section 6.2.3.2.d)</li> </ul>
<p><b>Phase 3: Craft a strategy.</b></p> <p>Determine priorities and make decisions on what the congregation will be doing and focusing on going into the future, as well as the timeframes linked to that.</p>	<ul style="list-style-type: none"> <li>• What are the priority areas that need attention to close the strategic gap? (Section 6.2.4.2.a)</li> <li>• In order to achieve its main objectives, where should the congregational strategy focus attention and resources in order to have a balanced approach? (Section 6.2.4.2.b)</li> <li>• How must the congregational strategy cater for the influences from the external macro environment? (Section 6.2.4.2.c)</li> <li>• How must the congregational strategy cater for the influences from the church “operating environment”? (Section 6.2.4.2.d)</li> <li>• How should the congregation reform it to grow closer to what Christ wants from it? (Section 6.2.4.2.e)</li> <li>• Will the identified strategy elements move the congregation closer to its mission fulfilment, or will it transform the congregation to a worldly organisation? (Section 6.2.4.2.f)</li> </ul>
<p><b>Phase 4: Implement the strategy.</b></p> <p>The priorities identified in the crafting of the strategy should now be planned in detail, resourced and executed.</p>	<ul style="list-style-type: none"> <li>• What activities should the congregation execute in order to turn the priorities identified in the strategy into deeds? (Section 6.2.5.2)</li> <li>• How will the necessary gifts and talents be identified, developed and employed to execute the priorities of the congregational strategy? (Section 6.2.5.2.a)</li> <li>• What structures should be in place in the congregation to effectively execute the congregational strategy? (Section 6.2.5.2.b)</li> <li>• How should available resources be allocated to facilitate a balanced execution of the congregational strategy? (Section 6.2.5.2.c)</li> </ul>

	<ul style="list-style-type: none"> <li>• What practices was identified in other congregations that will assist in the effective and efficient execution of the congregational strategy? (Section 6.2.5.2.d)</li> <li>• What can be done to bring congregation members closer to each other, encouraging and supporting each other? (Section 6.2.5.2.e)</li> <li>• What is the current culture in the congregation, and does it align with what is needed to turn the strategy into action? (Section 6.2.5.2.f)</li> <li>• How can sufficient leadership capacity be developed and employed to facilitate the execution of the congregational strategy? (Section 6.2.5.2.g)</li> </ul>
<p><b>Phase 5: Evaluate, monitor and adjust.</b></p> <p>Determine whether the congregational strategy is being executed efficiently and whether the congregation is progressing towards fulfilling it's calling.</p>	<ul style="list-style-type: none"> <li>• Is the congregation efficient in doing the things that they plan? (Section 6.2.6.2.a)</li> <li>• Is the congregation still doing the right things in order to fulfil their calling? (Section 6.2.6.2.b)</li> </ul>

The framework indicates the five major phases of a strategic management process. Each phase will be discussed in more detail by indicating the following:

- Firstly, the purpose of the specific phase of the congregational strategy evolution will be discussed.
- Secondly, the fundamental questions to be answered during this phase of the congregational strategy will be formulated, and the actions to be taken will be highlighted.
- Lastly, good practices and lessons from the literature study and empirical study will be included.

### 6.2.1 Approach to a congregational strategy

The church is primarily invisible and spiritual by nature, and the institutional character should never be the primary focus. To introduce a “business activity” such as strategic

management into a congregation might be met with resistance. In the empirical study, four of the 115 responding congregations indicated that, because the congregation is not a business, strategic management is not applicable. Another four indicated that for other reasons, they don't agree that strategic management should be implemented in a congregation. Therefore, from the onset it should be clearly emphasised that compiling a congregational strategy will not turn the congregation into a business. Strategic management must only be a means to an end, and not the end itself. All activities in the congregation's strategic management process should be done with continuous prayer and under guidance of the Holy Spirit. The strategic management process should only be a tool to build on the foundation Christ gave, and not on anything else. To spend enough time on explaining and understanding the concept of strategic management to congregation members was indicated as a best practice by 60% of the congregations that implemented strategic management. However it should also be accepted that not everybody would buy into the concept of strategic management for a congregation. To spend too much time trying to convince the whole congregation was listed by 15% of the congregations as something they did wrong in their process.

Strategic management is a scientific process consisting of various phases that are planned and executed over a number of years. To skip certain of the steps or to perform some of the steps totally out of sequence will lead to a less effective strategic management process. Nearly half of the congregations practicing strategic management indicated that they used congregation members who have knowledge of strategic management, or an external consultant, to lead and guide the congregation through the process. Therefore it is advisable to have a committee to guide the congregation through the process. The committee must not plan and execute the congregational strategy, but must only guide the church council and congregation through the crafting and execution of the strategy. In 10% of the congregations who has implemented strategic management, the minister is leading the process. Some listed that as a frustration, because they are not necessarily trained and equipped to lead such a process. The other 90% have a group of people leading the process. The strategic management process is a continuous learning process. To learn from others regarding the process was indicated as a best practice by 65% of the

congregations practicing strategic management. It is therefore advisable to equip the leaders who will be leading and overseeing the congregational strategy process with knowledge of strategic management by presenting a training course, and learn from other congregations and organisations.

Various reasons for initiating a congregational strategy in a congregation were mentioned by the respondents. Factors such as a financial crisis, the merger of two congregations into one, serious incidents of racism or just a discomfort with not fulfilling its purpose initiated congregations to think strategically about their future. The calling of a congregation in God's Kingdom is too comprehensive and important to conduct a haphazard or short-term focussed way; therefore it is advisable that a congregational strategy should be crafted and executed before a crisis force a congregation to do so.

## **6.2.2 Phase 1: Develop a strategic vision**

### ***6.2.2.1 Purpose of this phase***

The purpose of this phase is to create a common understanding amongst congregation members of the biblical purpose of the congregations, the work of the congregation and the role of the congregation in its own unique time and location. In the empirical study, the wrong view of what a congregation is (Verkeerde kerkbegrip) was indicated as a stumbling block for the successful execution of a congregation's calling. Having a shared understanding of the essence and work of a congregation is the first step. If this is not clear, the congregation might be efficient (doing things right) but ineffective (doing the wrong things). Without a clear understanding of the purpose and calling of the congregation, there would be no reason for the congregation to move towards it.

### ***6.2.2.2 What must be done during this phase***

To start the crafting of the congregational strategy with a potential list of detail plans and activities to be executed would be the wrong starting place. During this phase of the congregational strategy, there are three things that should be determined first.

### *a. Mission statement*

Any organisation's mission statement makes clear the character of the organisation, and its reason for existence. A congregation's reason for existence is not something that must just be decided upon. Through continuous prayer and Bible study, the congregation must get a shared understanding of who they are and why they are here, given their specific geographic location and time in which they exist. The wrong understanding of the essence and calling of a congregation was listed as a threat in the empirical study (see question D3.3 in chapter 5). The question to answer is: "what is a congregation that is true to its purpose?"

### *b. Vision statement*

Any organisation's vision statement should provide the answer to the question: "What do we want to become". A vision points the organisation's efforts in a specific direction, guides the identification and execution of objectives and activities, as well as moulds organisational identity. A shared congregational vision is necessary in order for all in the congregation to know and understand where the congregation is going to in the future. In the empirical study, 73% of congregations that implemented strategic management indicated that having spend ample time on getting a shared vision for the congregation reduced time spend on debating and working on less important issues. In chapter 2 section 5.1.2, guidance is given for compiling a well-constructed vision statement. The question to answer is: "what should the congregation strive to become?"

### *c. Determine the strategic gap*

Any congregation should continuously examine and test itself against its God-given calling, and should also continuously reform itself to move closer to its calling. In order to create energy and action to continually reform, a congregation should not hesitate to face the facts regarding its current state, as well as the desired state as indicated by its

vision and mission. This self-evaluation is essential for meaningful growth to take place. In the empirical study, 77 % of the congregations that implemented strategic management indicated that this thorough self-examination energised and activated the congregation towards action in closing the gap between their current state and what Christ requires from them. This measure by the congregation of where they stand with their mission fulfilment need not be an exact measure. A broad understanding of where they stand would give direction on where and on what the biggest effort should go. An understanding and desire to change should be created, or else no change will take place. The question to answer is: “how far did the congregation develop towards its true purpose and destination?” and “are there agreement that there is a need for the congregation to grow towards closing the gap between what the congregation are now and where it should be?”

### ***6.2.2.3 Good practices during this phase***

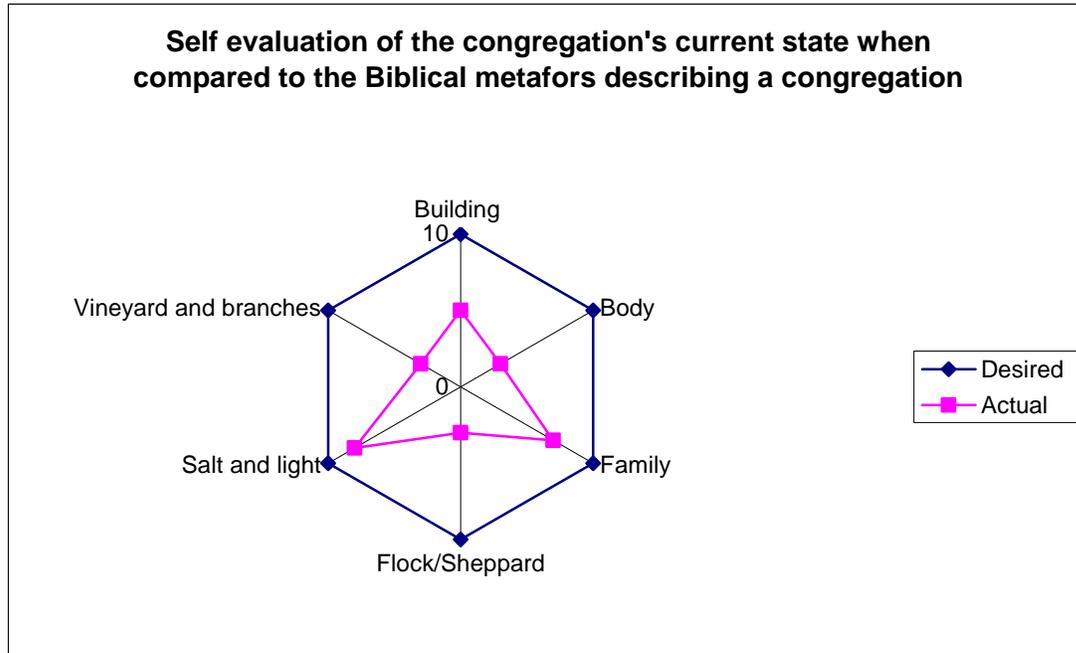
There is no “one size fits all” method to determine a mission, vision and strategic gap for a congregation. But the one common denominator should be that every congregation should find its mission and vision through prayer and Bible study under the guidance of the Holy Spirit. Below is a list of good practices that can be used and applied during this phase of strategic management in the congregation.

