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# CSO Management

## Practical tools for organisational development analysis

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  www.oziplikis.org.tr
- Women's Organisation "Lara", Bosnia and Herzegovina
  www.zenskiforum.com

# CSO Management

## Practical tools for organisational development analysis

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# Foreword

# Foreword

With activities ongoing in eight countries of the Western Balkans, as well as Turkey, *Technical Assistance for Civil Society Organisations*, or TACSO, is providing support and opportunities for the development of a strong and influential Civil Society sector. This investment in Civil Society is based upon our conviction that in the context of EU affiliation ongoing political, economic and social processes require an engaged and well-functioning Civil Society as an important precondition for democratic developments.

An important project component of TACSO is the *Capacity Development of CSOs*, with the main objective being to increase the capacity of CSO representatives in a number of key areas by offering them new knowledge on contemporary methodologies and techniques, as well as the opportunity for exchange and practical knowledge.

During the spring of 2010 TACSO implemented five Regional Training Programs targeting experienced and well-established CSOs and their representatives. Following the successful completion of these Training Programs and in order to further strengthen the capacities of CSOs, TACSO has decided to develop five manuals as follows:

- Fundraising and Accessing EU Funds;
- Civil Society Organisation Management - Practical Tools for Organisational Development Analysis;
- Developing and Managing EU Funded Projects;
- Advocacy and Policy Influencing for Social Change;
- Citizens' Participation in the Decision-Making Processes.

These manuals are intended to be a resource for CSOs as well as the trainers conducting trainings within the abovementioned topics. The manuals will also serve as a resource material for the development of the TACSO E-learning Courses in the future.

The aim of the present manual, entitled *Civil Society Organisation Management - Practical Tools for Organisational Development Analysis*, is to increase the internal capacities of CSOs for more effective action.

We sincerely hope that you will find the Manual useful in your work.

*Palle Westergaard*

Team Leader

# Approach to the Manual

In order to make the Manual as practically useful as possible, its contents have been kept as short and to the point as is feasible given the complexity of the topic. Several practical references from CSOs in the region and elsewhere are included. This will make the Manual pertinent for the CSOs involved and means it will fit in well with their varying working environments. Therefore the various tools and approaches proposed in this Manual are adaptable and flexible and can be modified to the particular project or organisation in question.

The Manual takes as a point of departure the CSO organisation itself, the people within the organisation and the environment surrounding it. The Manual will focus on what is known as Institutional Development (ID) and Organisational Development (OD). Institutional Development concerns what goes on between organisations, and how they relate to each other in terms of collaboration and competition. It is also about what the overall purpose of the organisation is, and how it aims to achieve its stated ends. Organisational Development, on the other hand, concerns the analysis of and ability to understand the internal workings of an organisation and how capacity is developed in order to make sure that both the organisation and its staff continue to improve their work and performance.

It is unlikely that the Manual will tell the reader many new things about their respective organisation of which they are not already aware. However, the Manual may propose different ways of looking at the organisation in question and how it relates to its institutional surroundings. The Manual will also encourage organisations to ask new questions of themselves and of their colleagues and of other organisations. This will help them to develop their capacities further, even when this may challenge their own perceptions of their organisation and the way it interacts with the general working environment.

The Manual is guided by a number of tested methods and approaches to ID/OD. A word of caution is appropriate in this context. An English proverb says that "if all you have is a hammer, everything looks like a nail." What this means is that if we only wish to confirm what we already know, then these methods will not teach us anything new or may even produce faulty information. To avoid this, we hope that the reader will approach the methods with an open mind, test them out for their usefulness and look for new perspectives.

Another helpful proverb in this connection reminds us that "tthere are two sides to one coin," which, as it implies, means that there is more than one way of achieving an objective. Several ways of working used simultaneously are often the best way to reach this desired end-state. However, it is up to you, the reader, to decide what methods or tools are the best ones to use. Please keep this in mind at all times when using the Manual.

The working methods used and suggested here – for the purpose of this Manual they can be best termed 'tools' - have been scrutinized and carefully selected based on what works and what does not. They come from more than 20 years of experience of working with development organisations within the areas of ID and OD in Europe, Asia, Africa and South America through consultancies and training programmes offered to international audiences. In other words, they are tested quantities and qualities and they continue to be improved and adapted to individual circumstances, which we also hope you will do.

*The manual will encourage organisations to ask new questions of themselves and of their colleagues and of other organisations.*

# Structure of the manual

For each chapter, a brief introduction is provided along with some practical examples from real situations. Thereafter the tools are presented step by step, taking the reader through their various elements. We then include examples from CSOs the Western Balkans and Turkey.

At the end of each chapter, we provide some tips for practical application and facilitation for getting better results from the tools available. We also propose a list of questions to help the reader or user of the Manual to apply the tools in practice and to encourage further reflection and discussion within the individual organisation. The Manual contains the following chapters.

1. Concepts and Framework
2. Basic Question
3. Quick Scan
4. Environmental Scan
5. Institutiogramme
6. Integrated Organisation Model
7. Strategic Orientation and Planning
8. Change Management
9. Application and Facilitation of ID/ OD Tools

# Concepts and Framework

# Introduction

The concept and application of Institutional Development and Organisational Development (ID/OD) has over the past three decades become increasingly important in the field of international development. This is being realised by governments, multilateral organisations such as the EU, UN, and the World Bank, international NGOs like CARE, Oxfam and World Vision, as well as by national CSOs. In fact, it is generally accepted that national CSOs are playing an increasingly important role in national development efforts and that CSOs may often be able to address certain national and local issues more effectively than governments or foreign donors.

It is clear that poor organisation and bad positioning of many externally funded or government projects in the local context contribute to a lack of effect or sustainability. A limited understanding of national and local operating conditions where projects may have been conceived in isolation from a wider reality further lessens the prospects of sustainability. Though reasons for lack of effects and sustainability are complex and many, there is an increasing consensus that long-term impact does require a sustained organisational presence of national or local organisations, namely CSOs. CSOs are often better positioned to act locally, they tend to be more flexible and adaptable and they may have closer contact with local stakeholder groups than governments or international donors. CSOs may also potentially contribute to the creation of a more influential civil society where citizens will have a greater say in how to develop their own countries at national and, not least, local level.

## An ID/OD approach to CSO capacity development

CSOs not only face a rapidly changing environment, but are also constrained in their options for coping with these changes because of the rigidity of many externally-funded project plans, shifting donor policies and economic, social and political changes. Though the ever-present shifting priorities may be difficult to change, helping CSOs to understand how best to respond to this operating environment does offer several prospects for them to position themselves better and understand where to set their priorities. CSO organisations need long-term capacity development support and they should be encouraged to develop their own long-term plans and agendas beyond short-term donor funding interests. What this means is that CSOs must learn how to build their own capacity to become self-sustaining organisations.

TACSO believes that CSOs operating under often turbulent conditions may benefit from access to suitable instruments and tools to adequately analyse changes and their implications for them as CSOs, and to assess their own capabilities to respond effectively. This is where an ID/OD approach to capacity development becomes essential. An ID/OD approach emphasises that to become effective CSOs must become aware of their own needs for internal organisational development and find ways to address these so as to become more reliable and strong in the long-term. They must also become able to analyse the external environment in which they operate, the role of other parties involved and how they can make a difference in such a setting.

This Manual on ID/OD sets out to further explain how to do this in practice. The Manual will make use of practical examples from CSOs already operating in the region to illustrate real-life cases, together with a set of practical tools which may be applied in sequence either as a full ID/OD process or individually, depending on the needs of a particular situation. Put in another way, before planning projects or programmes, the CSO involved should know how to make a proper analysis of the local institutional setting and ensure that the design and the role of different actors reflect the local reality or context and is based upon collaboration and partnership, rather than competition with other CSOs.

# Defining basic ID/OD concepts

Before going into descriptions of specific tools and approaches, it is useful to explore some of the basic ID/OD concepts in theory and practice to define what it is we are talking about. The wording of ID/OD concepts and approaches may differ and include terms such as 'institutional development or strengthening,' 'institutional capacity building,' 'organisational development,' or simply just 'capacity development.' What it all boils down to is understanding how organisations operate individually and collectively in often complex environments with numerous parties and interests, often conflicting, being involved.

## Institution – abstract or concrete?

One of the most cited definitions of an institution is probably the one formulated by Uphoff, namely, "complexes of norms and behaviours that persist over time by serving collectively valued purposes".[1] Using this definition, a distinction can be made between abstract and organisational institutions.

[1] Uphoff, Norman (1986): Local Institutional Development: an analytical source book with cases, Kumarian Press.

Abstract institutions may be politics, the rule of law, market systems, social codes or cultural practices in a community, or money. They can be seen as durable and commonly accepted practices and were they to disappear, or rapidly change, their absence would be noticeable. Organisational institutions, on the other hand, can be described as formalised structures, systems and entities with a mandate to represent or regulate existing abstract institutions. Let us revisit the examples of abstract institutions above and pair them with their organisational equivalents.

For example, politics as an abstract may find its organisational equivalent in the form of political parties. The rule of law would in most cases be regulated or practiced through organisations such as the Ministry of Justice or the Supreme Court, or even village councils. Market systems as long serving institutions would be represented through chambers of commerce or a local market cooperative. Social codes or practices may be organisationally expressed through a council of elders, or even a religious organisation, whereas the abstract of money as an institution may be conducted through banks or a local credit association.

To sum up, most abstract institutions would over time have progressed into certain organisational structures or entities whose role it is to operationalise or regulate abstract institutions. The abstract institution is most often a very powerful factor that it is difficult to change for any single organisation, but essential to be aware of since it may to a large degree define the context in which an organisation will operate, including what is acceptable and what not.

An organisational institution, on the other hand, may be defined as the formal expression of an abstract institution. For example, if a CSO wants to strengthen the role of women, they would in most cases address an organisational institution as an exponent of an abstract institution. An example would be of a local community organisation or existing gender rights organisations seeking to gain influence and challenge existing gender roles.

## Organisation

Now that we have distinguished institutions into abstract and organisational institutions, let us take a closer look at what an organisation is. An organisation in its simplest term can be defined as people and/or groups that seek to achieve one or more common objectives, according to generally agreed rules and procedures.

An organisation does not have to be formal, with written constitutions, objectives and procedures, as long as there is a common understanding among its members about the objectives and the way to achieve them. A local group selling fruits may be considered an organisation, whether or not it is registered and whether or not it has a constitution. Larger organisations, however, would over time have established more formalised ways of operating as they grow in terms of staff, budgets and number of locations.

Thus an organisation may be more or less formal and will often change over time. Sometimes it will grow, at other times it may reduce or even disappear.

It is easy to get confused when trying to distinguish institutions from organisational forms. In the figure below, you will find a simple overview attempting to make a clear distinction, where each box translates into another equivalent. For instance, people looking for credit may form a credit association as a simple organisational form. This organisational form represents the institution of money, which again in this case is represented by an organisational institution in the form of national banks. Though an ID/OD approach does not demand that you know exactly where in the matrix to put an organisation, it is important to be aware of the interests that the organisation may represent, with whom they collaborate as well as who their likely competitors or even adversaries are.

### *Distinguishing organisations from institutions*

| | Not an organisation | An organisation |
|---|---|---|
| Not an institution | Informal group, which may occasionally gather and act | Stable, formal organisation with some degree of permanence |
| | People believing in God | A religious group |
| | Old people | Old people's home |
| | People looking for credit | A credit association |
| | Football fans at a match | Football fan club |
| | People working in a factory | A local union |
| | Political activists | Political party |
| An Institution | Collectively valued beliefs and practices embedded in society over time | Organisational representation of collectively valued beliefs and practices with long permanence |
| | Religion | Church/Mosque/Pagoda |
| | Wisdom of elders | Council of elders |
| | Money | Bank |
| | Football | Football federation (FIFA) |
| | Workers' right to organise | Workers unions |
| | Politics | Parliament |

## Zooming further in on ID/OD

As is the case for institutions and organisations, there are also numerous definitions of ID and OD emphasising different aspects, approaches and attitudes to development. Our definitions below focus on the role of organisations involved in development interventions and their relationships within a wider institutional setting. That means that though we agree that institutions may take many, even abstract forms, we are in our analysis mostly concerned with the ones with a certain organisational expression.

### We define Institutional Development as:

*Support to the creation or reinforcement of a group or collective of organisations in a given setting to achieve long term objectives on a sustainable basis. Focus of analysis is predominantly external to the individual organisation when it comes to the interaction between different parties involved.*

The ID perspective suggests that through proper analysis CSOs may become better able to reflect on and analyse their own context or institutional setting in which they are operating, emphasising the role of other participants and of themselves. This may provide a justification for or even challenge the individual CSO's own role and value given the influence of other factors and parties involved.

### We define Organisational Development as:

*Measures to improve the performance of an organisation by developing its internal capacity to plan, manage and execute development interventions professionally and sustainably. Focus of analysis is predominantly internal to the individual organisation.*

The OD perspective, as opposed to ID, is more specifically about developing its own internal organisational capacity to perform according to the role an organisation would have defined for itself, and looking for ongoing improvements to ensure quality delivery and performance.

For more well-established CSOs, the ID/OD challenge may be to take stock and revisit assumptions about how to make a positive difference and to approach old issues in new ways. For more recently established CSOs undergoing rapid growth, or still trying to set up basic operations, there may be a strong need to establish certain fundamental elements of the organisation, including systems, structures, staffing, management etc. in order to be able scale up and ensure consistent performance.

## ID/OD is about stakeholder involvement

The ID/OD approach is based on the concept that broad support of, for and by several stakeholders is needed for successful development interventions. ID/OD programmes become effective only when those who are responsible for their implementation and the intended beneficiaries jointly participate in planning, management and evaluation. In our view, it is absolutely necessary to consult relevant stakeholders at given moments during an ID/OD process to get a better and generally accepted understanding of problems and solutions.

By stakeholders we include here staff working in the organisation, intended beneficiaries of services or interventions as well as a number of other parties who may be supportive of or opposed to what the CSO in question tries to accomplish. Without proper stakeholder involvement, we would even claim that the ID/OD approach will most likely not yield significant improvements in the performance of the CSO and thus be a futile effort.

## Long term and flexible

ID/OD is a process that cannot be accomplished successfully through single short-term projects or programmes. Embedding of organisations and their objectives in the environment and creating relations between like-minded or opposing organisations is almost by definition a long-term process that requires considerable patience and time. Furthermore, the process is a dynamic one: situations and conditions will change over time. Therefore, besides a long-term commitment, the ID/OD process requires a flexible approach to steer the process and to do regular reality checks. We strongly advocate an approach to planning and implementation of development interventions that underscores the need for flexibility instead of strictly adhering to pre-defined objectives and plans of action.

## ID/OD is not value neutral

Though ID/OD processes and associated tools may at face-value appear neutral in their application, the implication of conducting an ID/OD analysis may indeed challenge the status quo. Otherwise, we say, why do it? The decision of whether or not to apply an ID/OD process is therefore also not value neutral, as it would most likely question existing ways of operating which may be seen as a relief to some, but perhaps as a threat to others. However, a proper ID/OD process if applied with an open mind and in a safe environment, supported by the leaders of the organisation and stakeholders represents a valuable opportunity to develop positively and move forward for any CSO willing to explore itself and its surroundings more in depth.

# Overview of steps in applying an ID/OD process

Below the steps of applying an ID/OD process have been summarised into a framework for easy overview.


*ID/OD framework*

## STEP 1 Getting started – formulating the Basic Question

A Basic Question is a short statement that defines the overall issue(s) of the CSO to be explored and addressed through an ID/OD process. It can be compared to an overall objective, though in this case it is formulated as a question that demands an answer. The Basic Question once formulated should be highly relevant to the CSO in question and ideally formulated by a group of stakeholders with an interest in the organisation and able to do something about it. The Basic Question will be guiding the whole ID/OD process and application of tools, so it is important to ensure it is properly formulated from the start. It may happen that the originally formulated Basic Question may need further adjustment during the ID/OD process as information is gathered to further clarify the context.

### Example:

A network CSO may want to find out how to make its networking efforts more effective in the future and may at first ask: How can we increase co-operation? However, here it is not clear exactly what needs to be accomplished and what the benefits of increased co-operation will be. A more specific Basic Question could be: *How can we co-operate more effectively to lobby for law change/repeal of a specific law?*

## STEP 2 Quick Scan – getting an initial impression

Before engaging in a deep analysis of an organisation, whether it is your own or that of another, it is often useful to gather some initial impressions before deciding on whether to proceed further with the ID/OD process. The advantage of the Quick Scan is that it takes limited effort to apply, yet it may help indicate where more information may be needed before deciding whether to proceed to the next step or not.

### Example:

A CSO wants to get an overview of other organisations working in the same area or with the same themes as itself. Instead of visiting all of them, spending an inordinate amount of time and resources, the CSO decides to conduct a Quick Scan to get basic information about other organisations by using the internet, directories or published reports. By doing so they find out more about what these organisations do, their mission, their main target groups, their source of income and main donors.

## STEP 3 Institutional analysis

The institutional analysis is concerned with analysing the context within which an organisation operates and with a relevance to its Basic Question. The context will consist of actors external to the organisation who are playing important roles relevant to the mission and scope of the organisation in question. The context will also contain a number of *factors* which shape the environment within which the organisation operates. The outcome of the institutional analysis is an identification of external threats of which to be aware and, as of yet, unrealised opportunities which could be taken advantage of.

### Example:

A CSO active within advocacy wants to identify important actors in the form of organisations and individuals who are supportive of their objectives, as well as opponents that may try to counter their work. The same advocacy CSO wants to know the general level of education and access to information of its intended beneficiaries and their cultural beliefs. These are all external *factors* that cannot easily be changed but which may hold important information about how best to design a campaign in order to get the intended results.

## STEP 4 Organisational analysis

Whereas the institutional analysis provides insight into threats and opportunities, the organisational analysis helps identify strengths and weaknesses of the organisation relevant to its formulated Basic Question. An organisational analysis is a more detailed internal analysis looking at, for instance, strategy and planning, systems and work processes, the structure, the management style. This analysis should judge the current internal capacity of the organisation to perform and may point towards future areas for capacity development to answer the Basic Question.

### Example:

A health CSO sees opportunities to take over part of local service delivery from the Ministry of Health in their locality. However, in order to qualify for the available public grants they need to increase their staffing, upgrade their competencies, and they must make use of community volunteers in new areas. To get an impression of their own internal capacity to do so, they conduct an organisational analysis to identify weaknesses as well as strengths they can build on to qualify.

## STEP 5 Strategic orientation

Having conducted an institutional and organisational analysis, the next consideration concerns how to put the new found knowledge into practice and do something with it to improve performance and results. During this step, the outcome of the analyses will be further scrutinised and systematised in order to come up with possible strategic options which the organisation may choose between in order to answer its Basic Question.

### Example:

Having identified several options for trying to meet the requirements to qualify for the grants available from the Ministry of Health to take over part of local service delivery in their area, the health CSO knows it must prioritise. It will not be able to do everything and must choose which solutions are most likely to help it meet requirements. In the end it is decided to address three key interventions which are feasible, playing to existing strengths while addressing some of the current weaknesses.

## STEP 6 Strategic planning

Once the most suitable strategy has been selected by the CSO to best answer its Basic Question, the strategy must be translated into a concrete plan to enable its successful implementation, to secure proper resources and to monitor timely progress. It also must be decided who will be responsible for what in order to ensure effective coordination.

### Example:

An Education CSO has developed an ambitious agenda for its growth. However, there is a sense that the agenda has become over ambitious and may fail given lack of resources and staff. To avoid this, a detailed plan is developed, allocating staff, financial resources and agreeing specific deadlines. In the end, an overall realistic plan is produced in accordance with resources, available staff and timelines.

## STEP 7 Change management

The ID/OD process steps imply changes, sometimes small changes, sometimes big changes. In all cases, people, individuals or groups, will be affected by these changes. Change may imply a better outlook for the future for some, but also threats, fear of loss of benefits, work or prestige for others. Change management is about ensuring that staff remain informed and engaged throughout the ID/OD change process and that potential resistance is constructively dealt with and seen as an opportunity rather than as a threat.

### Example:

Key staff of an Education CSO fear for their jobs due to rumours of lack of funds. As a result some start looking for new jobs whereas others get very upset. To manage these fears for change, senior management together with staff discuss openly the implications of the revised strategic plan on a factual basis and search for different options to minimise negative impacts for staff and increase ownership of the reasoning behind the new plan.

# The Basic Question

# The Basic Question

## What is it?

When seeking to provide support to ID/OD interventions, there is often a lack of clarity on what or how an organisation must change, beyond general statements. The underlying assumptions about what needs to happen have not been clearly discussed or even agreed. This leads to misguided or ineffective interventions. Believe it or not, organisations may not even be completely clear on the overall purpose of an ID/OD process, beyond hoping to receive certain types of support from external donors.

An ID/OD process normally begins with the formulation of what we call a Basic Question to identify what it is we would like to find answers to. After all, what would be the purpose of applying ID/OD tools if we are not even clear on what we are looking for? A Basic Question is, simply put, a general question which the ID/OD process is supposed to be able to answer through application of selected tools and subsequent analysis. It can be compared to an overall objective, with the significant difference that in this case it is consciously formulated as a question begging an answer, whereas an objective already inherently contains the answer. Look at the two examples below:

- Objective: To ensure equal, affordable access to primary education for boys and girls in rural areas for at least 80% of all children;

- Basic Question: How can CSO X position itself to contribute to the education of young people in local communities optimising use of its staff, resources and networks?

The objective already has determined what to accomplish for the involved organisations. The Basic Question, on the other hand, asks a wider question to an individual organisation and it is not yet clear how best to do this given external challenges and opportunities and its internal capacity. Thus, it is justified to conduct an ID/OD process to find some answers.

## What can you do with it?

- An organisation has not been performing well for quite some time. Instead of only looking at the problems and some perceived needs, a Basic Question is formulated to indicate what it in fact is the organisation must find answers to;
- your organisation is used to working according to objectives that are often led by donors wanting you to implement projects or programmes on their behalf. However, you seldom ask yourself what your organisation needs for its own future. A Basic Question may propel your own organisation into new strategic directions;
- staff have never had the opportunity to contribute to the strategic directions of the organisation. However, most of them have good ideas and insights. A Basic Question process helps facilitate contributions from staff while creating ownership from the start.

## How does it work?

The Basic Question must be highly relevant to the CSO in question and ideally be formulated by a group of stakeholders with an interest in and knowledge of the organisation and who are able to do something about finding answers. Thus it is not possible nor desirable to formulate a Basic Question for another organisation which we think ought to change: the Basic Question should always be formulated for your own organisation.

The Basic Question will be guiding the whole ID/OD process and possibly the application of specific tools, so it is important to ensure it is formulated well from the start. A good Basic Question will ensure that the ID/OD diagnosis will focus on what is feasible and relevant within the context and limitations of the individual organisation. The Basic Question must not be too broad with too many actors and factors and uncertainties involved so that it becomes impossible to answer. It should also not be too limited  or formulated in a way that pre-supposes its logical solution, as in the below example:

> *How can we make sure that our existing education programme will be the preferred solution to achieve primary education for boys and girls in rural areas?*

During the ID/OD process, it may well happen that the originally formulated Basic Question requires further adjustment as information is gathered which clarifies the context. It may even be that, thanks to the information coming out of the ID/OD process, staff begin to realise that the original Basic Question needs a different focus, or that the main problem lies elsewhere.

To qualify as a Basic Question with a relevance for an ID/OD process, it should normally contain an internal as well as an external perspective to the organisation. For example, if the Basic Question is entirely focussing on how to restructure the internal organisation without any obvious benefit for external stakeholders, then an OD process may be sufficient. However, if the challenges at hand have a link between the internal workings of an organisation and how it relates to the external world and its stakeholders, then an ID/OD process would be justified.

Examples have been provided below of Basic Questions that have a balance of internal and external focus to justify an ID/OD process.

***Examples of Basic Questions:***

- how can the Ministry of Education improve the performance and capacity of the Education Sector in addressing education needs of ethnic minorities in hill tracts?
- how can local CSO X become better capable of delivering required training activities in a timely and professional manner while maintaining its innovative approach to training and a high client satisfaction?
- how can a credit cooperative deliver sustainable financial services to its members ensuring that credit is only provided to members having developed formal business plans and having received credit management training?

