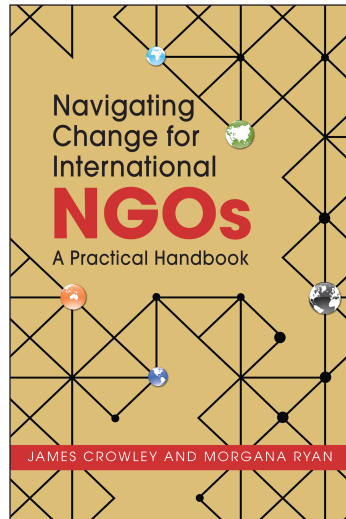


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Navigating Change for International NGOs: A Practical Handbook

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and Morgana Ryan

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Introduction

Navigating change in any large organization—in any industry or sector—is difficult. There are many kinds and levels of change, and there are many war stories—some good and many less so. Some changes can be fairly tangible—such as reducing costs, moving to a new office, implementing a new IT system, or reallocating responsibilities. Larger, longer-term improvements can sometimes be less precise, such as improving the quality of programs, improving decisionmaking, increasing agility, or bringing in stronger accountability approaches. Particularly when the complexity is greater, there are many things to take into account and a fair number of ways to trip up.

We are strong believers that successful change needs to bring together three important elements: the *content* of the change—what we are trying to achieve and what specific changes that involves; the *context* of the change—the reality of the situation we are working within; and the *approach* to the change—the process of navigating toward the intended destination. Good change leaders have an intuitive understanding of how to balance and integrate these three aspects. This demands a rare combination of analytical rigor, intuition, determination, and resilience.

The approach one takes depends on the content and the context. Sometimes a prescriptive, tightly managed project or program is appropriate. Sometimes it is good to lay out a series of intermediate destination points, each defining a useful degree of progress, but only develop detailed plans to get through the first few steps—knowing that flexibility and redirection may be needed after that. Sometimes, it may be better merely to set a vision of the intended destination, painting as clear a

direction as you can, but then letting staff and managers work out the best path to get there.

Why is navigating change so demanding in very large organizations? When addressing this issue, it is instructive to reflect on another curious question: what, actually, *is* an organization? We can see that it has many parts—people (staff, management, and boards), reputation, things offered to customers/beneficiaries, relationships (with partners, donors, supporters, volunteers, suppliers), buildings, values and principles, habits, processes, systems, and policies. All of these have been built up and refined in layers of experience, improvements, experiments, and learning. Each layer builds on the previous, year after year, decade after decade. New management and staff bring fresh ideas that eventually blend with previous layers. When we build the foundations of any major change process, we inevitably dig into some of these previous layers, causing disruption, confusion, and probably resistance. Progress requires analysis, understanding, empathy, and respect as well as rigor, patience, and perseverance.

Before proceeding, we would like to offer a vote of empathy to the leaders of large agencies in this sector. We appreciate that the business of development is complex and sometimes quite difficult. We understand that many agencies are extremely stretched, working in many different countries, in many different contexts, from failed states to large middle-income countries, and tackling a plethora of technically demanding topics. At the same time, the profile of poverty is shifting. The simplistic dividing line between the rich, developed world and poor, developing countries has become blurred. A significant proportion of those living below the poverty line are now in middle-income countries, in places such as India, Nigeria, and Indonesia—where the welcome for international civil society is receding. The increased frequency and duration of major emergencies (from conflict or natural disasters) is also placing enormous pressure on the global humanitarian response system. In many of these situations, security is becoming more problematic—think about the realities on the ground in Afghanistan, Somalia, South Sudan, Syria, and Palestine. To compound all of this, many donors and politicians have suddenly become self-professed experts in the business of development, demanding clear and immediate (and sometimes ridiculously simplistic) evidence of impact—apparently blind to the realities of the situations where NGOs are trying to help.

Access to funding is getting more difficult. Much of the global economy is stuck in an extended period of minimal or zero growth. This is driven by a range of factors, including weak demand, sluggish productiv-

ity growth combined with projections of a significant reduction in the working-age population in most developed countries up to 2050—even in emerging economies such as China, Russia, and Mexico.¹ As well as casting a negative shadow on growth opportunities in the developing world, this slowdown is already provoking questioning of the justification and affordability for the levels of aid funding that many aspire to.

