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FUNDACIÓN

Successfully transforming NGOs

Leading change

ESADE–PwC Social Leadership Programme 2009-10



Ignasi Carreras | Maria Iglesias | Maria Sureda

This publication is part of the *ESADE PwC Social Leadership Programme* that is run by the *ESADE Institute for Social Innovation and the PricewaterhouseCoopers Foundation*. The initiative aims to generate and provide knowledge on the leadership of NGOs and other non-profit organizations whilst creating a space for the exchange and reflection of ideas with the leaders of these social groups.

The programme's objectives are the following:

- Generate knowledge of leadership in the NGO sector and other non-profit organizations.
- Contribute to developing leadership ability in Spanish non-profit organizations.
- Share the knowledge generated with all sector organizations.
- Contribute to reinforcing the credibility of third sector organizations.

With this purpose in mind the programme combines the following activities:

- Leadership Forums: work and discussion sessions with the directors/participants of the programme.
- Research
- Case development
- Annual publication of results
- Public events
- Regular diffusion

Institute for Social Innovation

The ESADE Institute for Social Innovation's mission is to develop personal and organisational skills within the business community and not-for-profit organisations in order to strengthen their activities and their contribution to a more just and sustainable world.

The Institute's activities span all areas related to the development of Corporate Social Responsibility, the improvement of third-sector organisational management, and building relationships between companies and NGOs. This commitment is a holistic response to the processes of transformation taking place in the world.

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Translated by Amanda Dawn Blackley (Originally published in Spanish)

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Presentation

“They must often change who would be constant in happiness or wisdom”

Confucius

You have in your hands the book *“Successfully transforming NGOs. Leading change”*; the result of the second year of the ESADE-PwC Social Leadership Programme, a joint initiative with the ESADE Institute for Social Innovation and the PricewaterhouseCoopers Foundation that was established in 2008.¹

1 See the description of the programme in the inside jacket of this publication outlining the objectives and activities involved.

The programme aims to generate and provide knowledge and involves a research project that concludes in an annual publication. The project is the result of specific case studies and the analysis of an extensive bibliography but also a series of Leadership Forum sessions with the 40 leaders of the different NGOs that participated in the programme.

The first course which focussed on the definition and characteristics of social leadership led to the publication of the book *Líderes para el cambio social. Características y competencias del liderazgo en las ONG (Leaders for social change. Characteristics and competencies of leadership in NGOs)*

The recent course 2009-10 has focussed on a fundamental subject for the sustainability of any kind of organisation: how to lead and manage change. Although every organisation should have the ability to successfully make changes, the next few chapters of the book outline just how this necessity is even more essential in non-profit organisations. *How can social change be instigated by a static organisation? How can an NGO fulfil its mission if it is unable to re-orientate its activities as and when surroundings and social necessities alter?*

Throughout the course we have studied different cases and experiences involving the processes of transformation in non-profit entities, bringing together small and larger organisations from a number of activity sectors both on a local and international level. The book has been compiled with the analysis of a full bibliography of written material on leading change, the information gained from first-hand study cases involving the collaboration of the organizations, the interventions of participants in the Leadership Forums and the answers to queries made in the survey “NGOs and change” presenting the results of its research.

It is a study that has enabled us to create a model for leading change that outlines the different stages and key factors for the successful process of transformation within NGOs and other non-profit organizations.

The model has been adapted to the reality of the third sector that must have the aforementioned ability to continuously re-evolve and with leadership that is both transformational and inspirational can make the greatest impact in its mission.

It is therefore our hope that this publication be of use in learning more about developing the processes of change in non-profit organizations. A theoretical basis but practical focus aims to assist organizations in their quest for continuous improvement and important changes. The book presents a model that is completed with examples, pointers and indications to guide organizations in fulfilling their objectives.

This publication has been possible thanks to the collaboration of a great number of individuals and institutions, and from the Institute for Social Innovation and the PricewaterhouseCoopers Foundation we would like to thank both institutions for their support. ESADE and the PricewaterhouseCoopers Foundation have shown an important interest in contributing to the reinforcement of NGOs and the other civil organizations dedicated to social transformation.

As well as the authors and collaborators of the texts (Ignasi Carreras, Maria Iglesias, and Maria Sureda), this book would not have been possible without all the people who have shared their ideas and offered such fundamental support in this project, enabling us to produce the result that you have in your hands, and we would therefore like to thank the following people for their help and collaboration: Carlos Mas, President of PricewaterhouseCoopers for his vision of responsible leadership, Sonia Navarro and Anna Hernando, for their support at the ESADE Institute for Social Innovation, the ESADE teachers Ricard Serlavós, Alfred Vernis and Pedro Parada, along with Julia Rodríguez, Mónica Ruiz, Laura Nualart and Gisela Guevara from ESADE Executive Education, among many others who took part in the programme.

However our greatest thanks must go to all the organisations and people within the sector that have shared their opinions, comments and experiences and allowed us to create a model adapted to the sector with a practical vision and specific examples.

We therefore wish to thank all those organisations for explaining their experiences of change as outlined in this book, for the information provided and the time dedicated to numerous interviews, telephone conversations and revisions. Our great thanks also to the more than 250 people in many NGOs that

responded to the survey presented in the annex that has been the basis for the second chapter of the book dedicated to sector characteristics and NGO tendencies to change.

Most particularly we would like to thank the directors of all the organisations that participated in the ESADE-PwC Social Leadership Programme and shared their interest, experience and perception - the fundamental basis of this work. Our many thanks to:

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We hope this book is to your liking and can offer the concepts, ideas and experiences that may be of interest for the developmental process of change within your organisation. We sincerely hope that it might also assist those who wish to see a fairer, more sustainable world and are working tirelessly to achieve it.

Ignasi Carreras

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1. Leading change. The challenge of permanent adaptation

1.1 A changing world, a changing sector

The last few decades have involved a great deal of transformation. Political, economic, social, environmental and technological changes have transfigured the reality of a world that we are also learning to interpret with new perspectives.

Past ideologies have been challenged and there is increasing unease among individuals and societies who lack the proven facts to face the complex problems of a world that seems to be in a constant whirlpool of permanent change.

The changes are surprising and often contradictory. Advancement lies alongside recession whilst certain seemingly integrated achievements are being questioned in spite of apparent growth and global development.

The world is more global yet there are an increasing number of local institutions; there is more opportunity and yet greater distrust. Eras of economic growth and democracy are accompanied by greater inequality and persistently high levels of poverty. Armed conflict, international terrorism, an often indecent and renewed use of “war in the name of peace,” and security used as an excuse mechanism to restrict individual and collective rights.

A greater choice of direct and indirect information is available as well as a growing selection of technological devices to facilitate dialogue and social exchange. Yet for many the perception of isolation and solitude continues to rise. There is an almost universal recognition of certain rights that are not given. The impunity of some individuals contrast with the solidarity of others, whilst old problems remain on the political agenda and new challenges we are unable to deal with continue to appear.

These are just a few of the paradoxical changes that our society is undergoing; a society characterised by the growing weakness of traditional systems (family, friends, social networks, work and training...) where individual and collective vulnerability is increasing. It is this vulnerability that often hinders the full potential of its citizens.

Reference is made to long-term changes that in some cases affect the very foundations of society but that are not always easy to predict or follow. In fact at the very moment this book was written a ‘predictable’ economic crisis has proven quite unpredictable for the majority of political and social actors and plunged the world into a totally new crusade.

Will this mean the end of an economic model that is neither fair nor sustainable and already well out of date? Or will it be just another turning point in economic history where growth is seen as an unquestionable reference point? Today it is difficult to provide an answer.

Multi-directional, fast and increasingly complex changes mean all those involved are forced to question their role, and as voluntary protagonists in social transformation, NGOs are no exception. The NGO’s must think and re-think their functions, responsibilities, strategies, programmes and alliances, and even re-evaluate their legitimacy within a new context. NGOs are realizing that previous paradigms of intervention are no longer viable and consequently their activities and role itself is being questioned whilst they await fundamental progress.

As outlined in the book by Cordobés, Iglesias y Sanz “*Repensando el seguimiento y la evaluación en las ONGD españolas. Retos y tendencias de futuro en un entorno cambiante*”² (lit. “*Rethinking the follow-up and evaluation of Spanish NGODs. Future challenges and tendencies in a changing environment*”) in the field of development cooperation for example, the diffusion of the traditional north-south borders at both an international and local level, the growth of local capacity and the emergence of new actors committed to joint transformational effort – companies, local authorities and social organizations – strengthen and support new and hopeful ways to fight against poverty and encourage social inclusion whilst instigating the evolution of criteria for development.

2. CORDOBÉS, M.; IGLESIAS, M. and SANZ, B. (2009) *Repensando el seguimiento y la evaluación en las ONGD españolas. Retos y tendencias de futuro en un entorno cambiante*, Obra Social Fundación “la Caixa”, Barcelona.

New values and parameters are integrated and modify the patterns that have upheld cooperation structures. The very structures that condemned many to under-development are being transformed and integral, endogenous development processes are becoming the focus for new criteria. Consequently many NGOs located in the north, although not all, are considering changing their role, from direct executives to intermediaries and financiers, from project leaders and experts to accompanying others, from action to demand, from single organizational work to the creation of global networks of transformation.

Likewise the debate on climate change and increasing social concern for the environment has meant ecological NGOs have found themselves in a totally new position. Previously the outsiders of the system, they have become an integral part of it, advancing from the presentation of utopian ideas to the provision of a real and practical contribution to the demand. The changes and challenges are obvious and this is even more apparent in a situation where despite new ways of thinking, utopia is still necessary.

However can we refer to cooperation NGOs without taking the environment into account? Can we reverse climate change if we don't change the economic structures of our society and reduce inequality? The need for greater specialization clashes with the demand for a greater and wider vision. Organisational dilemmas multiply.

There is an obvious need for progress in the conceptualisation and design of new criteria to be able to undertake the problems in their full complexity. It is a need that is particularly evident in the field of social intervention. And in an increasingly vulnerable society, individuals and groups cannot be understood from a singular point of view; a classification of their situation as one of the many dimensions constituting society (relationships, family, economy, work, housing, sanitary or education). The static groups: - disabled, elderly, and unemployed, impoverished, and the one-dimensional activities: - economic, sanitary, educational, professional, that seem to have been predominant in the criteria of social intervention are not insignificant but are being reconsidered.

Former behaviour patterns are no longer viable particularly where the divisions between different sectors (public, company, third sector...) have dissolved and new actors or methods of transformation have appeared (an example are the global movements that are being managed via digital platforms) that until recently was quite unthinkable.

There is increasing awareness of the need to encourage synergies and form networks between the different actors and sectors, and a definite need for progress in the clear definition of roles and inter-relationships. In this environment the ability for intervention and the mobilization of resources is growing but so is competition. Such demand for resources is forcing NGOs to work more effectively and efficiently and has led to an increasing need to present result feedback on their activity.

The decades of the eighties and nineties in the last century were eras of great exponential growth for the number of NGOs in Spain. Several studies have recorded this reality although the different criteria used to define the sector and the sources of data make exact figures difficult to accord.³ For example according to the study *Las ONG de desarrollo en España*⁴ made in 1995, between the period 1947 and 1979 an average of 1.2 NGOs were established per year and during the eighties a total of 51 NGOs were formed in Spain (CONGDE the coordinator for Spanish NGOs currently registers a total of 89 entities).

In the field of social action Pérez-Díaz⁵ (2002) also manifests the appearance of numerous organisations in the last few decades, and of the 15,140 identified in his study (13,601 associations and 1539 foundations), almost 88% were founded after 1977. Serrano y Sempere⁶ (1999) justify the evolution and development of voluntary associations in the notable increase of entities registered in the National Register of Associations since the figures registered in 1990 duplicate those of 1980.

3. A comparison of the different studies and publications on the third sector and its assessment can be found in: VIDAL, P. and SIMON, C. (2007) *Investigaciones y estudios del tercer sector en España. Identificación y principales datos* (lit. "Research and study of the third sector in Spain. Identification and data") Third Sector Observatory, Barcelona.

4. BAIGES, S.; DUSTER, D.; MIRA, E. and VILADOMAT, R. (1996) *Las ONG de desarrollo en España* (lit. "Developing NGOs in Spain") Flor del Viento Ediciones S.L, Barcelona. 1996.

5. PÉREZ-DÍAZ, V.; LÓPEZ NOVO, J.P. (2002) *El tercer sector social en España* (lit. "The third social sector in Spain"), Madrid, Ministry of Work and Social Affairs.

6. SERRANO, J. and SEMPERE, D. (1999) *La participación juvenil en España* (lit. "Youth participation in Spain"), Fundación Ferrer y Guardia.