- For this phase of strategic planning to be successful, it should not be limited to a small number of people in the congregation. Discussions on this should take place via various methods and channels such as Bible study themes, sermon themes, congregation meetings, small group discussion and individual discussion. If the understanding and commitment is not shared, it will not lead to the necessary action. For example, the people shared Nehemiah’s vision of “Let us rebuild the wall of Jerusalem and end this disgrace” by answering “Yes, let us rebuild the wall”. The empirical study in chapter 5 indicated that 69% of the congregations that implemented strategic management experienced a lack of participation in the process later because not enough people understood and bought into this phase of the process. But also be aware not to overdo involvement. 15% of the congregations

that implemented strategic management lost time because they wanted to involve everybody before proceeding with the process.

- The real value of this phase in the strategic management process is not in the vision and mission statement itself, but in the understanding and growth which is created during the discussions.
- When discussing the future of the congregation, it is important to focus on a time horizon further than just one year ahead. If the time horizon is too short, practical issues, such as limited resources, will overshadow the aspirations. In the empirical study, 20% of the congregations specifically mentioned that having too short a time horizon is a weakness in their congregational strategy. The discussions about the future should have a long term horizon, although the activities to be taken will be divided into short, medium and long term focuses and targets.
- Following the Bible study regarding the congregation's vision and mission statement, the strategic gap must be determined. Making the gap visible will assist in creating energy and momentum to improve. The "measurement" is not an exact measure, but a reflection from the heart. **Figure 16** is an example that can be used to make the strategic gap visible to all. The graph gives a visible picture of the gap between the current state of the congregation, and what the Bible expects of a congregation. From the graph it is therefore easy to see the most important focuses in pursuit of displaying the characteristics of a true congregation.

**Figure 16: Radar graph for a congregation**



- Understanding where the congregation is on the growth S-curve, as discussed in chapter 2 paragraph 5.1.2 will create an understanding and awareness of where the congregation is in the normal life cycle.
- Anyone attempting to describe the essence and character of a true congregation of Christ should realise that its work will never be complete, and will not be limited to one model or framework. But that does not mean it should not be done. In chapter 3 of this study it was proposed to develop a mission statement for the congregation by means of the metaphors used in the Bible to describe a congregation, categorised into the trinity character of God. Any other applicable model based on Bible study and done with continuous prayer can be used. However, it should be complete and an over-emphasis of certain aspects should be prevented. Therefore it is advisable to first determine what the essence and character of a congregation is, and thereafter test the congregation against it.
- As is the case with a worldly organisation, it is effective and advisable to make use of a facilitator to guide the discussions. Although he will play a leading role, it is neither efficient nor practical for the minister to always lead all the discussions to determine the vision and mission. If a congregation can afford an external consultant

it is good. But it was listed as a best practice to make use of individual congregation members who has the skill and ability, to facilitate and lead the discussion.

- Continuous prayer and guidance of the Holy Spirit is of utmost importance. If not, the congregation runs the risk of having a view of what people want, and not what the Holy Spirit wants the congregation to be.

### **6.2.3 Phase 2: Set objectives**

#### ***6.2.3.1 Purpose of this phase***

After having a shared understanding of the congregation's mission (what they are), vision (where they are heading) and the strategic gap (understanding the difference of where they are and where they should be), the next phase is to determine the congregation's objectives (what they should be doing). The emphasis during this phase should be on effectiveness (keeping themselves busy with the right things) and not on efficiency (detail plans and activities to do the things right). There should be a direct relation between the vision (where they are heading), the mission (what they are) and the objectives they set to pursue (what they should focussing on). Objectives should be the main areas of action that must be worked on in order to be true to the essence of a congregation (mission) and to reach their goal (vision).

#### ***6.2.3.2 What must be done during this phase***

Analysis and exploration is a feature of this phase. This is not a stage in which detail plans and activities should be discussed yet.

##### ***a. Set the objectives***

Setting objectives for a congregation must be done, like everything else during the congregational strategy, with continuous prayer and Bible study under guidance of the Holy Spirit. Clarity on the objectives is important for a congregation, not only to guide

the congregation as to what plans and activities should take place, but also to get a shared understanding whether the congregation is successful or not. As in the case of the mission statement, care should be taken that the set of objectives is as complete and as balanced as possible. Over-emphasis on some areas of the work of the congregation, such as an internal preservation of the congregation without the necessary emphasis on the growth command, can lead to a distorted model.

In Chapter 3 of this study, the four service areas of a congregation namely Kerugma, Leitourgia, Koinonia and Diakonia, together with continuous development of talents, was proposed as objectives for a congregation to pursue towards living out the mission and vision. Any other categorisation of the work of a congregation can be used, as long as it is complete, and based on what Christ requires from them in their unique environment. Incomplete models for a congregation, such as the “control and govern” model, the “teach and organise” model, the “rejoice and testify” model and the “protect and commiserate” model can be used as tests to ensure balance and completeness of the congregational objectives. The question to answer is: “what are the main areas, or pillars, the congregation must work on and build to be true to its purpose and to fulfil its calling?”

*b. Analyse the external macro environment*

No organisation, including a congregation, lives in a vacuum. It is influenced by, and must be responsive to, the current as well as future state of the world around them. For a true serving congregation to be the light and salt for the world it must understand the world it will shine in and give taste to. The fruits of Kerugma, Leitourgia, Koinonia and Diakonia are not reserved only for congregational members, but also directed towards the people outside the congregation. Analysing the external environment will create a transparency that will guide plans and actions toward exploiting opportunities to fulfil the congregation’s calling. The analysis will also highlight threats that endanger the congregation, which must be mitigated. In chapter 2 section 5.2.3.a the PEST analysis is described as an analysis tool to gain a comprehensive understanding of external factors

influencing the organisation. The question to answer is: “what are the things in the external environment that will influence and affect the way the congregation is fulfilling its calling?”

*c. Analyse the “operating environment”*

Although every congregation in the GKSA is independent and a complete church, it will be affected by changes, developments and trends of the whole “church environment”. In chapter 4 paragraph 3.1.2.d the following actions was identified to guide a congregation in identifying the influences of the environment:

- In order for a congregation to maintain and especially to grow, it is necessary to understand the various aspects of diversity that are present in the environment it is called to function in. Aspects in the environment such as language distribution, age distribution, income distribution and geographical spread will be important aspects to consider in designing the congregational strategy. The question to answer is: “what does the environment look like in which the congregation is called to fulfil its calling?”
- During this analysis phase, the aim is to understand what the driving forces are that influence any congregation in the specific town or city. The type of force, the scale and the priority will differ from one place to the next. Some of the forces that will affect the congregation will be applicable on all or most of the church denominations, such as the growing trend of younger people to do “church hopping”, thereby not committing them to one congregation. Some of the forces that will affect the congregation are from within the GKSA, such as the debate regarding woman in specific offices. Other driving forces might have an influence only in specific areas, such as the closing down of a major employer in a small town. The question to answer is: “what are the developments in the church environment that will influence and affect the way in which the congregation is fulfilling its calling for the future”.
- Another analysis during this phase is to obtain a vision of other congregations and denominations that exist in the area, and to understand what they do and what they

stand for. Because the work in the Kingdom of God is not only limited to one denomination the question to answer is: “what congregations are in our environment with whom we can cooperate to preserve and grow the Kingdom of God?”

- The next analysis to be done is to list the key success factors for a congregation to fulfil its calling in your specific area. Those are the critical characteristics of a mission a congregation should take into consideration to fulfil its calling. In chapter 4 section 3.1.2, the 12 keys as described by Callahan are proposed. But any other list which is a true reflection of the key factors that a congregation must adhere to in order to fulfil its calling can be used. The question to answer is: “what are the most critical things a congregation should perform in order to sustain the fulfilment of its calling?”

#### *d. Analysis of the congregation itself*

Because no two congregations are exactly the same, the congregational strategy will also differ. Therefore it is important for a congregation to understand its current profile. If the congregation had a congregational strategy in the past, it is valuable to compare the results of the current assessment with the result of previous assessments as an indication of progress. The following analysis, as discussed in chapter 4 paragraph 3.1.2, can guide the congregation in creating this understanding.

- The last self evaluation a congregation can do, is to judge its own ability and performance against the key success factors identified in section 2.3.2.3(d) above. Being dysfunctional at any of the key success factors will most likely break down all the good work in other areas. Therefore identifying critical areas of the mission in which the congregation is not good will influence prioritisation during the detail planning of the congregational strategy. The question to answer is: “how well does the congregation execute activities that are critical for any congregation to fulfil its calling?”
- Various analyses can be done to analyse the congregation itself. The most obvious self-analysis is to get visibility of the geographic and demographic profile of the congregation such as the age distribution of its members. The diversity and spread of

this profile can have a deciding influence on strategies and activities of the congregation. For example, the age distribution will influence to a large extent how the congregation will make use of the latest communication technology. The question to answer is: “what does the congregation look like in all aspects of diversity?”