### *Important characteristics of a Basic Question*

A desired future situation is formulated into a question with a key issue or problem to be addressed or answered for the organisation in question;

Clearly define who owns the problem, and who can and wants to do something about it;

Clarity on whether the question is mostly internal to the organisation or externally oriented or a mixture;

Define the entity or unit of analysis: is it an organisation, a department, team, network, target group, etc? Keep it practical and realistic: do not define a Basic Question for an entire sector;

Consider main stakeholders and their interests, both proponents and opponents and consult them;

Define the criteria for judgement of success in answering the question, e.g.: Effectiveness/ efficiency, sustainability, more clients served, increased quality of services, higher legitimacy/ acceptance, see below;

Always an open question: "How can…"? Avoid yes/no Basic Questions and Basic Questions where the answer is evident from the start;

Specificity: be clear, agree on wording and terminology for common understanding;

Short and precise is better than long and detailed, avoid too many unnecessary words.

If staff and stakeholders involved in Basic Question formulation do not know each other in advance, or feel they cannot speak freely, this will require more time and negotiation than for a small group of people. However, if more people are involved and able to agree to a Basic Question, the more representative the question is and the more likely it is to be supported as relevant throughout the ID/OD process.

## Examples of common mistakes in Basic Question formulation

### Too much internal focus

- Your Basic Question asks how to standardise your management procedures, but what is the external benefit of doing that? Will it enable you to perform better, or are there other things you could do which would have a more positive impact on performance?
- Just because you have found an internal issue or problem that you think could be improved, ask yourself whether this issue is a problem and how it affects performance?

### Too much external focus

- Your Basic Question is too concerned about the actions and roles of other external actors and all the things you would like them to do so that you can better collaborate with them. As a result you may forget to look at yourself and ask what, if anything, may make you an attractive collaborating partner for others.

### Mistaking symptoms for problems

- Your Basic Question may identify staff absenteeism as a major problem, leading to a desire to minimise this. However, absenteeism may in fact only be a symptom of a more profound problem of, for example, work pressures or irrelevant meetings. Instead ask: What is the underlying cause of this symptom which needs to be addressed first?

### Performance Criteria for Basic Question

Setting clear performance criteria for your Basic Question is important in that this will enable you to judge whether or not you are able to answer your Basic Question successfully later on. In short: what is it about your performance that should have improved following a successful ID/OD process? Without performance criteria you or your stakeholders may never know if you succeeded. Some of the most commonly used performance criteria for organisations are listed on next page.

## Suitability

Assesses whether or not an organisation is fit or suitable to carry out required activities in order to deliver specified services.

## Legitimacy

Legitimacy concerns the acceptance and legal positioning of the organisation in its environment, including in the eyes of the stakeholders.

## Relevance

Is what the organisation delivers relevant to the needs and desires of its intended target group, or does it only serve the donor?

## Effectiveness

Is the organisation able to transform its resources into intended products and services, leading to satisfactory performance?

## Efficiency

Are resources, including finances, technology and staff used in an economical way in order to produce services or products at the smallest possible costs while ensuring quality?

## Continuity and sustainability

Are products and services delivered in a manner that improves the prospect of sustainability, including the continuity of the organisation itself?

## Flexibility

Is the organisation able to adapt itself to changing circumstances, including new target groups, and can it maintain the same quality and quantity of performance under changed conditions?

## Transparent and democratic

Are internal policy and/or decision-making processes taking place according to accepted standards for transparency and participation and are they open and accessible for public scrutiny?

You will never want to apply all of these criteria in one Basic Question. Therefore, agree on which ones, typically two-three, that are more relevant to your situation and focus on these throughout the ID/OD process.

## Examples of Basic Questions before and after improvement

It can be difficult to know beforehand what makes a better Basic Question. Therefore we have here provided some real examples of Basic Questions that initially are not as clear as they should be. We have subsequently suggested improvements following further discussions with the organisation.

Problem owner 1

- network of NGOs concerned about the state of the nations' environment

Proposed Basic Question:

- how can the NGOs in the network increase their co-operation?

Commentary:

- primarily an internal Basic Question as it concerns relations within the network;
- not clear what the benefits of increased co-operation will be;
- to increase specificity Basic Question should perhaps relate to the external goals of the network.

Improved Basic Question:

- how can the NGO network reorganise its operation in order to co-operate more effectively and lobby for environmental law change within specific areas?

Problem owner 2

- Department of Agriculture (DoA)

Proposed Basic Question:

- how can the DoA find ways to work better with contractors?

Commentary:

- it is not sure what the problem actually is;
- criterion of "work better" need specification: better as compared to what?
- not clear who needs to improve, whether it is the contractors or DoA itself

Improved Basic Question:

- how can the DoA improve timeliness and professionalism of its responses to tender proposals and invoices from contractors to remain a credible client?

Problem Owner 3

- MDF Training and Consultancy company

Proposed Basic Question:

- how can MDF formulate excellent tender proposals, spending minimal amount of time?

Commentary:

- perhaps it is useful to get more knowledge about main competitors first;
- what is the criterion for an "excellent" proposal: is it a winning one?
- how to define what a minimal amount of time is?

Improved Basic Question:

- how can MDF develop an internal screening process of public tenders to ensure that it only bids for proposals where it is likely to become the most attractive bidder and win contract?

*TACSO Regional Training „CSO Management", Macedonia, 2010*

## Tips for practical application and facilitation

Formulating a Basic Question may take quite some time, depending on how many people are involved, how comfortable they are at speaking in public, and whether there is general trust. Therefore set time aside for preparation and explain the overall purpose to proposed participants. A thorough Basic Question session normally takes between 2-4 hours, depending on the facilitation skills of the facilitator as well as the contribution of the participants. If some of the issues brought up are considered sensitive or controversial, this may make the session more difficult to facilitate and require more time to prepare.

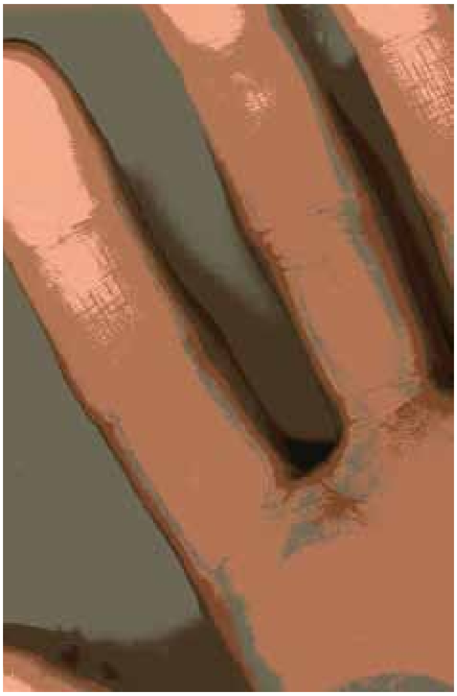
It will often be necessary when participants have identified most of the building blocks for the Basic Question to ask a few participants who can write and are concise to complete or edit the exact formulation of the Basic Question. 20 people in a room tend to be less efficient in agreeing on one or two sentences. Once the small group of final editors are done, they will refer the Basic Question back to the group for final agreement.

## Questions for further reflection

- What would you consider a relevant issue for your organisation to explore in more detail through the use of a Basic Question in order to begin an ID/OD process?
- is your Basic Question likely to be mostly an internally directed question or is it also about your relations to other actors or organisations externally?
- who should take part in formulating your Basic Question, which stakeholders should be involved in order to get their views to ensure relevance and ownership?
- what would be the most important performance criteria to be able to judge whether you have answered the Basic Question later on, and what will be different afterwards?
- are there internal or external politics you need to be aware of which may make it difficult to formulate the Basic Question the way it actually should be? What can you do about it?

## Quick Scan

# Quick Scan



## What is it?

A Quick Scan is a way of getting a quick impression of some of the most relevant features of an organisation when observed from the outside. A Quick Scan can be conducted by yourself and your staff looking at your own organisation, or it can be used to get an impression of another organisation which you are considering collaborating with, or you simply just want to know more about the organisation.

A full ID/OD process is often time consuming and may create uncertainty among staff. Indeed, an ID/OD may expose the organisation to several sometimes sensitive questions. Therefore, before deciding to engage with an in-depth analysis which may not even come up with the answers you may be looking for, a Quick Scan is a "light" organisational analysis and may form a starting point for further analysis. A Quick Scan supports you in taking a first stab at gathering information that may be of relevance to answer your Basic Question.

## What can you do with it?

- An organisation may look for potential partners for the planning and implementation of a major programme and wants to establish a quick overview of organisations they may want to contact for further discussion;
- a consultant may start an analysis with a Quick Scan to familiarise him or herself with an organisation as an outsider;
- a donor may initiate, or be interested in the results of a Quick Scan to determine under which circumstances funding of large initiatives through local organisations are effective;
- you may have moved into a new area or region, and you want to get an impression of who is already working there, what do they do and whom they work with;
- a Quick Scan may constitute the first round of information generation to begin looking for answers to the Basic Question before moving further toward a full scale ID/OD process: see previous chapter.

# How does it work?

The advantage of conducting a Quick Scan is that it provides you with a snapshot of an organisation with minimal 'harassment' of staff and with limited demands on resources, not least time. It takes limited effort to apply, yet it may help indicate where more information may be needed before deciding whether to proceed to the next step or not. In brief, before deciding to engage in a full ID/OD process, it is often wise to start with some initial exploration of the organisation in question.

The Quick Scan is not concerned with what goes on inside the organisation in terms of things like staff motivation, management, internal structures and systems, team work or organisational culture. Though all these organisational elements, of course, are crucial in determining the capacity of the organisation to function in general, we are not at this point interested in their details. For the time being we call these internal organisational elements the Black Box of the organisation. We will later get back to the Black Box when we explore the Integrated Organisation Model in subsequent chapters.

The reason for this limited focus is justified by the purpose of applying the Quick Scan tool: we want to get an initial impression of the organisation, looking at it from the outside. It does not involve detailed interviews with staff, or field visits to intended users or stock-taking of what donors think about this particular organisation. At best it can be described as a desk study, researching publicly available information from reports, brochures, directories or studies found on the web and perhaps some limited observations. Just by observing the building where the organisation is located, the car park or the neighbourhood, this may already give you a first impression of the organisation. In other words, a Quick Scan is mostly factual, based on generally available and observable information.

## The core elements of the Quick Scan

The Quick Scan looks at a four elements at the borderlines of the organisation which are Mission, Outputs, Inputs and Users. Let us look at these in turn.

*Mission:* How old is the organisation and what is the reason it was founded? A good mission statement will normally tell us: why the organisation was established, what the organisation believes in or are its values, what it wants to do and who its intended beneficiaries are, or the approach of the organisation to accomplish its mission.

## Center for Development of Non-Governmental Organisations, MONTENEGRO

We exist to provide support to development of non-governmental organisations in Montenegro and contribute to creation of a favorable environment for citizens' participation in public policy issues and civil society development.

## EDEN Center, ALBANIA

Our mission is the development of a sustainable and healthy environment through building capacities; promoting participatory approach; offering expertise and services to civil society and governmental structures; and lobbying in the national level.

## Citizens Association MOST, Former Yugoslav Republic of MACEDONIA

The mission of MOST is to contribute to developing a more democratic, more stable and prosperous Macedonia, trough involving the citizens in activities and projects that secure transparency, openness and responsibility of the governmental, political and electoral authority to th true needs of all citizens.

## Human Resource Development Foundation, TURKEY

HRDF is a leading non-profit, non-governmental and autonomous organisation in Turkey working to promote reproductive health and family planning education, information, training and services as well as the empowerment of the human resource. HRDF develops, implements and takes part in the projects and activities at national and international levels focusing on STIs & HIV/AIDS training and Information, Education and Communication (IEC), community-based reproductive health services, development of technical training materials for service providers, promoting children's rights, improving the socio-economic status of women, providing orientation programs for refugees and post earthquake programs.

***Outputs:*** What does the organisation actually produce or deliver, i.e. what can we observe coming out of the organisation that tells us what it does? Outputs may include products as well as services such as distribution of information materials, food products, advocacy campaigns, delivery of training or education. The area of operation, number of products and services or amount of beneficiaries served tell us about the size of the organisation and thus also about its capacity to perform.

## Group 484, SERBIA

Group 484 is a non-governmental organisation founded in 1995 to support the organisation of 484 refugee families who had found refuge in Serbia after fleeing Krajina and Operation "Storm" of the Croatian Army. From these 484 families, Group 484 takes its name. From this initial group of enthusiasts who provided humanitarian, psychosocial, legal and informative assistance to refugees from Croatia and Bosnia and then to displaced persons from Kosovo, Group 484 has become a formalized and structured organisation using a systemic approach to issues of forced migration.

Direct assistance has been gradually given way to greater educational and research work in order to influence decision makers to craft durable solutions. Group 484 also works to empower forced migrants and local communities, especially youth, to be open and tolerant toward diversity among peoples.

Since its establishment, Group 484 has been also empowering its staff and the organisation as a whole, transforming it into a modern organisation capable of meeting the needs of beneficiaries and responding to migration challenges in the region. Ever since it was founded, through its programmes Group 484 has provided support and assistance to over 100,000 beneficiaries. We have worked in more than 70 towns in Serbia, formed a strong and efficient network of associates, initiated and participated in regional initiatives.

## Center for Development of Non-Governmental Organisations, MONTENEGRO

We provide the following services: Legal aid in registration and functioning of NGO; Information on NGO sector; Information on foreign NGOs and Governmental agencies in Montenegro; Information on donors; Guidance in project proposal writing; Monthly publication Citizen; Periodical informative and educational publications; Daily news on NGOs; Weekly review of NGO activities (Montenegrin and English language); E-mail list (information exchange).

***Inputs:*** What kind of resources does the organisation require to produce its outputs and where do they come from? Without inputs no organisation will be able to function. Inputs may include several things such as money, staff, means of transport, buildings, knowledge, technology or even access to information. Looking at inputs we may also learn more about from where it gets its resources, whether foreign donors, voluntary contributions, the government, private investors or simply through own resources. The scale of inputs will tell us something about the size of the organisation and perhaps even how stable it is in the long run.

## Blue World Institute for Marine Research and Conservation CROATIA

The Blue World Institute of Marine Research and Conservation is a NGO from Veli Lošinj, Croatia, set up with mission to carry out scientific research, conservation projects and promote environmental awareness in the Lošinj-Cres archipelago, Croatia and Adriatic region.

Initialy, the Blue World was formed with the direct intention to take over the research and public awareness actions of the Adriatic Dolphin Project (ADP) started and managed by Tethys Research Institute in 1987. Presently, Blue World carries out three major programmes focused on research, conservation and education, and cooperates with a number of organisations and institutions in Croatia and abroad.

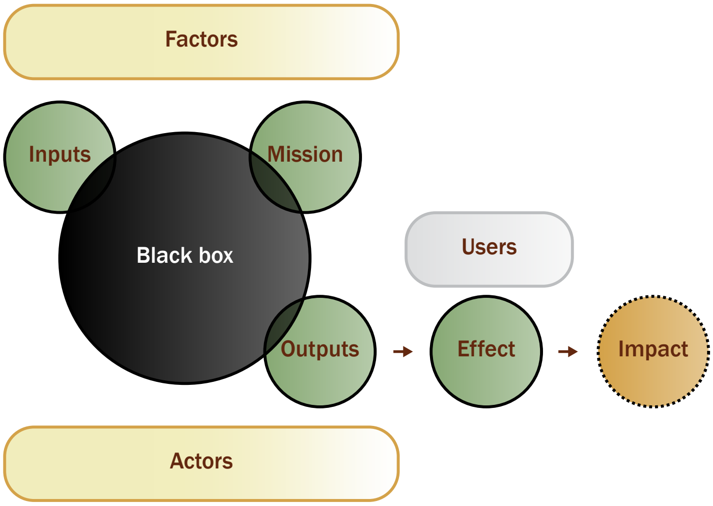
Blue World is a partner of ACCOBAMS, The Agreement on Conservation of Cetaceans of Mediterranean, Black sea and contigious Atlantic area.

***Users:*** Most organisations will have defined who they intend to reach, support or hope to "change the lives of." The users of an organisation's products or services are often referred to in their mission statement. Some organisations may have a very specific group of users, such as female-headed households in the village of X, or young people between the age of 14-20. Others may hope to achieve an effect in society at large, e.g. access to free education for all, or national credit provision to all small scale entrepreneurs. Here we define the users as those who receive the outputs of the organisation as products or services. However, we are particularly interested in knowing what the users in fact do with the outputs of the organisation. In other words, what is the effect of delivering the outputs; do they change anything for the intended users or are the users just passive receivers?

## Belgrade Fund for Political Excellence, SERBIA

BFPE's primary goal is to contribute to the formation and development of both a democratically-oriented political elite (in parliament, political parties, and in institutions on the national, regional and local levels) and to this same development of leaders in other society sectors (state administration, non-governmental organisations, media, culture, law, unions, and the work place).

Below, an illustration shows what a Quick Scan zooms in on, indicated with green colouring. Looking at the illustration, you will see that the Black Box is not part of the Quick Scan. That means that all the things that may go on inside the organisation are not a primary concern at this moment of the analysis. You will also notice the existence of some factors and perhaps even some actors that may operate in the area of the organisation. However, the detailed analysis of these will have to wait until we proceed further in the ID/OD process, and indeed if we decide this to be necessary.



## Tips for practical application and facilitation

A Quick Scan can be carried out by a small team of staff, using mostly published information or limited own observations. Depending on the size of the organisation, the scan should not take more than a couple of days. Getting the information may initially take some time, but once you have it, scanning the information and organising it into Mission, Inputs, Outputs and Users/Effects should be possible to do without too much additional effort.

Of course, if the organisation you want to scan is very large, or if you want to collect detailed information from several organisations, this will add to the time investments. However, remember to keep it light and quick, otherwise you may end up moving away from Quick Scan and into an actual deeper analysis, which is not the intention of this tool.

## Questions for further reflection

- What is the reason for the existence of your organisation? Why was it set up in the first place? Do you have a mission statement? Are you happy with this, or is it not precise enough: what is missing? A good mission statement is also one that your intended users or beneficiaries can identify with and understand as well;
- what does your organisation actually do? How can we tell what comes out of your organisation, i.e. your outputs? Are they easy to identify? Are they products or services, or perhaps even networking activity? Is there a clear link between your inputs and outputs;
- how would you describe your organisation's own inputs which make it possible for it to function? Please describe staffing, knowledge, financial resources, dependency on donor funding or other sources. Are your staff qualified enough, working full time or are mostly volunteers? What does that mean for the functioning of your organisation?
- though you may have a clear idea about who your users are, are they also fully aware that you are working for them? How do you know that they benefit from your outputs? Are they just passively receiving your outputs, e.g. attending your trainings, or do they actually do something with it afterwards, e.g. use their knowledge to do something they would otherwise not have done? How do you know for sure that you are making a difference?
- if somebody were to conduct a Quick Scan of your organisation, what do you think they would find, and would that provide them with a fair picture of what you do? If not, why do you think that is? Maybe you are not well known or perhaps there is very little information available about what you do? This could even be something to address as part of your ID/OD process.

# Environmental Scan

# Environmental Scan

## What is it?

Often an organisation is not clear on all the external factors which may influence its own performance for better or worse. This may lead to missed opportunities or major unforeseen upsets. The Environmental Scan is a powerful tool that provides you with a systematic overview of external factors and actors that are of importance to your organisation's ability to achieve long term objectives.

Conducting an Environmental Scan helps you identify the potential positive or negative impact of relevant factors in the environment of the work of your organisation. Whereas people often complain about feeling like powerless victims of negative factors in their environment, the Environmental Scan helps you to reflect and take action or to adapt yourself to your environment.

While the Environmental Scan at first glance appears as a simple tool, analysing the collective impact of identified factors for your organisation may reveal several different and difficult scenarios to consider in your strategic planning process. If your original Basic Question contains questions that involve the existence of external factors or behaviours of specific actors then an Environmental Scan may be essential to map out the operating environment.

## What can you do with it?

- An organisation has decided to set up its operation in a new area and has limited knowledge about the availability of qualified staff or volunteers, something that may seriously impact its ability to operate;
- the end users of the services of an organisation appear not interested in what the organisation does, but it is not clear to the organisation exactly why, and the intended users never complain directly;
- you know that there are several potential partners you may work with though some of those may see you as competing for limited donor funding. You want to identify these and find out how to collaborate.

- you have heard that other very strong organisations are working directly against your objectives. How strong are they and how to avoid a confrontation without giving up your ambition?
- your formulated Basic Question necessitates an exploration of the external environment and a successful answer will be highly dependant on several external factors and actors.

## Centre for Peace, Non-violence and Human Rights, CROATIA

Environmental Scan is a tool that we use most often while defining strategic plan and developing new activities. In creating and developing plans SWOT analyses proved to be the most useful. On one side, it enables us to reflect our previous experiences in relation to external and internal factor which influence our work. On the other side, supports us in proactive thinking about challenges ahead of us. This type of analyses directs us to the real needs of the community.

It is important for our organisation to include large group of people in the process. Through different phases of the process we care to include organisation's employees, members, beneficiaries, associates and other groups from our community who are familiar with our work and mission.

Being a large organisation and including a large number of different people this process can last even a few months. However, we find it valuable in order to understand each other, agree and conclude a common position. Through this ways of thinking as an organisation, in which all are welcome to participate, we come to concrete action steps in the community. This way of deep reflection enables us to respond to actual needs of the community and to remain consistent to the mission of the organisation.

## How does it work?

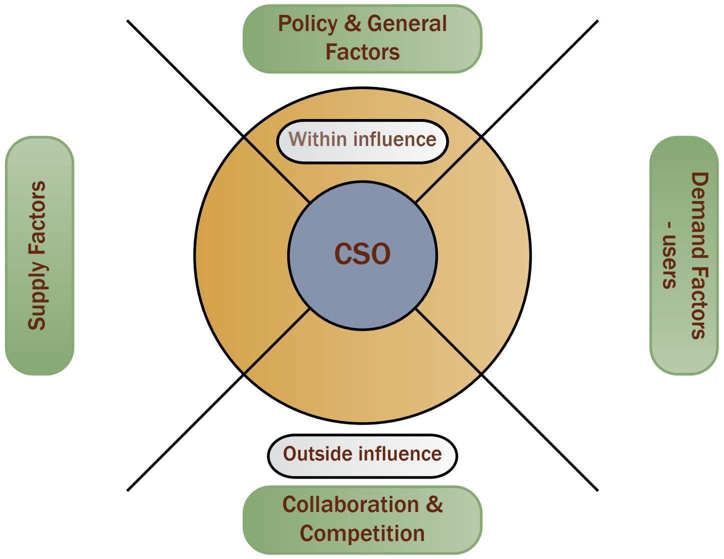
Many CSOs may face one or more of the following problems:

- lack of government incentives for local business development;
- shortage of supplies and materials due to the overall economic problems;
- limited knowledge or interest from target group;
- competition from other CSOs or service providers.

All of the above problems are expressions of environmental factors or challenges, which may influence an organisation negatively and they are hard to change directly. However, there may also be positive factors in the environment that are or could be of benefit to the organisation, such as:

- positive interest of the target group for project services;
- commitment of the government to co-operate;
- political stability and reduced political interference;
- donors appear to show interest in the work of the organisation.

Apart from the capacity of your own organisation to perform, your long term performance will be highly dependant on what goes on outside your organisation, for better or worse. However, we are often not sufficiently aware of the presence of such factors and actors, which may have as a consequence that significant threats in the environment go unnoticed until it may be too late. Likewise there will also be a number of opportunities in the environment which could be taken advantage of by your organisation if you were aware of them and if you knew how to. The environmental tool systematically spots and categorizes factors and actors to provide a useful overview for further analysis.



At the centre of the tool, we place the organisation itself. As you will see from the previous illustration, the Environmental Scan divides factors and actors into four different categories:

- demand factors that may influence the demand or need for your organisation's services by your intended or unintended users;
- supply factors influencing your ability to produce products or services;
- policy or general factors of relevance to your field of work;
- collaborative and competition actors representing factors as organisations and individuals.

Let us look at these four categories in some more detail.

## Demand factors

Here we are concerned with whether there is already a recognized demand for your services, or whether you need to consider ways to create such a demand. For example, if you promote gender rights in a male-dominated society, the apparent demand for information about gender rights may initially be quite limited though you may be convinced that gender must be addressed. This factor may require that you strategise to gradually create a demand via awareness-raising campaigns, female focus group discussions, village meetings or talking to local leaders. Without addressing this factor, your organisation may fail as a clear demand may never be created. There may also be factors in the environment with negative implications for the demand for your services. For instance, you have so far offered training to your target group where you have charged a nominal fee to cover your running costs. Suddenly, a major donor begins to offer a similar training for free, which means that your intended users go to them and not you.