The growth in recent decades supposes that NGOs have progressed from an unknown concept for the general public to becoming referential members of society and are actually valued as possible counterparts for Public administration and company organisations. However certain scandals and the logical evolution of social demands with greater criteria have weakened the initial and unquestionable aura of goodness originally associated to the sector. From the end of the nineties to the beginning of the new century Spanish NGOs have therefore been submitted to the surge in demand for greater clarity and information.

The new decade that stretches before us is quite likely to be significant for NGOs (at least where Spain is concerned) to consolidate and outline a new role in society. Having overcome the period where it was necessary to strengthen their organisation and demonstrate their effectiveness and efficiency, it now seems to be time to demonstrate their real impact. And an ability to adapt and continually learn will greatly influence their success in the former.

1.2 The ability of adaptation as a key element of NGOs. Motivation and reasons for change

New challenges, new problems and opportunities, new actors and inter-relationships make the ability to change and adapt a key element for the success of all organisations, whatever sector they belong to.

It is an ability that in the majority of NGOs is closely linked to their actual reason for existing and an essential part of their basic values. We mustn't forget that social transformation is the essential *leit motiv* of many of these organisations.

As Leslie R. Crutchfield and Heather McLeod's⁷ text states, the time has come to consider the NGO not as a closed organization but as a catalyst for change within an ever-changing environment. Driving change with the collaboration of others should be, and is in the majority of NGOs an integral part of their mission.

7. CRUTCHFIELD, L.R; and MC LEOD, H (2008) *Forces for Good. The Six Practices of High-Impact Nonprofits*; Ed. Jossey-Bass; San Francisco.

It seems almost indisputable that the very organisations that were born to make change are actually highly sensitive to any kind of alteration in their surroundings and that they are themselves completely prepared to undertake any kind of change as an essential part of their daily existence. It is therefore important to emphasise that NGOs as agents of change and propelling transformation must themselves have the ability to be transformed.

As such it is obvious that change touches on an area that reaches beyond mere survival; and must be the result of a solid commitment to society.

Two great motivational factors for change

Change to survive

Adapting to change is unquestionably one of the key factors when explaining the reasons organisations survive. Surviving in a changing environment is therefore a major priority that drives an organisation to change.

This change may be linked to a transformation in the environment, within the organisation itself or a crisis that makes it indispensable.

The Fundación Anesvad is an organization for development cooperation with over 40 years of experience in working to promote and protect health as a Fundamental Right.

When the change took place in Anesvad it had a budget of over 25 million euros and 62 workers.

In March 2007, two of the highest ranking executives and the Chairman of Anesvad were charged with the unlawful appropriation of funds. The Public Prosecution Service adopted the cautionary measure of naming a public civil servant to undertake the role of the board to continue the activities of the foundation. Three legal administrators were named as members of the new governing body of the organisation. The Anesvad Foundation was the adversely affected party in the ensuing court proceedings.

For almost a year the Foundation continued to work without General Management, until October 2008 when Bernardo García was appointed as CEO of Anesvad and given the responsibility of completely renewing the organization. The task list at this particular point in time was enormous.

Following the Chairman's arrest there had been no leadership within the organization and by mid-2007 the lack of management was clearly manifesting itself in tense relations between certain members of the management team.

The future of the organization was evidently in danger, and the need for change an obvious fact shared by all its members. When Bernardo García was named CEO the team was already eagerly awaiting its transformation. A crisis had meant that initiating the change in this case was quite simple; the team was anxious and ready to make it happen, although convincing them from a management viewpoint was not easy.

The price paid was huge, and the delay and reasons for the change meant that there was a high level of dissatisfaction and lack of motivation. A discouraged team was used to a very strict form of leadership. When Bernardo García arrived at the organization he was faced with the great challenge of motivating and committing the team to a new project and winning back their trust.

Furthermore the image of the organization had been seriously damaged and recovering its credibility became a major priority.

The crisis acted as the starting point to renew the organization, provide the necessary support and methods to increase its impact and guarantee the correct realization of its corresponding functions.

It is an example of what can be denominated reactive change or crisis change. Reactive changes are actually the most common and are the reaction to obvious signs in the environment or within the organization that make it necessary.

If there is a lack of awareness, the signs are overlooked or ignored and the opportunity not taken to make certain changes. A critical situation may mean change becomes absolutely essential. When a crisis appears, or a certain rupture or any kind of trouble emerges, the urgency of the situation and need for change make its initiation easier, but as Stewart Black and B.Gregersen⁸ point out, the cost of change in these cases is usually a lot higher. Reacting before a crisis actually manifests within an organisation reduces the costs it has to pay and makes its survival much more likely.

⁸ STEWART BLACK, J.; GREGERSEN, H.B. (2008); *It Starts with One. Changing individuals changes organizations*; Wharton School Publishing; 2nd edition.

Types of change

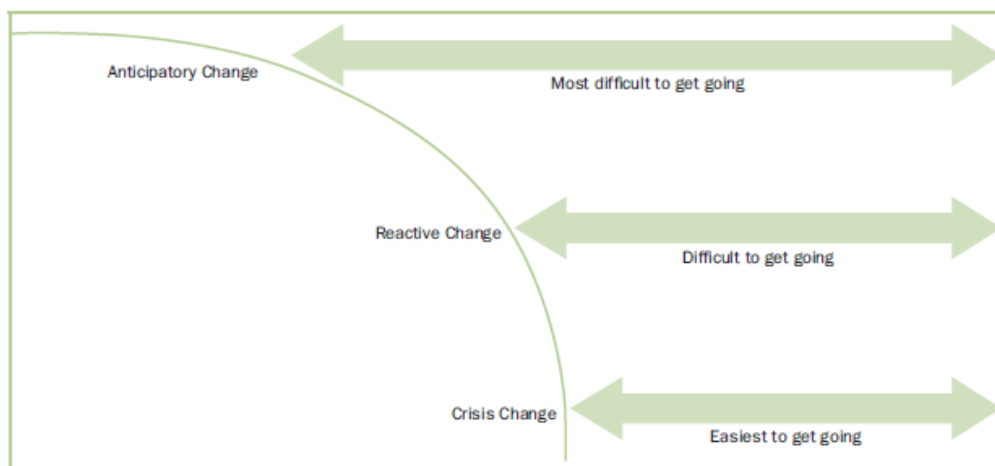
Anticipatory change– changes produced having anticipated their strategic necessity; by being somehow ahead of the changes in the environment or even an active part of them.

Reactive change– changes produced as a reaction to signs in the environment or within the organization that indicate their necessity.

Crisis change– changes produced as a reaction to a crisis after some kind of transformation in the environment not detected with sufficient foresight or some kind of internal disturbance.

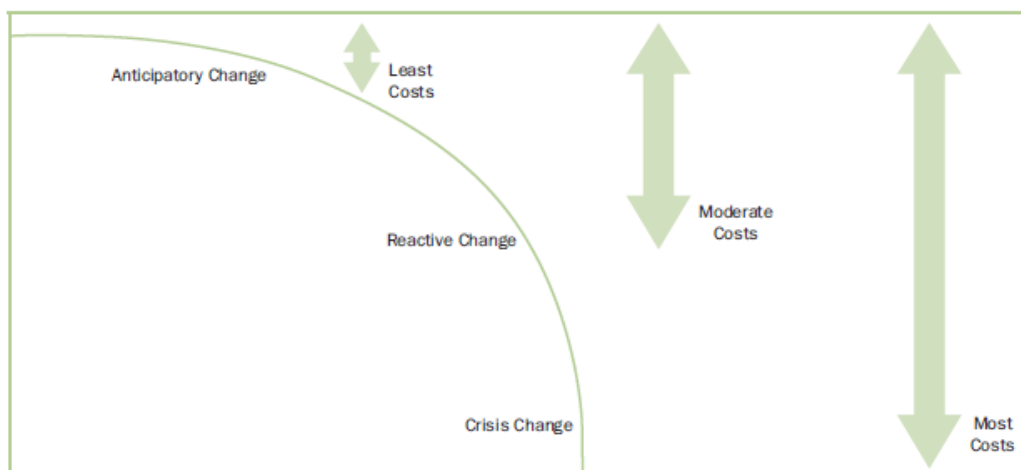
Source: Stewart Black and B. Gregersen

Figure 1.1. Difficulty in making change according to type



Source: Stewart Black and B. Gregersen.

Figure 1.2. The cost of change according to type



Source: Stewart Black and B. Gregersen

However a crisis often allows changes to be made that in other circumstances might be difficult to achieve. If faced courageously it can be an obvious opportunity to progress, making significant changes that will anticipate any new condition.

The Fundació IRES, Instituto de Reinserción Social (Institute of Social Reintegration) is a social organization that was established in 1969 to offer social, psychological and educational assistance to people with a risk of social exclusion. From its very beginning people with a criminal background were a priority group.

When the change occurred IRES had a budget of over 8.5 million euros and a team of 254 professionals employed.

IRES had been considering a change in direction for some time when in 2009 the Generalitat de Catalunya, the local government, suddenly announced that the public tender of the implementation and development of alternative measures of criminal justice; a service the organization had been managing since 2000.

The service had shown enormous growth; rising from 400 cases in 2000 to 15,000 in 2009. There were 130 IRES workers involved in the service dealing with a budget of 4 million euros in 2009. The final resolution of the public tender divided the management of alternative criminal justice measures in the province of Barcelona into two large sections. IRES won one of the divisions valued at 1.5 million euros; however it was accompanied by the loss of an important volume of cases.

The new situation involved an important reduction in human and financial resources – 67 people and almost 2.5 million euros less than had been managed by the organization beforehand, making a huge impact on their management structure. Both the numbers and functions of the people managing the organization had to be reconsidered and new mechanisms found to overcome an important reduction in income.

However the loss of tender highlighted the importance of the strategic thinking process the organization had initiated in 2008 and the management team saw the situation as an opportunity to reaffirm the role of IRES as an innovative agent and collaborator with the government and other parties. It was a chance to move forwards and redefine their organizational model; to overcome the current situation where they seemed to be considered by the government as a mere supplier.

Alternative criminal justice measures had been one of the organization's major areas of intervention for the last ten years. Alongside the Generalitat IRES had developed a singular model for Catalunya; the Foundation was referential in Spain as the leading body in introducing alternative criminal justice measures and was the founder of the CEP- Conferencia Europea de la Probation (European Probation Conference).

The loss of tender had severely depleted an area where the Foundation had been most recognized and seriously questioned their most recent strategy for consolidation.

"They say that if you throw a frog into a pan of boiling water it will jump out and save itself. However if you throw the same frog into a pan of cold water and start heating it until it boils, the frog will die as it won't have been able to detect the danger of the small changes taking place in its surroundings."

(Popular saying)

The most difficult time to change is when everything seems to be going well. Organizations are often unable to detect or predict the final impact of the accumulative sum of small changes that might influence their position and actual reason for existence. The lack of clear signs that indicate change is necessary, or any feeling of urgency or crisis makes the initiation of a transformation process much more difficult.

In this case it is the responsibility of the organization leaders to interpret the small signs that might be pointing towards making some significant change in the future and to anticipate a critical situation before it is too late. The ability to anticipate change and even provoke it is a fundamental quality of organization leaders who wish to have a key role in their respective sectors. To be close to the end users, listen to their opinions, have clear objectives and an indication of their impact can help detect the need for change ahead of time.

In 1980 a group of young people in one of the working-class districts of Barcelona's city centre decided to create an organization to meet the lack of leisure possibilities for children in the area at the weekend. A youth centre organizing different activities on Saturdays and Sundays was opened, and for many years was a huge success with the majority of children attending the centre almost every weekend. However at the beginning of the nineties, despite the efforts made to improve and extend the different activities on offer, the numbers of children slowly began to decrease and gradually the percentage of children visiting the centre dropped. In 2001 and after numerous re-programming and communication campaigns, the poor figures of attendance meant the centre was forced to close.

The founders of the centre in this case were not able to anticipate the changes in society - a new demand, a new focus - nor were they able to react immediately when the problems started, when there was a clear indication that change was necessary.

The new social and economic reality had not been taken into consideration. In 20 years it had provoked a radical transformation on many levels. Working at weekends was increasingly unusual; a better economic situation meant many families were able spend the weekends outside the city. However good the quality of the services on offer, they no longer met the needs of the district in question.

The ability to detect the need to change, to anticipate it, is one of the secrets not only for survival but for the very influence of many NGOs. As we will see in the next chapter, many of these organizations with their individual specifications – stakeholders, collegiate leadership, participation - possess multiple ‘antenna’ that are aware of their environment; and unquestionably facilitate the detection of any change necessary.