- The most commonly used analysis in this phase is the SWOT analysis in which the internal strengths and weaknesses as well as the environmental opportunities and threats are identified. The items listed in this analysis must be strengths, weaknesses, opportunities and threats in fulfilling the congregation’s calling, and not against anything else. The question to answer is: “what are the congregation’s strengths and weaknesses, compared to the Bible and confessional documents, to fulfil its purpose; and what are the opportunities and threats in the environment that can threaten or present opportunities for the congregation to fulfil its purpose?”
- Another analysis to be done is to draw the diagram of how the congregation operates in the quest to fulfil its purpose, similar to a “value chain analysis” of a business. This analysis might highlight areas that are under-resourced or neglected. Existing structures, meetings and other institutional aspects should be challenged to determine whether they are supporting the congregation in fulfilling its purpose, or did they become stumbling blocks in pursuit of its calling. As guidance, figure 14 in chapter 3 can be used as a basis. Write the existing structures and actions in the congregation next to each service. The question to answer is: ”do the current structures in the congregation serve the congregation in fulfilling its calling or did it become irrelevant and outdated customs?”
- Benchmarking the mission critical activities of a congregation will assist in identifying improvement opportunities. Although the benchmarking of the activities will be compared with other congregations and denominations to identify improvement areas, the real test of effectiveness should be whether the congregation’s activities are done according to biblical principles. The benchmarking should also not ignore the unique circumstances of the gifts and talents available in the congregation, and the environment the congregation is

functioning in. The question to answer is: “what can be learned from other congregations in the environment regarding the fulfilment of our calling?”

### ***6.2.3.3 Good practice during this phase***

The analysis and prioritisation should be done with continuous prayer under the guidance of the Holy Spirit. Below is a list of good practices, which can be used and applied in the analysis and objective setting of a congregational strategy.

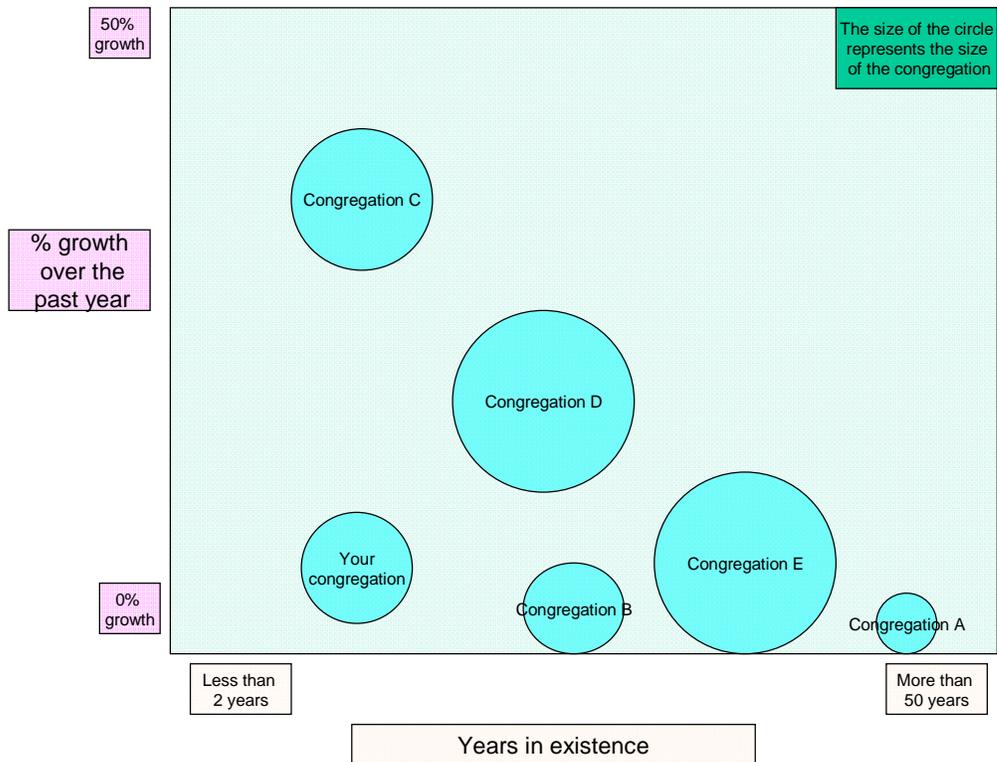
- One of the best practices identified by 67% of the congregations, as part of their congregational strategy was that it is important to do a well executed analysis as part of the crafting of a congregational strategy. The better the quality of the analysis the better decisions can be made regarding the congregational strategy, such as prioritisation of future activities.
- Existing models for analysis as discussed in chapter 2, such as the “Natural Church Development: 8 characteristics of growing churches by Swartz”, “12 keys for effective churches by Callaghan”, “Models of churches by Hendricks” or “Discover your talents“ can be used to guide the congregation through the analysis. However, it is important that the congregational leaders must have confidence in the analysis instruments; else they can reject the answer from the analysis.
- If the congregation can afford it, an independent and trusted external facilitator must facilitate the congregation during this phase. If the congregation do not have the service of an external person, an internal person or committee with the necessary facilitation skills must guide the process. The minister will always play a leading role, but the strategy should not only depend and revolve around him.
- Continuous prayer and guidance of the Holy Spirit is of utmost importance, else the congregation will do what people want to do, and not what the Holy Spirit tells the congregation to do.
- Because through participation commitment is created, it is advisable to involve as many congregation members as possible in the process. Doing the work with only a small number of people involved created non-participation in 69% of the

congregations that are implementing strategic management. Due to practical reasons everybody cannot be involved. Therefore, communicating the results of the analysis to the rest of the congregation via a well-constructed communication strategy is important.

- Making the result of any analysis visually available makes it easier to understand and interpret. Figure 17 is an example of a group map, indicating the various congregations in an area. Any criteria can be used on the two axes. In this example, the years in existence are on the X-axis and the % growth for the past year on the Y-axis. The size of the circle indicates the size of the congregation. Questions that might be triggered from this map, is for example: “why did congregations A, B and E stagnate, while congregation D and E could grow by a large %” and “why does congregation C grow by a large % and your congregation so little, while both congregations are in existence for the same amount of years”?

**Figure 17: Group map for congregations**

### ***Group map of congregations in the area***



*(Source: Own compilation)*

## **6.2.4 Phase 3: Craft the strategy**

### ***6.2.4.1 Purpose of this phase***

From the understanding created by describing the mission and vision as well as the analysis described above, the way forward should be planned. Because of the overwhelming amount of data available from the previous phases, the prioritisation of actions as well as the setting of a timeline for execution will be critical. Embarking on too many things will divide focus and resources, and will lead to an activity trap; embarking on too little activities will cause stagnation and loss of interest. Embarking on the wrong initiatives will leave the congregation not fulfilling its calling. The purpose of this phase is to make decisions on what will be done going into the future as well as the

timeframes linked to that. God never intended that things in His church must happen unorganised and undisciplined; therefore good planning under the guidance of the Holy Spirit is necessary.

#### ***6.2.4.2 What must be done during this phase***

Because the situation and variables will differ from one congregation to another, no one congregation's strategy and action plans will look exactly the same. The blind copy of what other congregations are doing will not work. In chapter 4 section 3.4 (question D 3) there are some specific initiatives listed by various congregations in the GKSA as part of their congregational strategy. The plans and strategies should strike a balanced focus between what is required from a congregation in its unique environment, given the various talents and gifts available in the congregation. Inputs from the previous phases to consider in the crafting of the congregational strategy are listed below.

##### *a. Vision, mission and strategic gap*

The mission and vision should act as a guidance to test that everything in the congregation is focussed towards fulfilling its calling. Everything in the congregational strategy should be tested to see whether it is true to the mission of the congregation and in pursuit of its vision. The strategic gap gives an indication where the congregation is not true to its mission or not pursuing its vision. Everything in the congregational strategy should be aimed at closing the gap between the current situation and the desired state as discovered in the vision and mission statement. The question to answer is: "what are the priority areas that should get attention in the congregation in order to close the strategic gap between where the congregation is now and where it strives to be?"

##### *b. Objectives*

The objectives are there to act as guidance to ensure that the congregational strategy is balanced and complete. The detail in the congregational strategy should strive towards

supporting all the objectives, or else the congregation will be incomplete in fulfilling its calling. The question to answer is: “In order to achieve its main objectives, what focus and resources should the congregational strategy have in order to have a balanced approach?”

*c. Analysis from external environment*

No congregation functions in a vacuum. The analysis of the external environment, as discussed in paragraph 6.2.3.2, highlighted many factors that are taking place in the macro environment outside the control of the congregation, but that will influence the congregation. As part of crafting the congregational strategy, the impact of the external factors should be weighted and considered. A decision must be taken whether the factors will cause a threat for the congregation in the fulfilling of its calling, provide an opportunity for the congregation to fulfil its calling, or will it not influence the congregation to an extent that calls for attention to these aspects. The question to answer is: “in what way must the congregational strategy cater for the influences from the external macro environment?”

*d. Analysis from the “operating environment”*

Change is a constant factor, even in the church environment. Some changes and developments will affect all the denominations, and some will only affect the congregations of the GKSA. As part of the crafting of a congregational strategy, the factors highlighted in the analysis as discussed in paragraph 6.2.3.2 should be weighted and considered. Some developments will have either a positive or negative impact to react to, while other can be ignored. The question to answer is: “in what way must the congregational strategy cater for the changes that are taking place in the church’s operating environment?”