## Supply factors

The Quick Scan tool identified factors influencing supply or input provision relevant to the individual organisation. Here we expand our view a bit by also trying to capture factors in the environment influencing availability of resources that may be outside the direct control of the organisation. In environments which can be characterised as resourceful, you may find it easier to operate than in resource-scarce environments where you may have to fight harder to secure your inputs in competition with others. Or it may be that what your organisation tries to accomplish does not attract potential donors or supporters, or it may even be seen as controversial. Think about an organisation working in support of ethnic minorities who are not recognized by the government. Or imagine that you need to access knowledge within a specific field for your work. If the knowledge is readily available, you can hire such staff. If, on the other hand, such staff are not locally available, it becomes a factor further away from your direct influence. Both situations will be linked to supply factors of relevance to your organisation.

## Policy or general factors

This may involve the presence or absence of important laws to regulate matters of importance to the organisation and its users. For instance, the presence of an environmental law may be a positive factor though lack of its enforcement by the government may be considered a negative factor. Or an over-regulated investment climate may be a negative factor for an organisation promoting small-medium sized enterprise development, though this may also represent the opportunity to make a major difference for the organisation if it can find a way to change this, by applying pressures on politicians or by working through local chambers of commerce.

## Civil Society Development Centre, ALBANIA

The Missio GOs. Our Network constitutes a significant step forward for the Albanian NGO community in its efforts to actualize itself as a vibrant and sustainable civil society. It functions as a link with other NGO communities in the region, providing assistance in developing a process of exchanging views and news - the foundation of civil society.

CSDC Korca offers services such as: technical assistance, consultancy assistance, advocacy and interest representation for its clients which include local associations and CSOs as well as community based groups representing different groups of interests, distribution of information and facilitation for national and international donors. It functions as an umbrella for local civil society actors and at the same time as a bridge for collaboration with local government.

Another objective of CSDC is to support and help establishing new associations; the fact that relevant groups of interest are not willing to create new associations, makes it difficult for CSDC to accomplish this objective. CSDC also aims to develop civil society concepts, practices and vales. To do this CSDC needs as well the commitment and collaboration of local SCOs, CBOs and local government. The success of CSDC is the result of the support from the local civil society actors to develop and improve its goals towards democratic development of the region.

The environmental factors that influence CSDC Korca operations are:

### *Positive factors:*

- Commitment of the executive body of the local government to cooperate;
- interest of the targeted groups of interest (associations, CBOs, CBOs) to gain CSDC services;
- interest of national and international donors to support CSDC Korca technically and financially.

### *Negative factors:*

- National political crises and political interference;
- recent political developments; upcoming local elections;
- limited knowledge and interest of potential stakeholders: decision making body of local government.

## Competitive, collaborative or opposing actors

As discussed in the introductory chapter on ID/OD, any institutional factor will somehow be expressed by an organisation or even by an individual actor which is exactly what happens in this category, too. Thus for an organisation scanning its environment, it must try to uncover which of its encountered factors may be represented by organisations or individual actors who may either oppose, support or be neutral towards the long term objectives of the organisation. In this category we will determine whether the organisation can rely on several collaborative partners with similar goals, or whether the environment is better described as a highly competitive one or full of opposing organisations likely to work against the organisation's goals. Whether positive or negative, they must be mapped so that we are aware of their presence and can act accordingly.

### Trade Union for Workers of All Woven, String, Knitting and Clothing Industries, TURKEY

There are some of the external factors such as financial crisis which may influence our work This is not an easy time to be a trade unionist, on either side of the Atlantic. And it's not an easy time to look outwards, as the economic and financial crisis is leading governments, and people, to turn inwards, to erect barriers, to blame others - the foreigners. This grouping that is meant to show the world the benefits of ever closer union. We have insisted that working environment should be fair and should enhance development. We have worked for the construction of democratic institutions and the involvement of trade unions. We have called for the integration process to ensure that human rights, including workers' rights, are respected everywhere and that the impunity that remains rife in some countries is stamped out.

As trade unions, our central objective has been to ensure freedom of association and collective bargaining. Those are basic rights that underpin democracy. The dialogue on employment and social affairs should be deepened and involve the trade unions. Proper standards should be maintained. There are concerns that European multinational companies are not operating based on the same standards in Turkey and in Europe. This should not be the case. The companies should respect the principles of decent work outlined by the ILO and the OECD. We are conducting an Environmental Scan to identify  potential project opportunities which help us to have financial support to conduct a concrete various projects for workers. We also explore opportunities for collaborative efforts to improve working conditions and generate learning on the ways in which code implementation and enforcement contributes to these improvements. Trade unions are the unique address where workers are represented in democracy and freedom platform which forms the basis of developed society.

## Circle of influence

The final element of the tool we call the "circle of influence." This indicates whether the identified factors can be partly or fully influenced by the organisation in question, or whether the factor is too distant, meaning that the organisation can merely appreciate its existence, though not really exercise influence. For example, it may be impossible for a single organisation to change the law, placing this factor outside the circle of influence. However, should the organisation be able to form a powerful alliance of likeminded CSOs, this may move the factor into the circle of influence. Or most intended users may live outside the service areas of a CSO, putting them out of reach and influence. However, were the CSO to move services closer to the users, this would make it a factor within influence.

Using the tool, all factors are distinguished into positives (opportunities) and negatives (challenges) with a potential influence on the organisation. Factors and actors are dynamic and may change over time. Thus, whereas the Environmental Scan may provide you with a useful snapshot of the situation when you apply the tool, you should expect that the factors initially captured may have shifted somewhat over time, or even dramatically, e.g. following elections and the induction of a new government.

## Tips for practical application and facilitation

An Environmental Scan can be made by a group of preferably not more than 20 people on a participatory basis. External resource persons who have no direct interest in the outcome and are considered neutral may be helpful in the fact-finding stage. For organisations that may already be familiar with operating in a networking fashion or in a multi-actor setting, an Environmental Scan may be relatively easier to conduct. If your organisation has never really had to deal with other organisations as partners or competitors, the scan may take more time and effort to conduct.

It is particularly important to ensure that people from the start are able to conceptually distinguish factors of demand, supply, policy, collaboration and competition. Another point of attention is how to determine whether or not the factors can be influenced by the organisation in question, i.e. is it within or outside the circle on influence? In our experience, these are the critical moments when applying the Environmental Scan that will determine the utility of the tool.

## Questions for further reflection

- Which external factors do you see as the biggest challenges to your organisation which you need to keep in mind in order to not let them make you too weak? How will you protect yourself against them?
- what are the most promising external opportunities which you could take advantage of in order to increase your impact and make a difference to your intended users?
- consider which of your identified factors that are within your potential influence and identify exactly how you will exercise this influence in order to benefit from opportunities or to reduce the potential negative impact of a threat
- to which extent has your current way of operation taken full account of all external factors surrounding you? Why do you think this is so and what do you need to do to adjust your way of working in the future?

**Institutiogramme**

# Institutiogramme

## What is it?

An Institutiogramme is a visualisation of the relations between various parties active in a certain area or sector. As a tool it helps you to identify relevant actors in the institutional setting and depict the nature of their relations and interdependencies. The tool may indicate information about patterns of collaboration and co-ordination that may require improvement or perhaps the need for establishing new relations. As part of the ID/OD process, the Institutiogramme may provide important information to answer the Basic Question.

### The Institutiogramme helps you to:

- identify actors who have key network positions, power and skills;
- take advantage of possibilities for collaboration amongst several parties;
- become aware of new stakeholders who can assist in planning and implementation;
- remain aware of threats or limitations due to competition or conflicting interests;
- create a common understanding of the institutional setting while avoiding duplication.

## What can you do with it?

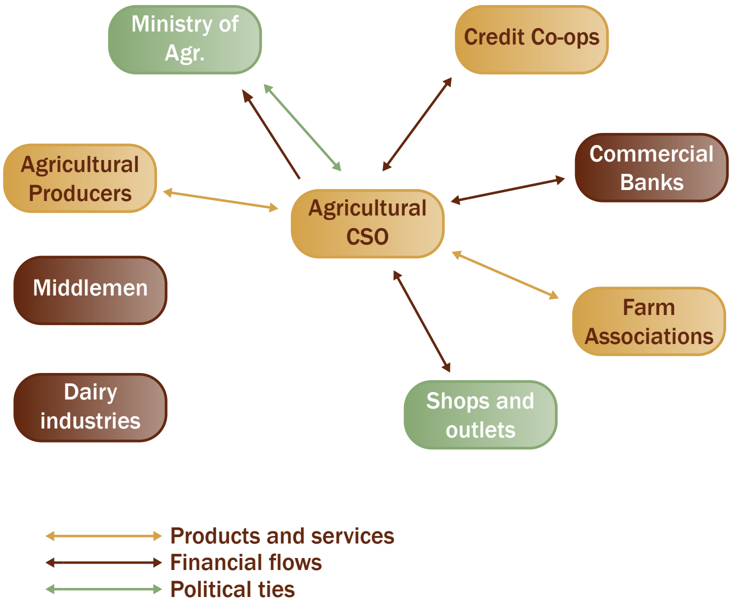
- based on your Environmental Scan, you may have identified several potential like-minded collaborators, but you are not yet clear about their relations with each other and how to coordinate activities with them;
- you may have heard rumours that opposing coalitions see you as a threat and want to work against you. Creating an Institutiogramme may help you learn more about how they are linked together and how strong they may be;
- government institutions are not effective in service provision in your area and their scattered efforts may be an opportunity for your organisation to make a difference. Therefore you want to map out the current types of government services to spot gaps;
- a donor may want to provide institutional development support to organisations in your area but are unaware of who does what and how they complement each other.

# How does it work?

An Institutiogramme is able to depict:

- relevant actors in an area or sector;
- interdependencies of actors and their relations;
- intensity of existing relations;
- potential for improving existing relations.

Below a simple example of an Institutiogramme is provided showing the relationships between various players active in dairy production and small scale credit. The structure of an Institutiogramme is explained in more detail below.




*Institutiogramme: Dairy sector*

## Relevant actors

Actors may include formal and informal organisations as well as important personalities. For example, a provincial Governor may be the spider in the network of government organisations and activities in the province. Or a religious leader at village level may have strong influence on village development plans. There will also be several formal organisations working in the area or having contact with other organisations. The Institutiogramme may contain all organisations and actors that play a role in planning, approving, supporting, coordinating or executing activities in an area. This includes end user groups, other CSOs or NGOs, specific government institutions and decentralised government services.

Since all interventions are ultimately meant to benefit end users, it is important to clarify in what ways the user groups are organised in order to know how to reach or co-operate with them. You may want to identify which activities are or may be carried out by existing organisations to prevent overlap and unnecessary competition. Specific government organisations and politicians are often included in the Institutiogramme, since they will always play a role in at least approval and decision making.

Organisations in the Institutiogramme may be active at different levels from the national or even international level, to the local level. Not all levels may be equally relevant. For example, when dealing with an agricultural project in a specific region, it will be relevant to distinguish the different sections within the regional office of the ministry of agriculture, while it may not be necessary to identify all the ministry departments in the capital. Only identify the ones with an immediate relevance to your organisation.

## Interdependencies of actors and their relations

In an Institutiogramme there will be different types of relations which may generate important information. However, it is useful to distinguish these relations in terms of, for example:

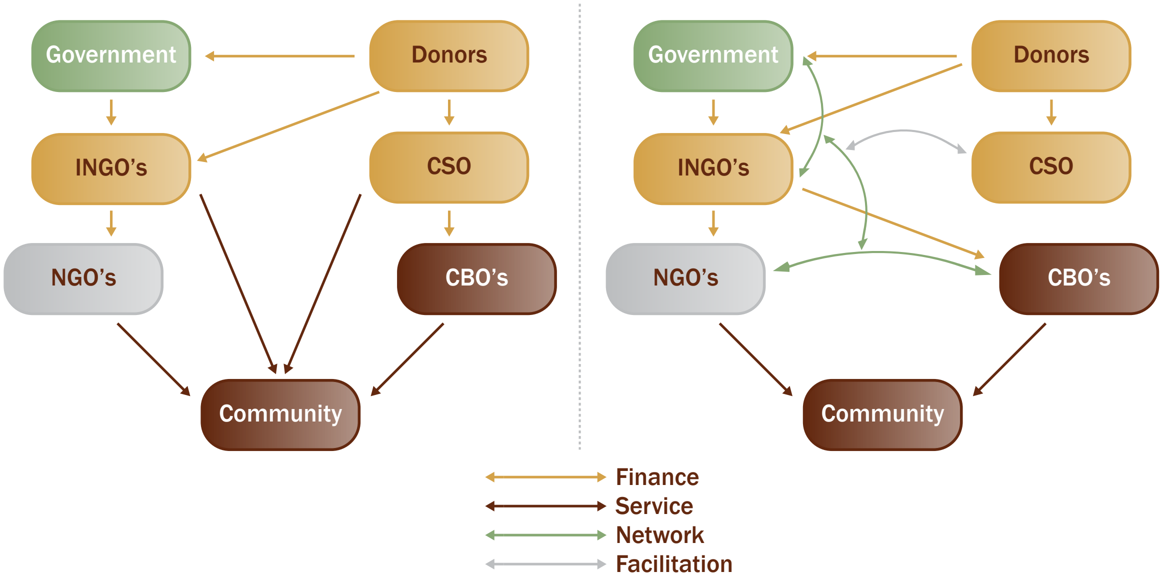
- hierarchical lines: who gives orders to whom?
- co-operation: who co-operates with whom?
- operational: who provides inputs/services to whom?
- financial: who finances/pays whom?

The identified relations and interdependencies will be depicted by the use of arrows or lines between the actors that connect them to each other and indicate the type of relationship they have. However, there may also be other types of relations you may want to capture which you find important, including political power or communication. In the end, deciding what to include will depend on your context.

## Intensity of existing relations

Arrows or lines indicate direction, whether providing or receiving services or resources which again may propose important power relations and dependencies. Intensity can be identified in terms of volume (number of goods, amount of money involved), frequency (e.g. frequency of messages, number of contacts) and/or importance of the relationship (usefulness for practical operations). A thick arrow will signal an intense relationship whereas a thin or punctured arrow may indicate a limited relationship. As was the case for the environment scan tool, the Institutiogramme is a snap shot of existing relations which may and will change over time.

Whether an existing relation is adequate, intense enough or even undesirable will ultimately depend on the subjectivity of the observer. If opposing actors appear to have strong relations, you would probably want to find ways to lessen their influence or at least strengthen your position relative to that of others. It may also be that you spot that certain relations with actors whom you depend on or whom you would like to collaborate with are inadequate at the moment.

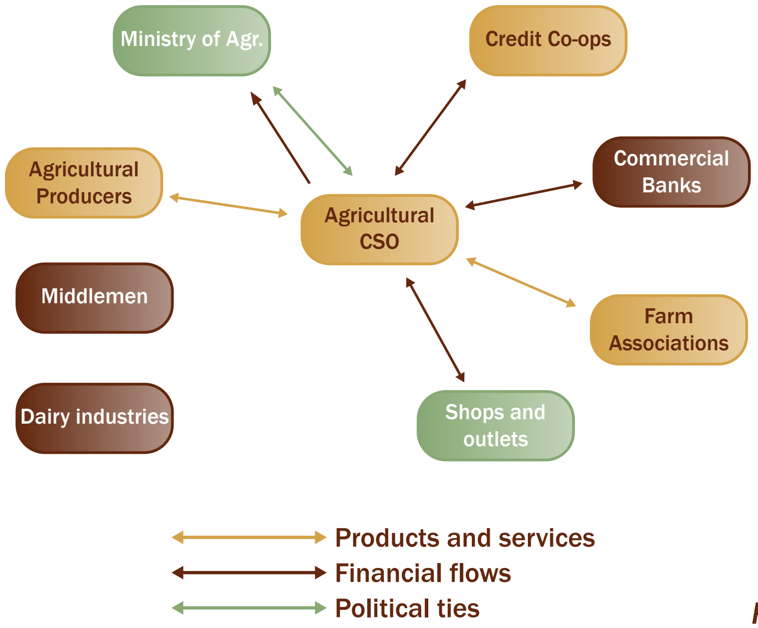



*Current Institutiogramme and desired future Institutiogramme*

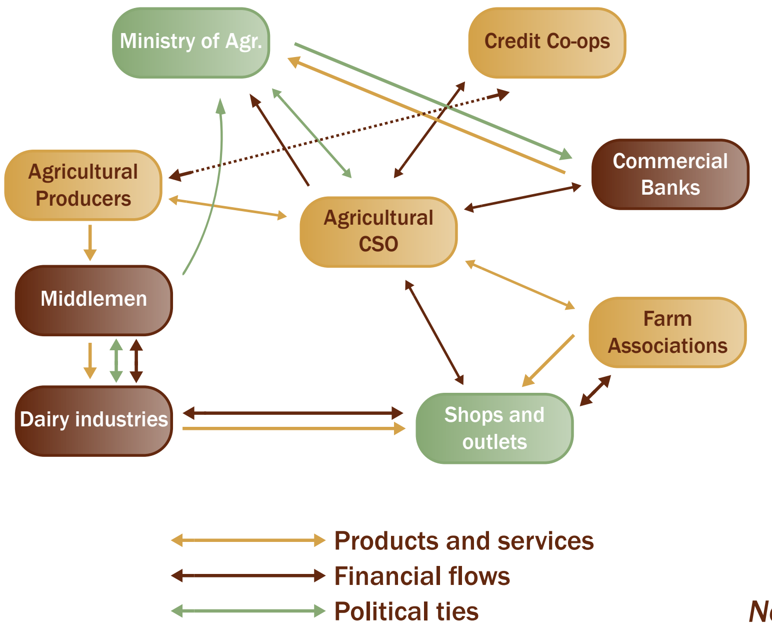
You may also, based on the final Institutiogramme, get important indications as to where you must invest more efforts in building or strengthening relations, or even approaching new actors that occupy important decision making positions in your institutional setting. You may even consider creating an additional Institutiogramme based on your initial analysis where you depict how you would like to see relations evolve in, say, five years time, and then ask yourself what action you will have to undertake to contribute to this, as in the illustration above.

Another variation of the Institutiogramme is whether or not you let it be organisation centred, showing only the relations of actors to a specific organisation placed in the middle, called a Radian Institutiogramme. You can thus also make it inter-relationship centred, demonstrating relations between all relevant actors, called a Network Institutiogramme. Please compare the two examples below.

The pros and cons of each type of Institutiogramme have to be determined by its user, i.e. you. The Radian Institutiogramme creates an easy overview of relations from the point of view of the organisation but may play down the importance of relations between others. The network Institutiogramme is much more detailed, but may result in 'spaghetti' if too many arrows are connected, thus reducing the overview rather than improving it.




*Radian Institutiogramme*




*Network Institutiogramme*

## Tips for practical application and facilitation

Creating an Institutiogramme should not take more than around 2-3 hours. However, application of the Institutiogramme requires good knowledge of the existing actors and their relations. If this knowledge is not present with most participants, you may need to do some initial research of other actors, for instance, by using the Quick Scan, or by contacting organisations which are operating within the same sector or area as yourself to gather more information.

It is generally recommended to start with creating a Radian Institutiogramme before moving on to a Networking Institutiogramme. This is because a Radian Institutiogramme is normally easier to do as it describes existing relations between yourself and other organisations. A Networking Institutiogramme, on the other hand, requires knowledge of relations between several other actors which is harder to identify, but nevertheless important to know in a highly competitive or politically sensitive setting.

## Questions for further reflection

- Who are the most powerful actors operating in your working area, what makes them powerful and have you already established good relations with them? Why or why not?
- looking at the various actors around you: are the relations between some of them of potential benefit to your long term goals, and if so, what could you do to benefit fully from their presence?
- where do you feel that you need to establish contact with important actors with whom you have so far not been dealing and what makes you an attractive actor to them, i.e. what is it in for them?
- do you think other actors would agree with how you have depicted them in your Institutiogramme and why do you think they may see things differently?

# The Integrated Organisation Model

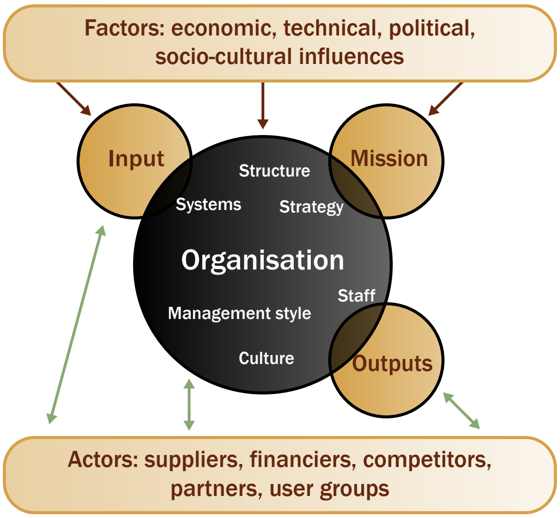
# The Integrated Organisation Model

## What is it?

The Integrated Organisation Model (IOM) is a tool you can use to describe, to analyse and to diagnose organisations and their immediate environment. As any model, IOM is a simplification of the complex reality in which many different aspects influence each other. The usefulness of the tool depends to a large extent on the specific situation, the questions posed and the user's know-how and ability to apply it.

The IOM summarises most of the relevant elements for an organisation. Whereas the Quick Scan looked at the borders of the organisation, the Environmental Scan at factors surrounding the organisation and the Institutiogramme at the interrelations between actors, the IOM pays particularly importance to what we earlier called the Black Box, i.e. the internal aspects of an organisation. As for the entire ID/OD process, we recommend that you use the IOM tool to diagnose your organisation vis-à-vis the Basic Question you have formulated.

The IOM is a tool that takes a structured approach to determining organisational elements of importance for a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. A Strength is something your organisation already does well which helps it to perform. A Weakness represents an existing internal challenge that holds your organisation back from performing better. An Opportunity is something your organisation could take advantage of in the future to improve performance but which has not yet been done. A Threat is any external factor that may have a negative influence on what your organisation tries to accomplish. The distinction between external and internal is important: opportunities and threats are always external, whereas strengths and weaknesses are always internal.



The word "integrated" is certainly true of the IOM in that it integrates a number of institutional and organisational diagnosis tools into one. Although the elements of the IOM to some extent can be treated separately, they are all connected and, ideally, in balance. When there is no balance or "fit" between the different elements within an organisation, it will not function optimally and the need for organisational change will sooner or later become apparent.

# What can you do with it?

- You are looking for an all-in-one tool in order to analyse internal aspects of your organisation while also being aware of some of the external factors and actors to get an entire overview;
- for a while you have noticed that certain internal aspects of the organisation are not working the way they should. However, you are not sure if motivation is the problem, the leadership style or perhaps even your strategy;
- as your organisation has grown over time, it is time to develop some more stable systems to increase efficiency, including M&E, finance management and staff development plans. You want to make sure that new systems will support other already well-functioning aspects and that they will work well together;
- you have been running your organisation for years. However, you tend to base your leadership more on intuition than careful analysis. The IOM Checklist points you to several key areas potentially needing more attention and may ultimately result in a useful SWOT analysis.

# How does it work?

The IOM offers an overall tool for organisational assessment, be it a government department, a CSO, a non-government organisation, a local government, a people's organisation or a private enterprise. Using the IOM you should be able to capture the most important elements of your organisation. The IOM, like other tools, will not tell you what you must do based on your findings. It rather confronts you with several potential questions which you may want to consider before you proceed further with your analysis, diagnosis and, ultimately, your change plan. Below we have summarised the various elements of the IOM, making regular reference to the other tools we have already presented previously in order both to highlight potential overlaps and factors which complement each other.

## The elements of the IOM

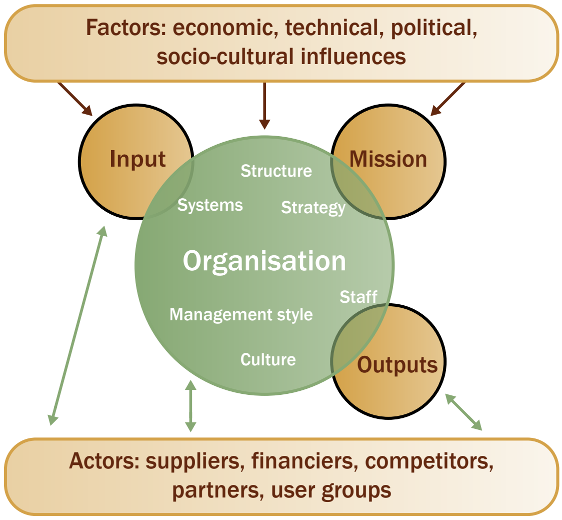
The IOM consists of five externally oriented components: mission, output, input, factors and actors. It also contains six internal components which tell us most directly about the organisation's relations with the environment: strategy, systems, structure, management style, staff and culture which in combination will determine the current internal capacity of the organisation to perform.