Change to increase impact

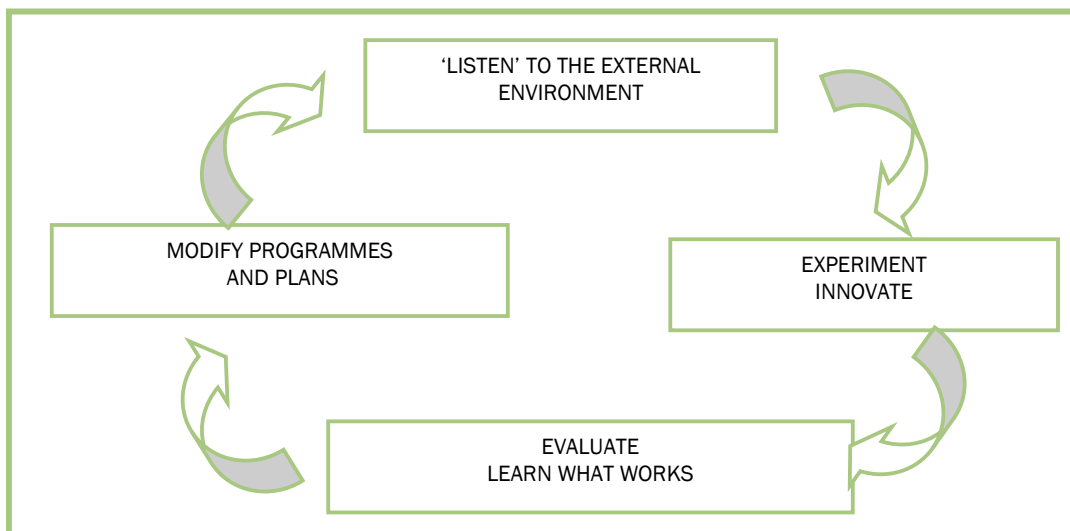
As well as the basic need for survival, as outlined earlier, the NGO’s desire to make a greater impact is a major motivation that must lead to change. Christine W. Letts, William P. Ryan and Allen Grossman’s text “*High Performance non-profit organizations, managing upstream for greater impact*”⁹ is a study of the different elements that can explain the performance of different NGOs and the most suitable strategies to boost the social impact of an organization.

⁹ LETTS,C.W; RYAN,W.P and GROSSMAN,A. (1999); *High Performance non-profit organizations, managing upstream for greater impact*; Wiley Nonprofit Series; United States of America.

Based on the results of interviews with over 50 managers, consultants and experts of different NGOs, the ability for adaptation is underlined as an essential factor for an organization to fulfil its mission.

Only organizations with the ability to respond to their environment; experiment, innovate, evaluate and learn from their experience whilst continuing to modify any programmes or plans, will be able to dominate the different cycles of adaptation and be truly successful.

Figure 1.3. The cycle of adaptation



Source: C.W. LETTS; W.P. RYAN; and A. GROSSMAN (1999).

Listening to the external environment, being intuitive to anticipate social changes, and acting in consequence by innovating and making modifications, is a valuable skill for organisations and transformational leaders. To have the ability to make a change ahead of time, despite the initial cost involved, is a decidedly essential constituent of the most influential organizations.

Intermón Oxfam is an NGO for development cooperation based in Spain with over 50 years of experience.

When the change took place Intermón was one of the biggest organisations in the cooperation sector in Spain, with a presence in 13 Spanish cities and membership of over 100,000.

In 1993, Intermón’s Board of Trustees and Executive Management team suggested a fresh outlook for the organization with the clear aim to reform their organizational model and increase their impact.

In an increasingly global world the limited contribution of a local organization was clearly insufficient, as was focusing exclusively on development projects. The Board of Trustees and executive management group recognized that to make any real progress in their contribution to social transformation it was necessary to become an international NGO, undertake a wider scale programme of humanitarian aid, and reinforce their campaigns and political lobbying. They also realized the need to extend the scale of their intervention in geographical terms, in particular in the African continent.

The desire of the Board of Trustees and management group to take steps in a direction they felt was necessary for the cooperation sector therefore instigated the change. It happened to be at a time where their organizational model and intervention was valid and operational, and is a clear example of anticipatory change.

If organizations wish to increase their influence, better serve society, and more suitably fulfil their role, they need to be able to continuously question the relevance and position of their programmes, their efficiency, their effectiveness, their impact, their sustainability. Organizations must be able to question the reason for any 'problems' occurring; definitively evaluate their programmes and have a real ability for self-evaluation.

This is in fact one of the sectors greatest weak points, and one of the reasons that despite the clear desire for service to and/or the transformation of society, NGOs often find it so difficult to change (for further development of this argument see Chapter 2).

Evaluation is essential to detect the need for change particularly in cases where there has been no sudden crisis or rupture in the organization. Evaluation is also a key instrument to maintain motivation for change. How can we demonstrate why the change is necessary? How can we prove that the change can actually be beneficial for the organization if we don't have the necessary tools to monitor and evaluate it?

The Fundació Jaume Bofill is a cultural foundation located in Catalunya that aims to promote initiatives that facilitate better knowledge for society, and to improve conditions by reducing inequality and offering wider possibilities for education and culture. The Fundació Jaume Bofill is one of the most prominent organisations in Catalunya in education, training and study.

In 2008 the Board of Trustees initiated a process of evaluation of the Foundation's activities over the previous four years (2005-2008) with the aim of developing a method to gauge and contrast the results and real impact of activities undertaken.

The Foundation had a four-yearly plan of its main objectives but no indicators for the four main priority areas (education, immigration, equality and democracy). They also used a yearly programme that was created on the basis of projects and activities under development.

There was therefore no standardized instrument to monitor and evaluate their progress regarding their objectives and impact. When the Board of Trustees considered changing direction and refining their activities, the clear lack of an evaluation system was a great limitation to making any kind of decisions and to demonstrate to the rest of the team the urgent need to make certain changes.

Technical limitations in this case meant that evaluation of activity impact was not possible; evaluating the transformational impact of a research or editing project for example proved to be extremely complex. However, the process that was initiated still served to value the results in relation to the objectives fixed, and could give the organization a clearer idea of how the strategies being developed were contributing to their mission. In this way the process itself was actually a tool to prepare the organization for later changes.

The Board of Trustees and Foundation team are aware that the design of an evaluation system to provide a clearer idea of activity impact and demonstrate the effect of changes remains an outstanding task.

The forces behind change

Survival and a desire to increase their impact are the two greatest motivational factors for organisations to instigate change. But what actually forces the change to happen? What elements can question the survival of an organization or force its leaders to examine its impact? What external or internal forces can drive changes in NGOs?

External forces

Change in the needs or variation in demands of the target group

The change in the needs of the NGO target group or a variation in their demand is one of the major external forces that can propel the transformation of an organisation. A change in the needs or demands

of a target group is very closely linked to their political and social circumstances and can generally be predicted from a close analysis and study of the situation and the target population in question.

The spread of AIDS among the African population forced development cooperation organizations specializing in health care and working in the continent to reconsider many projects that were being undertaken, and in many cases to actually question the reasons for and types of cooperation in process.

The evolution in recent years to the way the illness is treated has meant that in more advanced countries AIDS has become a 'chronic' illness which has totally transformed the needs of those suffering from it. This transformation has forced the organizations working with this particular sector of the population to totally alter their type of service and the very profile of their activity.

Change in the political or social environment or impact of a new factor within the activity

As well as affecting the NGOs target population, any change to the political, social and economic circumstances may represent a clear opportunity or threat to the organization and it cannot remain indifferent.

In 2006 the approval of the Dependency Law in Spain was a key date in the political arena for organizations dedicated to the care of elderly dependent people. The presentation of new financial aid also meant a notable increase in competition in the private sector attracted by greater resources available.

Society has finally assimilated the 'environmental message' and it has meant ecological organisations have had to change their role and strategies. As explained by Juan López de Uralde, Director of Greenpeace Spain: *"The environmental message has been assimilated but also perverted. There are an increasing number of opportunities available but at the same time it is making success more difficult. Governments and companies will now listen and all have their individual environmental departments, yet they also know how to manipulate their image to keep it clean"*.

Internal forces

Internal crisis within the organization

An internal crisis of numerous origins is one of the major reasons organisations are forced to make changes. There are a whole host of reasons – financial, human, leadership, control or clash of cultures, but if managed well, it can offer a clear opportunity for evolution. Success may well be inconceivable within organisations constantly suffering some kind of crisis but it is also the case for those organisations that systematically reject any kind of conflict and deny the existence of any kind of problem. Crisis is an integral part of the evolution of organisations and should be accepted and managed as such.

The Appalachian Mountain Club (AMC) was established in Boston in 1876 for the preservation and exploration of natural areas in the United States. The AMC was one of the first organizations dedicated to outdoor activities involving groups that promote different mountain sports and a great number of camps and refugees open to visitors.

In 1988 the organization's Executive Director declared the need for a new governing and management system. The organization was in debt and had lost control of its expenses, and it was clearly a cause of great concern for all the members of the operational team.

The financial crisis was in this case the trigger that generated an internal need for change, and drove the executive team to back the action necessary to improve the organization professionally. However and as will be seen later, the change was not immediate. The threat supposed by the debt incurred was not seen as great enough to undertake the transformation, and for many staff it questioned the very essence of the organization.

Changes in a certain feature of the organization

An apparently insignificant change within an organization is often the trigger for a more major transformation to take place. The creation of a chain of changes is common in many organizations; one change leads to another.

The arrival of new personnel, a change in the composition of stakeholders, the incorporation of a new director or the substitution of a member of the governing body, the introduction of new technology or the design of a new procedure may provoke a rupture in an already unstable organisational balance and

generate a feeling of unease, that can only be solved by its reversal or the introduction of new changes. A change itself thus becomes the trigger for a much wider process, a chain of changes that can significantly transform the organization.

In fact the introduction of small changes actually leads to a much greater overall transformation and is one of the most common and useful strategies to initiate changes of wider scope.

The perception and verification of an organizational model's expiry and aim for development

When a certain group within an organization is aware that an organizational model is no longer valid, their intervention or will to develop it can be an important internal force for profound changes to be made.

Unless provoked by an external rupture or evident crisis it is not generally an opinion that is always shared by all the members of the organization. It may even be the source of differences in opinion or potential clashes between distinct sub-cultures that in some cases leads to a split or departure of significant members in the organization.

The power of the individuals who have recognized the situation and/or feel the need to change, their skill in communicating, encouraging and persuading the other members of the organization to share their view (or at least a central group or so-called "coalition of change") can make a great difference to its introduction and effect on the organization as a whole.

The Fundación Entreculturas is an NGO for development cooperation promoted by the Jesuits and is dedicated primarily to educational activity as a means of development.

When the change took place the Foundation (at this time the 'Asociación Fe y Alegría España') had a budget of 4 million euros and a group of 12 workers.

In 1999, the Association Board suggested the possible transformation of the organization by extending its activities and their impact. The process involved taking the step from Association to Foundation.

'Fe y Alegría' became the 'Fundación Entreculturas - Fe y Alegría' and from an organization that had been dedicated to raising public funds for Fe y Alegría in Latin America, it became a cooperation body that combined its projects in the south with further awareness activities and educational study projects further a field. The organization increased its number of counterparts as well as its operational area.

The change did not involve abandoning their original activity; it simply meant increasing its field of intervention.

The desire for change in this case came from the Board who had the power and ability to stimulate the progress necessary for the organization.

Change as a constituent in the evolution of organizations

Beyond the existence of forces or elements that may instigate a change, as explained by L. Greiner (1967),¹⁰ the occurrence of a crisis or the key moment that triggers it, is implicit in the very development of the organization.

¹⁰ GREINER, L.E (1967) "Patterns of organizational design change", *Harvard Business Review* 45, p. 119-130.

According to the author, there are six key stages of growth in all organizations. The six stages may obviously have different lengths and depths depending on each organization: the creativity stage, the management stage, the delegation and empowerment stage, the coordination stage, the collaboration stage and the final alliance or super-specialization stage. There will be some organizations that quickly pass from the creativity to the management stage, whilst others will remain in some longer than others, but in all cases a critical situation is necessary for change, growth and evolution.