*e. Analysis from the congregation itself*

Christ wants a true congregation to continuously assess themselves and continuously reform to become closer to His will. As part of the crafting of the congregational strategy, the information coming from the self-assessment should be weighted and considered, and priority areas for action should be identified. The question to answer is: “in what way should the congregation reform itself to become closer to what Christ wants from His congregation?”

For any organisation, the number of things to do will be overwhelming. This is why a congregational strategy should not be limited to a short period such as one year. Prioritisation is of utmost importance. There will not be enough resources available to do everything at once. And some initiatives must happen in a sequence; the one thing must first get into place before the next one will be feasible. An important question that the congregation must get an answer for is, given all the analysis and information, “what should be priority for the congregation in the year to come?”

In this stage of the process, more detail of what needs to be done should be discussed. However it is important not to discuss the detail of every plan now. This will be disempowering to the people that takes the responsibility for the various activities. They must plan and execute the various initiatives themselves. Therefore it is important to strike a fine balance between what must be done, and exactly how it will be done. The detail of how it should be done should be planned in detail as part of the execution of the strategy.

*f. Congregation differ from any other worldly organisation*

Although the process to craft a congregational strategy is very much the same as the process followed by any organisation in crafting a strategy, the congregational strategy should be tested to ensure that the difference between a congregation and another worldly

organisation is sufficiently recognised. All plans and activities should be evaluated against the question: “will this strategy move the congregation closer to a mission fulfilment or will it turn the congregation into a worldly organisation?” A congregation should test its congregational strategy against the following:

- It would be detrimental for a congregation if the members’ true relation with God is replaced by a relation with the congregation and its objectives. The question to answer is: “will the chosen strategy and plans assist members to grow in their relationship with God or are the emphasis too much on the congregation’s structures, models and vision?”
- Any organisation’s strategy will be aimed at improving it from its current state to a desired future state. But because a congregation is unique and different from worldly organisations, improvement for a congregation means something different than for other organisations. The question to answer is: “will the chosen strategy and plans bring the congregation to display the characteristics of a true church as described in the Belgic confession, or are the improvements focussed on worldly standards?”
- Every office-bearer, congregation member or committee in the church are instruments in the hands of Christ to fulfil a specific role. The one is not subordinate to the other. Crafting and executing a congregational strategy should be an endeavour to build and maintain the church in an orderly manner. But care should be taken not to elevate certain people or structures to positions of unbiblical authority. The question to answer is: “are there reporting and management structures to ensure an orderly execution of the congregation’s calling or are people or structures given unbiblical authority?”
- A congregation is primarily spiritual by nature, and the institutional character of a congregation should never become the most important. Care should be taken that the congregational strategy does not over-emphasise the institutional character of the congregation. The congregational strategy’s objectives and plans should be aimed at fulfilling the congregation’s calling, and not to achieve targets as defined by a worldly organisation. The question to be answered is: “does the congregational

strategy aim to fulfil the congregation's calling or did it turn the congregation into a worldly organisation such as a club, business or welfare organisation?"

- Everything in a congregation, including the crafting and executing of the congregational strategy, should be done with continuous prayer and under guidance of the Holy Spirit. Maintaining and growing the church is primarily the work of the Holy Spirit who used people, and not the work of the people. The congregational strategy should be tested by the following question: "is the strategy and plans from the Holy Spirit or is it the work of people?"

#### ***6.2.4.3 Good practice during this phase***

No two congregations will have exactly the same circumstances and priorities. Although much can be learned from what other congregations and denominations did in their strategy, every congregation should aim to determine what Christ want them to do given their own unique circumstances. Listed below are some good practices to consider during the crafting of the congregational strategy.

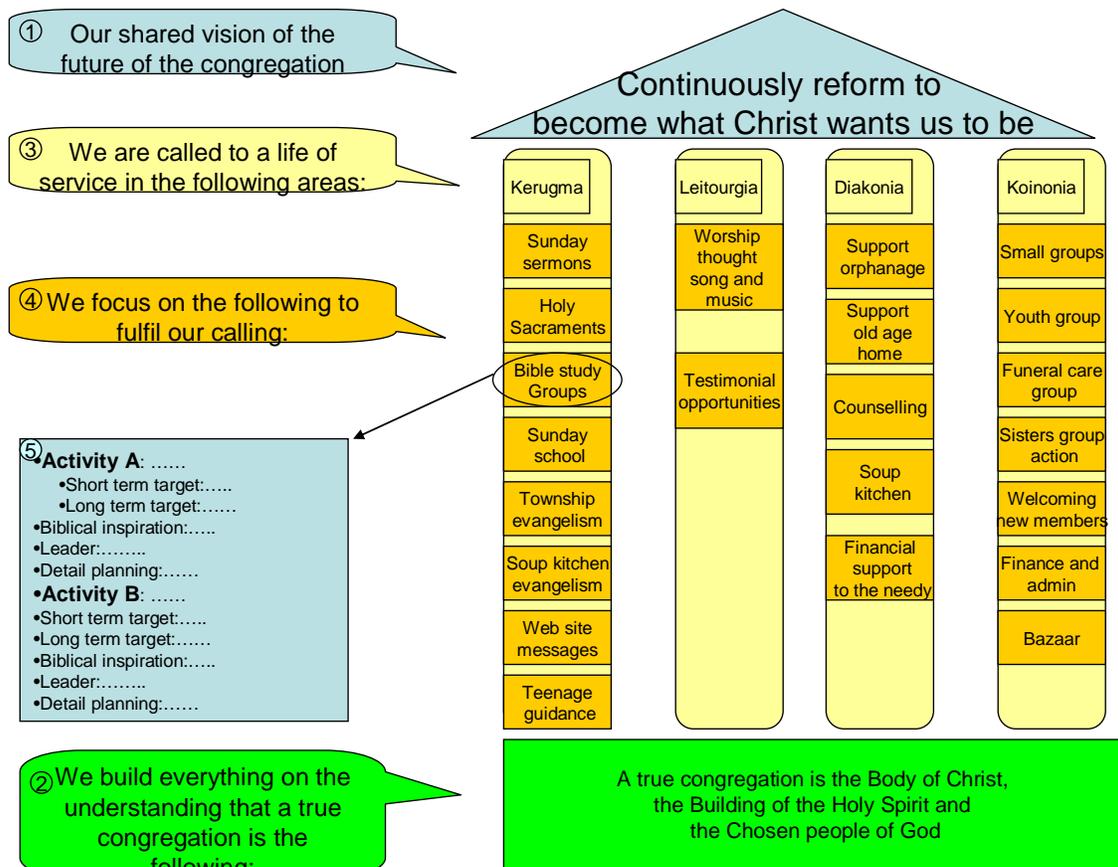
- It is important not to build too many activities around the minister himself. The empowerment of as many other leaders as possible is important. If too many initiatives are built around the minister, the sustainability of the strategy will not be there. The strategy should ensure that the minister has time to do his duty as stated in the Church order.
- Although a long list of items will need attention, prioritisation is very important. Because congregational strategies stretch over a number of years, some things can be placed on the agenda for somewhere in the future.
- The actions stemming from the congregational strategy must be matched as far as possible with the gifts and talents that are available in the congregation. This will enhance bigger participation in the execution of the congregational strategy.
- Do not be afraid to confront difficult issues even if it might upset some congregation members. If not confronted and cleared out, it will lead to stagnation of the

congregation. Rather confront the issues and manage any (necessary) change that might follow.

- A good practice indicated in the empirical study is to appoint a specific committee to manage the process of crafting the congregational strategy. Specific people should perform the administration, coordination and communication to ensure completeness and accuracy.
- The visual impact of symbols or pictures can be used to communicate the congregation’s vision and strategy. How the strategy will be visually displayed depends on the congregation’s strategy, the culture in the congregation as well as the creative talents in the congregation. Below are two proposed examples of how to visually display the congregational strategy.

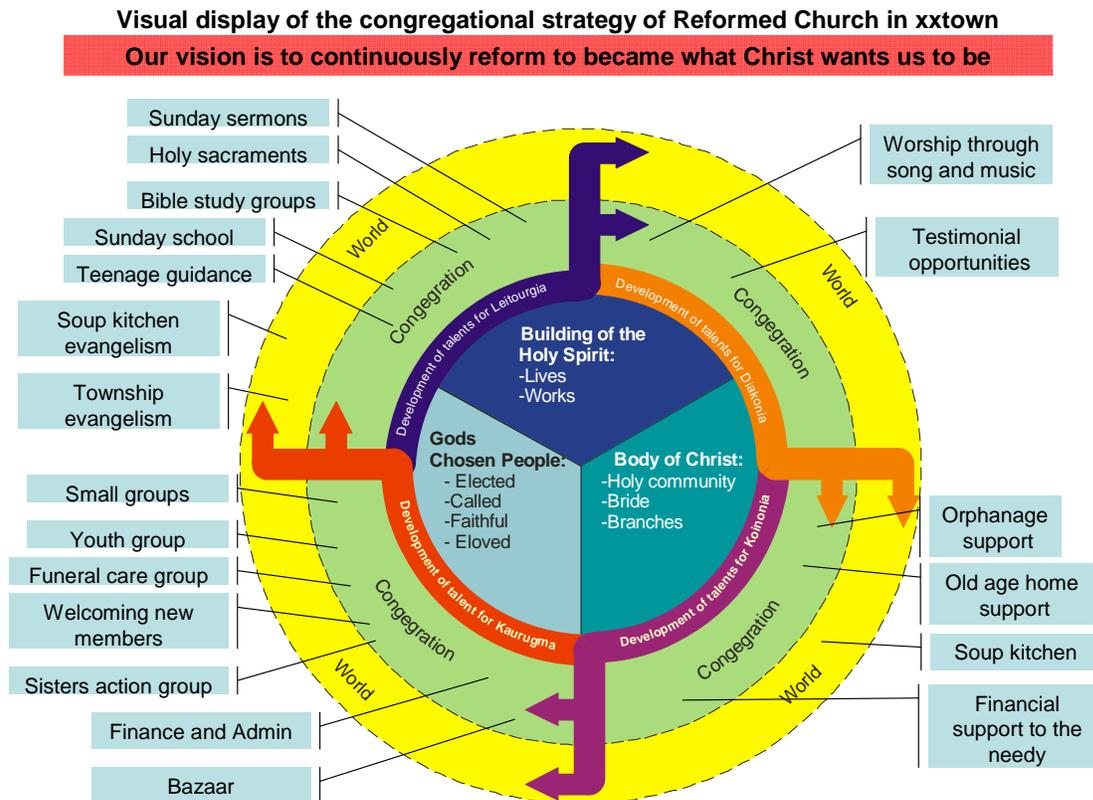
**Figure 17: Example 1 of visual display of a congregational strategy**