## External elements of the IOM

Mission, outputs and inputs are at the borders of the organisation, as explained in the chapter on Quick Scan. Factors and actors describe the overall environment of the organisation as analysed in chapters on the Environmental Scan and the Institutiogramme. Let us look at the external elements in turn, which in the illustration below are highlighted, whereas the internal elements are shaded with green.

## Mission

The mission of an organisation is its 'raison d'être', which means 'its reason for being.' In other words, the overall objective and the main approach that explains why the organisation exists, what it wants to achieve and with which means. Nowadays, mission statements are increasingly being prepared together with staff to create a sense of common ideology and direction, a shared set of values.




*Integrated Organisation Model*

## Output

The output of an organisation can be defined as all material and immaterial products and services delivered by the organisation to its various user groups or customers. The performance of the organisation is largely measured by the quality and quantity of these outputs. Products and services may be extension services, knowledge, skills, health services delivered by a local government department etc. Outputs may be assessed or described against the following criteria:

- quality of a product or service, beyond agreed technical standards perhaps, is determined by the intended user group's level of satisfaction with the products and services delivered;
- quantity refers to the volume of products delivered or the number of users served and whether the output meets the demand;
- coverage can be described in terms of geographical coverage or according to different types of user groups, e.g. categorised against income level, social position and gender;
- track record refers to how long the products and services already have been delivered by the organisation, to which users and in which areas to assess the stability and longevity of the organisation;
- diversification implies the extent to which the organisation may be mostly specialised in certain products and services or whether it has a large range of different inputs, and an ability to develop and offer new types of services.

*TACSO Regional Training „CSO Management“,*
*Former Yugoslav Republic of Macedonia, 2010*

## Group 484, SERBIA

### Support to forced migrants

- Direct assistance to the most vulnerable population through medical, social, psychological and legal support. More than 100,000 users;
- research, gathering information, creating reports and recommendations, organising advocacy meetings, analysing legislations;
- contributing to systematic, durable solutions brought by the state through legislations.

### Work with youth

- Direct work – educational and artistic programmes, camps, campaigns, seminars, local actions, trainings, creative workshops, etc …Over 10,000 of youth have gone through our programmes;
- advocacy activities – advocating for systematic solutions, i.e. a responsible attitude towards youth within strategic, national documents and in the practice of local self-governments.

## Women's Organisation "Lara", BOSNIA AND HERZEGOVINA

### Women's Human Rights

- Legal Aid/Services;
- work with Roma population;
- anti trafficking;
- psychosocial help.

### Lobbying, Policy Advocacy

- Research and Publication, Counseling for Legal Assistance, Feminist Activism.

## Inputs

The inputs of the organisation include all the resources required and available for generating products and services by the organisation. By analysing the nature and availability of inputs, we may learn a lot about the general health and sustainability of the organisation. Inputs can be distinguished into the following major categories:

- staff: This may include staff in terms of quantity, qualifications, age and experience, geographical coverage, male-female ratio, ethnic grouping, permanent versus temporary staff, etc;
- buildings and support facilities: Type, quantity and quality of the buildings, location, logistical setup, including means of transportation used for the delivery of goods and services;
- equipment, tools and materials used: Used for production of goods or the delivery of services in terms of quantity, quality, scale, etc;
- information and knowledge: Access to information or knowledge from other actors or research institutes, statistics or technical know-how important for the design of programmes and the running of the organisation;
- finance: Describes how the organisation is financed whether by one or several donors, is it self-financed and is income stable or variable, does it set aside capital for harder times?

## Factors

We use here a broader definition which involves a complex set of political, economic, technical, social and cultural factors that influence the organisation but which are largely beyond the direct influence of the organisation itself. Factors may represent opportunities as well as threats to the organisation. They may also affect the demand for products/services, the supply of inputs, the internal organisation and the possibilities for collaboration and competition. Looking at factors helps the organisation reflect on how best it may position itself to take advantage of opportunities while protecting itself against the most significant threats. Let us look at some examples:

- economic factors may stimulate or reduce the scope for investments, users' ability to pay for services, credit opportunities for entrepreneurs, unemployment rates or the donor environment;
- technical factors could determine the feasibility of modern land use, machinery, internet connectivity, sanitary facilities, access to water or production of important medication, and the ability to deal with challenging geographic conditions;

- political factors may include the political system, freedom of expression, design and enforcement of laws, regional stability, access to politicians at national, regional or local level, degree of decentralisation, voting rights, general security;
- socio-cultural influences could entail traditional versus modern ways of living, religion, gender-determined opportunities for education and decision making, local governance structures, child labour.

Though these factors in practice can rarely be changed by the organisation single-handedly, the organisation needs to be fully aware of the likely consequences for its operation and it may need to adjust its ambitions and strategies accordingly.

## Actors

There may be several types of actors that the organisation needs to be aware of in order to take advantage of potentials for increased collaboration, to protect itself against undue competition through coalition building and to become aware of potential opponents who may consciously work against your organisation or what your organisation tries to accomplish. Actors in the IOM are always external to the organisation in question. That also means that if you are a field office of an international organisation, then you might even consider your headquarters or other field offices as external actors. Things to look for when analysing the role and importance of actors include:

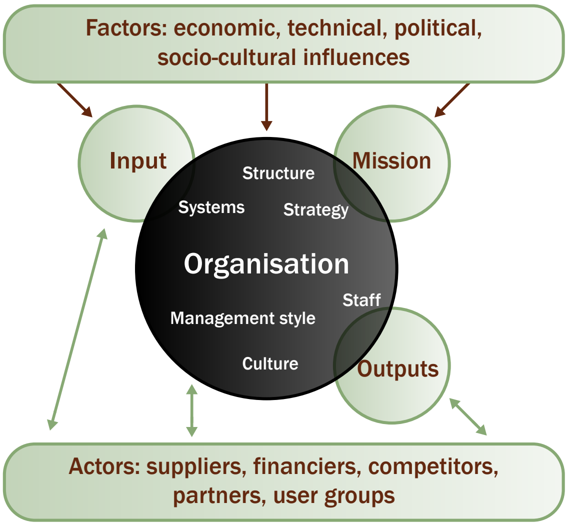
- formal and informal linkages between head offices, regional offices and the field: What are the formal and informal linkages, vertical or horizontal, are headquarters hierarchical or having a flat decision-making structure? Who controls resource allocation? What are the implications of this for your ways of operating?
- customers and user groups: What kinds of relations exist with customers and user groups and what is your organisation's attitude towards these? Do you maintain a highly participatory and consultative relationship, or do you simply provide a fixed service to them? How do they view you, are you considered legitimate and relevant to their needs?
- competitors: Are there any competitors in the environment that deliver the same type of products and services? What is your relation with your fiercest competitors: cordial or antagonistic? How is the market for services divided

between you, in areas, according to users, gender etc? Are you making sufficient effort to enter into partnerships to accomplish more collectively?

- suppliers of inputs: Which actors do you depend on to supply your inputs, including financers, computers, material inputs, research institutes or providers of knowledge? Do you feel that you have constructive relations, are they customer oriented enough, do you pay a fair price, do they deliver on time, do they provide good advice, could you choose other providers if you felt like it?
- the government, policy makers, media, interest groups: What is the role of governmental organisations, politicians, media and other interest organisations in your working area and how do they influence what you are able to accomplish? Are your relations with this important group generally positive or could they be improved? Could you perhaps even establish important coalitions with some of these groups?

## Internal elements of the IOM

The internal elements include strategy, structure, systems, staff, management style and culture. Though we will present them individually on subsequent pages, you should remember that they are all connected in the way that changes in one element will also influence the functioning of others. In the illustration below, we have highlighted the internal elements and shaded in green the externally-oriented elements.



## Strategy

Strategy refers to the way the organisation translates its mission into concrete objectives and approaches, leading to organisational performance. The strategy of an organisation can be defined as the long-term plan of action which helps it realise its objectives with its available inputs. If there is a mismatch between the formulation of mission and strategy, the organisation can end up not knowing what its priorities are.

A strategy aims to give direction to the activities of management and staff. A condition for this is that the objectives and activities are clear, concrete, realistic and acceptable to the various parties involved to allow for their implementation. Most strategies are developed with an expected time span of between 3-5 years. A strategy will normally be supported by annual work plans for implementation by staff.

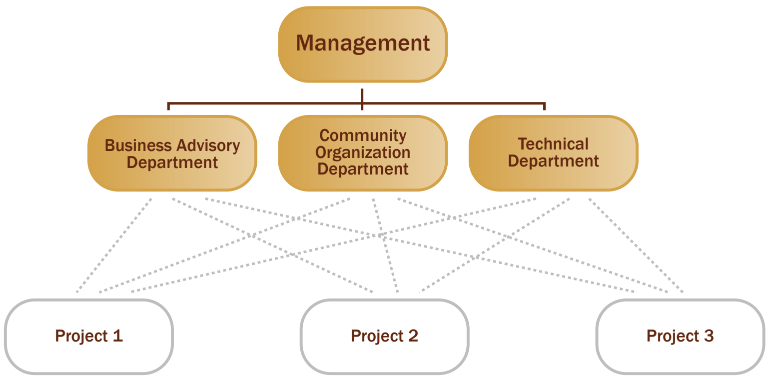
Strategies for smaller organisations may be developed within a couple of days, provided that staff and management are aware of the challenges and opportunities ahead, as well as the current strengths and weaknesses of the organisation. A strategy might also be developed spontaneously, because managers in the organisation have become aware of sudden changes in the environment that must be responded to fast. For larger organisations, the process may be much more complex and lengthy, perhaps lasting months or even years, involving extended consultations and negotiations before a final strategy document has been approved.

A good strategy is a measured response by an organisation to the environment in which it is operating. The strategy must help the organisation position itself to take advantage of opportunities and to protect itself against major external threats. Less effective strategies, on other hand, are typically:

- unrealistic, too ambitious, and not based on adequate analysis;
- not needed, because the existing strategy was fine as it was;
- under resourced in terms of time, staff, finance or otherwise;
- not consulted upon, have no ownership, and contain no excitement;
- consist of high level objectives not translating into 'on the ground' implementation;
- those that lack monitoring or follow-up to adjust the course as and when necessary.

## Structure

The structure of an organisation can be defined as the formal and informal division and coordination of activities and responsibilities. This includes the division of the organisation in groups (units/teams, departments, divisions, etc.), the distribution of tasks, responsibilities and powers among people and the way the coordination of activities across the organisation takes place.




The formal structure refers to how responsibilities and authorities are officially described which normally also dictates line management arrangements and oversight. The informal structure, though not written down anywhere, may often determine how things really work out in practice, including the informal relations between colleagues which may determine how communication and coordination happens in reality. Organisations depending on a high degree of technical expertise and precision, e.g. hospitals or the military, are more dependent on formal structures. Organisations operating in dynamic environments may have to rely on the ability of staff to adapt fast and apply their own judgement, e.g. field staff who have been tasked to experiment with new approaches to community involvement. The latter may require more informal structures to allow for a flexible response.

In practice most attention is paid to formal organisational structures, typically described in so-called organigrams, whereas far less effort is invested in understanding the dynamics of informal communication and mutual adjustments between groups and individuals in organisations. Though the formal structure may provide an impression of how organisations (should) work, the actual functioning of an organisation in most cases must rely heavily on people's ability to get work done, despite all formal instructions, manuals and guidelines. It is thought-provoking that when unions threaten to protest a management decision, they will often threaten to work "according to rules and regulations" which in fact means that they will only do what is formally described as being their jobs. The result is in most cases that the entire organisation breaks down as no organisation can function if purely based on following formal procedures and regulations.

There is no blueprint for the best structure for an organisation. However, the adage has it that "form follows function," which means that before you decide on a structure, ensure that you clarify in advance what purpose the structure is supposed to serve and how this will translate into improved performance.

## Typical structural problems relate to:

- Unclear division of tasks and responsibilities creating confusion;
- inadequate authority for execution of tasks, meaning the structure is too top-heavy;
- inadequate co-ordination between individual units and departments;
- a structure that is so elaborate that everybody loses sight of the main objective;
- the fact that formal structures are ignored, and everything is decided informally without quality checks.

## The Blue World Institute of Marine Research and Conservation, CROATIA

Is a non-profit and non-governmental organisation situated on the island of Lošinj, and focused on the entire Adriatic region. In our work we strive for excellence through our expertise in research, education and conservation programmes.

Since its creation, in 1999, the Blue World Institute has undertaken numerous successful projects. It now focuses on main three programmes: Science, Education and Conservation.

The Science programme concentrates on the ecology of the large marine vertebrates of the Adriatic Sea. This work is carried out from two field bases. The original base is located on the island of Lošinj in the northern Adriatic, whilst the new base is located on the island of Vis in the central Adriatic. Activities are recognised by the Ministry of Science, Education and Sports, the Ministry of Culture, and the State Institute for Nature Protection of the Republic of Croatia.

The main centre for the Educational programme is located in the Lošinj Marine Education Centre in Veli Lošinj. The Centre provides space for a permanent exhibition for general public awareness, and specialist facilities for structured educational programmes for various interest groups. The Centre also carries out education courses accredited by the Croatian Education and Teacher Training Agency.

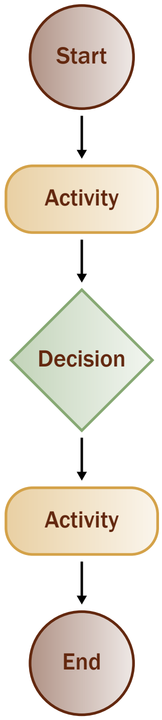
The Conservation programme translates the research into management plans for the protection of marine vertebrates and their habitats. As a partner to the Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea and contiguous Atlantic Area (ACCOBAMS) members of the Blue World Institute have been engaged in science, education and the development of conservation plans and programmes throughout the Mediterranean.

Each programme has its director and staff. All the programme directors are members of the Blue World's management board and have equal opportunities in decision making processes.

## Systems

The aspect of systems comprises all internal processes that regulate the functioning of an organisation. All organisations have systems or processes to help them function. Think about computer programmes where you store data, salary administration, M&E, the procedure for requesting a vehicle to go to the field, submission of bills for reimbursements to the accountant, sending out invoices. Without systems, no organisation can function. A system does not have to be formally described. Informal agreements can also form a system, sometimes even more important than the formal ones. Informal systems may at times even contradict formal ones.

A helpful system is one that enables the organisation to get things done quickly and smoothly without having to start at the beginning every time and thus waste unnecessary time and resources. An unhelpful system is one on which you spend a lot of time inputting information and which requires a lengthy period of time before the system serves the user, if at all. Typical examples are huge government or international bureaucracies where everything moves slowly and where many forms for checking and documentation have to be filled in. In many countries it has been found that heavy bureaucracy breeds corruption, in that people are willing to pay for faster services even though they are, in fact, entitled to these for free.




Most systems are regulated through several processes which can be described as a sequence of activities and decisions aimed at achieving a certain result. For example, the procedure for hiring staff should ensure that you ultimately attract staff that can do the job according to the organisations' expectations. The process itself may involve a vacancy notice with job criteria, a short-listing of CVs, calling of people for interview, an interview panel assessing candidates, a final decision about who is the most suitable candidate, contract negotiations, the offering of a contract, and an agreement on starting date for the new staff. If the process goes wrong at any stage, it is possible to end up with the wrong candidate in the organisation which can be very costly. Thus, effective processes should always be as short as possible while ensuring the expected quality and accomplishment at each stage until the process has been completed.

## Processes can be distinguished into:

- primary processes: directly focused on the core business of your organisation, or the primary transformation of inputs into outputs;
- support processes: aimed at supporting the primary and other processes. This is typically financial, admin and logistical systems;

- control processes: focused on quality control of other processes. These include feedback, monitoring and communication of decision processes.

Typical problems with systems in organisations may manifest themselves as:

- ones where there are no procedures, and everybody follows their own rules;
- problems because procedures are based on blue-prints more than practicality;
- there is an over-emphasis on control of everything in the organisation – i.e. it is excessively bureaucratic;
- problems because procedures are unable to ensure quality control leading to customer complaints;
- a duplication of procedures, creating delays;
- systems that hinder staff in finding creative solutions for complex problems;
- a problem because the organisation has changed but the systems remain the same.

## Staff

Staff refers to all working personnel and personnel activities related to motivation, working tasks, development of staff capacity and, ultimately, performance. Without staff there can be no organisation and without well-performing staff there can be no organisational performance. Staff need clarity of tasks, an enabling environment that encourages them to perform, appropriate rewards for the work they do, appreciation of their efforts, career development opportunities and challenges to ensure that they can grow personally in their jobs.

| Staff development | Work environment |
|---|---|
| Training and skills | Physical work environment |
| Career development | Resources available |
| Feedback for growth | Teamwork/communication |
| Coaching/mentoring | Flexible working hours |
| | Consultative leadership |
| **Direct benefits** | **Indirect benefits** |
| Salary increments | Company car |
| Profit sharing | Pension scheme |
| Incentives/bonus | Health insurance |
| Shares in company | Holidays |

Staff are human beings and as such what motivates one person may be different from what motivates another. The biggest challenge for organisations and their managers appears to be to find a good balance between individuality and collectivity. Individuality may promote creativity for problem solving and individual excellence whereas collectivity helps to ensure that the sum of all individual efforts translates into overall performance. In some organisations you would prefer creative people who can think and act on the spot. In others, when dealing with safety procedures or where a high degree of standardisation is required, people who prefer detailed instructions and guidelines may be able to do a better and more predictable job than more 'creative' ones.

## Elements to ensure you maintain qualified staff include:

- proper staff selection processes;
- staff appraisal and incentives;
- career opportunities to grow on the job;
- staff training and development possibilities;
- a sense of fairness and equal treatment.

## Some common problems relating to staffing include:

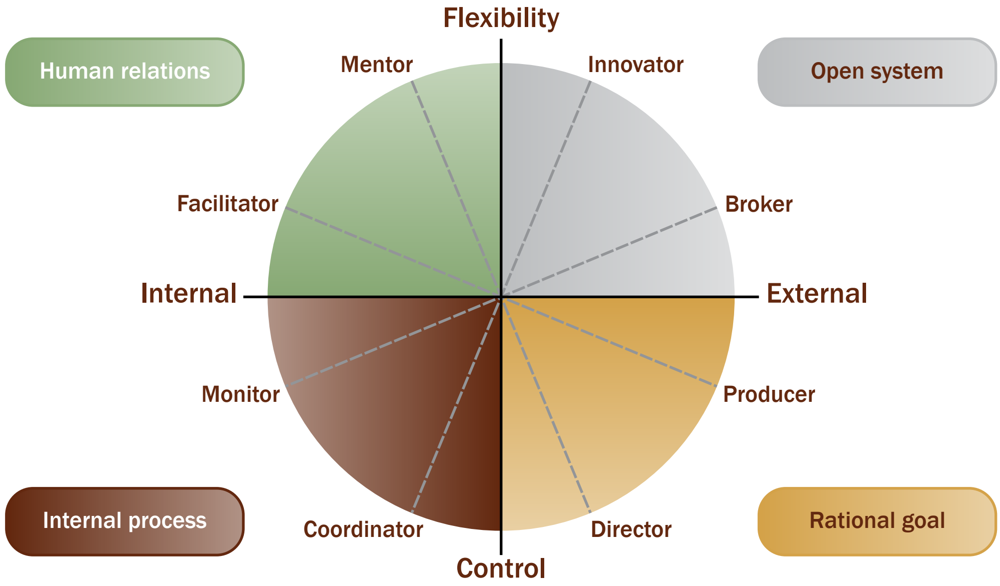
- no clear criteria and procedures for selection and termination of staff contracts;
- rewards system based on personal relations rather than performance;
- jobs and responsibilities are unclear, making it hard to distinguish performance from non-performance;
- career possibilities are uneven: some staff move fast upwards, others get stuck in a department;
- offering training to staff that does not relate to job contents;
- management plays favourites and punish people who challenge conventional thinking.

## Management style

The style of management can be described as the way management behaves and treats staff. Where organisations have several departments and units, the management style may vary according to the individual personal characteristics of each manager. Though this may be normal, it also may send conflicting messages to staff. The good manager knows how to motivate and lead different types of working teams and people, whereas the average manager may only know one way to manage staff, irrespective of what is in fact needed.

The management function includes strategy formulation, organising of working teams, steering, controlling, monitoring and problem solving. The manager ideally brings together the strategy, objectives, the people and the means for performance. The main task of the manager is to steer and coordinate, using systems, procedures and regulations, but also to be an excellent communicator with the ability to connect to different personalities in order to motivate them.

A management style can, simply put, be divided into where a manager puts his or her priorities and how they makes decisions based on his or her own value system and beliefs.




## The following questions may help provide insights into a management style:

- is the main focus on internal or external relations for the organisation?
- are people seen as individuals or as a means to an end?
- are personal relations more important than performance?
- is controlling use of inputs more important that what is being produced?
- is quality in products and service more essential than quantity?
- is management style participatory or directive/authoritarian?
- is the manager a risk-taker or does she or he seek to minimise risk?
- will the manager value formal ways of working over informal relations?
- are conflicts seen as an opportunity for new ideas or as a threat to harmony?

Though there are no clear answers to what a good manager is, a good place to start is by asking whether a particular management style facilitates organisational performance or holds it back. Another crucial aspect concerns timing and context. An organisation may at a certain moment need a particular management style to help steer it through a difficult time, forcing renewal and taking some difficult and perhaps unpopular decisions. However, it may well be that what made this type of crisis manager good under testing conditions, may make them unsuited to help steer an organisation towards stability. The term 'situational leadership' has become increasingly popular, emphasising the importance of a manager that is able to analysis what is needed at the moment and then adjust his or her style accordingly, depending on the situation.

## Culture

The culture of an organisation can be defined as the shared values and norms of people, groups or the organisation as a whole. 'Culture' is popularly described as "the way we do things around here." There may sometimes co-exist different sub-cultures complementing or even sabotaging the dominant organisational culture. What makes organisational culture stand out is that it is rarely written down formally. And even when management may attempt to formalise a certain desired culture of an organisation, this is more often based on wishful thinking or image than reality.

A recent study concluded that 80% of all corporate mergers in America failed due to insufficient attention being paid to whether the merging companies had compatible cultures. The phenomenon of culture has been studied for decades by researches and practitioners alike and all agree that culture is the underlying foundation for most organisations. Relatively little is known about what creates culture, what maintains it and what destroys it. A strong corporate culture is desirable as long as it makes a good organisation better, whereas a culture which is anachronistic with increasingly inadequate performance may become a major stumbling block for progress and even survival.

*Difficult to interpret cultural signals*

## Smart Kolektiv, SERBIA

The highest Smart Kolektiv's achievement in trying to capture organisational culture was defining organisation's values. In each organisation the culture represents the sum of shared values and capturing those helps organisation understand its culture, and eventually change it if necessary.

When first coming to Smart Kolektiv's office one usually expresses joy about cosiness of the working space. There is a lounge area at the office centre with nice and vivid-coloured walls and furniture which sends a message to both staff and visitors that we like to work in creative, unconventional and pleasant surroundings. We believe enjoying the space they spend 40 hours a week reflects on staff motivation which leads to better performance and helps with retention.

More important than liking your office is enjoying working with people. Our values reflect on our staff selection in terms of commitment, enthusiasm, creativity and job performance. Several times we actually wrongly prioritised some of the values we cherish – we valued enthusiasm over the performance and eventually realised that enthusiasm means very little without the actual work. These experiences prompted us to balance the focus we give to our values when it comes to recruiting people, which resulted in higher overall performance and organisational reputation with key stakeholders.

There is no stiff working atmosphere or strict authority figures in our organisation. Our staff are the owners of their tasks and projects and they are encouraged to seek help of fellow colleagues or supervisors whenever they run into obstacles in accomplishing assignments. Management team is expected to praise staff members' success and to come up with constructive critique when necessary. Staff members know that they are expected to deliver timely and in good quality. And although it is not openly communicated and best effort is employed, people know that they will be protected even if they fail.

As an organisation that deals with corporate social responsibility, Smart Kolektiv works closely with large, mostly international companies. For a civil society organisation this cooperation is often challenging on a cultural level. We prefer "essence over form", while companies we work with are large systems with strictly defined procedures, for example. We are cause driven, while companies are profit/performance driven. We adapt to their procedures and sometimes we succeed in adapting their procedures. Some of the norms we find very useful and try to adopt them in our own culture. Working with companies helped us understand the importance of the organisational culture and prompt us to reflect on our own. Knowing who we are and who we want to be helps us make important decisions, keep our organisational integrity and identity and stay aligned with our mission, vision and values.