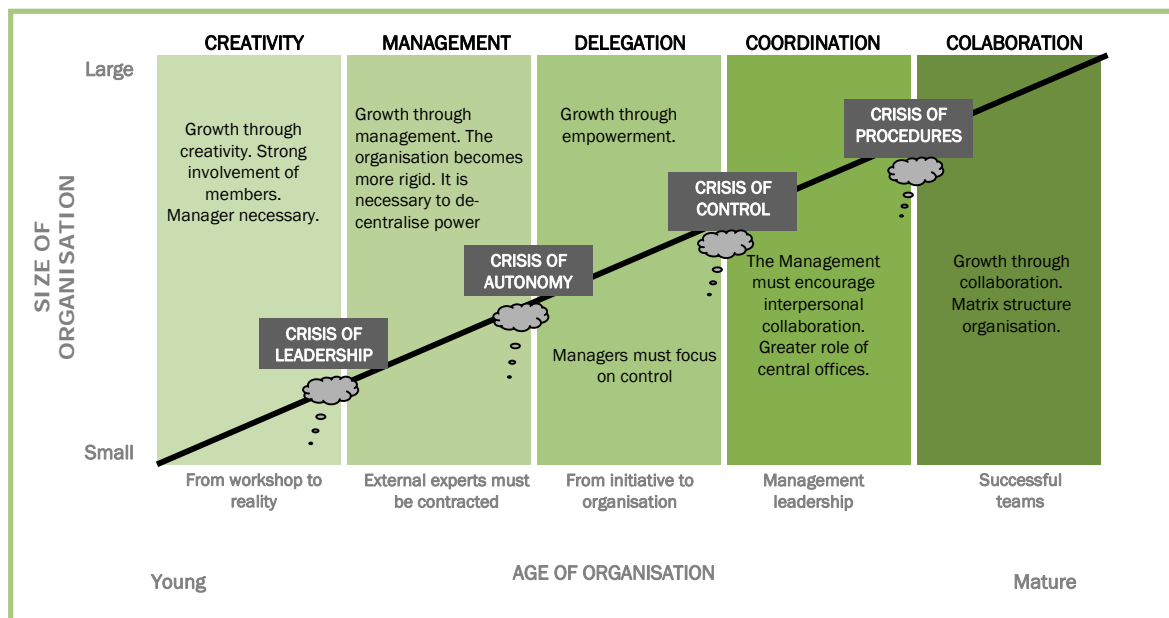
The lineal character of Greiner's theory of organizational evolution may be open to question - we found in some cases that certain organizations actually undergo reverse or circular processes - however it is a useful model for the study of many of the situations of crisis and procedures of change experienced by NGOs in our country. It has been used here as a reference for the comprehension and explanation of some of the changes and the most common crisis experienced by NGOs during the growth stage.

The model also confirms that crisis and change are a constituent part of the growth of organizations, and as such it is necessary to learn to live and deal with them accordingly. It is clear that not all organizations necessarily experience each of the six stages outlined by Greiner; there are often cases of organizations that combine features of the different stages. However despite its limitations Greiner's six evolutionary stages can be useful to help the leaders and managers of NGOs to understand at which point in the

evolution stage they are at, to understand the risks or the crisis associated to such, and to learn how to overcome them in the least traumatic way possible.

Greiner's model enables us to understand that crisis is often an inevitable part of the growth of an organization and solving a certain crisis is actually the cause of a new revolution in the long-term.

Figure 1.4. The model of evolution in organizations



Source: L. Greiner (1967).

1. Creativity stage

The initial birth stage and first development of an organization involves the effort of its founders to create a service or product to fulfil their objectives and make an impact. It also implies consolidating a team to undertake the project and is normally the major focus during this first stage.

It is a stage where conflict may arise from the many different points of view among the team. The initial specifications of a shared idea and mission will not always be to the liking of all involved. There are numerous examples of groups that split during this stage to form new organizations, and others that cannot advance after their initial promotional group dissolves.

The first stage normally terminates after a generally lengthy period of creativity and growth, where certain higher internal procedure and control systems have had to be installed, and typically involves the contracting of a manager.

Depending on the kind of organization, one of the most significant and often critical changes takes place in the sector's organizations between the first and second stages: the incorporation of contracted staff that has often mistakenly been referred to as 'professionalization.'

Many non-profit organizations, quite possibly the majority, are created and start to work with volunteers. The incorporation of contracted staff is generally associated with a growth in the volume of work, the time dedicated, or the complexity of the task at hand. It is not always an easy process. In some cases it involves serious "ethical" issues for organizations who consider the volunteer as the better representative of moral commitment that most closely represents the actual philosophy of their organization. The incorporation of contracted staff is a very sensitive issue that needs to be approached with great care. It may often cause volunteers to feel they have lost their ability to act or make decisions within the organization.

2. Management stage

The second stage of evolution is characterized by the introduction of more efficient management systems, with a more technical leadership undertaken. Control of the organization is increased and procedures made systematic.

The role of the founders and their ability to accept the handover of functions to the new management team becomes a key factor for successful change. There are many organizations in the non-profit sector where the charismatic founder(s) inability to forego its control slows evolution and in some cases actually threatens its survival. It is not unusual to find organizations where the creative and management stages are superimposed, or organizations that jump from one to the next without actually taking the definitive step towards a more professional management system.

There are often examples of organizations with frequent changes within their management team because there is no clear distribution of roles between the governing body and the managers, nor do they share the same trust and vision.

There is obviously a risk that if one stage is not changed correctly it can seriously endanger the future of the organization. Removing the founders from the forefront of an organization's management may become a key factor in its evolution. This step must really consider providing the management and governing teams (if the founders are not incorporated) with the legitimate government of the organization, as it is often almost exclusively in the hands of the latter.

However beyond the possible risks connected to the foundation's "succession", the introduction of a professional management team supposes a significant change in the way the organization works; guidelines and control that may often be questioned by the teams and other stakeholders used to having a more central and active role or working as an assembly.

At this point there may well be a participation or legitimacy crisis. Directors may be criticized for their excessive protagonism and in some cases the actual course taken by the organization questioned for losing its identity values.

"We're not what we used to be", "nobody listens to us", "this isn't the organization that I want to be part of" are just some of the typical comments that arise in the critical period of this stage, that Greiner denominates the *crisis of autonomy*.

New management often frees the organization from a certain degree of authoritarian founding leadership, but with time and the growth of the team, it needs to move towards more decentralized decisions.

Another feature of this final phase of the management stage is the crisis that may occur between the governing body and the management group. After a transition period, the consolidation of a strong management team (generally contracted) often sees the role of the governing bodies diluted. The decision-making system becomes more informal and means that the management teams undertake the technical leadership and also the strategic responsibility of the organization.

Although possible to sustain long-term it normally leads to a crisis based on the different viewpoints held between the management and governing bodies. Typically the management teams may feel over-loaded with responsibilities and suffering from a feeling of "abandonment", or the governing bodies may wish to recover their decision-making capacity. Once again to overcome the *crisis of autonomy* the organization must be led into what Greiner denominates the delegation stage, or what we can refer to as a period of empowerment.

During the management stage it is quite common to see a growth in the organization as it expands. This expansion might involve increasing its fields of intervention, its groups or territories. It is not always supported by all members of the organization who may interpret growth as an attack or threat to their existence or original creation. The situation may generate a crisis particularly when it is produced during a particularly intense period of decision-making.

3. Delegation/empowerment stage

The autonomy crisis generally leads to a delegation of responsibilities and the construction of a more empowered organization both ascending and descending in its structure.

The elaboration of a common strategic plan and outlook may be the first step to making progress in this direction.

The empowerment of the governing bodies and work teams involves a change in management style and the creation of a decentralized organization model. The first phase of this stage usually coincides with periods of project and programme consolidation, and a more focused growth. The organization must dedicate its energy to establishing new forms of management.

Certain management teams experience serious difficulties making progress within their organization until they reach this stage. In fact it is common that management teams that are very successful in the management stage lack the necessary skills to encourage and lead a more empowered organization. There are many examples of organizations with powerful management teams with over 20 years of

experience as directors governing with a clearly *dirigiste* style. Yet the strength and success of these organizations often related to their management teams, can paradoxically also be their greatest weakness.

In such cases only an important crisis between a governing body and the management team or the substitution of the latter, may push the organization from the management into the delegation stage.

Over time delegation and empowerment usually lead to further growth that is sometimes produced by the apparent dispersion of activity and a loss of control for the management. When this is the case the organization seems to be configured by small independent cells working in different areas that are only connected by name and mission. It may be present in many territories with incredibly strong management structures that have become small, independent *taifa*-like kingdoms.

At this point the organization may suffer what Greiner classifies as a crisis of control that may appear from within the management team or governing body seeking empowerment.

4. Coordination stage

The delegation stage evolves into what Greiner qualifies as the denomination stage. It is characterized by the introduction of formal coordination systems and the search for mechanisms that enable the monitoring of the real impact of an increasingly wide scale of activities.

A new organizational chart is defined, whilst procedures and mechanisms are created to provide activity synergies with greater coherency and potential.

Growth usually slows at the beginning of this stage.

The introduction of new coordination systems can often lead to bureaucratic collapse, particularly when the organization is very large and complex.

Criticism of what may seem excessive bureaucracy and isolation from the foundation's essential values and aims, may arise at this point from certain groups of workers within the organization. It is also common during the management stage. It is the dilemma of participation against decision, and arises with renewed force with other factors such as flexibility and speed against efficiency.

5. Collaboration stage

According to Greiner, crises that arise from excessive bureaucracy and rigidity can only be overcome with what he denominates as the *collaboration stage*. It is characterized by the evolution of more formal control systems based on the same group and self-discipline. Evolution involves a necessary change in organizational structure, which commonly becomes a matrix formation, and empowerment not only on an individual but on a team level. A renewed outlook is once again a key factor in this stage of growth.

Work on transversal projects overcomes the departmentalised structure and is a significant step forwards during this stage. At this point organizations will have a very powerful team working with initiative and great commitment to the common vision of the organization. It is a highly productive period in which organizations evolve rapidly and innovate and develop new projects.

Shared leadership, discussed in the last chapter of the book, becomes a key factor during this stage.

However, this highly-developed organizational model also has its limits. In these kinds of organizations motivation and pressure on workers usually go hand in hand and make long-term sustainability difficult. Workers' exhaustion and awareness of their limited resources may lead to the need to consider progressing to a new stage.

At this point we may see what can be referred to as the *crisis of impact*.

6. Alliance and/or super-specialization stage

Evidence of organizational limitations leads it on from the collaboration stage. At this point it is necessary to re-consider its aims: impact, objectives and intervention. Specialization may naturally arise as an alternative and/or necessity to integrate external actors – via alliances, fusions, networks – as an essential mechanism for goals to be reached.

Multiple changes can take place at this stage. The very conception of the organization itself changes, and it enters what we can describe as the *birth of a new organization*.

It is a stage that Greiner describes as an opening, with a wide number of paths and possibilities available.

1.3 New leaders for a new environment. Managing and leading change

“No amount of sophistication is going to allay the fact that all your knowledge is about the past and all your decisions are about the future”

(Ian E. Wilson, quoted in Bierly et al., 2000).

It is clear that change is a constituent feature of all organizations. As explained, it is essential for survival and to widen the impact of an organization, and can be both the cause and consequence of its evolution.

However when we refer to change it has very diverse features. There are changes that can be occasional or singular in nature; changes that are focused on a single project, or on a specific fact and have a specific objective and tempo and can be referred to as significant changes. Changes that lead organizations to abandon their structures, behaviour, outlook and beliefs to adopt others that better enable their adaptation to the context, and achieve greater relevance, efficiency and effectiveness in their interventions and also increase their impact.

In a new environment characterized by almost permanent turbulence where stability seems to be a condition of the past, significant change becomes a critical factor, and a feature that can explain the success of an NGO.

Paradigms and mental plans are continuously questioned; a new environment is not conducive to old recipes, and ideas and solutions become obsolete with incredible speed. It is a huge challenge for the leaders of NGOs who need the ability to steer their organizations through continuous change. Their leaders must inspire and accompany the organization throughout the periods of transformation with procedures that often imply changing the very essence of the organization, its structure, function, intervention methods, finance, vision and even its mission. They must be capable of introducing self-sufficient changes whilst modifying the intrinsic organizational culture.

A new environment needs leadership. It is essential for the direction and guidance of the NGO towards the future. Change requires leaders who are able to move forwards, influence and clearly establish a course; leaders with the ability to “inspire a future”. It also needs good managers to realize these changes, and to assign resources and responsibilities.

Yet a rising degree of uncertainty and the speed of change make it increasingly difficult to find proven, detailed solutions and it is where leadership becomes even more important.

The book *“Líderes para el cambio social. Características y competencias del liderazgo en las ONG”*¹¹ discusses the concept of leadership as the ability to guide and accompany people in an innovative way.

This type of leadership does not necessarily depend on the charisma of the person, but the development of what Kouzes and Posner¹² refer to as the *“Five Practices of Exemplary Leadership”*: Model the way, Inspire a shared vision, Challenge the process, Enable others to act, Encourage the heart.

As the authors of the book explain with different examples of leadership, these are often based on small, exemplary actions where an individual earns the recognition and respect of their team:

“We were also struck by how the actions leaders took set an example and were often simple things. Sure, leaders had operational strategic plans. But the examples they gave were not about elaborate designs. They were about the power of spending time with someone, of working side by side with colleagues, of telling stories that made values come alive, of being highly visible during times of uncertainty, and of asking questions to get people to think about values and priorities. Modelling the way is essentially about earning the right and the respect to lead through direct, individual involvement and action. People first follow the person, then the plan.”

Source: Kouzes and Posner. *The Five Practices of Exemplary Leadership*.