**Visual display of the congregational strategy of Reformed Church in xx-town**



(Source: Own compilation)

**Figure 18: Example 2 of visual display of a congregational strategy**



*(Source: Own compilation)*

The figures used must be as comprehensive as possible, displaying the vision, mission, objectives focus areas and plans in one descriptive picture

## **6.2.5 Phase 4: Implementation of the congregational strategy**

### **6.2.5.1 Purpose of this phase**

Even if the congregation's strategy is not perfect but actually implemented, it will achieve more than the perfect plan that never gets off the paper on which it is typed. The priorities identified in the crafting of the strategy should now be planned in detail, resourced and executed. Every step the congregation takes should be in the faith that God will provide what is needed for a congregation to fulfil its purpose.

### *6.2.5.2 What should be done during this phase*

Important reality is that not only the strategy itself, but that the execution of the strategy should also be planned carefully. The question to be answered is: “what should the congregation do to turn the priorities of the congregational strategy into deeds?”

At this stage, various individuals, small groups, commissions, committees and meetings will have the responsibility to plan and execute a broad spectrum of activities. Good operations management, financial management, project management and other management and individual skills will now be needed. But from a strategic management perspective, the total picture should be monitored. Because no one congregational strategy and action steps will be the same, the execution of the strategy will differ from one congregation to the next one. However, the discussion in chapter 4 paragraph 4.1.4. indicated that the following list of focus areas should get balanced attention as part of the implementation phase of any strategy.

#### *a. Develop abilities and talents of congregation members*

In Ephesians 4:12, Christ commands that the gifts in the congregation should be developed and employed in God’s Kingdom. Without the development of the gifts, less of the congregation members will be able to assist in the execution of the congregation’s calling. During the analysis phase of the congregational strategy, available gifts and talents should have been identified, as well as gifts and talents not currently available, but needed in order for the congregation to fulfil its purpose. The question to be answered is “in what way will the necessary gifts and talents be developed and employed in order for the congregation to fulfil its unique purpose as set out in the congregational strategy?”

#### *b. Align structures and processes to support the congregational strategy*

Structures should always be in support of the congregation’s strategy to fulfil its calling. Structures include amongst others, meeting structures, workgroups and committees,

reporting structures and communication channels. The institutional character of the congregation should be subject to and in support of the spiritual nature and work of the congregation. Maintaining the structure should never be more important than reaching the outcome the structure was created for. The question to answer is: “what structures should be in place in the congregation to support the fulfilling of its calling as set out in the congregational strategy?”

*c. Finding and allocating resources*

God will provide what is necessary for a congregation to fulfil its calling. The allocation of resources should be balanced between the different objectives the congregation set out to achieve. Resources include amongst others, finances, buildings, agenda time of meetings, leadership, talents and people’s time. Because resources are normally scarce, prioritisation should take place to ensure that all objectives are properly resourced over a long term. The question to answer is: “in what way should the available resources be allocated to facilitate the execution of the balanced objectives of the congregation as set out in the congregational strategy?”

*d. Adopt best practice and continuous improvement*

Because of the dynamic world in which the congregation functions, what worked well in the past will not necessary work well in the future. Because every congregation is unique, the blind copying of the way in which other congregations perform is the wrong approach. However, much can be learned from other congregations in the GKSA, and even from other denominations. As part of the implementation of the congregation strategy, learning from others on how they execute activities should be performed. The question to answer is: “what practices was identified that can be adopted from other congregations which will make our congregation more efficient and effective in the execution of the congregational strategy?”

#### *e. Rewards and encouragement*

In a worldly organisation, monetary incentives are given when activities in support of the organisations strategy are executed well. This is used to encourage the right behaviour to gain momentum with the strategy execution process. This type of rewards and incentives are not applicable in a congregation. However, in 1 Thessalonians 5:11 Christians are reminded that they should encourage each other, especially when they employ their talents and gifts as stated in 1 Peter 4:10. An important part of implementing the congregational strategy will be to create opportunities for congregation members to build relations and encourage one another to employ their gifts and talents. The question to answer is: “what can be done to enhance the involvement of congregation members to encourage and support each other in the employment of their talents to fulfil the congregation’s calling?”

#### *f. Congregational culture alignment*

Organisational culture can be defined as a system of shared goals (what is important) and beliefs (how things work). The culture develops over many years, and has a decisive influence on the way the organisation functions. Even if everybody agrees that the strategies and plans are the right ones, they will not turn into action if it is in conflict with the culture in the congregation. The closer the bond between the culture in the congregation, and the objectives and strategies to be executed, the higher the probability that the plans will turn into action. If the culture in the congregation is such that it does not support the plans to be executed, the probability that the plans will turn into action is small. An important part of implementing the congregational strategy will be to align the culture in the congregation to support the plans and strategies to be executed. The question to answer is “what is the current culture in the congregation (view of “what is important” and “how we do things”) and does it align with what is needed to turn the congregational strategy into action?”

*g. Strong leadership to drive strategy execution*

Good leadership is a determining factor for a congregation's success. Different situations require different responses from leaders to successfully lead the situation. The leadership role should not only be on one or two people's shoulders. And leadership should also not be limited to certain offices for instance the minister and the elders. Given the needs required by the congregational strategy, the leadership talents of faithful men and woman of all ages must be developed and employed. As part of the execution of the strategy, the development and empowerment of many leaders should be a focus area. The question to ask is: "in what way can a sufficient leadership capacity be developed and utilised to successfully execute the congregational strategy?"

***6.2.5.3 Good practice during this phase***

Balancing and allocating the right amount of available resources (in terms of time, money and talents) are a determining factor for the successful execution of the congregational strategy. Allocating too many resources can create imbalanced focus and wastage. Allocating too little resources can hamper efforts and create ineffective efforts.

- A good communication strategy should be in place to keep everybody informed of all activities and progress. People that want to contribute their talents must be informed enough to know where to go when they want to join in the effort. The communication strategy should not be limited to traditional communication methods such as verbal communication and congregational information booklets. Modern innovations such as facebook, SMS's and websites must also be included to improve the effectiveness of the communication.
- It is important for leaders in the congregation to remain positive even in times when things do not go according to plan. Know that God will provide what is necessary to preserve and grow His church, as long as His children act in faith.
- Allocating the right leadership to the various activities is of utmost importance. Making effective use of available leadership skills in the congregation is the right thing to do. But people come and go. Therefore, care should be taken not to

jeopardise the sustainability of the activities by building the whole initiative on specific people. Rotation of leadership roles, as well as the development of more leaders should be a high focus.

## **6.2.6 Phase 5: Evaluate, monitor and adjust**

### ***6.2.6.1 Purpose of the phase***

Congregations are not successful when they do well compared to normal organisational goals such as money, membership numbers or glorious events, but when they fulfil their God-given calling. Therefore, a congregation should continuously monitor and evaluate itself against criteria set earlier in the design of the congregational strategy. The purpose is to determine whether the congregational strategy is being executed and whether it progresses toward fulfilling the congregation's calling. Timely evaluation can alert the congregation to problems or potential problems before the situation becomes critical. If the evaluation indicates the need for changes in either the congregational strategy itself, or the execution of the strategy, the necessary steps for change must be initiated.

### ***6.2.6.2 What should be done during this phase***

Continuous monitoring and evaluation should take place over various aspects and with various frequencies. If a congregation is not clear on what the criteria are for measuring its progress, it will tend to measure against the wrong criteria such as membership growth, financial assets or number of projects initiated. This will lead to the wrong perceptions; thus resulting in wrong decision-making. The congregation should continuously examine and test itself (2 Corinthians 13: 5-6), not only at the beginning of the strategic management process, but also on a continuous basis.

*a. Frequent evaluation of short term milestones and results*

A congregational strategy should be designed to play out over a number of years, depending on the unique circumstances in each congregation. To do evaluation and measurement only at the end of the strategy horizon would leave the congregation blind regarding their progress. Therefore regular short-term evaluation of achievement of milestones and progress with plans and action must be done. Short-term might be monthly (the monthly finance committee), quarterly (feedback from home visits for preparation of the Lord's Supper), yearly (the annual fundraising activity), or any other interval that might be applicable. The question to answer in this regard is: "is the congregation efficient in doing the things that they plan?" Encouragement and praise should be given when things are going well. Analysis and corrective action, under the guidance of the Holy Spirit, should be taken when milestones are not reached successfully.

*b. Yearly evaluation of strategic milestones and results*

Evaluation should not be limited to short-term tangible outcomes of the church as an institution, such as funds raised during a fundraising project. With applicable intervals, normally on a yearly basis, an evaluation should be done to establish whether the congregational strategy is still suited. Changes in the external environment, church environment, the congregation itself, or the results of activities over the past year might necessitate a change in the congregational strategy. The question to answer in this regard is: "is the congregation still doing the right things in order to fulfil their calling?"