Culture influences all aspects of the organisation and may be expressed in the way the organisation is structured, relations between management and staff, relations among staff and patterns of how the organisation deals with external actors. Culture is also a kind of filter for how individual staff interprets events or messages. Simply by walking into an organisation as an outsider you can get an initial impression of its culture by looking at the layout of the office, whether it has open-plan space or closed doors, the type of furniture, the way the receptionist greets the visitor, or not, whether staff can be heard talking between offices, or whether people are working in silence. New staff particularly notice culture and compare this to other cultures they may have been exposed to previously.

## Some potential problems with organisational culture include:

- where influence depends more on who one knows than what one knows;
- it is difficult to interpret meaning and subtle hints as to how staff are expected to behave;
- authority seems to follow informal leaders more than the actual supervisor;
- there exists friction between the culture of the organisation and that of intended customers;
- new staff are only welcomed if they submit to the predominant manner of working;
- new ways of doing things are met with kind but firm rejection;
- there are culture wars between units and departments fighting for dominance.

## Tips for practical application and facilitation

You can choose to apply parts of the IOM or to do a full IOM diagnosis. Depending on where you are in your ID/OD process, you may already have conducted an analysis of factors and actors using the Quick Scan, the Environmental Scan and the Institutiogramme. Whereas the external analysis of factors and actors prompts us to identify opportunities and threats, looking inside the organisation enables us to identify current strengths and weaknesses, ultimately leading to a SWOT analysis.

You can apply a full IOM by groups of up to 20 people within 2-4 hours. It is recommended to have an external facilitator to allow participants to focus fully on their own contributions. In terms of which elements of the IOM you want to emphasise, start by checking your Basic Question and its key criteria for judgment: only analyse the elements with a clear relevance to your Basic Question.

## Questions for further reflection

- How can we ensure that we make use of current strengths in our next strategy? If we were to ask outsiders to indicate what they thought of as our strengths, would they mention the same points? Are some of our weaknesses so prominent that they make us extra vulnerable to external threats? What would it take to turn a weakness into a future strength?
- have we already covered all external actors and factors using previous tools, or does the IOM come up with additional information which we should take into consideration?
- do we generally agree on the findings of our IOM analysis? If we have strong disagreements: how come? Is it because we use different words or is it perhaps because we have different perspectives?
- based on our IOM model with all the cards, does our organisation look healthy, or do we have serious challenges we need to face up to, and what would those challenges be?

# Foundation of Local Democracy, BOSNIA AND HERZEGOVINA

The mission of the Foundation of Local Democracy (FLD) "Prevention, protection and fight against gender based violence and for society with equal opportunities" was defined by all staff trough the joint discussions as soon as we decided to set up a new area of activity – opening the shelter for women and children victims of domestic violence. FLD is a sustainable organisation which employs 14 full time employees and 5 part time employees, has sufficient equipment, tools and materials, and cooperates with several long term donors (UNFPA; UNHCR, etc.) and has entered into a contract on co-financing a shelter with the Sarajevo Canton Ministry for Social affairs. However FLD has only recently been given a space by the city authorities to be used as the core office.

FLD's outputs are assessed constantly and using several criteria. Quality is assessed by the shelter beneficiaries (satisfaction with shelter services), quantity and coverage is assessed by the Center for social affairs (number of their clients accommodated in the shelter). The last criterion is considered as the foundation for assessment of FLD stability as the organisation able to fulfill all relevant requests for accommodation of victims of domestic violence. Other relevant projects that are offered by FLD (trainings on the issues of domestic violence, public awareness campaigns, projects aimed at prevention of domestic violence, etc.) show FLD's ability to develop and implement services which represent the extension of the services, skills and knowledge organisation already posses.

Because its work is focused on the issues of the Gender based violence / domestic violence, FLD is constantly aware of socio-cultural factors that are influencing all its activities. FLD is continuously monitoring the political factors (changes in the governing institutions which can influence implementation of programs and projects, enforcements of relevant laws and regulations) and economic factors (especially donor activities and trends). FLD entered into partnership with similar NGOs around BiH – establishing SAFE network to improve the fight against domestic violence (through the information, data and knowledge sharing and joint lobbying activities). The partnership networks are very demanding because of their complexity and varying interests and focuses of all partners.

FLD's clearly defined structure (where all obligations, task and responsibilities are clearly defined and determined) is the key success factor. Although we have three premises in three different locations, success of our work is maintained based on the clear coordination between premises/units and based on the good management scheme. In order to ensure that all of the activities are implemented in accordance with the planned dynamics and action plan and in order to ensure that all the objectives are reached, we have put in place both formal and informal procedures for monitoring and evaluation of processes as well as advisory mechanisms (depending on the scope and type of the project). When employing new staff, FLD's follows clearly defined procedures (at least two interviews, selection committee to conduct the interview, etc.). All other necessary employees' estimations (of work, of needs for additional trainings, rewards, etc.) are done every three month by the Program Managers. The Director evauates Program Managers' work quarterly, and Management Board in turn evaluated the performance of the Director.

Staff and management continuity in the organisation points to the appropriateness of the management style and organisational culture for both staff and external partners. FLD has continued the work (since 1996) and despite the difficult times of the full dependency on donor funding. Trust and respect among all staff is essential. Personal feelings and observations are evaluated as a part of regular three months staff evaluation of work. Successful team work is the foundation for FLD's work and thus we pay attention to culture of the organisation and especially to culture of dialogue.

## Macedonian Center for International Cooperation, Former Yugoslav Republic of MACEDONIA

The vision of Macedonian Center for International Cooperation (MCIC) is peace, harmony and prosperity for people in Macedonia and the Balkans. Our mission is "MCIC encourages and leads changes by influencing and mainstreaming new and alternative solutions to the societal problems".

MCIC's work is realized within the specific programmes. MCIC is service and product oriented, offering programs for education, anti-discrimination, local community development, good governance, water supply, bridging religions.

MCIC has provided healthy drinking water for over 250 villages, introduced a model for improved education of young Roma and in general for inclusion of marginalized groups via lobby groups. The fundament of all MCIC's activities is a development of the civil society and active citizenship. MCIC has begun to build the capacity of activists (over 6,500 trained) and organisations (over 200 supported), through supporting the development of the strategic organisations to research and supporting the institutional development of the civil society – NGO Fair and the Civic Platform of Macedonia. The target area of MCIC is the entire territory of Republic of Macedonia, whereas part of the activities will be realized in the region of the Balkans. MCIC conducts its activities on all levels: locally, regionally (in the framework of RM) as well as on national and international level. Priorities are the areas where the selected target groups are found.

Even though MCIC is located in Skopje, the programs that MCIC implements provide benefit for the entire country. Local authorities continuously improve as MCIC works on strengthening capacities of local authorities since its establishment in 1993. Nowadays, MCIC implements projects jointly with the municipalities. MCIC has in average 30 employees, most of them well-experienced and trained. At end of 2009 it had 26 employees, 52.2 % male, 47.8 % female. The educational structure is following: 20% Master Degree; 70% Undergraduate degree; 9% High school degree; 4% elementary school degree. The average age of the staff is 37.7 years.

Equipment: MCIC owns the fully equipped office (computers for all employees etc.) and meeting space (540 m2), four vehicles, LCDs, photo-cameras, flip-chart tables, training kits, and other.

Finance: MCIC managed a total budget of around 45 million EUR since foundation. It has a rather stable annual budget of around 1.5 million EUR average in last five years. MCIC is recently diversifying its portfolio with other funding sources as well (e.g. European Commission/European Agency for Reconstruction).

Economic factors: The economic situation in the country can influence the work of the CSOs. In a period of a recession, the financial funds for the CSOs are shrinking drastically, but the services and products of CSOs are more needed, due to higher unemployment, increased poverty and etc.  Still, MCIC succeeds to maintain relatively stable budget (2007-1,584,000 EUR ; 2008-1,217,000 EUR; 2009-1,428,000 EUR)

Political factors: accounting for political factors is crucial for proper and transparent function of the CSOs. In some countries, where there is lack of democracy, the third sector (CSOs) does not even exist. Macedonia is a candidate country for EU, and a NATO candidate country, which is practising democracy and respecting the freedom of association and expression as a basis for active and developed civil society. Therefore MCIC respects the European values and contributes through its programs to higher regional stability, decentralisation and active participation of the citizens of Macedonia.

Technical factors – good infrastructure is crucial for rural development. Rural development is one of the objectives of MCIC, and therefore MCIC through its programs contributes for improvement of the infrastructure in Macedonia, mainly by providing water supplies and healthy drinking water for over 250 villages.

Socio – cultural factors can influence the work of CSOs. In Macedonia there is a gap between the rural and urban communities in several fields.  For example the active participation in the rural communities is on a lower level, due to lack of information, knowledge about active participation and access to certain institution. MCIC works on this gap, and tries to improve the situation through its programs for rural development and development of civil society.

Collaborations and partnerships: MCIC has first-hand experience in working with all state-wide and most small grassroots organisations, some of which are not formally registered as CSOs. MCIC has worked and is working with different organisations – international, national and local and has developed significant experience in conducting different scale and type of services. It has been recognized as being spiritus-movens for the establishment Civic Platform of Macedonia (CPM). In addition, MCIC is a member of: United Nations Economic and Social Council (UN ECOSOC) as NGO with Consultative Status; CIVICUS – World Alliance for Citizen's Participation; Action for Churches Together (ACT) International; European Citizens Action Service (ECAS).

## Strategy (long term goals)

- Social cohesion and poverty reduction;
- sustainable local and rural development:
- good governance, participation and policies for and from the people;
- rooted and dynamic civil society, which influences public policies;
- accepted cultural diversity, interdependence and dialogue;

- supported Euro-integration process and enhanced regional cooperation;
- MCIC - independent and credible organisation, capable for strong and effective partnerships and alliances based on equality on national, regional and international level;
- MCIC - attractive and innovative learning organisation, with local roots and global view.

Structure: The organisational structure of MCIC is composed by Council, Governing Board and Board of Directors. The Council and Governing board are comprised of leaders from civil society, religious groups, universities, local municipalities and businesses.

MCIC cares about its employees and their development, and provide them constant improvement of their knowledge and experience, from everyday work, through specialized trainings. MCIC offers working challenges, good opportunities for training and continuous education, and, inter alia, participation in various processes and tasks within the organisation. Every employee has a clear job description, and has passed through proper staff selection process.

MCIC is continuously strengthening its willingness for learning (also by documenting) the results of its activities, in order to improve competences and systems for efficient and effective collection and exchange of experiences, monitoring and evaluation among the staff.

The internal communication tendency should refer to improving the horizontal coordination for the purpose of MCIC's decentralization in all areas.

MCIC is a small social actor and as such is prompt, adjustable, innovative and specific (different). MCIC is an organisation based on values. The success and results are in correlation with the values. As an advocacy organisation, MCIC must serve as an example. All goals, values and principles promoted by MCIC must be a reflection of and reflected in the MCIC internal organisation, and applied by all employees.

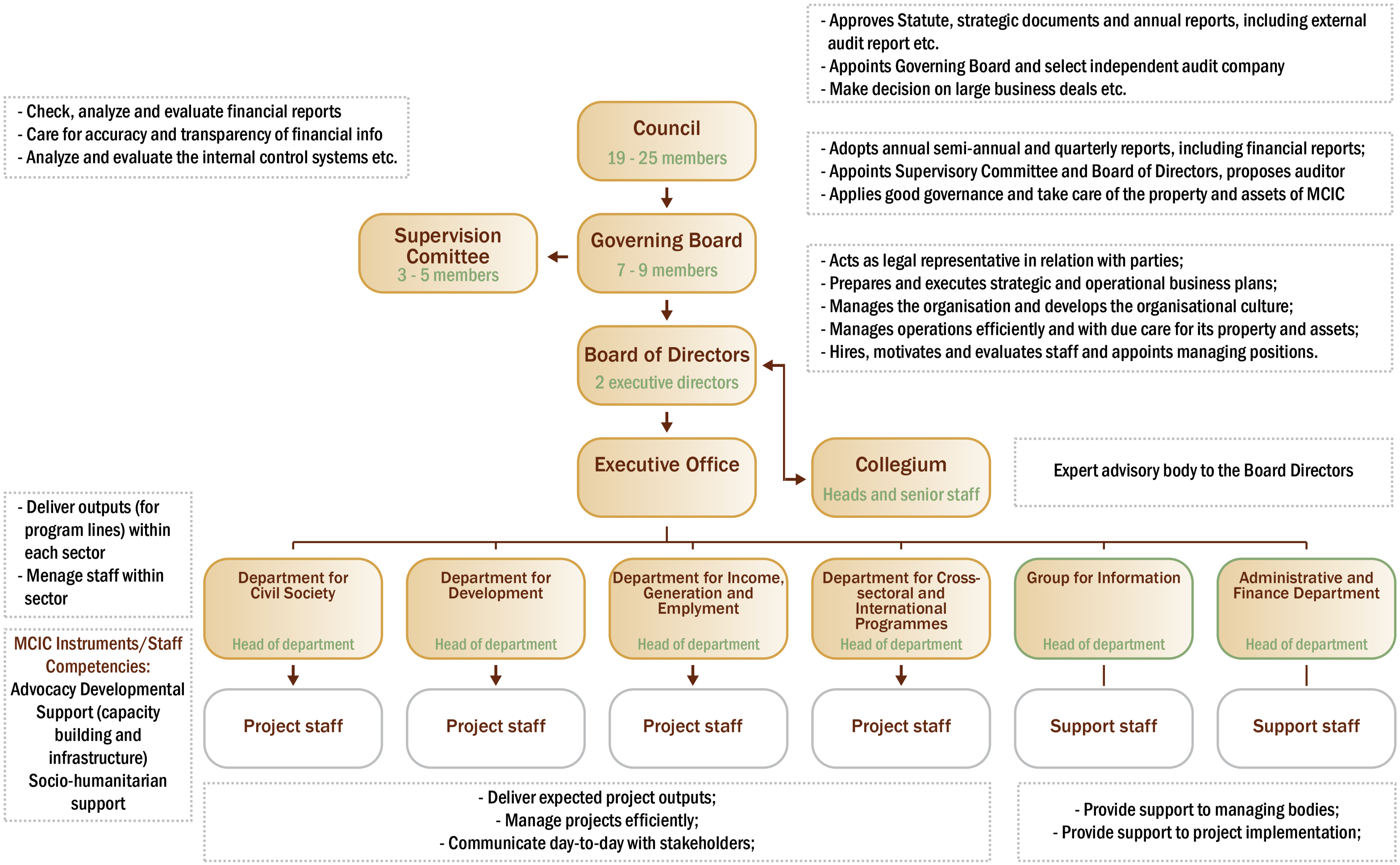



*Chart of Organisational Structure and Decision-making Process in MCIC*

# Strategic Orientation and Planning

# Strategic Orientation and Planning

## What is it?

A strategy can be seen as a translation of an organisation's mission into concrete practices ultimately leading to performance. There will be several different ways to carry out the mission depending on the environment and the existing capacity of the organisation. Strategic Orientation (SOR) brings internal and external ID/OD analyses together, and helps generate a number of strategic options or scenarios to help in prioritisation. It enables checks to be carried out against existing strengths and weaknesses, thus providing a backdrop against which you can determine each option's feasibility and desirability.

A prerequisite for SOR is an analysis of an organisation's Strengths, Weaknesses, Opportunities and Threats, often referred to as SWOT. In previous chapters we have looked at several ways of gathering information for a SWOT analysis. The Quick Scan, Environmental Scan, and Institutiogramme tools provide information relevant to an external analysis summarised in a number of opportunities and threats. IOM delivered information enabling identification of important internal strengths and weaknesses. SOR can be seen as a defining step in the ID/OD process where it is possible to move from analysis to strategic priority setting and planning. In brief, you will finally bring together identified strengths, weaknesses, opportunities and threats for planning and action.

## What can be done with it?

- Previous strategic plans of the organisation have been far too ambitious focusing mostly on long-term objectives over 5-10 years with little operational planning. You now want to take your organisation from an ambitious non-performing one to one that delivers;
- you have done several types of different SWOT analyses but often all you get is a table on the wall with information which you cannot translate into action. SOR helps to take the next concrete step;
- the organisation has always been very active. However, it is hard to see what it all amounts to collectively and whether it is clear why one activity is better than another or not.

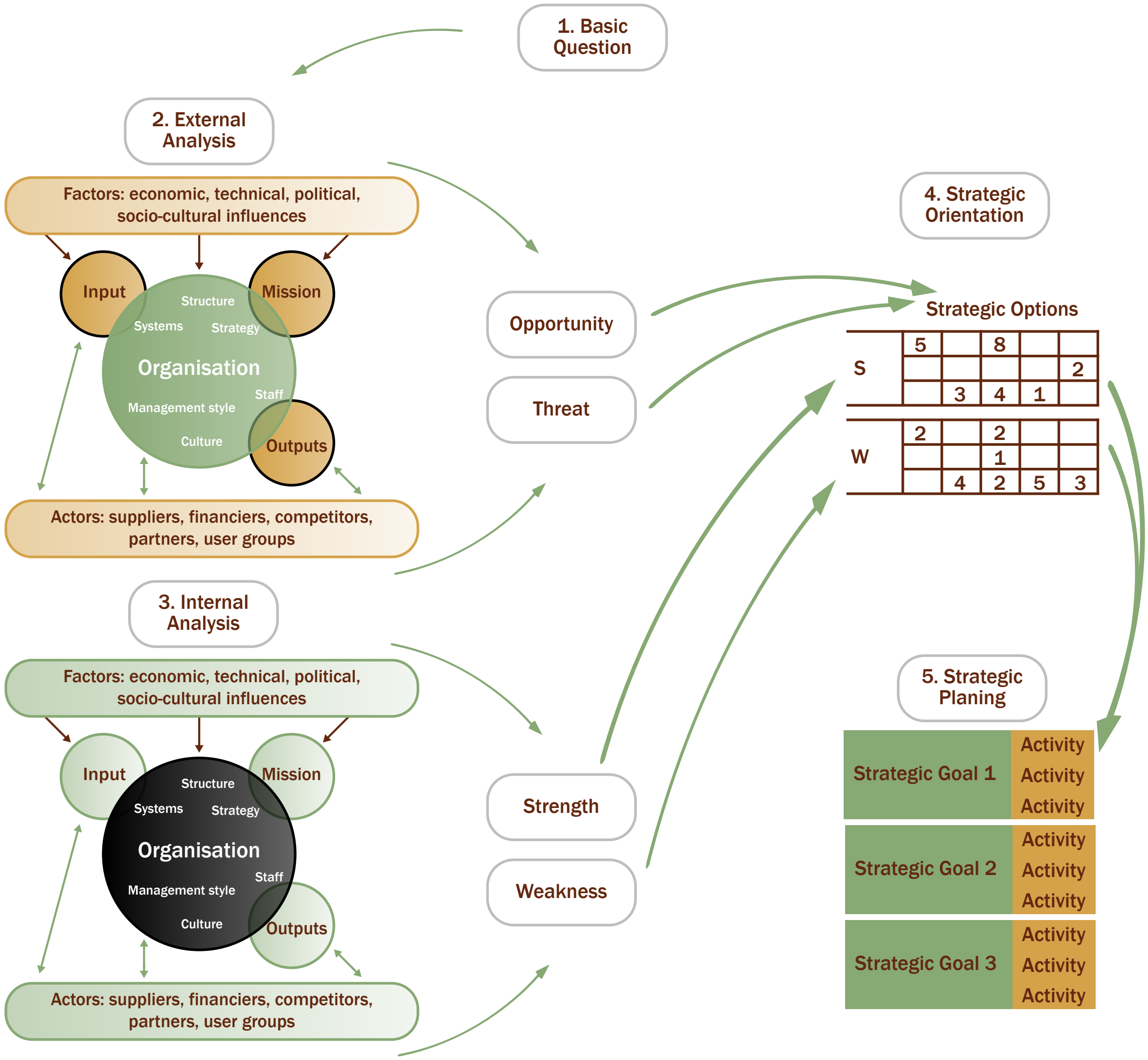
## How does it work?

SOR requires from its users a sound knowledge of the present factors and actors in the working environment and an understanding of internal resources and the general functioning of the organisation. Normally such insights would have come about through conducting a SWOT analysis as described above. Without having conducted a SWOT analysis beforehand supported by extensive discussions internally of likely implications among staff, you are most likely not ready to do a SOR. Let us look at the main elements of a SOR. The SOR contains a number of sequential steps that takes you from your initial Basic Question to your final Strategic Plan:

- develop your Basic Question;
- identify external opportunities and threats;
- identify internal strengths and weaknesses;
- put the opportunities and threats into one composite setting;
- formulate strategic options;
- review strategic options against the Basic Question;
- check feasibility of proposed strategic options;
- formulate strategic goals;
- conduct strategic planning.

On the next page, you will find an illustration that shows the whole SOR process based on the ID/OD process, from beginning with the Basic Question until arriving at your strategic orientation based upon which you will make your Strategic Plan. We will now go through each element.

*TACSO Regional Training „CSO Management“,*
*Former Yugoslav Republic of Macedonia, 2010*




*From Basic Question to Strategic Planning*

## 1. Develop your Basic Question

In chapter 3, the Basic Question tool was introduced as a way of assisting your organisation to develop an overall question which would be guiding you through an ID/OD process. Without a Basic Question, you run the risk of conducting an ID/OD process that may provide you with several interesting insights but without becoming aware of what is the most salient answer concerning the organisation. We have used the Basic Question as a reference point for every tool presented subsequently to ensure that your SWOT analysis captures the most salient elements. Without a clear focus, instead of a useful SWOT you may end up with what a participant once aptly renamed ia “So-What.” In the same way as for SOR, the Basic Question remains essential, because the strategic options we are going to explore, and ultimately choose between, must be assessed for relevance and feasibility against the same criteria as those we used in our Basic Question. See also step 5 in SOR.

## 2. Identify external opportunities and threats

We have previously explored the Quick Scan, Environmental Scan and Institutiogramme methods to learn about information relevant to the external analysis. The information gathered has resulted in several opportunities and threats which have been summed up on blue and yellow cards. These cards now come into play once again. Thus in preparation for your SOR, check your already gathered opportunities and threats cards derived from other tools and have them readily available before you start the SOR. This will enable you to later formulate strategic options, for which see step 4 below.

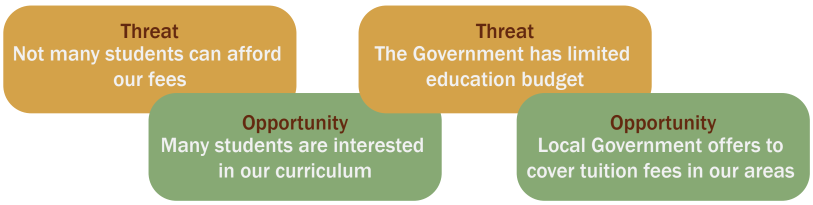
## 3. Identify internal strengths and weaknesses

As for opportunities and threats, the SOR also requires that you make use of your collected strengths and weaknesses cards from the IOM tool relevant to your Basic Question. These cards are particularly important for when we have to assess the feasibility of proposed strategic options compared to the existing capacity of your organisation, for which see step 6 below.

## 4. Gather your opportunities and threats into groups

This is when the real SOR work starts. Looking at your opportunities and threat cards, you must now assess whether there are some common themes on your cards that may make it possible to cluster them into groups. So instead of working with 20-30 individual cards, we should try to group them to establish a better overview. When you start to cluster cards into groups, remember that it is possible to combine both opportunities and threats into the same clusters, if you think they have things in common. In the example below, both green and yellow cards are related and can be grouped together. Once each cluster has been finished, you should provide a suitable heading to remind you of the topic, as has been done in the example below.

Cluster 1 Heading: Demand for education



Continue to cluster all your cards as best as you can, giving each cluster a heading to allow for an overview. Typically, you may end up with 4-5 clusters. You may also have cards that remain alone. Sometimes during discussion you may even realise that you have missed out on identifying essential opportunities and threats which did not surface through the use of the previous analytical tools. If so, agree on what they are and simply add these to your clusters. Check that the wording is clear to everybody before proceeding.

## 5. Formulate strategic options

Once all clusters have been completed, your next task is to formulate your organisation's strategic options or responses to each cluster. In other words, if you were to address a specific cluster, realising opportunities and being aware of the possible threats, what would be your best response? Taking the above example one step further, a strategic option could be:

### Strategic option 1

To develop a quality curriculum for students in consultation with local education officers to ensure ownership and increase chances of local government providing co-financing

It is also possible that one cluster of cards may lead to several strategic options that may be considered. Remember to make sure that everybody understands what is meant by your proposed option in order to be able to assess its feasibility later in the process.