As described by Stewart Black and Gregersen¹³ this kind of leader aims primarily to stand alongside the individuals involved in the changes throughout the transformation of the organization. And a good leader will be able to help people overcome the three key barriers to change: failure to see, failure to move and failure to finish.¹⁴

11 CARRERAS, L.; LEAVERTON, A. and SUREDA, M. (2009) *Líderes para el cambio social. Características y competencias del liderazgo en las ONG*. (lit. “Leaders for social change. Characteristics and competencies of NGO leadership”) ESADE-PwC Social Leadership Programme 2008-09, ESADE Institute of Social Innovation, Barcelona.

12 KOUZES, J.M and POSNER, B.Z (2003) *The five practices of Exemplary leadership*, Pfeiffer, San Francisco, CA, USA.

13 STEWART BLACK, J.S and GREGERSEN, H.B (2008) *It Starts with One. Changing individuals changes organizations*; Wharton School Publishing, 2nd edition.

14 The following chapters explain the key factors for successful change and look further at these barriers and how they can be overcome.

In their book, *“It starts with one. Changing Individuals changes organizations,”* Stewart Black and Gregersen refer to three major “brain barriers” to individual change:

- Failure to see: Even when a clear opportunity or threat is clearly apparent certain people are unable to see the need for change.
- Failure to move: Even when there is a need for change there is inability to move and a lack of direction.
- Failure to finish: Even when there is a need for change and momentum has been initiated, failure arises from an unfinished task or from not moving fast or far enough.

As Kotter explains,¹⁵ a good leader can clearly present a problem and explain how to solve it, therefore overcoming the failure to see and move. A good leader can “stimulate action that will fight any negativity threatening the change, and that emphasises a feeling of doing something useful; it is an emotional reaction that generates the energy people need to adapt to the procedure of change, however difficult it is.”

15 KOTTER, J. and COHEN, D. (2002) *The heart of change. Real life stories of how people change their organizations.* Harvard Business School Publishing, USA.

It is a way of making others see and feel the need to change and to work with determination to make the new vision a reality. According to Kotter this attitude is essential for making significant and successful changes. As outlined in the majority of the texts consulted, successful change is more than just correct management.

A change is made successfully when a significant group of people is aware, convinced and committed to its importance for the organization. It requires trustworthy and transformational leadership; a point that is addressed in the last chapter of this book, a leader must be influential, inspirational, and considerate with all individuals and bold in their decision-making.

1.4 The reason for this book

Leading a process of significant change is an unquestionably exciting challenge. It is also exhausting, wearing, and disconcerting; a process that is full of little victories and failures and requires complex competence and skill. As all the leaders interviewed agree, it is an experience with vast opportunities to learn.

Today’s leaders of non-profit organizations are aware and prepared for their responsibility to steer and guide the NGO through significant change, yet they are not always successful in their quest. Failure is unfortunately common for a whole number of reasons; some of which are avoidable.

The fundamental objective of this book arose as a way to help NGO leaders avoid repeating certain mistakes. The text itself was based on a research project involving 11 specific cases in the sector along with the findings of a specially-designed questionnaire. The book also used the reference of a wide number of specialist texts on organizational change and adapted them to the sector, incorporated the experiences of the NGO leaders participating in the ESADE-PwC Social Leadership Programme and the feedback of numerous study groups throughout the different NGO management courses organized by ESADE.

The book studies the key factors for change in NGOs and revises the main features of the non-profit sector that might slow or encourage it. Using an adapted version of Kotter’s model for change, it also points to the key factors that leaders of NGOs must be aware of if they wish to be effective, and suggests a number of guidelines to follow.

The six chapters of the book are:

- An introduction
- Chapter Two looks in greater depth at the specific characteristics of the non-profit sector and generically revises the specific features of the organizations that might slow or encourage change.
- Chapter Three presents the ten key factors for success in the process of change
- Chapters Four, Five and Six look further at the development of the aforementioned factors within the corresponding stages of change.

The book aims to be an instrument to facilitate the successful leadership of important change. We are convinced that facilitating such change is a mechanism that can strengthen and improve an innovative culture, and should be an integral part of any organization that is born from a desire to serve society.

2. NGOs and change

2.1 Characteristic features of NGOs that influence the process of change

As outlined in the previous chapter, NGOs have an almost unavoidable need to change and adapt to an environment that is practically in continuous transformation. Change must be a part of its culture - to serve and transform society - and they must therefore have the ability to listen to their environment and evolve accordingly. Loyalty to their essential values should be motivation enough for most NGOs to integrate change and innovation in their everyday operations. However this is clearly not always the case.

In spite of their commitment to society and apparently to change, there are also powerful forces opposing it. To recognize and discover the correlation between them is a fundamental step prior to establishing a strategy for progress. Consequently it will enable adaptation, more innovation and reflection of the intrinsic essence of the organization.

With this aim in mind research was undertaken (and eventually the basis for this book) to be familiar with and especially able to define the distinctive characteristics of NGOs that might encourage or slow changes from happening. It naturally refers to features that are more typical of NGOs than other types of organizations and may explain their high or low predisposition to change.

Based on the study of different reference texts, knowledge of the sector and a number of case studies we have identified 10 areas that group the key features or characteristics common in the majority of the sector that might facilitate or hamper change.

Classification of the characteristic features of NGOs that influence the process of change

1. NGO values referential for leadership and management: The importance of certain implicit values in the third sector influences the structure of the organization and its culture, and any proposal for change.
2. Culture of participation: One of the sector's main characteristics, and also one of its most differential features; a general participatory culture within the organization that influences the procedure of change positively whilst it may also delay or slow the process.
3. Culture of consensus: As well as participation, consensus and the diversity of stakeholders (explained in more detail below) influences the process of change within NGOs.
4. Emotional connection to the organization: The relationship or involvement between the workers, directors or other related groups with the organization makes the process of change more intense than in other sectors. It may result in greater commitment or resistance depending on the predisposition and conviction for the change at hand.
5. Diversity of *stakeholders*: Aspects related to the numerous stakeholders, social basis of the organizations, roles and their distribution, the presence of external groups such as volunteers etc.
6. Leadership styles: The individuality of certain styles of leadership in the sector, typically less "*dirigiste*" and the importance of shared leadership.
7. Distribution of roles between governing bodies and management: there is not always a clear differentiation of the functions of each within the organization. In some cases the governing body maintains a certain distance that impedes their knowledge of the real situation of the organization.
8. Lack of resources and financial dependency: Certain aspects related to the management of the organization such as the resources available and its financial dependency.
9. Politically active culture: One of the features of the sector is its politically active culture and direct action that not only penetrates all its activities but the internal management of the organization, and therefore also influences any procedures of change.
10. Lack of monitoring and evaluation: One of the challenges of the sector is to improve in this area. Without any orientation regarding results or any kind of monitoring system it is difficult to know the exact importance or influence a change might have since there is generally no clear indication of its necessity or how it might improve the organization.

Source: Internal.

These aspects are generally related to the culture of NGOs and their leadership or management styles. All are clearly affected by the procedures of change within the sector and as such are implicitly or explicitly present in the explanation of the key factors for successful change that can be found throughout this book.

This book is based on the certainty that the key factors for successful change may well be similar for any kind of organization, yet it is the understanding of the reality of each case and the specific characteristics of the sector that can enable us to use them constructively and really contribute to building a significant chain of changes.

It was evidently an interest in other sectors – particularly business – that led to an appreciation of the culture and values of leadership involved in every process of change. The important characteristics shared by many NGOs in this field led us to consider the relevance of a book dedicated to leading change within this particular sector; adapting its numerous references in the business field to a totally different cultural reality.

One of the methodological objectives was to define a number of starting hypotheses for how this reality might encourage or slow change, and with information from the sector define the most important factors for the successful transformation of an NGO.

Alongside the information gathered from interviews referring to different case studies and the work sessions of the Leaders Forums, the questionnaire *NGOs and change* was used as an overall evaluation of the NGO perception of the process of change.

The questionnaire was sent to approximately 1400 people in the non-profit sector, primarily the directors and supervisors of NGOs. The study was aimed at the Spanish non-profit sector as a whole, including a range of different types of organizations, both at a sector level (cooperation, development and emergencies, human rights, environment, social organizations etc) and different legal profiles and sizes. The first two sessions were undertaken as a controlled response exercise in paper format involving a number of NGO managers to validate the questions¹⁶ and was followed by a massive dispatch of the questionnaire electronically.

16 The survey was first tested on the participants of the NGO Management function programme in February 2010, and later at the Leadership Forum on 3rd March with participants of the ESADE-PwC Social Leadership Programme.

To facilitate the collection and interpretation of data, the questionnaire was designed as a closed answer format with the additional option of further comments to complement the figures with open contributions (See Annex 2 for the complete survey).

As many of the interviewees stated, the sheer diversity of the sector (as is also true in other case) makes it very difficult to provide a homogenous answer or any kind of large-scale generalization.

However there are certain characteristic features of non-profit organizations that can influence any kind of internal transformation.

Logically change will also depend to a great extent on the kind of NGO in question, the specific sub-sector it is working in and its general tendencies or other features such as its size. As pointed out by other interviewees smaller organizations have more agile structures and a greater facility to share the same vision, although in some cases it is precisely the smaller organizations that have the most difficulty in facing certain procedures that might require resources (economic or human) that are not always within easy reach.

Summary of responses collected from the questionnaire *NGOs and change*

From the sessions and electronic mailing a total of 270 answers were collected, which were categorized as follows:

- 91% work in the sector (the remaining 9% worked in the past, or have a non-professional connection with an NGO)
- 78% are connected to other sectors as well as the non-profit sector
- 71% are members of the management team or supervisors in an NGO, 18% are basic technicians and 11% have other positions, primarily outside the organization's main workforce.
- Considering that the same organization may well work in different sectors of activity, the greatest representation in the survey was from social organizations (55%) and cooperation/development/emergency (45%). To a lesser extent it included organizations dedicated to the environment (20%) free-time education (15%), and other minority sub-sectors.
- The survey involved an even number of foundations and associations; 44 and 39% respectively (17% indicated other legal formats or did not specify).

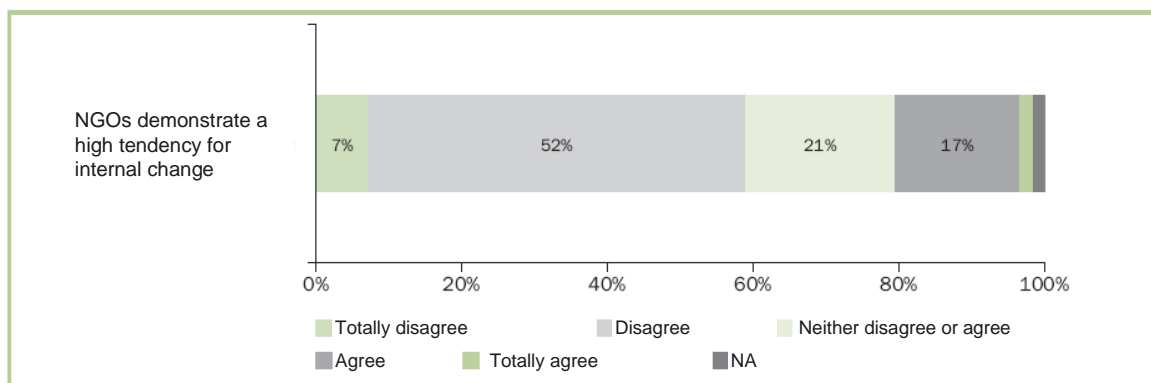
2.2 The perception of NGOs and change: Results of the survey

This chapter presents the main results of the questionnaire (to see the full results please refer to Annex 2) and provides additional information for their explanation. It also looks in greater depth at the specific features of NGOs that favour or impede change and is enhanced by the reflections and experiences shared in the Leaders Forum and from all the participants in the survey.

NGOs and change

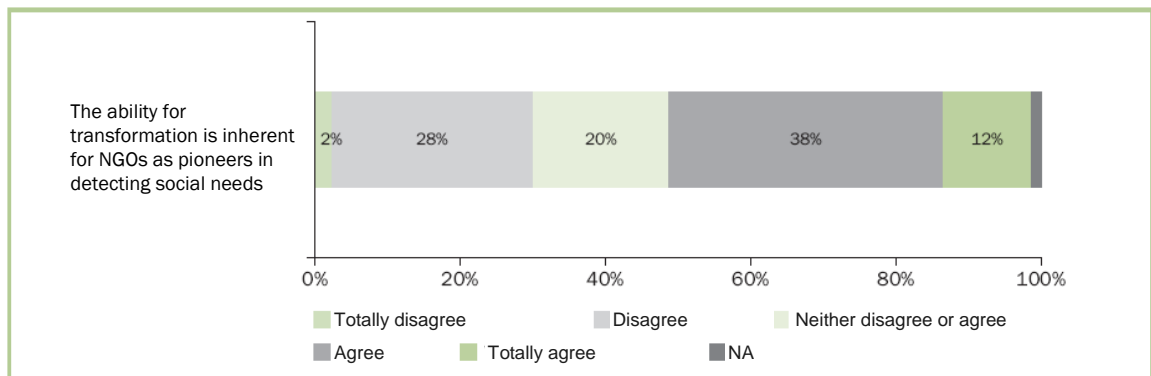
Although not a primary objective, the questionnaire was an opportunity to include certain questions that allow a closer look at the issue of NGOs and their propensity to change. Is change more frequent in an NGO than in a business?