**6.2.6.3 Good practice during this phase**

- A congregation is not a business, and evaluating the progress with the congregational strategy should not use measurement criteria of worldly organisations. The criteria for evaluation should be consistent with measurements, based on the Bible study, used during the design of the strategy. Four congregations specifically mentioned

frequent testing of the congregational strategy against the Bible mentioned as a good practice.

### **6.3 CONCLUSION**

In this chapter, a framework for the crafting and executing a congregational strategy was proposed. The framework is based on the model as discussed in chapter 2, but took into account the specific nature and work of a congregation. For each phase of the strategic management process, the specific questions to answer and actions needed to be taken was discussed. It was supplemented by good practices and lessons learned from the empirical as well as literature study. Congregational leaders in the GKSA can use this framework as a guidance and roadmap to guide them through their congregational strategy.

The next chapter will draw conclusions from the literature and empirical study done thus far. Recommendations stemming from this study, as well as possible future research topics will be proposed.

## **CHAPTER 7**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **7.1 BACKGROUND**

The main objective of this study was to develop a framework that can be used by all the congregations in the GKSA in the formulation and implementation of their congregational strategy. To achieve the main objective, the secondary objectives also in scope for the study were:

- To identify best practices in congregations that can be shared with other congregations.
- To identify possible future issues that may confront the GKSA and that should be pro-actively managed by a well-founded congregational strategy.
- To emphasise the importance of strategic management in any organisation, and especially in the local congregations of a church.

The methodology used in this study to achieve the objectives was as follows:

- In chapter 2 a literature study was done on the theory of the science of strategic management. This laid a solid theoretical foundation for the congregational strategy framework.
- Thereafter in chapter 3 a literature study was done on the essence and work of a congregation. The purpose of the study was not intended to be a detailed analysis or comparison of the different views of “church” by various denominations. The study described what the GKSA’s view of the character and work of the local congregation is. The study was not a complete and detailed theological study, but provided guidance that must be taken into consideration when crafting and executing their congregational strategy.
- In chapter 4 a literature study was done on the necessity for having a congregational strategy. Due to the fact that some people have the opinion that a congregational

strategy is optional, or even a wrong practice, it was necessary to explore whether a framework for crafting and executing a congregational strategy is applicable.

- Chapter 5 was an empirical study on the current practices regarding strategic management in the local congregations of the GKSA. Best-practices and practical lessons learned from congregations were identified, which was included in the congregational strategy framework.
- In chapter 6 the information from the various literature and empirical studies was combined into a congregational strategy framework. This can be used as guidance when a local congregation of the GKSA is crafting and executing their congregational strategy.

In this chapter conclusions regarding the study will be done, and recommendations from the study will be made.

## **7.2 CONCLUSIONS AND RECOMMENDATIONS**

### **7.2.1 The theory of strategic management**

Although strategic management developed into a scientific process only in the 1990s, its principles can be traced back far in history. The way in which Nehemiah planned and executed the rebuilding of the wall round Jerusalem illustrates many of the principles, which today are packaged into a scientific strategic management process. Strategic management does not replace any of the existing functions in an organisation such as financial management, operations management or marketing management. The aim of strategic management is for an organisation to get a transparent view of its current position, to obtain a shared vision of where the organisation should be heading to in future, and to design and execute an integrated plan for every area or function in the organisation in pursuit of their shared vision.

On a high level strategic management can be divided into two phases namely the crafting or designing of the strategy, and then the implementation or executing of the strategy.

The crafting of the strategy is characterised by lots of analysis, exploring and creative thinking. It is essentially an intellectual process. But because “he who fails to plan, plans to fail” it is necessary for any organisation to go through a thorough process of crafting a strategy. Even the most perfect plan will serve little purpose if it is not implemented. Therefore the implementation of the strategy should also be done in a structured and well-managed way. The purpose of the implementation phase of the strategy is to turn the strategy into action, and thereby moving the organisation closer to its goals.

Strategic management should not be limited to only production and service organisations operating with a profit motive. Various good incentives for non-profit organisations, such as a church congregation, exist to perform a well-executed strategic management process. Although the specific circumstances and strategy will differ vastly from one organisation to the other, the process of crafting and executing a strategy is fundamentally the same in all organisations. It was therefore concluded that the strategic management process as described in chapter 2 could be used as theoretical basis for the framework for crafting and executing congregational strategy.

### **7.2.2 The essence and work of a congregation in the GKSA**

Anyone thinking about or describing the essence and character of a church should realise that its work will never be completed. It can never be limited to one model or framework. For purposes of this study, the metaphors to describe the character and essence of a congregation were based on the trinity character of God. A true congregation should realise and display that it is God the Father’s chosen people. They are elected and called by the Father, and are the beloved and faithful. Secondly a true congregation should realise and display that they are the Body of Christ. They should be a Holy Community that Christ describes as His bride, and branches stemming from the true vineyard. Lastly, a true congregation should realise and display that they are the building where the Holy Spirit lives and work. In the crafting and executing of a congregational strategy ample time should be devoted that the congregation members

understand the essence of a true congregation. If not, the congregation runs the risk of developing into some untrue form of congregation, such as a business where money, buildings and membership numbers are the measures for success, or a club where everything takes place for the benefit and to the taste of the members.

The work of a church congregation was described by means of the well-known classification of leitourgia, kerugma, koinonia and diakonia. Leitourgia focuses on experiencing the grace of God, confessing of sins, worshiping God and praising His name. The emphasis of kerugma is preaching of the gospel of Christ through words and deeds. Koinonia focuses on close mutual relations through involvement, sharing and willingly contributing. Koinonia in a true congregation should not be limited to only the congregation borders, but should be lived outside the congregation as well. The emphasis of the service of diakonia is caring and providing for the poor and needy in the congregation, but also to the world outside the congregation borders. The aim of the congregational strategy should be to develop and focus the gifts and talents of the congregation members towards fulfilling the work of the congregation across all the four service areas. The congregational strategy should entail a balanced approach to prevent over-emphasis or neglect of some of the service areas. If that happens, the congregation can be reduced to a normal worldly organisation whose measure of success is limited to, for example, the caring and protecting of the oppressed and the needy.

The GKSA is a denomination in the Presbyterian or Reformed tradition. The pillars for this form of church governance provide important guidelines for a congregation when crafting and executing a congregational strategy. Firstly, Christ is the one and only head of the church. Although there are many offices and positions in a church, they are not in a hierarchical structure, because all of them are responsible to Christ. Any reporting lines and committees are there for orderly execution of the congregation's activities. Secondly, although local congregations unite and support each other in various forums such as synod meetings, every congregation are independent and a complete church displaying all the characteristics and delivering on all service areas as described above. The elders in every congregation have the responsibility to ensure that order and

fulfilment of their calling takes place. Lastly, the government of a country has no jurisdiction over the congregation; neither should the congregation keep himself busy with doing the work of the government.

It was therefore concluded that the aim of a congregational strategy should be to grow a congregation to display all the characteristics of a true congregation. This is done by fulfilling its calling over all the service areas of a congregation as described in the Bible. For a congregation of the GKSA all this should be done within the belief system of the Presbyterian tradition.

### **7.2.3 Strategic management in a congregation**

At the three-yearly synod of the GKSA, which was held in the year 2000, a report was tabled under the heading “Preservation and Growth of the Church”. One of the recommendations of the report was that all the local congregations should develop and implement a congregational strategy. The main aim of the congregational strategy must be to guide the congregation towards fulfilling their calling given the unique circumstances in every individual congregation. In a world that is rapidly changing, and where more and more people turn their back on the traditional mainstream churches, it would be unwise for a congregation to approach the future in the same way it did in the past. It was therefore concluded that there is a need for a well-formulated congregational strategy in all the local congregations.

Because the benefits of a well-structured strategic management process should not be limited to profit making organisations, the unique circumstances of a congregation was tested against the phases and steps of the strategic management process as described in chapter 2. Although a congregation is unique, and care should be taken that strategic management processes do not sidetrack the congregation to an untrue congregation, it was concluded that the basic process is applicable for crafting and executing a congregational strategy.

This chapter satisfied one of the secondary objectives of this study, namely to emphasise the importance of strategic management in any organisation, and especially in the local congregations of a church.

#### **7.2.4 Empirical study on strategic management in the GKSA**

An empirical study was done in the GKSA to determine the occurrence of strategic management in the local congregations, as well as to identify best practices and to learn lessons that could be shared with other congregations. Questionnaires were sent to the whole population of 249 congregations. The response rate was 46%. Despite the request from the Synod as well as the demands from a fast changing society, 58% of respondents indicated that they do not have a well-constructed congregational strategy. Of the congregations that did not implement strategic management, 83% indicated that they are of the opinion that the congregation should have a congregational strategy. But practical issues, such as lack of knowledge about the science of strategic management prevented them from crafting and executing a congregational strategy.

Information provided by 42% of congregations that is implementing strategic management indicated that there are some congregations whose congregational strategy is lacking. It was therefore concluded that a framework on the process to craft and execute a congregational strategy would have value for ministers and other leaders in the congregation.

From the 42% of the respondents that is implementing strategic management, various good practices and lessons learned were identified that created useful information to share with other congregations. The literature study conducted in previous chapters supported the best practices and lessons learned mentioned by the congregations. The conclusion was therefore that incorporating these items in the congregational strategy framework would be useful for other congregations.

In the empirical study various issues was identified that will require careful strategic planning from congregations. This was also one of the secondary objectives of this study.

### 7.2.5 Framework for crafting and executing a congregational strategy

The information from the previous chapters was combined into the following framework which is based on sound theory as well as good practices. The framework indicates the different phases that a congregation will go through when crafting and executing their congregational strategy, as well as the purpose of each phase. The five practical steps to be followed are indicated in the framework in the form of questions, which a congregation must answer, given their own unique circumstances.