## 6. Review strategic options against Basic Question

Once you have identified all your strategic options, you must review them against relevant criteria. Your most important criterion is whether or not your proposed strategic option is likely to answer your Basic Question partly or in full. Therefore, look at your Basic Question again, especially the criteria for judgement that you include in your Basic Question, e.g.: Suitability, Legitimacy, Relevance, Effectiveness, Efficiency, Sustainability and Flexibility.

You may also want to consider other criteria such as costs, positive or negative reactions from other actors, possibilities of support/funding, effect on gender, human rights and such things. Only you can decide which are the most important criteria for your organisation. In order to allow everybody to participate fully in the process, the clusters and the matching strategic options should be put up on the wall for review, as in the illustration on the next page.

| Cluster Opportunity + Threat | Strategic Option | Criteria | Score high, medium, low |
|---|---|---|---|
| ***Threat***<br>Not many students can afford our fees | *To develop a quality curriculum for students in consultation with local education officers to ensure ownership and increase chances of local government providing co-financing* | *Basic question Suitability, Legitimacy, Relevance, Effectiveness, Efficiency, Sustainability and flexibility* | |
| ***Opportunity***<br>Many students are interested in our curriculum | | | |
| ***Threat***<br>The Government has limited education budget | | | |
| ***Opportunity***<br>Local Government offers to cover tuition fees in our areas | | | |

Once you have agreed on the most relevant criteria for reviewing each strategic option, you will score the options from High, Medium to Low in terms of relevance. This is likely to generate a lot of discussion and you must allow the time for this before you proceed to the next step. If you cannot agree, you may have to vote among yourselves, but that is normally not the best way to make important strategic decisions.

## 7. Check feasibility of proposed strategic options

Now that you have identified preferred strategic options which you believe will be respond to your opportunities and threats, and ultimately to your Basic Question, the next thing you must ask yourself is whether you have the internal capacity to realise these strategic options. In other words, to what degree will your current strengths help you pursue your strategic options and how much will your existing weaknesses hold you back from doing that? Thus, if you have come up with very ambitious options, but it is not possible to deliver on these, this is going to lead to disappointment and low morale amongst staff and ultimately a negative external image. SOR proposes a way to check the feasibility of your strategic options by comparing them to your strengths and weaknesses as in the example below, which is a so-called SOR Matrix.

| | Strategic option 1 | Strategic option 2 | Strategic option 3 |
|---|---|---|---|
| Strength 1 | +++ | 0 | ++ |
| Strength 2 | ++ | + | 0 |
| Strength 3 | ++ | +++ | 0 |
| Subtotal | + 7 | + 4 | + 2 |
| Weakness 1 | - 1 | - 2 | 0 |
| Weakness 2 | - 1 | 0 | - 3 |
| Weakness 3 | - 2 | - 1 | - 1 |
| Subtotal | - 4 | - 3 | - 4 |
| Total | + 3 | + 1 | - 2 |

You first list all your strengths and then you score to which extent each of them is likely to have a positive influence on the realisation of your proposed option. For example, if you read vertically, option 1 scores a subtotal of +7 for all strengths, suggesting that you can make good use of these to accomplish this strategic option.

Next look at the identified weaknesses under strategic option 1, which will indicate how much you may be held back from realising your option unless they are addressed. Here the scores are a subtotal of -4. Based on a simple calculation, you have more positive strengths than negative weaknesses making option 1 appear most worth pursuing. However, if you look at option 3, the picture is less positive with -2, whereas option 2 is close to neutral.

It could happen that you identify a major weakness which makes all options come up negative. This does not mean that you should decide to do nothing. Instead, it suggests that before you are able to pursue future strategic options, you may need to carefully address this weakness as a matter of urgency, which in itself could become an important input to your future priorities. Normally, you may end up with 3-5 strategic options in the end. With more than 5, there is a great danger that you may be pursuing too many things at the same time, which could mean that you end up accomplishing less than had been hoped for.

Tempting as it is to use this calculation method to conclude which options you should pursue, real strategic planning requires an important measure of common sense. The SOR Matrix only throws numbers back at you according to how you have rated your own strengths and weaknesses. Thus, whereas the calculation appears at first to be a simple way of distinguishing a complex set of variables, you, and not it, are ultimately the person who will decide whether you agree with the outcome of the table or not.

Once everybody has been able to discuss, and hopefully agree with each other, on how to interpret the matrix to ensure a common understanding, you need to summarise which strategic options you decide to pursue as an organisation, and which ones to leave behind.

## 8. Formulate strategic goals

Look at your chosen strategic options, which have now been given the status of strategic goals. Check their wording once more and make adjustments as required, though without changing the fundamental essence of the option originally identified. Once you have finally formulated your new strategic goals it is time to find out how to put them into practice.

## 9. Strategic planning

At this final step you must ensure that, as an organisation, you are able to take action on each of your new strategic goals and translate them into performance. Based on an extended discussion with staff, especially the ones working within areas benefiting from strengths or constrained by weaknesses, identify which will be the most crucial results to achieve in order to accomplish the strategic option. For each strategic goal, identify two-three results that will later enable you to check or monitor whether or not you are on track toward achieving your strategic goal.

| Strategic Goal | Result | Activity |
|---|---|---|
| Strategic Goal | Result | Activity |
| Strategic Goal | Result | Activity |

Having identified the main results for each strategic goal which you want to achieve, you must finally identify which specific activities will be required in order to produce the expected results and ultimately help achieve the strategic goal. In the illustration on the left hand side, you see an example of a strategic planning matrix which you can use to sum up Strategic Goals, Results and Activities respectively. Whichever format you end up deciding to use, the important thing is that it makes it clear to you and other staff what they will be expected to do in order to successfully implement your new strategic plan.

## Tips for practical application and facilitation

In the steps outlined on the previous pages you would already have found detailed instructions on how to apply the tool step by step. However, the actual facilitation of this tool is perhaps the most important and difficult thing to do in the whole ID/OD process. This is because the main consequence of this tool is that long term strategic decisions have been made. Therefore, there may be a lot at stake for several staff and there is a natural tendency among staff to pursue their own most immediate interests and convictions, especially if it may influence their personal job futures and career prospects. It is therefore essential to have an SOR facilitated by an external person skilled in strategic planning without any personal interests in the outcome of the exercise. Otherwise, there is a risk that people will contribute and vote tactically or politically in order to ensure a certain outcome from the outset which suits their personal interests.

Some directors have even agreed to NOT sit in during the process in order to ensure that people feel free to express their views, even though these may be different from those of the director. In most cases, after the completion of the process, the director ends up positively surprised about the analytical insights and creative contributions from staff who may not normally be asked for their opinions.

Moreover, a strategic plan conceived by all staff collectively is likely to become a collective fully owned point of reference for everybody instead of something developed by others, which may be perceived to have little immediate relevance to the individual staff. The director would finally have to agree to what is being proposed being the person ultimately responsible for the organisation.

## Questions for further reflection

- Would you consider previous or existing strategic plans in your organisation as an outcome of a participatory consultative process amongst staff, where everybody had a chance to contribute and feel ownership? Why, or why not?
- how do you normally make sure that your strategic plans remain realistic and affordable instead of overly ambitious and that resources can meet demands?
- when you work with strategic plans, how do you ensure that your organisation is also regularly monitoring the implementation of the plan to ensure measuring of progress and making required adjustments along the way?

# Change Management

# Change Management

## What is it?

In order to survive, organisations have to adapt themselves regularly to be able to meet the demands of a constantly changing environment. This is true for private sector companies trying to meet the demands of clients or facing new competition. It is true for the government when having to offer new or different services to the public. It is also true for CSOs facing government and donor policies or having to engage with a multitude of stakeholder groups.

In dealing with organisational change it is important to consider the needs for and the expected results of organisational change, as well as the inherent dynamics of change.

### Questions to consider may include:

- why do we think a change will make us better off?
- how do we move from the current situation to the desired future situation?
- what are the expected requirements for achieving the desired change?
- how are we all likely to react to the planned changes as people and as colleagues?

Reflecting on these questions constitutes one of the first steps in a change process and the answers may not be as easy to find or agree upon as one might think. Three fundamental observations about change always seem to play an important role:

- change cannot be forced. It is a process and not a sudden switch or push of the button. Experience and practice, often including trial and error, is required. There is no instant recipe that always works;

- change leads to insecurity and thus creates a certain resistance. While resistance may not make the change easier, it may be a safeguard against over-hastened decisions. It forces an organisation to think twice and often instigates improvement upon plans;
- change does not follow a fixed manual and rarely follows the planned logical route. Even the best change plan will be influenced by external, uncontrollable turbulences of technological, economical and political character over which we do not have much control.

Change can be difficult to grasp, not least the psychology of it, and is unpredictable, given that it includes the behaviour of the people involved and affected. So, how to motivate people for change, how to overcome possible resistance, and how to manage the transition process ensuring commitment by everybody? A well-thought out change strategy is needed, an important part of which is the fundamental realisation that not all change can or should be planned in every detail from the start.

However, this is easier said than done, since, during change, there is often a lot at stake for many people. For all these reasons, most leaders or organisations are looking for the definitive organisational change model, which will guide them sequentially, painlessly and safely through a change process. No definitive timetable exists with predetermined stops along the way.

But what are we, in fact, talking about, and what does the term 'change' imply? Indeed, the term most used these days concerning change is, not surprisingly, how to manage it, i.e. 'Change Management.' The term Change Management has seen a dramatic proliferation over the past 15 years. However, that has not necessarily led to a broader consensus as to what it entails, on the contrary. It seems that the mainstreaming of the term has even made it a less meaningful term, one that casually is being applied to almost anything related to changes in organisations. During a recent Google search (April 2010) conducted by this author, the term 'Change Management' gathered 192 million hits. In comparison, the word 'MacDonalds,' the global fast food franchise, only generates 31 million hits. In other words, we are dealing with a very generic term.

First, let us define what we are talking about. Several definitions on change management abound. A few are mentioned here:

- a style of management that aims to encourage organisations and individuals to deal effectively with the changes taking place in their work. (Collins New English Dictionary);
- a structured approach to transitioning individuals, teams, and organisations from a current state to a desired future state. (Wikipedia);
- the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an organisation. (BNET Business Dictionary);
- the process, tools and techniques to manage the people-side of change processes, to achieve the required outcomes, and to realize the change effectively within individuals, teams, and the wider systems. (change-management-coach.com).

Most of these definitions derive from the field of organisational development which can be summed up as planned, organisation-wide efforts, managed from the top, aimed at increasing organisational effectiveness and health through intervening in processes, using behavioural science knowledge.[2]

Related to this, it is now widely accepted that the field of change management has grown from the fundamental belief that organisations are comprised of people and that the behaviour of people in the end determines the outputs and the performance of an organisation.

## Are people the fundamental assumption to be taken into account?

This handbook and guide takes a predominantly organisational perspective to change processes, analysing how best organisations, as collectives of people, may be able to go through change processes successfully. Much emphasis is put in this guide on the people side of change, as this, in our experience, is often the most overlooked aspect of change management. That is not to say that organisations set out to consciously ignore the importance of people during change processes. However, leaders and key decision-makers in organisations do not necessarily understand what it really requires to involve people properly in change processes with the result that the so-called ‘people factor’ becomes the fundamental assumption, i.e. that in the end it was the perceived resistance of people that proved most fundamental to the change process. In our experience, however, the people factor is not the most important assumption to be taken into account, but rather the hidden asset during change processes which, if put to proper use, is exactly what will help ensure a more successful change process.

[2] *Gallos, Organisation Development, 2006*

### Change defined as a journey

Change management can to a large extent be described as a journey with all of its positive and negative connotations. Though appearing exciting at first, it may not always remain an equally pleasant ride for everybody: what may excite some will certainly demotivate others, and it remains impossible to predict exactly how the process will play out, no matter how well prepared people may be. Thus the challenge is not one of trying to predict everything from the start. It is about allowing a certain amount of flexibility to ensure that a change course is possible if required.

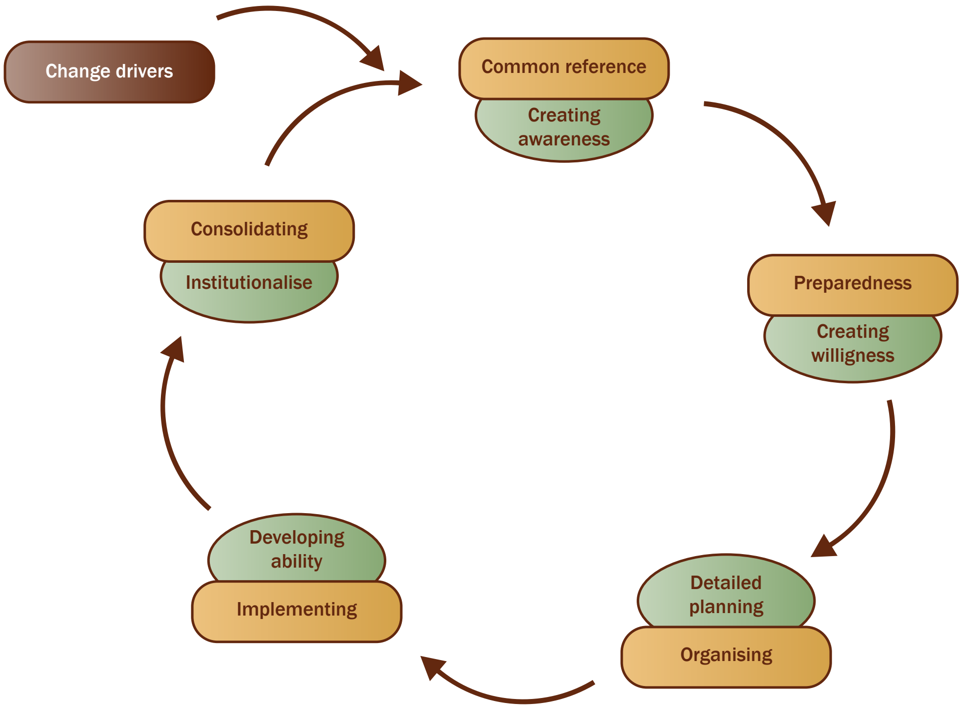
## What can you do with it?

The organisational change cycle has been developed based on the experiences of numerous people who have worked as change management consultants either as trainers, external consultants or interim change managers in organisations undergoing change. The cycle suggests that most organisations, with few exceptions, follow similar paths in managing change processes successfully and that sequence does matter. For example, if senior management moves directly from having developed a highly complex change plan for the entire organisation into implementation mode with little or no input from staff, then the organisation is almost guaranteed to run into trouble. Skipping steps, making short cuts to the proposed cycle, or fully relying on top down implementation, will almost be guaranteed to lead to failure.

The cycle consists of five major phases, which most organisations go through in order to accomplish a successful change process:

- common reference - creating awareness;
- preparedness – creating willingness;
- organising – detailed planning;
- implementing - developing ability;
- consolidating - institutionalise the change.

The organisational change cycle is not intended as a bullet proof ‘blue print’ for all organisations to be followed at all times - far from it. What the model does propose, however, is that moments of organisational and individual reflection are crucial to build in from the start as the organisation and its people digest the implications of the proposed change process and learn how to mange it.




*Organisational Change Cycle*

In fact, we argue that it is during the preparatory phases, before actually implementing the changes, that most mistakes are made by decision-makers who underestimate what it takes to get the organisation and its people ready for change.

# How does it work

The model combines organisational hard elements such as structures, systems, strategy and plans with the human softer elements such as personalities, energy levels, motivation and resistance. On the following pages, we go through the model step by step, highlighting main points of attention and the likely challenges associated therewith.

## Change drivers

A change driver can be defined as the major event, or factor that has led to the organisation deciding to initiate a change. If change drivers are not clear or have not been articulated, it may mean that the people who are supposed to support and take part in the change process do not even know why it has been started. Instead, people may perceive the change process as a non-coherent set of discreet activity changes, without seeing the overall big picture and indeed the improvements change brings.

Surprisingly, even at senior management level, what really has led to the need for change in terms of a more substantial analysis of the current situation is not necessarily clear or may even be contested, depending on who you ask. Or there may be several change drivers which in combination have necessitated the need for change.

Examples of change drivers:

- a significant opportunity arises for the organisation to become a leader in its field provided it makes certain adjustments to its products or marketing strategy;
- increased competition from similar organisations demand repositioning or changing of services, with the organisation even pulling out from some traditional areas of operation;
- a merger with another organisation either as a takeover or as a partnership. It is perhaps interesting to know that 80% of all corporate mergers fail due to lack of attention to conflicting organisation cultural factors between the merging parties;
- users or clients may demand new services or products of the organisation, which may force a new way of operating, demanding increased customer orientation, more flexible responses and new staff skills;
- responding to negative publicity in the media. Changing public perception is perhaps hardest of all and may often require deep cultural changes within an organisation and its staff;
- changing donor, government priorities or global policies often drive changes within the world of development assistance which suffers from quite short business cycles, meaning that every time donors change their policies or procedures, the recipient NGO or governments must follow suit at all costs;
- global recession with dwindling resources, where there is increased competition for fewer development resources, coupled with regular questions about development effectiveness.

In short, before embarking on change, it is important to articulate where the threats or pressures are coming from and where the future opportunities lie. That will help people in the organisation understand the background to and necessity and commitment to change.

## Change drivers are not always shared

Perceptions of change drivers are not always equally shared across the organisation. Senior management may see the need for change differently from blue collar workers or middle management, due to access to different types of information, other perspectives or beliefs, or simply a different analysis of the current situation. As a general rule, for leaders of the organisation most change drivers tend to be externally defined, such as changes in demand or supply, shareholder concerns, government policy change, etc. For individuals, however, their change drivers may be mostly related to working conditions, salary and benefits, professional development and relations with colleagues.

Trying to match organisational change drivers with individual change drivers is a major issue in making change processes work. There may also even be contradicting change drivers. For example, we need to cut costs to maintain our market position, but we also have to invest in innovation in order to secure new markets. Thus is the change driver cost cutting or innovation driven, or perhaps even a combination? If there is major disagreement or lack of clarity from the start, this may develop into full blown resistance or confusion about why there is a need to change.

Only when change drivers are known and reasonably shared can the organisation proceed toward trying to create a broader sense of reference and awareness. Knowing exactly when the time is ripe requires consultation, interaction and thorough analysis with inputs from several staff members from across the organisation. Though often ignored, investing the time to understanding the true drivers of change, including conflicting ones, in most cases pays off in the longer term.

## Common reference and awareness

Closely related to change drivers is the notion of whether there exists a common reference to what the change is all about. Creating common reference and awareness has a lot to do with effective communication from the start about the contemplated change process. In fact, most change processes going wrong will often also have seen a diminishing communication flow for some time, creating increasing uncertainties among staff. The moment communication stops, anxiety really starts.

## Is there a sense of urgency?

Questions on people's minds may include whether the change process can be re-negotiated if things are getting difficult or unpleasant during the journey. Other thoughts may concern whether the change process has to take place now, or if it can be postponed till next year, if things improve in the meantime. Many change processes, in fact, tend to be postponed until there is no choice left. Unfortunately the consequence of this procrastination is that the change process at that point is long overdue, leading to haphazard decision-making and increased anxiety.

People's perceptions are influenced by whether they see an immediate urgency to change or whether they merely consider it an option. There is, for instance, a big difference between the feeling of having ones back against the wall as opposed to taking advantage of an opportunity to improve. If the change drivers are perceived as quite distant with no direct personal implication for staff, it is harder to generate positive energy or even interest in pushing ahead. If, on the other hand, everybody's job is on the line, this creates a shared sense of urgency, i.e. the status quo is no longer an option. Several practitioners of change management would even claim that if there is no clear sense of shared dissatisfaction with the current situation, then it is practically impossible to get people to change.

## Talking a common and honest language

If we accept that change management is about managing the process of change, it implies that we must set a course from the start so that everybody has a good idea about where they and their organisation will end up if the change process is successful. Surprisingly often, change processes are promoted in quite vague terms, making little sense to the people who at the same time are asked to become part of them. Examples of such vague terms include: streamlining, rightsizing, thinking outside the box, being creative, serving our customers better, becoming a market leader.

But what does that mean in practice? If people's connotations of such phrases are either negative or quite different from what is intended, then it is hard to create a common reference and awareness of the need for change. Unfortunately, sometimes senior management intentionally keeps the rhetoric vague in order to not promise too much while down-playing or even avoiding the likely negative aspects of the change which may concern cutbacks and job losses. However, this seldom convinces people to buy into a change process in the longer term, because people will want to know what exactly will change for them as teams and individuals. If people sense that their leaders are not being honest with them, these same people will also not commit themselves to a process which may not be in their own interest.

## Will we all be better off?

However positively we may want to present the change process, there are likely to be perceived or actual winners and losers: some people will feel the change is to their advantage, others that they stand to loose out one way or the other. Though it is often impossible to predict exactly who is most likely to be better or worse off, especially since this is to a large degree dependant on perception, the fact is that perceptions or fear of the unknown may outweigh actual change. Postponing the inevitable will only hurt the credibility and legitimacy of the process as it progresses.

At the early stage of the process it is therefore essential to analyse to which degree the change process will affect everybody: equally or only a few. The short answer is that change will never affect everybody in the same way. This is so because changes to tasks and responsibilities will in most cases have to be tailor-made depending on the present or future functions of people or departments. Another reason is that how change is perceived by individuals is fundamentally different from person to person from a mental or psychological point of view. It may also be that the change will only concern some people, whereas others will remain practically unaffected which will be likely to influence levels of resistance later on as well.

## Preparedness and willingness

When common awareness and reference has been well established, it is time to start considering how to move the organisation and its people from being aware to becoming prepared and willing to participate in the change process. This is easier said than done. Often management may call a meeting, informing staff about things that they may already have heard about in general, but perhaps have not yet fully realised the practical implications of. Such meetings are seldom useful, unless people have had an opportunity to prepare themselves practically and mentally and if they have had an opportunity to exchange views with other colleagues in a safe manner.

## Are you with me or against me?

Some years ago, the CEO of an organisation where this author worked called such a meeting. After having explained the necessity of all the planned changes he finally asked: “Who can I count on to help me realise this change process?” Nobody dared to say anything, and most people even did not fully know what they now had to commit themselves to. Looking back at the process, this became the defining moment for a change process that in the end went terribly wrong. Having listened to the words of the CEO, staff were fully convinced that anybody not enthusiastically committing themselves openly would be considered enemies by the CEO.

It was not far from the truth, as all senior managers eventually left or were asked to leave within the next year, especially those who dared to question some of the elements of the change process. Instead of an open organisation with warmth and dialogue, a reign of managerial terror took over.

Creating preparedness and willingness can be a long process, but it is time well invested as any shortcomings at this point will haunt the change process throughout once implementation eventually begins. One way to become better prepared is to identify and engage with coalitions across the organisation who are supportive to the principles of the change process. It is important as well to become aware of groups of people who are likely to oppose or have questions about the process and to understand clearly the reasons why. This may also create a safer platform for dialogue and ownership and enable perceived resistance to be dealt with constructively, before it grows beyond control.

## Creating space and stamina for change

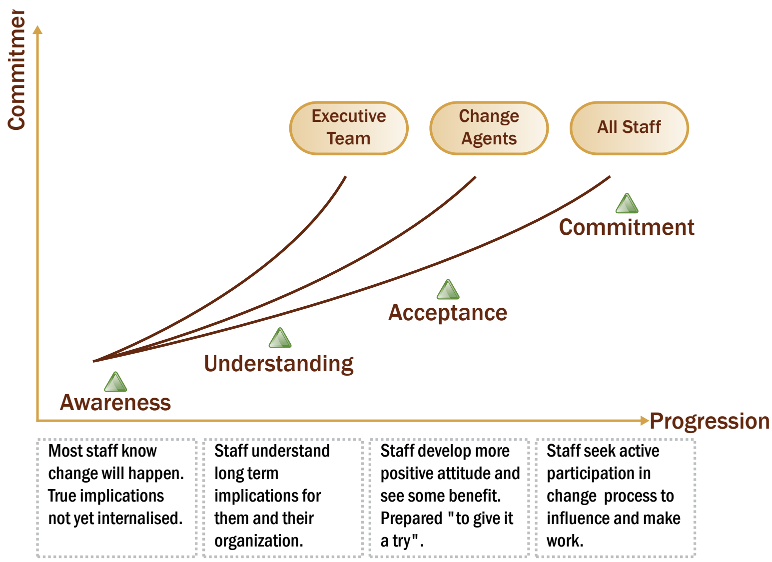
Another organisation had initiated a change process and had got totally stuck, mostly due to passive resistance. We therefore asked them when the current change process had begun to get a picture of how long they had been busy. It turned out that nobody could remember it anymore. In fact, several staff indicated that they felt they had been in a non-stop change mode during the last 10 years, without any time for recuperation nor any idea about actual improvements achieved. In the end, we convinced the organisation that they needed to focus more on stability and consolidation, and not another draining change process.