Figure 2.1. NGO tendency for internal change



Source: Survey NGO and change, ESADE, 2010.

Figure 2.2. The NGO's inherent ability for transformation



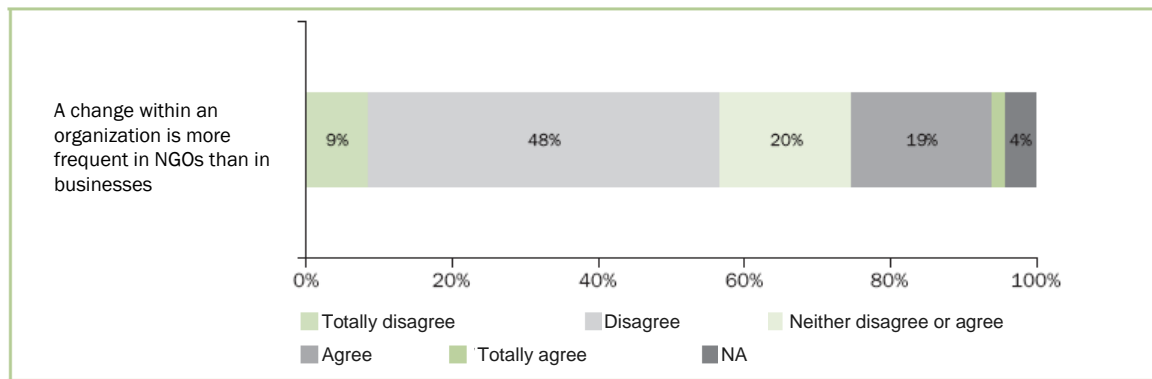
Source: Survey NGO and change, ESADE, 2010.

The results of the survey confirm the perception that in spite of necessity, NGOs demonstrate a low tendency to internal change. 59% of the sample stated as such, with only 19% considering the opposite argument, that NGOs have a high tendency to internal change.

Paradoxically or not, 50% of the people sampled are of the opinion that as pioneers in the detection of new social needs, NGOs have an inherent ability for transformation. However this ability does not appear to manifest itself on an internal level.

It is a point that is apparent in several other answers; many of the sector's features contribute to organizations having a great ability to see what is occurring in their environment and to detecting what is necessary. Yet the same organizations are then unable to make the consequent changes.

Figure 2.3. The management of change in companies and NGOs



Source: Survey NGO and change, ESADE, 2010.

“Managing change in NGOs is complicated although there are now important changes taking place in organizational culture, FORTUNATELY!”

(Comment from the survey)

According to the majority of people surveyed the ability to change and transform is greater in companies than in NGOs. 57% consider that organizational change is less frequent in the sector than in the profit field.

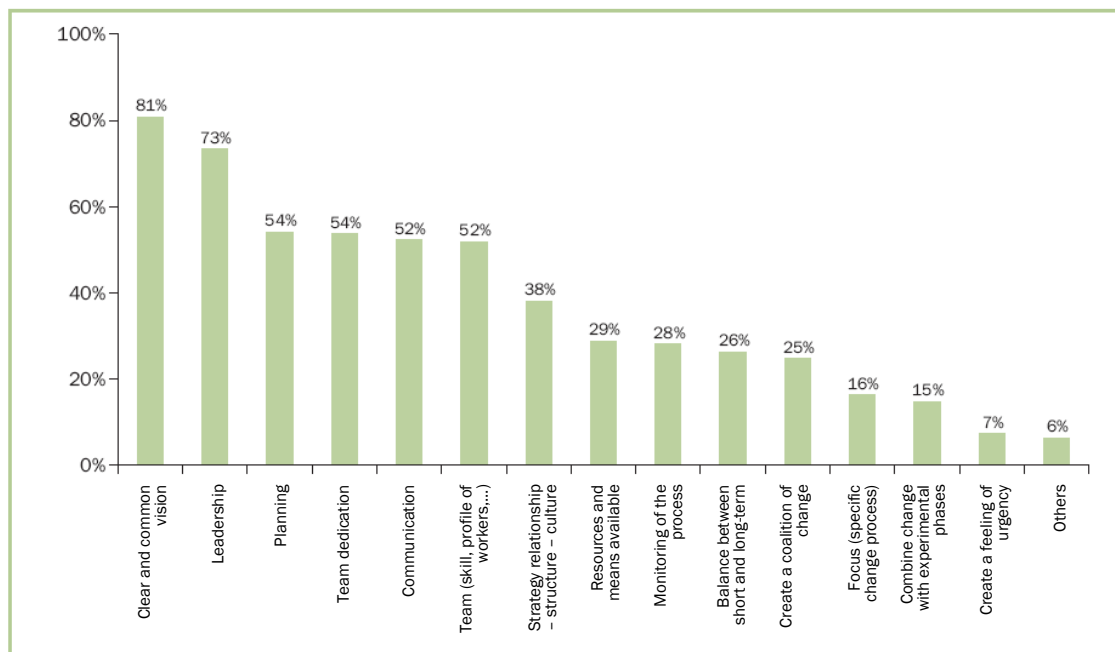
Key factors for successful change in NGOs

The survey participants were asked to give their opinion and experience regarding the most important factors contributing to successful change in organizations. Given a choice of 14 items, participants were able to select an unlimited number of options and add any further comments they considered important. The following order was established from the number of responses for each:

1. Clear and common vision
2. Leadership
3. Planning
4. Team dedication
5. Communication
6. Team (skill, profile of workers,...)
7. Strategy relationship – structure – culture
8. Resources and means available
9. Monitoring of the process
10. Balance between short and long-term
11. Create a coalition of change
12. Focus (specific change process)
13. Combine change with experimental phases
14. Create a feeling of urgency

The above order coincides with the first two items that the people surveyed were requested to highlight as a priority. 49 and 45% respectively selected a clear and common vision and leadership as the most important two items.

Figure 2.4. The key factors for success in the process of change



Source: Survey NGO and change, ESADE, 2010.

Although leadership and vision have an undeniable role in making change happen, the response to the questionnaire reveals that there are certain features that in our opinion are essential for it to work, and yet are not taken into account or considered by many people in the sector. These are key factors when preparing for change, and from the list of priorities selected the preparation stage has not been dedicated sufficient time or importance.

For example although a clear and common vision is first, other elements that are necessary when preparing for a change and committing the team were selected last.

The creation of a sense of urgency (14th and last place) and the coalition of change (11th) are two key factors for success in this stage and need to be emphasised and explained. Chapter four will look in greater depth at both factors. We feel both are an essential part of the ten key features in any procedure for change.

The answers to the survey are also different from those presented in the Leaders Forum. Familiar with the Kotter model, the directors who participated in the work sessions throughout November 2009 selected the different factors they considered important, among which the feeling of urgency (or engendering a need for change), the creation of a coalition for change and a clear, common vision were the three priority factors. Leadership was fourth and communication fifth on the list.

In this case the order of factors chosen is more likely to be related to the fact that the people responding are those who would be leading the change in question. With this perspective, they will not value so highly their role (leadership) but more the instruments they have at their disposal to develop it. Likewise the factors related to the management of change (such as planning and resources) were a lot lower on the priority list.

Priorities for NGO leaders

1. Encourage a need for change.
2. Coalition for change.
3. Clear, common and well-founded vision.
4. Trustworthy leadership transmitting confidence.
5. Communication.
6. Sharing with others.
7. Planning and resources.
8. Achieving short-term victories and evaluation of results.
9. Incorporate change into culture.

Source: Leadership Forum 24th November 2009

These results show a great similarity to those obtained at a Forum for directors of private companies, the “IBM and ESADE Meetings of Corporate Leadership”.¹⁷

During these sessions, the company directors also identified the factors that they considered as important for success in any procedure of change, and in order of priority were the following:

- Create acceptance. Shared vision.
- Management leadership with vision and ability. Coherence (Ability for conviction and realisation).
- Team must be strong and committed (identify, involve, persuade).
- Convince the key actors without imposition (good internal communication).

Overall the results of the survey confirm the need to emphasize the importance of certain factors that we feel are essential for procedures of change to advance. To be familiar with and aware of these factors is a fundamental step prior to instigating change correctly.

17 Three work sessions were undertaken in 2005 in which ESADE and IBM met with 25 managers – the majority CEOs and Managing Directors of leading Spanish corporations, to discuss the challenges involved in leading change within their organizations. A report of the results was published in the article “Claves para la transformación de las organizaciones”, (lit. “Key factors for transforming organizations” which appeared in the magazine *Observatorio de los recursos humanos y relaciones laborales* (HR and professional relations publication) in February 2007.

Specific characteristics of NGOs that encourage or hinder change

In spite of the great diversity of organizations that can be found under the umbrella of the third sector and consequently the impossible task of establishing characteristics applicable to all, we have ventured to outline a list of specific elements that we believe have an important presence within the sector and are useful to characterize a significant number of organizations.

In our opinion these elements clearly influence the change procedure in NGOs, and many are also important when studying their growth.

There are obviously other features that are not outlined here, such as the size of the organization, that clearly influence any process of change, but where not sector-specific we have opted not to develop them further.

1) Organization values: great importance for management

The majority of NGOs have an explicit or implicit core set of values that are basic to their management. In fact it could be said that these core values most strongly differentiate the management of non-profit organizations from businesses.¹⁸

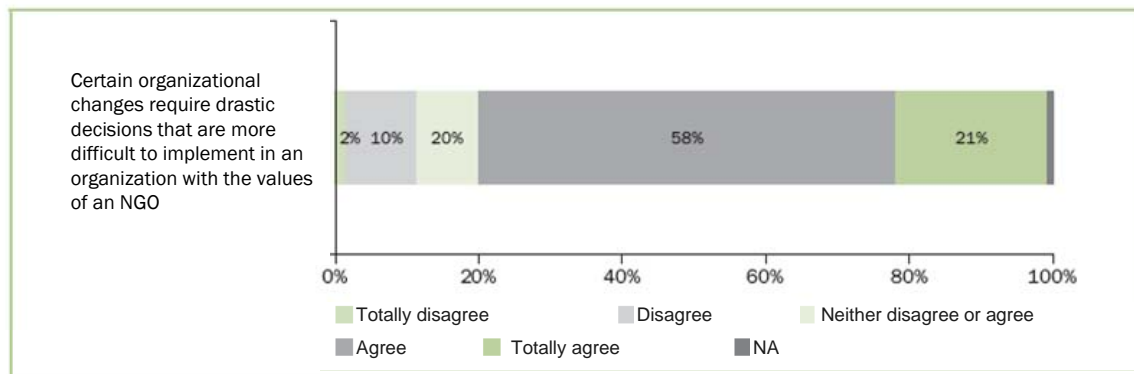
This set of values is closely linked to the very essence of the organization and is therefore highly considered by all its members. The values determine the type of management model, the culture and very structure of the organization.

In fact the directors of NGOs see their decisions submitted to constant criticism, since respecting values is an important source of debate. How to interpret their ethical limits or the priority given to certain values or impacts are additional difficulties when managing and leading an NGO. The dilemma of improving efficiency, effectiveness and the impact of the organization faces the argument to respect certain values in many organizations. It is a dilemma that also appears when referring to the actual change procedure itself.

18 VERNIS, A.; IGLESIAS, M.; SANZ, B. and SAZ-CARRANZA, A. (2004) *Los retos de gestión en las organizaciones no lucrativas*. (lit. “Management challenges in non-profit organizations”). [ISBN: 84-7577-717-1]. Barcelona.
VERNIS, A; IGLESIAS, M.; SANZ, B.; SOLERNOU, M; URGELL, J. and VIDAL, P. (1998) *La gestión de las organizaciones no lucrativas* (lit. “Management of non-profit organizations”). Deusto. Barcelona.

In fact, 79% of the people surveyed consider that certain organizational changes require drastic decisions that are more difficult to implement in an organization with the values of an NGO. To close down a service or dismiss a group of workers is much more difficult in an NGO than in any business. Making drastic decisions can be interpreted as an attack on the organization’s values and as such can generate important resistance.