**Table 7: Summary framework for congregational strategy**

Step 1: Develop a strategic vision	Step 2: Set objectives	Step 3: Craft a strategy	Step 4: Implement the strategy	Step 5: Evaluate, monitor & adjust
<i><b>Purpose of each phase in the congregational strategy process</b></i>				
Create a shared understanding of the essence and purpose of a congregation, as well as the need for change.	Determine the major areas on which to focus in order to fulfil its purpose as a congregation of Christ, and analyse the environment.	Determine priorities and make decisions on what the congregation will be doing and focusing on going into the future, as well as the timeframes linked to that.	The priorities identified in the crafting of the strategy should now be planned in detail, resourced and executed.	Determine whether the congregational strategy is being executed efficiently and whether the congregation is progressing towards fulfilling it's calling.
<i><b>What must be done in each phase: Finding answers to each of the following questions</b></i>				
What and where is the congregation currently and what should it strive to become?	What are main areas of service the congregation is called for, and analyse the environment in which it must render its service?	What are the priority areas the congregation must focus on to grow towards the purpose it is striving achieve?	What should the congregation do to turn the priorities and activities of the congregational strategy into action?	How often, and against what criteria, should the congregation measure it to determine the progress made with the congregational strategy?
<b>---- → CONTINUOUS PRAYER AND UNDER GUIDENCE OF THE HOLY SPIRIT ---- →</b>				
<b>---- → CONTINUOUS COMMUNICATION AND CHANGE MANAGEMENT ---- →</b>				

### **7.2.6 Practical application of the outcomes of this study**

One of the principles highlighted in the literature study on strategic management is that it is recommended to make use of an external consultant to guide any organisation through the crafting of a strategy. But it was emphasised that the external consultant should only act as facilitator to assist the leaders. It remains the responsibility of the leaders in the organisation to craft the strategy. When a congregation make use of the service of an external consultant to assist them with their congregational strategy, it remains their responsibility to ensure that the congregational strategy is aimed at fulfilling the congregation's calling. If congregational leaders empower themselves with the knowledge on the theory as well as the practical framework discussed in this study, they will not be exposed to the risk of being misled by an external consultant.

But many congregations do not have the financial resources to hire the services of an external strategic management consultant. The congregational leaders must take it on themselves to guide the congregation through the process of crafting and executing a congregational strategy. Knowledge of the theory provided in this study, as well as the aid provided by the framework will empower them to lead the way towards a congregational strategy.

From the study it was emphasised that, in order to fulfil its calling in the modern and dynamic world, it is essential for a congregation to have a good congregational strategy. The Synod in the year 2000 specifically requested that all congregations should develop a congregational strategy given their unique circumstances. The synod report puts it strongly by saying a congregation that does not have a clear strategy to build and maintain the church is busy with an unbiblical practise. If congregational leaders empower themselves with the knowledge of the framework discussed in this study, they will be in a better position to mobilise the congregation entrusted to them towards the crafting and execution of a congregational strategy.

However, any congregation crafting and executing a strategy should always be aware that they are busy with the work in God's Kingdom. Therefore, continuous prayer and guidance from the Holy Spirit will lead to success. Without it, this framework as well as the congregational strategy will be worthless.

### **7.2.7 Recommendations from this study**

Following the knowledge gained in this study, the following recommendations are made:

- It is recommended that a course on strategic management should be included in the training syllabus of aspirant ministers in the GKSA. The course should be specifically focussed at empowering them to lead the crafting and execution of a congregational strategy, given the values and beliefs of the GKSA. The information captured in this study can be a good guidance for the course content.
- Due to the dynamic and fast changing world of the 21<sup>st</sup> century, the issues confronting leaders are changing rapidly, but also the improved methods that manage it. For this reason, an abbreviated version of the course should be compiled. This should be presented as a three to five-day course to ministers that already are in congregations. The purpose will be to supplement their practical experience with new and additional theory on managing and leading specific situations in the modern congregation.
- Managing and leading a congregation should not only be revolving around the minister. Members of congregations should be encouraged to attend the course together with their ministers. Members of congregations should attend the training course with the aim of enhancing the orderly achievement of the goals and purpose of the congregation. This will enhance the ability of the congregation to function efficiently during times in which congregations do not have a minister. Furthermore it also assist ministers in making time available in their own schedules to concentrate more on preaching God's Word and taking pastoral care of the congregation. If members of the congregation attend the course together with their ministers, it will

also assist in the alignment within the congregation on how to plan and execute chosen strategies.

- Because of the advantages of making use of an external strategic management consultant when crafting and executing a strategy, it is recommended that the Administrative Bureau of the GKSA give consideration to employing such a consultant who can assist the local congregations. Most of the congregations of the GKSA do not have the financial resources to hire an external consultant at their own cost.

### **7.3 POSSIBLE FIELDS FOR FURTHER STUDY**

Stemming from this study, the following are probable fields for further study:

- This study focussed on the total process for crafting and executing a congregational strategy. Each of the steps in the strategic management process can be researched to provide in-depth guidance for congregations who are busy with their congregational strategy.
- Due to pace and dynamics of the 21<sup>st</sup> century, a study that focus on the changes that drive the contemporary congregations will add value when crafting and executing a congregational strategy.

### **7.4 FINAL NOTE**

The Church belongs to Jesus Christ who uses ordinary people as instruments to work on His harvest field. Developing the skills of congregational leaders and in particular the ministers, to successfully craft and execute a congregational strategy is only one of the ways to exploit the God-given talents to the fullest. On its own, a congregational strategy will not make a congregation successful. It should be seen as only one of the many things that should be done in order for a congregation to fulfil its purpose. Collins (2001:14) indicates that amongst all the “great” companies he has studied, none of them contributed the success to a single defining action, a grand program or one killer innovation. Rather, their success was like the relentless pushing against a flywheel, turn

upon turn, building momentum, until it was spinning. This success created more success. Similarly, in a congregation everybody must develop his/her talents (Matthew 25:14–30) and work together as a unit (1 Corinthians 12:12), in good order (1 Corinthians 14:33), with zeal and fervour (Romans 12:11), building the congregation on the foundation of Jesus Christ (1 Corinthians 3:11). But if God's blessing is not prayed onto the work, the builders will labour in vain (Psalm 127:1).

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## ANNEXURE A



# Die Teologiese Skool van die Gereformeerde Kerke in Suid-Afrika

Posbus 20004 Noordbrug 2522

Tel (018) 294 5439 / 294 5593

Faks (018) 294 8952

### Praktiese Teologie

E-pos: [ben.deklerk@nwu.ac.za](mailto:ben.deklerk@nwu.ac.za)

2009-07-28.

Geagte mnr Grobler,

### GOEDKEURING VIR NAVORSING

Die Teologiese Skool van die Gereformeerde Kerke in Suid-Afrika is opgewonde oor die studie rakende strategiese beplanning in die gemeentes van die Gereformeerde Kerke in Suid Afrika en gee hiermee die nodige toestemming dat hierdie ondersoek kan voortgaan. Die ondersoek kan waarde toevoeg tot die navorsing en onderrig van Praktiese Teologie aan die Skool en behoort ook van waarde vir plaaslike kerke en die predikantekorps te wees.

Daarom sal ons die predikante wat genader word, aanmoedig om aan die projek deel te neem en om die nodige inligting te verskaf.

Seën en sterkte met die ondersoek.

Ben de Klerk

**PROF BJ DE KLERK**

**Rektor TSP.**

## **ANNEXURE B**

### **Examples of mission and vision statements**

#### **a) The Bellevue Hospital.**

- a. Vision: The Bellevue Hospital is the LEADER in providing resources necessary to realise the community's highest level of HEALT throughout life
- b. Mission: The Bellevue Hospital, with respect, compassion, integrity, and courage, honours the individuality and confidentiality of our patients, employees and community, and is progressive in anticipating and providing future health care services.

#### **b) Manley Baptist Church**

- a. Vision: The vision of Manley Baptist Church is to be the people of God, on mission with God, motivated by love for God, and love for others
- b. Mission: The mission of Manley Baptist Church is to help people in the Lakeway area become fully developed followers of Jesus Christ.

#### **c) Sasol Limited**

- a. Vision: To be a respected global enterprise, harnessing our talents in applying unique, innovative and competitive technologies to excel in selected markets in the energy, fuels, chemicals and related sectors in Southern Africa and worldwide.
- b. Mission: We, the people of Sasol, will generate sustainable growth in the interest of our stakeholders, by
  - i. competing in the coal, oil, gas, fuels, chemicals and related markets where we have distinct competitive advantages;
  - ii. capitalizing on our ability to develop, enhance and apply technologies for the production and marketing of competitive products and services;
  - iii. being the preferred supplier to our customers through the reliable supply of quality products and services in a manner superior to that of our competitors;
  - iv. striving for mutually beneficial relationships with our suppliers;

- v. stimulating a viable downstream chemicals and related industry in southern Africa;
- vi. seeking new business opportunities, including synergistic alliances;
- vii. creating an environment in which teams of dedicated people characterised by their diversity of needs, skills and background can grow to their full potential
- viii. acting responsibly towards our environment;
- ix. respecting and participating in the development of the communities where we operate;

Conducting our business activities with integrity and in compliance with internationally accepted business principles and practices; and thereby, building enduring mutually beneficial relationships with all our stakeholders

## ANNEXURE C

### **Biblical references calling the church.**

#### *To the service of Leitourgia*

- a) Colossians 3:16: “Sing psalms and hymns and other spiritual songs to God with thankful hearts.”
- b) Ephesians 5:18-19: “Instead, be filled with the Holy Spirit, singing psalms and hymns and spiritual songs amongst yourselves, and making music to the Lord in your hearts.”
- c) Hebrew 13:15: ”Therefore, let us offer through Jesus a continual sacrifice of praise to God, proclaiming our allegiance to his name.”
- d) John 4:23: “But the time is coming – indeed it’s here now – when the true worshipers will worship the Father in spirit and in truth. The Father is looking for those who will worship him that way.”
- e) Acts 2:46: “They worshiped together at the Temple each day, met in homes for the Lord’s Supper, and shared meals with great joy and generosity – all the while praising God and enjoying the goodwill of all the people.”
- f) Romans 12:11: “Never be lazy, but work hard and serve the Lord enthusiastically.”
- g) Psalm 146-150: “Praise ye the Lord.....”