The point to be made here is that to engage staff in a change process, space must be created for this and time be provided for recovery. Constant change is not a healthy permanent condition for most organisations and their staff. Furthermore, if in the end the change process is seen and perhaps even treated as an additional burden on top of all the other regular work tasks, then it will be draining people rather than invigorating them.

## Are we all at the same place and pace?

A major challenge during change is to get everybody pulling in the same direction at the same time, from top to bottom. In our experience, however, this is practically impossible for several reasons. First of all, people's access to information may be different due to different functions or levels of seniority, meaning they may only have part of the bigger picture. There will also be an expected delay in messages and communications travelling within an organisation and in the time it takes to internalise their implications.

In brief, most people take a certain amount of time before they are able to move from awareness and understanding to acceptance and commitment, as illustrated in the model. This mental delay can be managed to some degree by senior management or change agents by allowing staff more time for reflection and by continuing to communicate and creating space for dialogue on a very regular basis.




## Organising and detailed planning

At this stage the organisation is expected to have reached a point where it has prepared itself and its staff for the change process as best as it could under the circumstances. However, let us remember that no organisation will ever be fully prepared for its change process as this would somehow be a contradiction in terms, as the unknowns will always co-exist with the best laid-out change plans. But the organisation and its leadership should nevertheless with conviction and honesty be able to answer positively whether they believe they have done their level best to prepare for the change process.

## Detail or overview?

People are now normally eager to know what the change is going to look like in practice, both the current situation and the final destination. Practice tells us that many change processes in fact start with the announcement of THE PLAN into which people may have had little input and thus limited ownership. In our experience, the better change management plan starts with a broader outline. What people really need at this stage is clarity, not detail.

This is a highly contested area, as many change managers tend to work out everything in detail in advance so as to come up with a precise and convincing plan. However, over detailing a plan early on is high risk as you are fundamentally forcing people to agree or disagree with the plan presented to them, instead of opening up the opportunity for dialogue. Though the final destination of the change journey may not be up for negotiation, choosing the best route of getting there should still be possible to explore together. As mentioned earlier, the nature of complex change processes is that all the answers are not known in advance, though the general directions may be.

## What will it cost us?

Resourcing the plan is another area often overlooked when initiating a change process. True, it may be difficult to resource the plan in every detail from the start, if nothing else because the path and all the stops in the process are not yet fully known. Nevertheless, a change plan should be considered an investment like any other major organisational investment. Things to consider include calculating expected external inputs, including consultants and their costing, staffing time, workshop arrangements, logistics and travel costs in case the change process involves international consultations in several countries.

Staffing time is generally the least well calculated input to the change process, though at the same time being the most crucial aspect or asset for a successful change. We therefore recommend that any change plan requiring concerted efforts by a number of staff should include these costs in order to come up with a price or resource tag for the change plan as far as it is known at that moment. Calculating this is also related to realizing the opportunity costs of other priorities outside the defined change process. These opportunity costs will often mean releasing concerned staff from other regular tasks while remembering to reward them for their commitment to the change process over and above regular expectations.

## It's all about communication

The change team is normally tasked to ensure proper participation of all staff, including arranging consultations with staff at appropriate stages in the change process and to set up smaller working groups to look into more detail at specific issues, which may require other skills than those of the change team. Developing an effective communication strategy is part and parcel of any serious change process. It is perhaps easier said than done and may require numerous kinds of initiatives simultaneously. It is also worth remembering that certain messages in fact need to be communicated several times and in different ways before they are effectively absorbed by the intended target group.

Make sure to avoid communication ending up as information generation one-way traffic, with no real dialogue and exchange. A communication strategy can contain several approaches in order to ensure that everybody is reached eventually, mixing up face to face dialogue with video conferencing, news letters, frequently asked questions (FAQs) and questions and answers (Q&As) where staff are encouraged to ask questions and the change team to come up with the answers.

## Launch the plan

It is now time to launch the change plan officially. This is normally best done through a formal gathering where major milestones are presented by the leader of the organisation and by the change team to signal that they are the group of people in charge of overseeing and coordinating the process. That is also an important moment where the change team and the leader commit themselves to actively listen to concerns that may be brought up and to encourage staff to participate throughout the process, without having to fear reprisals if they voice concerns.

If staff have till now remained more or less silent, that in itself may be a bad sign of people not yet feeling comfortable or ready to bring up difficult issues. This is another reason to keep a firm eye on communication throughout the process: it is when communication stops that real trouble begins. Mind you, communication should not only focus on all the great, exciting accomplishments, but also on the less bright sides of the change process, including the inevitable bad news that may come along with the change process, and how to deal with it.

It may be useful to identify staff members that people feel they can contact to air their concerns or to ask for specific support in learning how to cope with the foreseen changes, including on-the-job training, new skills development or personal coaching. There may also be a need to identify various compensation models in case of major layoffs or relocation. In terms of the human side to change, initiatives to support people feeling stressed or uncomfortable at a personal level should be planned so that frustrated staff can find time and space to receive mental support, including being offered access to counsellors, if needed.

## Implementing - developing ability

At this stage, we assume that the change plan has been developed and there is a sufficient amount of ownership and commitment across the organisation. There will most likely still exist a certain sense of hesitation, insecurity and resistance among staff, which should have already been taken note of during previous stages. Perhaps some initiatives have already been initiated to address key concerns and to make adjustments to the change plan which increases the prospects of success later on.

## Even minor progress counts

Most complex change plans have long-term perspectives, and it may take a good amount of time before the bigger results start to materialise. However, during a longer change process it remains important to keep up the energy levels throughout and to nurture them regularly. One way of doing so is to celebrate short term wins and other interim accomplishments through announcements or events where especially senior management makes sure to show appreciation with staff from the entire organisation. This means looking for moments when it is time to take stock and collectively acknowledge accomplishments: sometimes a few kind words may go a long way.

## The script is not set in stone

During the course of the change journey when the changes are being implemented, the road will inevitably get bumpy along the way. Pleasant and unpleasant surprises may surface and often when they are not expected or desired: no change is unambiguous. Be prepared for the unexpected: do not plan so tightly that creativity or chance cannot be tolerated. Often the biggest problems with plans are the plans themselves if they are followed too rigorously, even long after it is common knowledge that they won't work. People, especially leaders, may feel that they have invested so much time, political capital and personal pride in a change plan that they cannot afford to scrap it, though everybody else has already begun preparing for something different. Granted, it is never pleasant to give up what appeared to be a good plan at the time, but it is still worse to stick to it, if it is known that it will most likely fail.

## Monitor what is going on

Often it is only sometime after the completion of a change related activity that people affected really will know or feel what the actual implications are for their daily functioning. Therefore, what may have appeared like a minor detail to staff may later on after its implementation turn out more significant than anybody could have foreseen at the time. To pick up positive signals and discords along the journey, it is crucial to regularly monitor change plan implementation progress. If a change team is in place, this will be a core task for its members to coordinate.

The monitoring will have to be a balance between monitoring concrete progress of planned and agreed activities as well as of other internal or external events that may bear significance to the process in a positive or negative way. Another just as important monitoring exercise is that of people's sentiments: is the mood generally low, or are more people starting to pick up the new challenges? The results of the monitoring should be shared with staff, not just all the details which most people may not have much interest in, but also the bigger picture overview. Particularly interested staff may then on their own accord contact the change team for more detail if they feel certain aspects require more explanation.

## Consolidating - institutionalise the change

Assuming that the change process is about to be completed, with all the adjustments and changes along the way for a better final product, it is now time to ensure that supportive working and coordinating mechanisms are put in place. In this way, newly gained change results will not be compromised by falling back to the old ways of working. This concerns people's behaviour as well as how procedures and processes are to be changed more permanently.

## How to make change stick

Kurt Lewin, one of the forefathers of change thinking, referred to the change process as one of "unfreeze-change-refreeze." What he meant was that first one must create some pre-conditions for change (unfreeze), which includes creating flexibility from the existing ways of working. For example, if a new way of purchasing products is to be developed, that may require relaxing existing procedures in order to experiment. Once the improved preferred future way of purchasing products has been identified as a result of experimentation, i.e. the "change", it is just as essential to "refreeze" the organisation again, according to the new ways of working. This is also often referred to as institutionalizing the change.

This will involve fine tuning of new or adapted structures, processes and coordinating mechanisms, as well as of new desired staff behaviour. It is impossible to list all areas for fine-tuning, but as a general rule, any internal procedure, system or behaviour contradicting or compromising the new ways of working must be eliminated or adapted, even if it means reassigning key staff who stand in the way. Sometimes all it requires is updating formats and templates. At other times, a final round of restructuring of teams or the creation of entire new knowledge management systems or the setting up of a new department may be in order. Staff must be recognized for exhibiting these new behaviours and sanctioned if they do not. Staff may also for a longer period of time have to be offered additional skills and training.

## How to loose new gains fast

A major multilateral donor undergoing change in order to develop an approach for team work among staff seemed to remain stuck in its tracks. No matter how many workshops were conducted or how much training or how many exercises were delivered, certain fundamental staff behaviour remained unchanged. The organisation complained that the external advisor was unable to deliver what it had promised. Eventually, an analysis of the existing performance management system was conducted to see to which degree team work was in fact rewarded. It turned out that only individual accomplishments were rewarded and that the system indirectly punished collective achievements because attribution to the individual was less clear. Proposing that the organisation align their performance management system with the new values of team work, we were informed that this was “not an option” since this system had already been in place for two decades and that it would be too politically sensitive to change it. In effect, this meant that all the potential gains of instituting a new team work spirit were lost, as it turned out impossible to institutionalise the changes within the existing systems and procedures.

## We made it, what did we learn?

When the change process is finally over and the destination of the journey hopefully has been reached, this should be announced loudly and clearly for all staff to hear. People expect and have a right to know what has finally been accomplished, and how the company is expected to be better off in the future, compared to the starting point. That includes taking stock of specific moments in time during the process and most importantly, perhaps, to capture significant lessons learned for the future.

Reflecting on change can be done in different ways by means of internal surveys, interviews or group sessions to capture people's diverse opinions. It can also be done in more creative ways. Whichever way, the change process should be formally concluded to avoid people feeling as if they are in a never ending change mode, or that all the sacrifices and efforts made were never fully acknowledged in the end.

## Final words

Change within an organisation is a big deal and it should be recognized as such. It is asking a lot of people and will in most cases demand more from everybody than foreseen at the beginning. Change holds a lot of promise if managed well. It also contains significant risks, if allowed to derail or spin out of control. The organisational change cycle is not a model that will guarantee that any change will become successful. There are far too many internal and external factors influencing the final result.

However, in all cases, we have found that the people factor will always make or break any change process, particularly how effectively leaders are able to mentally connect with their staff during the process. That is why people must be put at the centre of the change process throughout, even if people may at times appear too afraid, or too conservative to play along with an (over)ambitious change process. In the end, people are, in fact, very rational: they fully realise that they are the ones who have to live with the changes in their organisation in the longer term.

## Tips for practical application and facilitation

Facilitating change in organisations is probably the most difficult part of the ID/OD process, not least because change rarely follows a predefined script. Facilitating change is therefore not a matter of identifying a range of tools and then simply implementing them. Instead it is about being aware of the change process in terms of what the major change is all about and why it is necessary. The tools will only provide you with different options or perspectives to what you may find necessary to change in your organisation, they will not tell you what you must do.

Any outcome of a strategic (re-)orientation and planning process is likely to bring with it change, some of which will be welcomed by most staff, though other parts may be considered less desirable from a staff point of view. It is crucial during change processes to keep constant contact  to ensure that staff stay onboard, that they feel consulted and that they see opportunities for themselves to play an active role. Whereas change processes must find ownership by a majority of staff for them to succeed, most change processes will also benefit from an external perspective at given points in time to ensure that the organisation is not losing its orientation or its staff along the way. In chapter 10, a checklist has been offered to ensure that organisations stay on track.

## Questions for further reflection

- Do we all know why we have to change, or have we just been told to by our bosses or donors, without any consultations? What will this mean for ownership?
- do we trust that senior management has told us all the likely implications of the change, including whether all the good changes will also have negative consequences for some of us?
- is our change process something that we are able to influence and play a role in to make sure that we remain realistic and that we do not become overambitious without being able to deliver at the end of the day?

# Application and Facilitation of ID/OD Tools

# Application and Facilitation of ID/OD Tools

In the manual we have introduced several working methods, which we have called 'tools,' which may be useful to apply in your organisational setting. We have described what they are about, what you can use them for, how they work and some facilitation tips. We have also proposed questions for your further reflection. In this chapter, we will provide you with a step-by-step approach to enable yourself or an external facilitator to guide your organisation through the practical application of the individual tools.

The step-wise approach implies a certain sequence in the tool application. The sequencing is based on several years of practical experience with what works best under most circumstances. However, this does not mean that you must apply the tools mechanically. It could very well be that specific steps do not apply in your case, or that you will invest less or perhaps more time during various stages in the process.

For example, if your organisation is already familiar with most of the stakeholders in your environment, there is no need to start the process from scratch. Or you may have decided that a Quick Scan will not bring the level of detail you need for your analysis, which is why you may skip the tool altogether and go straight into the other methods which will provide a more detailed picture. As we said in the beginning of the manual, only apply the tools that you find useful to your context and which may bring you new insights.

In the following sections, we will provide you with a number of recommended steps which take you through the tools, reminding you what to do and how to get the best results. When we refer to the facilitator we mean the person in charge of conducting the use of the individual tools. It may be one of your staff with good facilitation skills or an external facilitator. For application of all methods, ensure that everybody gets an opportunity to participate in the discussions, including those who may not normally speak up. Respect opinions that may be different from what you normally hear and encourage thinking that differs from the norm.

Learning about the new methods and tools is best suited for participatory groups of between 10-20 people who should be invited into a comfortable room that encourages open discussion and learning. That means a friendly table setting, a mix of people, where people are asked to sit next to colleagues that they normally do not have an opportunity to meet and talk to. All tools require flipchart paper, markers and coloured cards of 5x10 cm and tape for sticking them to the wall.

In terms of who should be there, ensure that you bring together people who are able to provide valuable and diverse input, including people you normally do not expect this from. If your organisation is large, make sure that you have proper representation from various staff both in terms of seniority and technical skills. By the same token, avoid that only senior management attends this session since that normally only confirms what senior management thinks. Instead, bring in people who may be willing to challenge the status quo.

All tools assume that you have reserved between 3-4 hours for each tool. For staff used to workshops and organisational analysis, they may need less time than other people to provide input. On the other hand, if you have a tradition for extended consultation where staff are used to exchanging views at length, you will of course need more time. Most important is it that after learning about each tool, staff walk away with a feeling that they spent their time well, and that the outcome has generated new insights into their organisation.

## Basic Question Steps

1. Ask people to discuss in small groups (3-4 people) for 30 minutes what they see as the most significant challenges for their organisation which would necessitate conducting an ID/OS process.
2. Tell the groups to write down on small cards (5x10 cm) with markers in clear writing and with only a few words (3-5) what they have identified. Put up the cards on a flipchart that everybody can see and read them aloud to check if their meaning is understood. Make adjustments to improve clarity, as needed.
3. Discuss what the background or root causes for these challenges are to ensure a common understanding and see if everything has been captured on cards. Add new cards if necessary.
4. Discuss whether the problems are mostly due to actors and factors outside the organisation, or whether the problems are more based on internal challenges or perhaps a mix.
5. Now ask people to reflect on and write down on cards what differences they would like to see in their organisation and why. This would hint at possible performance criteria. Put the completed cards up on a flipchart.
6. Check if a common understanding has been reached, though this does not mean that everybody has to agree, as long as they are clear on the issues that are in play.
7. Based on the previous discussions try to formulate the Basic Question in one or

two sentences and check if the provided contributions from participants have been properly incorporated.

8. This step normally lead to lots of discussion as people will most likely emphasise their points to be highlighted and requires patient and competent facilitation.
9. After an energetic discussion, it should be possible to formulate a draft Basic Question that everybody can live with, though it may not yet be perfect in its wording. Record the agreed draft sentence Basic Question on a flip chart so that everybody can read it.
10. Then ask 3-4 people to help finalise the sentence, while the others have coffee or a lunch break.
11. The Basic Question formulation will subsequently be presented by the group of 3-4 people explaining the background for their final formulation. Ask if people can approve of the Basic Question as good enough to continue with.
12. Remind people that the Basic Question is the start of the ID/OD process, and that it may need further adjustments as you move through other tools which may generate new information.

## Quick Scan Steps

1. Define the organisation which will be the object for the Quick Scan. If forming part of an ID/OD process, the organisation will be the one for which you have already formulated a Basic Question.
2. As most of the information will consist of a desk study, there is no need for a big team. Instead, make a team of 3-5 people who will be responsible for gathering initial information and analysing it further.
3. Ask the team to begin gathering information about the organisation in question by browsing the web, reading reports and perhaps asking around other people who have worked for and with the organisation.
4. The important questions to ask include:
   - what is the mission/vision of the organisation?
   - what are the outputs of the organisation (products/services, quantity and quality)?
   - how would you describe the performance of the organisation? Is it a reputable organisation with a long track record or an upstart?
   - what are the main inputs of the organisation?

- human resources (types of skills, backgrounds, competences, volunteers);
- material resources (buildings, cars, computers etc.);
- natural resources (e.g. raw materials if engaged in agriculture);
- financial resources (money, size of annual budget, growing or reducing);
- main sources of funding: donors, private donations, own resources, volunteers?
- who are the intended users/target groups of the organisation?
- what are the intended or actual effects and impact of what the organisation does, i.e. what has changed as a result of the organisation's outputs?
- your impression of the environment of the organisation: e.g. turbulent, political, collaborative, competitive, opportunistic?

5. Once all the information has been collected, bring together the team to ask them to summarise their information. Also invite other colleagues with an interest in the findings.
6. Draw a big Quick Scan model on a flipchart for everybody to see. Then ask your team to summarise their findings on cards indicating positive or negative aspects concerning inputs, mission and outputs, users and effects. Also ask the team to produce cards telling us something about actors/factors of importance to the organisation.
7. Stick the cards onto your Quick Scan model on the wall and discuss whether they are clearly understood. Sum up the information from your cards and make a preliminary judgement on the quality of the information using criteria from your Basic Question:
   - where do you feel you have enough information of relevance to your Basic Question?
   - where do you feel you need more information for further analysis of your Basic Question?
   - does the information gathered lead you to adjust the Basic Question? If so, Why?
8. Based on your analysis, is there a need to continue your ID/OD process or do you already know enough to answer your Basic Question? If you decide to continue your ID/OD analysis, reflect on what types of information you still need justifying further analysis.

## Environmental Scan Steps

1. First agree which organisation you are going to scan. It would normally be your own organisation, but it could also be an entire network, or it could be your local office where you would consider your regional offices and headquarters as external actors.
2. Put the name of the organisation or network in the middle of your paper on the wall; draw the four categories of the tool with proper headings and add the circle of influence on the wall.
3. In a brainstorm fashion, explore all the various factors and actors that you consider may have a positive or a negative impact on what your organisation is trying to accomplish. Use yellow cards for threatening factors and actors and blue cards for positive opportunities which you have not yet made use of.
4. Put the cards in the correct categories and decide whether they are to be placed inside or outside the circle of influence. Check if the cards are clear or if there is disagreement amongst participants, explore why that is and resolve the issues.
5. Either reformulate unclear cards, or perhaps divide a card into two cards if it contains too many issues on its own. You should preferably limit yourself to max 10 yellow cards (threatening factors) and 10 blue cards (opportunity factors) in order to keep it manageable.
6. Mark your chosen yellow and blue cards on the wall according to which of them you find will have the highest relevance to answering your Basic Question and which you therefore have to take into consideration.
7. Analyse which of your identified factors and actors are possible for you to influence and how, in order to improve your performance and impact as an organisation. Also identify which actors and factors you cannot influence directly and which implications this may have for your own strategy: match your level of ambition with the environment in which you operate.
8. Reflect on to what degree future collaborations with other actors may strengthen your position and your ability to influence key factors and actors which are at this point outside your circle of influence.
9. Consider if your original Basic Question remains relevant or if it needs to be sharpened following the Environmental Scan with implications for subsequent steps in the ID/OD process.

# Institutiogramme Steps

1. Define the organisation which the Institutiogramme is being made for. If deciding to develop a Radian Institutiogramme, write the name of your organisation on a card and place it in the middle of the flipchart paper on the wall.
2. Ask participants to identify actors considered important to your organisation and its long term goals. This includes actors supportive of what you do, actors in opposition to what you do, or even neutral actors with a potential role inr the achievement of your goals. Participants put the names of actors on cards.
3. Place the actors around your organisation on the wall and check if names of all actors are clear to all. You may ask participants to place the actor cards near or further away from your own organisation to indicate how close the relationship between you and them currently is.
4. In case you end up with too many actors (+10), you may try to group them according to what they represent, e.g. the name of a network instead of mentioning all their members. You may also want to distinguish between private, public, CSO or local community based organisations if considered important to your analysis.
5. Now ask participants to indicate with arrows the types and directions of relations between your organisation and other actors. If you have differently coloured markers, use colour to indicate type of link. For example, green may mean money flows, red could be politics or power, blue could be information exchange etc.
6. Indicate if the arrows are one-way, e.g. service provided from one to another, or if the relation is perhaps mutual, where an actual exchange takes place, indicated with an arrow pointing in both directions.
7. When all actors have been connected appropriately to your organisation, agree on the intensity of the relations at this moment where thick arrows indicate high intensity and thin arrows indicate limited intensity.
8. Finally, discuss what the Institutiogramme tells you about your own organisation and its relations with others:
    - which types of information are surfacing which may provide input to answering your Basic Question?
    - which types of relations do you need to pay more attention to in the future, why and how?
    - if you were to create an Institutiogramme with relations exactly how you would want them in the future, how would it look like, and what would you have to do to make this happen?

9. If you want to develop a Networking Institutiogramme and not a Radian Institutiogramme, the approach remains the same with the following differences:
    - instead of putting your organisation at the centre, start by putting all actors on cards on the wall in no particular order;
    - link each actor with each other, including actors which you may at present have no links to but where their mutual links may have positive or negative influences on your own goals;
    - in order to avoid ending up with an image resembling a 'spaghetti' of actors with arrows all over the wall, start with a few actors (5-6) only and link them appropriately before you move on to including other actors to maintain a good overview of your Networking Institutiogramme.

## Integrated Organisation Model Steps

1. Start by agreeing on your Basic Question or use the Basic Question you may already be working with. Check if the Basic Question is still clearly understood since this will be guiding the entire IOM analysis. Draw the IOM model on the wall with the various elements present.
2. Ask people to imagine they have been offered to join an attractive new organisation. Before they decide to join or not, they are allow to ask three questions each to help them decide. Ask them to write up on small pieces of paper or cards their questions.
3. Put the questions up on the wall and group them against each of the IOM elements whereby you demonstrate the different categories in practice, using people's own contributions.
4. Based on the Basic Question, ask people to reflect on strengths (green), weaknesses (red), opportunities (blue) and threats (yellow). Have them write these on cards according to colour code and help them place the cards on the IOM poster at the appropriate places.
5. To keep things manageable, you may ask people to identify two cards for each IOM element. Continue to identify cards until you feel you have captured the most salient SWOT elements. Check all the cards one last time, whether the colour coding is correct and whether they are all clear to everybody.
6. Once all cards have been duly debated and clarified, indicate which cards are most relevant to potentially provide answers to your Basic Question. The SWOT session based on the IOM is essential to providing input to the next step in the ID/OD process: Strategy Orientation and Planning.

7. In the annex you will find an elaborate IOM Checklists of question you could ask under each category. However, remember that you will never need to ask all the questions proposed. They are only meant to inspire you. Ultimately you decide which questions are most useful to your purpose and to your Basic Question.

## Strategic Orientation and Planning Steps

This tool presupposes that other steps have already taken place which will feed into the Strategic Orientation (SOR). Thus, it is assumed that participants have already developed a Basic Question, identified opportunities and threats as well as strengths and weaknesses for a SWOT analysis using various tools, including the IOM, with reference to previous steps above. Without this analysis, you are not yet ready to conduct a SOR. The SOR has been described step-wise in greater detail in section 8.3, How does it Work?