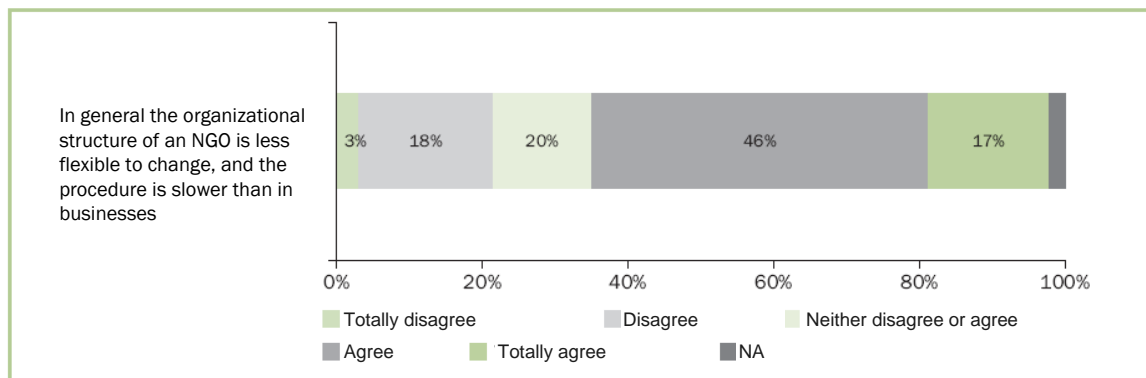
Figure 2.5. The difficulty of implementing drastic decisions in NGOs



Source: Survey NGO and change, ESADE, 2010.

An NGO's set of values clearly shapes its organizational structure and as such is usually less flexible than a business, greatly slowing any process of change. It is an opinion shared by 63% of the people surveyed.

Figure 2.6. Low flexibility in the organizational structure



Source: Survey NGO and change, ESADE, 2010.

When approaching change it is essential to generate a strong feeling of urgency and convince people of the absolute necessity for the change. It is also fundamental to explain the reasons for it, develop strategies that allow a minimum number of drastic decisions to be taken, and where this might be the case, prepare and convince people of their relevance and importance.

2) Culture of participation

The culture of participation is without a doubt a feature of many organizations in the sector. There are numerous NGOs that consider participation as an important value to protect. It is not unusual to find significant crises related to the process of professionalizing management or organizational growth that are linked to defending a participatory culture, or further still to the tradition of assembly.

The culture of participation is strongly related to the way these organizations were created.

It is important not to overlook the fact that many NGOs were born from the desire of a group of people to take an active part in the evolution of their surroundings. The desire to participate lies within their very essence. Shared decision-making and the general consensus of its members actually shapes the association and becomes a clear reference point and is an irrefutable cultural element.¹⁹

¹⁹ There were obviously a variety of organizations, some with a particularly “dirigiste” leadership culture, with low participation and typically run by a “charismatic” founder(s) or group. Likewise there were also cases of organizations with a transparent, professional structure with no similarity whatsoever to this stereotype.

As the organizations grow and their management system becomes more professional participation can be difficult to maintain, yet often continues to be protected. In fact the strength of the participatory culture

associated to traditional assembly for example, can actually slow the growth and progress of a number of NGOs.

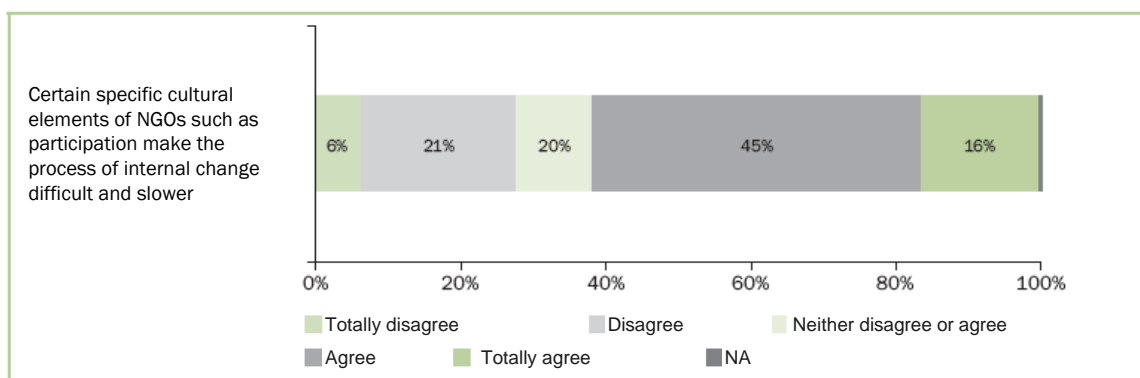
In our opinion when faced with a new situation, a lack of evolution born from the concept of participation is a clear obstacle to transformation and natural growth. (See explanation given in Chapter 1 with reference to Greiner's model)

Beyond the impact that a "misunderstood" participatory culture can have on the organizational evolution of an NGO, we also believe that it has an important influence when leading the change itself. Organizations with greater participation are usually slower to initiate a change and also require much greater effort in the preparation of the change itself.

Without the important consensus for the necessity and urgency of the change, and a common outlook, its instigation within an organization with a strong culture of participation is very likely to fail. In this case the attention given to the stages of preparation beforehand is essential.

In fact, over 61% of people surveyed agreed that certain cultural elements of NGOs such as participation hinder and slow the process of making change.

Figure 2.7. Difficulties from cultural factors such as participation

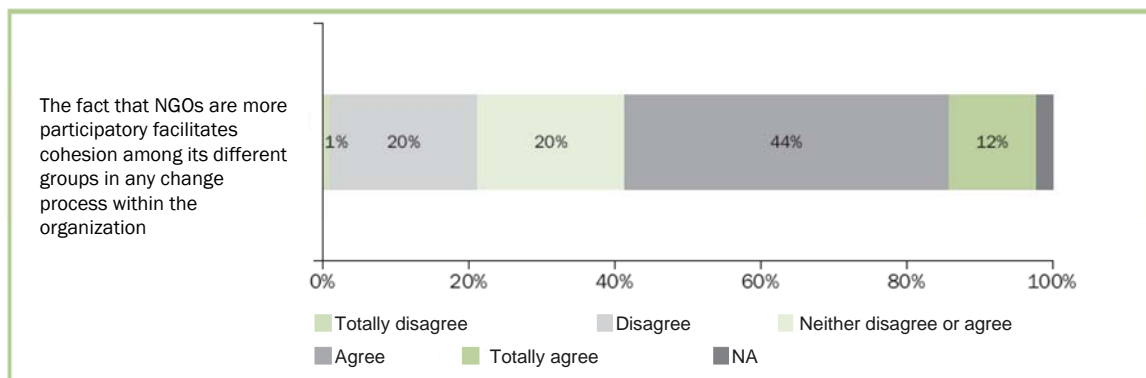


Source: Survey NGO and change, ESADE, 2010.

However it is also true that if the organization has the general consensus of its members for the change, the cohesion and movement towards its implementation is much easier. The dedication of the teams will be greater and the change much simpler to instigate. If an NGO has greater participation from its members, it might also actually facilitate a change in the organization as the different groups will feel more coherent in the process.

It is an opinion shared by over 56% of the people surveyed, although in this case there was also an important number that chose not to comment or showed their disagreement.

Figure 2.7. Possible cohesion from participation



Source: Survey NGO and change, ESADE, 2010.

A number of comments from the interviews and the open questions in the survey explain certain results. As some people pointed out, participation is often confused with decision-making, and in some organizations

members might feel that it is their right to oppose a change that does not meet their expectations or where their opinion has not been taken into account, particularly where it is considered a basic value of the organization.

If there is also a management model where imposition and drastic measures are generally the exception (explained in detail further in the study) any members resistant to change will be much more difficult to neutralize and implementing the change can be much more costly for the effort required from its leaders.

Listening to a number of voices in an organization undoubtedly provides a much wider perspective to more easily detect the need for change, yet this capacity does not always become a factor in making a change with the speed necessary.

I believe that NGOs are represented by the same kinds of people as in other sectors. The difference is in the management model applied that is more horizontal and involves much greater participation. It also means that those more resistant to change are much more difficult to neutralize and the change process itself is more costly in terms of the human effort required.

(Comment from survey)

2) Culture of consensus

Given the characteristics of NGOs, achieving the full consensus of all members is incredibly complex and yet there are many organizations where this culture is deeply rooted. Conflict is perceived as an attack on the very pillars of the organization and as such is ignored or its existence not accepted.

In some organizations this culture has clear religious origins since consonance is perceived as a part of the Christian faith. Yet there are also many organizations that were not created with any connection to the Catholic Church and still have an organizational culture that denies the existence of conflict. It is a cultural assumption that is quite possibly connected to the important need to reach a consensus to create or see an organization evolve. As explained by Schein²⁰ successful experience becomes a fundamental part of the organizational culture and consensus is therefore regarded as a feature to protect and value; an important example of attitude and behaviour.

²⁰ SCHEIN, E.H (1997) *Organizational culture and leadership*; New York: Jossey-Bass.

²¹ HUDSON, M. (1995) *Managing without Profit: The Art of Managing Third-sector Organizations*, Penguin Books, London.

In certain cases, the culture of consensus is developed in organizations where there are also important sources of conflict. Although it may seem paradoxical, the multiplicity of conflict unquestionably explains the need for consensus for progress to be made and the fact that it becomes a protected value. As pointed out by Hudson (1995),²¹ the sources of conflict in the non-profit sector are very different and quite possibly deeper than in a company of the private or public sector.

In our opinion the following are the most important.

Firstly the difficulty to specify and measure impact makes it incredibly complex to fix objectives and establish exactly what the organization must do and a way to measure the results obtained. Internal negotiations among different stakeholders become fundamental to clarify basic questions and priorities in the use of organizational resources.

The diversity of stakeholders with different expectations and demands on the organization becomes an inevitable source of conflict, as does the fact that the NGO is composed of a wide variety of people who are united by altruistic or philanthropic motives whilst differing hugely in their personal motivations and who all expect to be part of the decision-making process.

The management of conflict is of great importance for an NGO. If its diversity is not correctly managed the organization can easily dissolve. In this environment consensus becomes a highly valued good; necessary for progress and even survival. Excessively valuing consensus can be devastating for the evolution of an organization that fears moving away from the 'ideal' situation of cohesion to become excessively rigid and lacking in innovation.

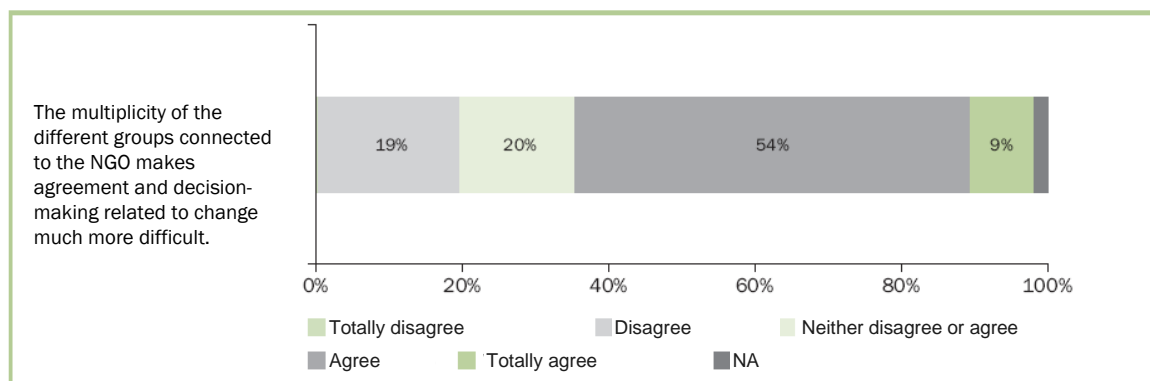
As is the case with a "misunderstood" culture of participation, the culture of consensus can also slow progress in an organization. In fact we believe that where there is a strong culture of consensus leading a change involves a huge amount of effort in its preparation.

However when people can be made to agree on the need for a certain change it can act as a catalyst for its implementation and allow the change to take place with greater ease and speed.

The sheer diversity of *stakeholders* can make consensus an extremely complex task, not only slowing the instigation of the change but also hindering its implementation. In fact as confirmed by 63% of the people surveyed the huge diversity of stakeholders connected to NGOs make agreements and decision-making for any change incredibly difficult.

Moreover and as we will see in the next point, it is not clear that participation, one of the most common tools in the sector to deal with conflict and reach a point of consensus, does in fact facilitate a greater sense of cohesion for the different stakeholders.

Figure 2.9. The multiplicity of stakeholders



Source: Survey NGO and change, ESADE, 2010.

The lack of consensus regarding change in some organizations may undermine the very legitimacy of the process and thus supposes a clear obstacle for it.