#### *To the service of Kerugma*

- a) Matthew 10:7: “Go and announce to them that the Kingdom of Heaven is near.”
- b) Matthew 28:19-20: “Therefore, go and make disciples of all nations, baptizing them in the name of the Father and the Son and the Holy Spirit. Teach these new disciples to obey all the commands I have given you.”
- c) Philippians 2:15: “Live clean, innocent lives as children of God, shining like bright lights in a world full of crooked and perverse people.”

- d) 1 Peter 2:9: “But ye are a chosen generation, a royal priesthood, an holy nation, a peculiar people; that ye should show forth the praises of Him who hath called you out of darkness into his marvellous light.”
- e) Ephesians 4:11-12: “And he gave some, apostles; and some, prophets; and some, evangelists; and some; pastors and teachers; for perfecting of the saints, for the work of ministry, for the edifying of the body of Christ.”
- f) 1 Corinthians 14:1: “Follow after charity, and desire spiritual gifts, but rather that ye may prophesy.”
- g) 1 Corinthians 9:20-23: “And unto the Jews I became as a Jew, that I might gain the Jews; to them that are under the law, as under the law, that I might gain them that are under the law; to them that are without law, as without law, that I might gain them that are without law; to the weak became I as weak, that I might gain the weak: I am made all things to all men, that I might by all means save some. And this I do for the gospel’s sake, that I might be partaker thereof with you”.
- h) 1 Corinthians 3:7-9: “So then neither is he that planteth any thing, neither he that watereth; but God that giveth the increase. Now he that planteth and he that watereth are one: and every man shall receive his own reward according to his labour. For we are labourers together with God: ye are God’s husbandry, ye are God’s building.”
- i) Matthew 9:37-38: “Then saith he unto his disciples: The harvest truly is plenteous, but the labourers are few; Pray ye therefore the Lord of the harvest, that he will send forth labourers into his harvest.”
- j) Acts 28:28: “Be it known therefore unto you, that the salvation of God is sent unto the Gentiles, and that they will hear it.”

***To the service of Koinonia***

- a) 1 Timothy 3:15: “... you will know how people must conduct themselves in the household of God. This is the church of the living God, which is the pillar and foundation of the truth.”

- b) 1 Corinthians 12:20-21: “Yes, we are many parts, but only one body. The eye can never say to the hand ‘I don’t need you’. The head can’t say to the feet ‘I don’t need you’.”
- c) Hebrew 3:12-13: “Take heed, brethren, lest there be in any of you an evil heart of unbelief, in departing from the living God. But exhort one another daily; lest any of you be hardened through the deceitfulness of sin.”
- d) Romans 15:7: “Wherefore receive ye one another, as Christ also received us to the glory of God.”
- e) 1 Thessalonians 4:18: “Wherefore comfort one another with these words.”
- f) 1 Thessalonians 5:11: “Wherefore comfort yourselves together, and edify one another, even as also ye do.”
- g) Romans 16:16: “Salute one another with a holy kiss. The churches of Christ salute you.”
- h) Roman 12:15: “Rejoice with them that do rejoice, and weep with them that weep.”
- i) 1 Peter 4:10: “As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.”
- j) Philippians 2:2-4: “Fulfil ye my joy, that ye be likeminded, having the same love, being of one accord, of one mind. Let nothing be done through strife or vainglory; but in lowliness of mind let each esteem other better than themselves. Look not every man on his own things, but every man also on the things of others.”
- k) Ephesians 4:32: “And be kind to one another, tender-hearted, forgiving one another, even as God for Christ’s sake hath forgiven you.”
- l) Acts 2:44: “And all the believed were together, and had all things common.”
- m) Galatians 6:1: “Brethren, if a man be overtaken in a fault, ye which are spiritual, restore such an one in the spirit of meekness; considering thyself, lest thou also be tempted.”

***To the service of Diakonia***

- a) Ephesians 2:10: “For we are his workmanship, created in Christ Jesus unto good works, which God hath before ordained that we should walk in them.”

- b) 1 Timothy 6:18: "That they do good, that they be rich in good works, ready to distribute, willing to communicate."
- c) 1 Timothy 5:8: "But if any not provide for his own, and especially for those in his house, he hath denied the faith, and is worse than an infidel."
- d) 1 Corinthians 12:26: "And whether one member suffer, all the members suffer with it; or one member be honoured, all the members rejoice with it."
- e) Matthew 5:16: "Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven."
- f) Romans 12:13: "Distributing to the necessity of saints; given to hospitality."
- g) Hebrew 10:24: "And let us consider one another to provoke unto love and to good works."

James 2:15-17: "If a brother or sister be naked, and destitute of daily food, and one of you say unto them, Depart in peace, be ye warmed and filled; notwithstanding ye give them not those things which are needful to the body; what doth it profit? Even so faith, if it hath no works, is dead, being alone."

## ANNEXURE D

### Section A – please complete the applicable areas

A1. Name of Reverend: \_\_\_\_\_ (Optional)

A2. Reformed Church (town/city): \_\_\_\_\_ (Optional)

A3. Is the congregation in:

– Rural area/country side	
– City	
– Large town	

A4. Which language is used in the congregation?

– Afrikaans	
– English	
– African language	

A5. How many congregation members are currently in the congregation?

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### Section B – please complete the applicable areas

**Definition:**  
*Strategic management is defined as a structured process of analysis, planning and execution through which the leaders takes an organisation with the following purpose:*  
 (a) to analyse and understand their current situation,  
 (b) to analyse and understand their goals and objectives  
 (c) to plan and execute on the focus areas and activities in pursuit of the goals and objective  
 Important elements of the strategic management process are, amongst others, vision statement, setting of objectives, swot-analysis and resource allocation.

	Yes	No
<p>B1. Given the above-mentioned definition, is strategic management executed in your congregation (or a process closely related to the description)?</p> <p><i>If the answer in B1 is “Yes” please ignore Section C and only answer Section D.</i></p> <p><i>If the answer in B1 is “No” please answer Section C and ignore Section D.</i></p>		

### Section C – please complete the applicable areas

C1. What are the reasons for not applying strategic management in the congregation?

– A congregation is not a business and therefore there is no need for strategic management	
– There are not enough skills in the congregation to lead or facilitate the process	
– Congregation never deemed it necessary to apply strategic management	
– The congregation never had enough time to consider strategic management	
– Any other reasons (please state the reasons)	

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	Yes	No
<p>C2. According to you, should the congregation apply strategic management?</p>		

**STRATEGIC MANAGEMENT: QUESTIONNAIR (continuo)**

**Section D – please complete the applicable areas**

D1. You have indicated in B1 that your congregation does apply strategic management. What best-practices taking place in your congregation regarding strategic management can you recommend to other congregations?

- Spend enough time before you commence with the process explaining the process to the congregation members
- First reach consensus about the vision to reduce time spend on debating and working on less important matters
- A proper analysis of their environment contributed to the congregation focusing on and planning for the right objectives
- Thorough self-examination (in line with 2 Cor 13:5) energised us towards action
- We have learned from others how to approach the process (for example, we studied books on strategic management in congregations)
- Any other best-practices (please describe)


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D2. You have indicated in B1 that your congregation does apply strategic management. What lessons have you learned in the process that you can share with other congregations (who also wants to apply strategic management) which should be avoided?

- The process commenced with only a small number of people participating, leading to non-participation of the majority
- We first wanted to involve the whole congregation before commencing, wasting a lot of time.
- Our planning horizon was too short (for example, only one year ahead)
- The process did not adequately recognise the difference between a congregation and other organisation, leading to an ineffective strategic management process
- Any other lessons learned (please describe)


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D3. As part of the strategic management process, did you identify any dangers or threats that could jeopardize the congregation fulfilling its purpose?

Yes	No

**STRATEGIC MANAGEMENT: QUESTIONNAIR (continuo)**

**Section D (continuo)**

D3.1 If the answer to question D3 is “**Yes**”, what is that threat or danger that can jeopardize the congregation fulfilling its purpose?

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D3.2 Was the threat or danger mentioned in D3.1 addressed as part of the strategic management process?

**Yes**      **No**

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D3.3 If the answer to D3.2 is “**Yes**”, describe how the treat or danger was addressed as part of the strategic management process.

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D4. Please write down the congregation’s vision statement?

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D5. What percentage of the congregation knows the vision good enough to explain it to someone else?

- Less than 20%
- Between 21% and 40%
- Between 41% and 60%
- Between 61% and 80%
- Between 81% and 100%


D6. Who is leading the strategic management process in the congregation?

- The Reverend
- A commission that was convened for that purpose
- An external consultant
- Congregation members who have the skills and knowledge of strategic management
- Other (please specify)


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**STRATEGIC MANAGEMENT: QUESTIONNAIR (continuo)**

**Section D (continuo)**

D7. What percentage of the congregation actively takes part in the discussions and planning of the strategic management process?

- Less than 20%
- Between 21% and 40%
- Between 41% and 60%
- Between 61% and 80%
- Between 81% and 100%


**Yes      No**

D8. Are you, as the reverend, satisfied with the current strategic management process in the congregation?

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D8.1. If **“No”**, what would you like to see done differently regarding the strategic management process?

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**Yes      No**

D9. Are you willing to be interviewed by the researcher so that he can learn more about the details of the strategic management process in your congregation?

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