Of course there are some areas of progress and encouragement. We have seen impressive progress in reducing poverty levels, particularly in China, parts of Asia, and South America. In a number of developing countries we have seen encouraging levels of economic growth with increasing enterprise and trade, helped along by new sources of external capital—including foreign direct investment and remittances. New technologies in many forms are providing the opportunity for some countries and sectors to leapfrog their way into a better place. However, for every positive sign of hope, there are dark clouds. The battle of cultures, as predicted so clearly by Dominique Moisi in his *The Geopolitics of Emotion: How Cultures of Fear, Humiliation, and Hope Are Reshaping the World*,² is raising instability, conflict, and displacement in many parts of both the developing and developed worlds. We know that the effects of climate change, which is finally an accepted trend, will be felt most harshly in the developing world. Despite encouraging progress at the Paris 2015 summit (the UN Climate Change Conference), this will undermine food production, water supplies, and livelihoods, even though developing countries have contributed precious little to the carbon and other harmful emissions that have brought it to bear. Together, these issues are likely to stimulate levels of migration from areas of drought, famine, and conflict far beyond what we have experienced to date.

International NGOs find themselves in a challenging position and unfortunately too often feel that they are on the back foot. As the world around them rapidly evolves, NGOs urgently need to figure out their optimum future role and focus. At the same time, many are striving to catch up with the demands of yesterday, strengthening and professionalizing their systems and processes, improving their decisionmaking in terms of allocation of capital and scarce expertise, reducing duplication and cost, and of course improving the quality and sustainability of their programs. Many are also trying to tighten their scope in terms of where they work and the content issues they seek to contribute to. This requires “complex and brain-hurting” thinking and analysis to reach a deeper understanding of how change really comes about—often discussed under the controversial label *theories of change*.

All of this essential work is ongoing and, unsurprisingly, is taking a considerable amount of time. This is not helped by inordinately complex governance structures, a scarcity of unrestricted funding, and the revolving doors of leaders who come and go. These large international NGOs are complicated, principled, and often stubborn organizations—and can be extraordinarily hard to shift.

Adding all this together, we should not be surprised to find that many NGOs are in a period of instability. They are no longer the small, nimble, independent agencies they were in previous decades. Although they have been doing their best to strengthen their operations to meet yesterday's expectations, they are not yet the high-performance, disciplined, professional organizations they aspire to be.

At this point, you may be thinking it is surprising that turnover and burnout in the ranks of the senior leadership in the sector is not even higher than it is.

This book is intended as a practical handbook for NGO executives, boards, donors, and staff who are seeking to navigating large-scale or complex change to respond to these complex challenges. It follows our earlier work, *Building a Better International NGO: Greater than the Sum of the Parts?*²³ There we argued the need for change and described the kinds of changes agencies need to make to stay relevant over the coming decades. That book was concerned with the why and the what—this new volume centers on how to make change happen. It brings together a broad range of ideas and insights from the world of managing change and seeks to make them directly relevant to NGOs and the international development and humanitarian sectors.

In Chapters 1 and 2, we cover a range of ideas, tools, and advice for navigating organizational change. To make this manageable, we structured these two chapters around four levels of thinking: (1) the basics for any change process, (2) dealing with complexity, (3) getting more insights by questioning context, and (4) bringing in the subtle but critical issue of timing and organizational rhythm.

The remaining chapters tackle five areas that we feel merit particular attention. Chapter 3 looks at the practical aspects of implementing a high-performance organizational model. Chapter 4 looks at the controversial subject of how to develop and implement a serious, agency-level theory of change. Chapter 5 investigates the practical changes required to work more effectively with the private sector. Chapter 6 examines the thorny issue of why NGOs have so much trouble with information technology. The final chapter looks at the rationale for, risks of, and possible approaches to mergers in the sector—respecting that the arguments for

consolidation are growing ever stronger and respecting that a merger could be one of the most transformative changes in the life of any agency.

Note

1. United Nations, Population Division, World Population Prospects, 2015 Revision, (medium variant), <http://www.un.org/en/development/desa/population>.

2. Dominique Moisi, *The Geopolitics of Emotion: How Cultures of Fear, Humiliation, and Hope Are Reshaping the World* (New York: Anchor, 2010).

3. James Crowley and Morgana Ryan, *Building a Better International NGO: Greater than the Sum of the Parts?* (Boulder, CO: Kumarian Press, 2013).