1. Develop your Basic Question which will guide the entire analysis. What is it you want to find answers to for your organisation, what needs to change and why?
2. Identify external opportunities and threats which portray the environment in which your organisation works, whether mostly friendly or challenging, whether competitive or collaborative.
3. Identify internal strengths and weaknesses which will tell you about your current capacity or relevance to answering your Basic Question. Which of these will be helpful and which will hold you back?
4. Cluster your identified opportunities and threats. Opportunities and threats may merely be symptoms of something happening in the environment. Therefore, try to group them under some thematic headings to get an overview. It is possible to have opportunities and threats in the same clusters if they represent the same trend.
5. Formulate strategic options. For each cluster of opportunities and threats with headings, formulate an appropriate strategic response as an option which your organisation could consider to protect itself against threats and take advantages of opportunities.
6. Review strategic options against your Basic Question. Score each strategic option against the key criteria of your Basic Question to determine if the options will have a high, medium or low significance in answering the Basic Question. Select the options with high or medium probability only.
7. Check the feasibility of selected strategic options by listing them against identified strengths and weaknesses. Thus each option is scored against existing strengths and weaknesses to determine to which extent they will further (strengths) or hinder (weaknesses) the realisation of the options.

Select the options with highest scores. If you come across a significant weakness resulting in low scores for all options, you may have to start by addressing this weakness before you proceed with implementing your strategic options.

8. Formulate strategic goals based on the options above, the feasibility of which was just checked against strengths and weaknesses. The selected strategic options, by implication, become your strategic goals. Check if their final formulation is still clear to all of you, including what they mean in practice.

9. Conduct detailed strategic planning where you identify a limited number of results to be achieved for each strategic goal, as well as associated activities. Check if you are able to resource them with staff, money and otherwise. Agree on who will ead on their implementation and realistic deadlines for their completion.

## Organisational Change Cycle Steps

In Annex 2, you will find the Organisational Change Cycle Checklist which will help you focus on particularly important aspects or steps common to most change processes.

# Annexes

- IOM Checklist
- Organisational Change Cycle Checklist

# Annex 1. IOM Checklist

## What is it?

The IOM Checklist is a list for inspiration and suggestions concerning the elements to look into when analysing an organisation in its context. The aim of the checklist is to assist in analysing an organisation from different points of view; it broadens and deepens your understanding of the situation.

What can you do with it?

The IOM Checklist can be used at various stages in the diagnostic process:

- at the start to review where there are bottlenecks and how these relate to other organisational elements;
- during the analysis, to check whether the fact-finding and analysis are still balanced in terms of focus and comprehensiveness;
- you can get an impression of the strong and weak points of your organisation and spot issues in need of further investigation of relevance to your ID/OD process.

## How does it work?

Use the checklist to inspire the formulation of initial questions of relevance to your Basic Question and your ID/OD process. Remember, it is not an exhaustive list; it merely inspires you to ask some initial questions of potential relevance to your case when applying the IOM. Moreover it does not determine which elements and aspects are crucial under your particular circumstances: only you will know this!

| IOM Checklist | Positive (+) | Neutral (±) | Problem (-) | Unknown (?) |
|---|---|---|---|---|
| **01.0 MISSION** | | | | |
| 01.1 Is the mission clearly formulated? | | | | |
| 01.2 Is the mission relevant to the situation of the beneficiaries? | | | | |
| 01.3 Is the mission understood & accepted by stakeholders? | | | | |
| 01.4 Is the mission clearly supported by the staff & management? | | | | |
| 01.5 Is the mission adequately translated into long term objectives? | | | | |
| 01.6 Is the organisation legally registered? | | | | |
| 01.7 Does the organisation have a clear constitution? | | | | |
| **02.0 OUTPUTS** | | | | |
| 02.1 Does the organisation offer a relevant range of products/services? | | | | |
| 02.2 Do the products and services adequately address the needs of the target groups? | | | | |
| 02.3 Are the existing products/services in line with the mission and long term objectives? | | | | |
| 02.4 Do products/services adequately address the different gender roles and positions of the target group? | | | | |
| 02.5 Is there sufficient demand for these products/services? | | | | |
| 02.6 Does the organisation deliver a substantial volume of outputs? | | | | |
| 02.7 Can the organisation meet the demand for its products/services? | | | | |
| **03.0 INPUTS** | | | | |
| 03.1 Is there a sufficient number of staff? | | | | |
| 03.2 Are there sufficient skilled staff? | | | | |
| 03.3 Are premises and equipment adequate? | | | | |
| 03.4 Is the location of the premises adequate? | | | | |
| 03.5 Are offices and equipment adequate? | | | | |
| 03.6 Are supplies of sufficient quality? | | | | |
| 03.7 Are services of third parties adequate (water, electricity, accountancy, etc.) | | | | |
| 03.8 Are financial means adequate? | | | | |
| 03.9 Is the organisation able to fulfil its short-term debts? | | | | |
| 03.10 Are there major financial risks and are they covered? | | | | |
| 03.11 Is there sufficient access to necessary information? | | | | |
| 03.12 Are inputs adequately utilised considering the volume and quality of outputs? | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **04.0** | **ACTORS** | | | | |
| 04.1 | Is the target group satisfied with the quality of products and services delivered? | | | | |
| 04.2 | Is the target group satisfied with the volume of products and services delivered | | | | |
| 04.3 | Is the organisation satisfied with the relations with financiers/ donors? | | | | |
| 04.4 | Are the financiers/donors satisfied with the results? | | | | |
| 04.5 | Are relations with other agencies adequate? | | | | |
| 04.6 | Has the organisation adequate relations with policy makers in the region and country? | | | | |
| 04.7 | Has the organisation a good public image? | | | | |
| **05.0** | **FACTORS** | | | | |
| 05.1 | Is the socio-economic situation conducive to the performance of the organisation? | | | | |
| 05.2 | Is the legal framework conducive to performance? | | | | |
| 05.3 | Are socio-cultural norms and values among the target group and in society conducive to performance? | | | | |
| 05.4 | Is the physical environment (climate, infrastructure) conducive? | | | | |
| 05.5 | Is the political climate conducive? | | | | |
| **06.0** | **STRATEGY** | | | | |
| 06.1 | Is the strategy in line with the mission? | | | | |
| 06.2 | Is the strategy clear and realistic? | | | | |
| 06.3 | Is the strategy translated in a clear, realistic annual plan? | | | | |
| 06.4 | Is the annual plan regularly monitored and adapted? | | | | |
| 06.5 | Did the organisation realise earlier annual plans and budgets? | | | | |
| 06.6 | Is there a clear and effective work planning? | | | | |
| 06.7 | Is the plan of work monitored? | | | | |
| 06.8 | Is the staff adequately involved in planning and monitoring? | | | | |
| 06.9 | Do strategies and plans address gender differences among the staff and target groups? | | | | |
| **07.0** | **STRUCTURE** | | | | |
| 07.1 | Is the decision making structure based upon a clear division of responsibility? | | | | |
| 07.2 | Is the division of tasks and responsibilities clear and understood by the staff? | | | | |
| 07.3 | Is there a logical division in departments and units? | | | | |
| 07.4 | Is the logistical support adequately arranged? | | | | |
| 07.5 | Is there sufficient co-ordination between departments/units? | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 07.6 | Is there sufficient communication between management levels? | | | | |
| 07.7 | Is there an adequate balance in the position of men and women in different units and levels? | | | | |
| **08.0** | **SYSTEMS AND PROCESSES** | | | | |
| 08.1 | Are financial/administrative procedures adequate? | | | | |
| 08.2 | Does the organisation adhere to its procedures? | | | | |
| 08.3 | Are working methods/approaches adequate? | | | | |
| 08.4 | Are working methods/approaches followed by the staff? | | | | |
| 08.5 | Is there an adequate planning system? | | | | |
| 08.6 | Is there a good system for monitoring and evaluation? | | | | |
| 08.7 | Are realistic monitoring indicators developed? | | | | |
| 08.8 | Is there sufficient attention to quality control? | | | | |
| 08.9 | Is sufficient information about performance easily available? | | | | |
| 08.10 | Is there an adequate reporting system (financially, non-financially)? | | | | |
| 08.11 | Is there a positive audit report on the last year? | | | | |
| 08.12 | Are recommendations of the auditor being implemented? | | | | |
| **09.0** | **STAFF** | | | | |
| 09.1 | Is staff performance adequate, considering the circumstances? | | | | |
| 09.2 | Are the staff salaries and secondary benefits adequate? | | | | |
| 09.3 | Is the performance of staff reviewed periodically? | | | | |
| 09.4 | Is performance adequately linked to salaries and benefits? | | | | |
| 09.5 | Are recruitment procedures adequate? | | | | |
| 09.6 | Is the staff turnover within normal limits? | | | | |
| 09.7 | Are the staff adequately utilised? | | | | |
| 09.8 | Are there adequate staff development activities? | | | | |
| 09.9 | Do the staff have sufficient career perspectives? | | | | |
| 09.10 | Does the staff policy adequately address gender differences? | | | | |
| **10.0** | **MANAGEMENT STYLE** | | | | |
| 10.1 | Is concern of management adequately divided over internal and external relations? | | | | |
| 10.2 | Is attention of management adequately divided over quality and volume of outputs? | | | | |
| 10.3 | Is concern of management adequately divided over people and means? | | | | |
| 10.4 | Is concern of management adequately divided over relations with staff and task performance? | | | | |
| 10.5 | Is there adequate balance between giving responsibilities and control? | | | | |

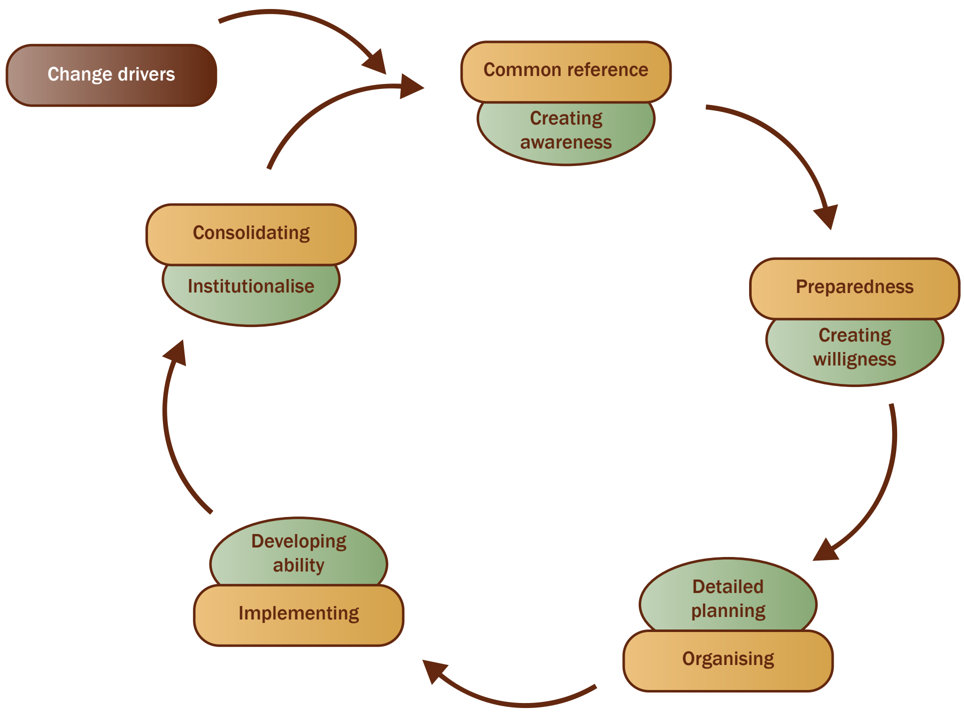
| | | | | | | |
|---|---|---|---|---|---|---|
| 10.6 | Are decisions taken in time? | | | | |
| 10.7 | Are staff adequately involved in decision making? | | | | |
| 10.8 | Are the staff adequately informed on decisions? | | | | |
| **11.0** | **CULTURE** | | | | |
| 11.1 | Is there an adequate balance between hierarchy and participation? | | | | |
| 11.2 | Is there an adequate balance between attention to performance and concern for people? | | | | |
| 11.3 | Is there an adequate balance between short and long-term thinking? | | | | |
| 11.4 | Is there an adequate balance between risk taking and risk reduction? | | | | |
| 11.5 | Is there an adequate balance between individual responsibility and team spirit? | | | | |
| 11.6 | Is adequate attention paid to accountability and transparency? | | | | |
| 11.7 | Is there adequate attention to inequalities (gender differences & minority groups)? | | | | |
| 11.8 | Is the organisation willing to learn from its past mistakes? | | | | |

# Annex 2. Organisational Change Cycle Checklist

As organisations go through different change phases it is easy to get lost or side tracked along the way. Two organisations would seldom have followed the exact same process of change, but pursued different paths, with different sequences and a different amount of attention to the change process steps. The Organisational Change Cycle Checklist has been designed to help organisations check where they are in their own process, where they may have skipped some important steps, and indeed, whether they have spent enough time and energy at the individual steps before proceeding to the next.

The checklist is broken into 5 major phases as per the organisational change cycle:

1. Common reference - creating awareness;
2. Preparedness – creating willingness;
3. Organising – detailed planning;
4. Implementing - developing ability;
5. Consolidating - institutionalise the change.



Each of the five phases will have associated sub-phases or steps to be followed. The checklist is not a sequential blue print for any change process imaginable. However, it has been based on several years of experiences with consulting for a number of different organisations undergoing change. These experiences tell us that all organisations, in one way or another, would eventually pass through all phases of the change cycle before successfully reaching the end point of their change journey, often revisiting specific elements before finally finding the proper path.

The checklist can be used by an organisation which is planning to undergo a change process and which wants to reflect well in advance in order to get the process as right as possible from the start, and understanding the road ahead. It may also be of good use for organisations that are in the middle of their own change process to check whether enough attention was paid to all the various elements, and perhaps to identify where things started to go wrong, in order to rectify the further course. Finally, it could be used after a completed change process to see where lessons have been learned about the design and implementation of a particular change process for future reference.

You may use the checklist to elicit the opinions of individuals involved in the change process to assess whether all staff perceive the stages of the process in the same way, e.g.:

- were certain steps addressed too artificially?
- were certain steps skipped altogether and why?
- where do we need to pay more attention to get back on track?

The proposed scoring system is broken down as follows: 1 = little, if any attention, 2 = on track, but still needs attention, 3 = fully accomplished.

Before making use of the checklist, it would be useful in advance to discuss people's interpretation of the categories in order to arrive at a more representative scoring system. The best result from using the checklist will be gained by asking several different types of staff to reflect on it, thereby capturing the views of both the main players as well as people who may not always be asked for their opinions or ideas.

If you are an external consultant or an internal agent of change, you may also use it to help structure group discussions on change management processes within organisations you are consulting or working for, alerting the audience to key discussion points. The resulting scores provide a mirror to staff to alert them, senior management and change agents, including advisors, to potential problematic areas that, if not addressed properly, might create increased resistance and demotivation. Bear in mind that the scores are not to be used as conclusive evidence of the success of a particular change process. But are meant more as food for thought and as a communication tool to debate whether the indicative scores are comparable to the ambitions of the change agents and staff, or if rectifying the process is required.

| Organisational Change Cycle Checklist | Score 1-3 |
|---|---|
| **1. Common reference - creating awareness** | |
| Identified internal/external change drivers - are they the same or conflicting? | |
| Are we equally aware of the need to change? | |
| Define the purpose of change: where will we end up when we are done? | |
| Are the negotiables and non-negotiables clear? | |
| Do we know if the change affects all of us? | |
| Is it clear whether the change is correctional, operational or transformational? | |
| *Points in need of attention – action to be undertaken* | |
| **2. Preparedness – creating willingness** | |
| Is there a presence of supportive coalitions? | |
| Has space been created for staff to engage fully – no bigger distractions? | |
| Have likely winners and losers been identified, acknowledged and addressed? | |
| Have signs of potential resistance been observed and addressed constructively? | |
| Are we all at the same place and pace, ready to proceed? | |
| *Points in need of attention – action to be undertaken* | |
| **3. Organising – detailed planning** | |
| Do we have a clear change process with a beginning and an end? | |
| Is there a known transition plan: What, why, where, how, who, when? | |
| Have change teams been created for ownership with sufficient mandate? | |
| Has participation in the process by all individuals and groups been agreed? | |
| Has an effective communication strategy been developed? | |
| Is the change plan adequately resourced money, time and staff wise? | |
| *Points in need of attention – action to be undertaken* | |
| **4. Implementing - developing ability** | |
| Has the change plan been officially launched, everybody fully aware? | |
| Have supportive means to help staff cope been identified? | |
| Do we remember to celebrate short term wins during process? | |
| Are there regular communication, dialogue and updates to staff on progress? | |
| Do we regularly monitor process and adjust course as and when needed? | |
| *Points in need of attention – action to be undertaken* | |
| **5. Consolidating - institutionalise the change** | |
| Have existing processes, structures and behaviours been consolidate to new change? | |
| Are staff continually supported in acquiring new skills and knowledge relevant for changes? | |
| Have change process been evaluated to harvest lessons learned? | |
| Has the change process been officially declared over – mission accomplished? | |
| *Points in need of attention – action to be undertaken* | |
| **Nothing can replace the value and absolute necessity of communication and dialogue through all phases. It is when communication and dialogue stops that the change process may be in trouble!** | |
| **Overall comments and action points** | |

**Scores: 1=little, if any attention, 2=on track, but still needs attention, 3=fully accomplished.**

# Glossary of Key Terms

# Glossary of Key Terms

**ACTORS** Entails any actor with an interest in a particular issue, whether for or against. The existence of actors determines opportunities for collaboration and threats which may work against the specific issue at hand.

**BASIC QUESTION** A general question or a statement that defines the overall issue(s) which the ID/OD process is supposed to be able to answer through systematic application of selected tools and subsequent analysis.

**CHANGE MANAGEMENT** A structured approach to transitioning individuals, teams and organizations from a current state to a desired future state. Includes application of tools and techniques to manage the people-side of change processes. Is a style of management to encourage organizations and individuals to deal effectively with the changes taking place in their work.

**COLLABORATIVE ACTORS** Actors with whom an organisation can profitably collaborate around a specific set of issues, and who will in most cases have similar interests. Collaborative actors represent opportunities to achieve more together than it working alone.

**COMPETITION ACTORS** Actors which are likely to oppose the activities of an organisation, who may compete for same resources, serve similar target groups or be working in the same areas. Their actions would in most cases be considered threats to the individual organisation unless turned into collaborative actors.

**CIRCLE OF INFLUENCE** Determines which factors and actors are within the influence of the individual organisation if it strategizes accordingly to take advantage of opportunities or protect itself against threats. Forms part of the tool Environmental Scan.

**CULTURE** In the context of this manual, (organisational) culture denotes patterns of collective behaviours within an organisation established over a long period of time. Culture can be a strong aspect of an organisation and makes it stable, but can also hold it back from operating differently if this is seen as a threat to the existing dominant culture.

**DEMAND FACTORS** Factors which affect the demand for an organisation's services or products positively or negatively. Will often include potential target groups or beneficiaries as well as factors or actors who may oppose the products or services offered and thus affect demand negatively.

**ENVIRONMENTAL SCAN** A tool that helps to identify factors surrounding an organisation, which will influence it for better or worse. By identifying factors early on, it becomes easier to strategise and to avoid unpleasant external surprises later on.

**FACTORS** External factors to the organisation which it normally will have little influence over and which it therefore instead has to adjust its operations, products and services to. Factors can both be positive or negative to the organisation and may include politics, education, employment, culture, history, legislation, etc.

**INTEGRATED ORGANISATION MODEL** A tool you can use to describe, to analyse and to diagnose an organisation and its immediate environment. It enables you to conduct a basic SWOT analysis for a strategic orientation process.

**INTEGRATED ORGANISATION MODEL CHECKLIST** A list for inspiration and suggestions concerning which elements to look into when analysing an organisation and its context. Triggers you to pose some starting questions of potential relevance to your case when applying the IOM model.

**INSTITUTIOGRAMME** A visualisation or image of relations between organisations/actors/stakeholders that may play a role or have an interest in a particular development intervention. Creates a broader understanding of the institutional stakeholder setting and is a snapshot of a dynamic interaction.

**INSTITUTION** Complexes of norms and behaviours that persist over time by serving collectively valued purposes expressed either as an abstract form such as a political movement or the law or in an organisational form, e.g. a political party or the courts.

**INSTITUTIONAL DEVELOPMENT** Support to the creation or reinforcement of a group or collective of organisations in a given setting to achieve long term objectives on a sustainable basis. Focus of analysis is predominantly external to the individual organisation on what goes on between actors.

**INPUT** Input may include money, staff, means of transport, buildings, knowledge, technology or even access to information which are used to produce outputs or to perform. Looking at inputs we may also learn where the organisation gets its resources from. The scale of inputs will tell us something about the size of the organisation and perhaps even how stable it is in the long run.

**ORGANISATION** People or groups that seek to achieve one or more common objectives, according to generally agreed rules and procedures, who have organised their activities in order to achieve a more permanent functioning.

**ORGANISATIONAL CHANGE MANAGEMENT CYCLE** A model which proposes a certain sequence to change processes which most organisations must go through in order to achieve a successful change outcome. Combines organisational hard elements (structures, systems and plans) with the human soft elements (personalities, energy, motivation and resistance).

**ORGANISATIONAL CHANGE MANAGEMENT CYCLE CHECKLIST** List to help operationalise the Change Management Cycle by posing a number of probing questions in order to assess how well an organisation is going through the various change steps and where more future attention may be required.

**ORGANISATIONAL DEVELOPMENT** Measures to improve the performance of an organisation by developing its internal capacity to plan, manage and execute development interventions professionally and sustainably. Focus of analysis is predominantly internal to the individual organisation.

**MANAGEMENT STYLE** The way management behaves and treats staff which may vary according to the individual personal characteristics of each manager. The good manager knows how to motivate and lead different types of working teams and people, whereas the average manager may only know one way to manage staff, irrespective of what is in fact needed.

**MISSION** A good mission statement will normally tell us why the organisation was established, what the organisation believes in or what its values are, what it wants to do and who its intended beneficiaries are. In brief, the mission statement is its reason for being.

**OUTPUT** Outputs may include products as well as services, such as distribution of information materials, food products, credit or loans, advocacy campaigns, delivery of training or education. The number and nature of products and services or amount of beneficiaries served tell us about the size of the organisation and thus also its capacity to perform.

**OPPOSING ACTORS** Actors who for one reason or another are against what the organisation in question wants to accomplish or change. Opposing actors will normally feel they stand to lose out if the organisation they are opposing becomes successful. Opposing actors are typically found around issues related to politics, culture, advocacy or (re)distribution of power and resources.

**POLICY OR GENERAL FACTORS** Normally factors that are directed or guided by the law or traditional practices, often represented by the government, dominant power brokers or stakeholders. Such factors are rarely easy to change or influence. However, most advocacy and lobby campaigns are often specifically targeting such factors to influence change for specific, often vulnerable target groups.

**SUPPLY FACTORS** Factors in the environment which influence availability of resources outside the direct control of the organisation. In environments characterised as resourceful, you may find it easier to operate than in resource scarce environments where you may have to fight harder to secure your inputs in competition with others. Both situations are linked to supply factors of relevance to your organisation.

**QUICK SCAN** A method to get a quick impression of some of the most relevant features of an organisation without incurring excessive costs or disturbing the organisation unnecessarily. Supports you in taking a first stab at gathering information that may be of relevance to answer your Basic Question and could point out additional information needs.

**STRATEGIC ORIENTATION** A method combining external and internal analyses to identify core elements of a future organisational strategy. Makes logical and explicit link between SWOT analysis and strategic planning while inviting for participation and transparent decision making.

**STRATEGIC PLANNING** The final step of the tool Strategic Orientation where you ensure that, as an organisation, you are able to take action on each of your new strategic goals and translate them into performance through detailed long term planning.

**USERS** The intended or unintended users of a product or service offered by an organisation.

**STRATEGY** A long term plan covering between 3-5 years which guides the organisation and its priorities. It can be seen as a translation of an organisation's mission into concrete interventions ultimately leading to performance. It supports you in generating and choosing between a number of strategic options or scenarios, since you cannot do everything!

**SYSTEMS** Systems comprise all internal processes that regulate the functioning of an organisation. A helpful system is one that enables the organisation to get things done quickly and smoothly without having to "reinvent the wheel". An unhelpful system is one on which you spend a lot of time to input information into without necessarily being benefited compared to your efforts, such as in certain bureaucracies.

**STRUCTURE** The formal and informal division and coordination of activities and responsibilities within an organisation. This includes the division people into groups, units, teams, departments, divisions, and the distribution of tasks, responsibilities and powers and the way the coordination of activities across the organisation takes place.

**STAFF** People working for an organisation who are normally paid. Without staff there is no organisation and without well performing staff there is no organisational performance. Staff need clarity of their tasks, an enabling environment that encourages them to perform and appropriate rewards for the work they do.

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