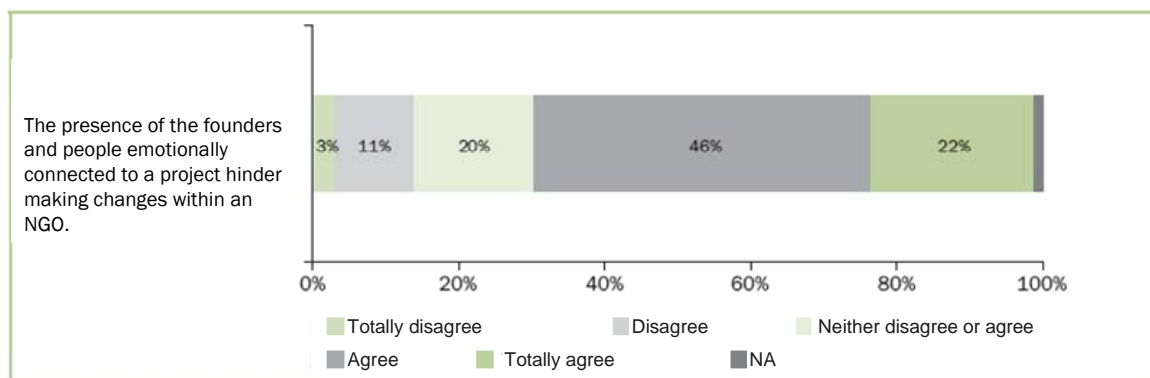
4) Emotional connection to the organization

The presence of people with a high emotional connection to the organization or project they are working on is a common feature of many NGOs. This connection is an obvious strong point of the organizations and once its members understand and are committed to a change, it can mean they are much more willing to make certain sacrifices, and assume certain costs to keep moving forwards. From this point of view it facilitates the implementation of change.

However as is the case with participation, the very connection or dedication to the organization can also in itself be an obstacle. People with an emotional connection may have difficulty in seeing where former ways of thinking or planning are no longer effective and need to be changed. Organizations that do not renew their personnel, particularly in areas requiring leadership run the risk of becoming stagnated by the excessive protection of the project and overlooking an ever-changing environment. These organizations are unable to detect the need for change.

69% of the people surveyed consider that the presence of the founders and those more emotionally connected to a project make change much more difficult within the NGO.

Figure 2.10. The presence of the founders



Source: Survey NGO and change, ESADE, 2010.

As well as a possible resistance from the founders, or more specifically a failure to see the possible need to change, even in organizations where leaders want to progress, a high level of emotional attachment can delay change when the same individuals show opposition.

A failure to understand the reasons for the change, or perceiving the change as a threat to the very basis of an organization or project can generate very strong reactions of resistance. Resistance may also be seen by many as legitimate since it comes from the greatest defenders of the organization or project.

However the emotional connection and commitment to a mission should be regarded as a great potential and very necessary in an organization. It is precisely these people who have the greatest ability to lead a process of transformation and particularly to understand the need to make changes ahead of time for the correct evolution of an organization. Without committed leaders who are emotionally connected to the project, an important change, particularly when anticipatory is difficult to undertake in the sector.

“In NGOs people dedicated to the organization are essential (committed to its mission) and are those who can guide it through a process of change.”

(Comment from the survey)

In this sense the participation of members and the consensus of its more emotionally connected groups are essential. When undertaking change it is vital to establish a strategy to convince and commit these groups. The more involved people are in the organization, the greater the time required to prepare them for making a change and the greater the need for communication and participation.

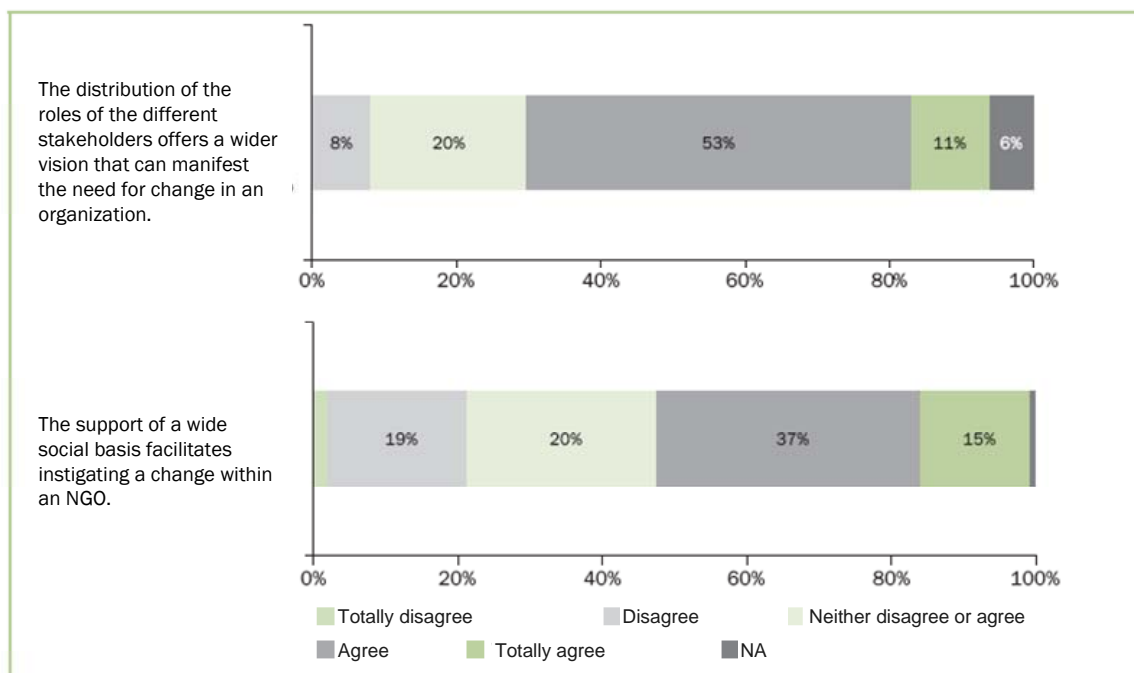
5) Diversity of stakeholders

The diversity of *stakeholders* –founders, governors, members, donors, workers, volunteers, beneficiaries etc with their numerous roles and levels of dedication – is a key feature of NGOs, but more importantly it is their will to participate in the key decisions made within the organization (often reflected in the lack of objectives) and that is often accompanied by a characteristic emotional attachment to the project.

The number of stakeholders involved is an important source of conflict in the sector, and clearly makes reaching consensus or decision-making in any process of change very difficult.

However as 64% of the people surveyed demonstrated, this diversity and particularly the distribution of roles actually offers the possibility for a much wider vision of a situation that can more easily detect any need for change within the organization. Without the contributions of different stakeholders and their corresponding points of view – sometimes completely external to the daily workings of the organization – there can be a failure to see ahead clearly and effectively to guide it.

Figure 2.11. The distribution of the roles of stakeholders and support of the social base



Source: Survey NGO and change, ESADE, 2010.

Among the stakeholders within an organization its social basis is particularly important. It can be better understood as the great diversity of different groups of people involved and interested in the organization without actually being integrated in it.²² As outlined above, 52% of the people surveyed also consider that when there is an important external group of people connected to an organization it can positively influence and encourage its transformation.

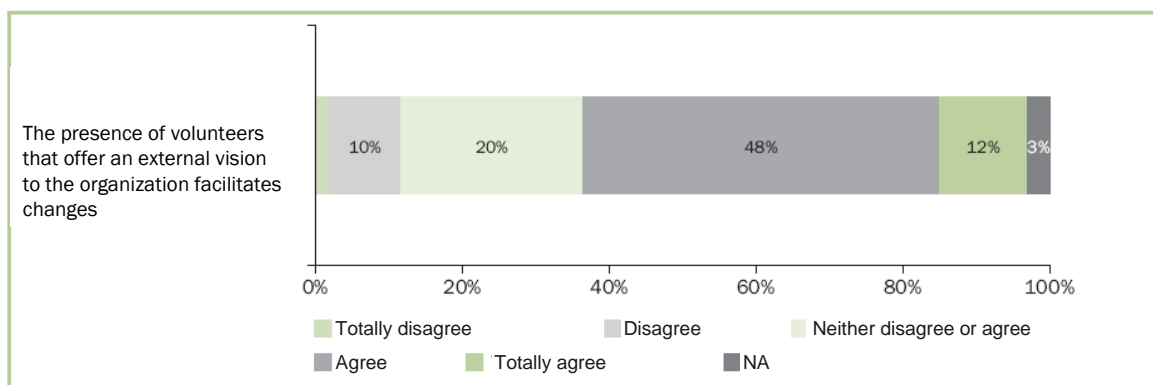
²² Although the book does not intend to define the concept of social basis, reference can be made to it in the document: CONGDE (2009) *Base social y participación ciudadana* (lit. "Social basis and citizen participation") from the NGOD Coordinator in Spain elaborated for the "II NGO and Development Meeting: Transformation and Challenges to the Sector in a changing society".

The *stakeholders* can greatly help detect the needs of an NGO and contribute to its evolution without actually offering solutions. The role of volunteers within this group, a specific feature of the sector, is of huge importance.

The diversity and impact of *stakeholders* is reflected in the comments that arose in many interviews; NGOs are usually agile in detecting the need for change and often in creating the service necessary. However it is not always the case when adapting the organization to a new situation. Internal change is slow and costly in a sector where the participation and consensus of a great number of stakeholders is often too important.

NGOs are innovative in directly attending social needs, yet it is difficult for them to implement change since it happens quite fast.
(Comment from the survey)

Figure 2.12. The presence of the volunteers



Source: Survey NGO and change, ESADE, 2010.

6) Leadership styles

In organizations with a high level of participation from its members, where consensus is important, leaders are generally used to exercising a less "dirigiste" style of leadership.²³ It is quite usual that the organization involves important levels of participation and delegation, and unilateral decision-making is rare. As reflected in the book *Líderes para el cambio social. Características y competencias del liderazgo en las ONG*,²⁴ shared leadership is quite usual in the sector.

²³ There are naturally important exceptions in the sector, but in our opinion it is a common feature that tends to be diluted as an organization grows and becomes more professionally structured.

Leadership is based on a shared vision to enable progress although the need for consensus may delay the decision-making process. Once taken however, it can actually facilitate commitment to the cause.

²⁴ CARRERAS, L.; LEAVERTON, A. and SUREDA, M. (2009) *Líderes para el cambio social. Características y competencias del liderazgo en las ONG*. ("Leaders for Social change. Characteristics and competencies for leading NGO's"), ESADE-PwC Social Leadership Programme 2008-09. ESADE Institute for Social Innovation, Barcelona.

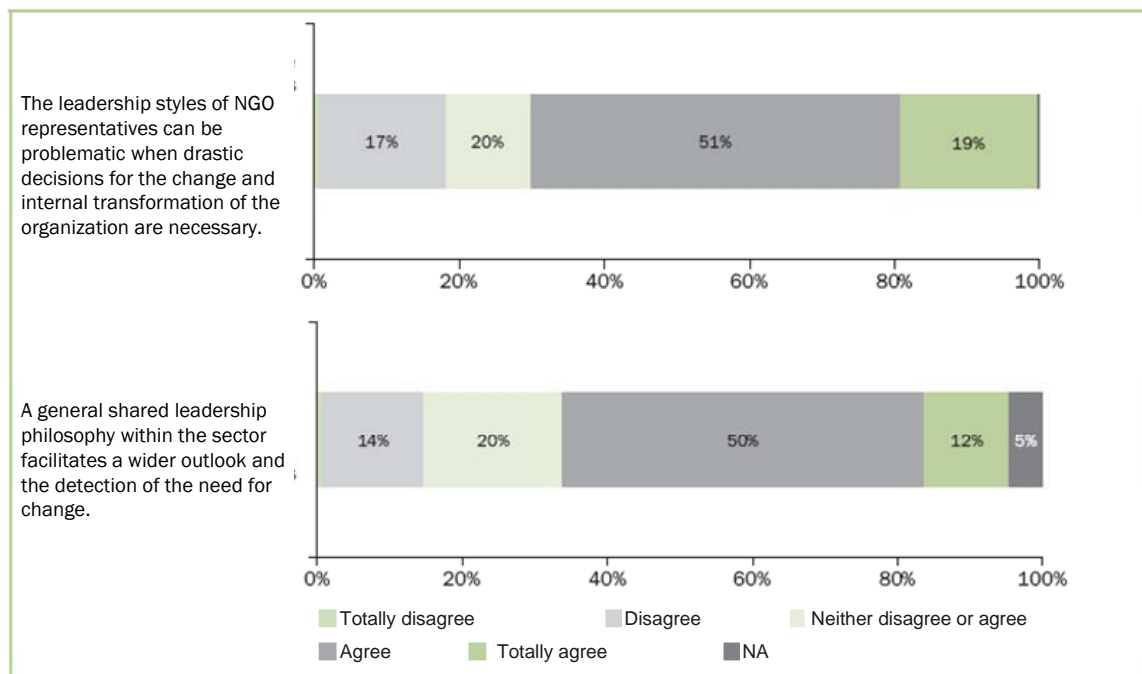
An attitude of convincing and committing people rather than giving orders and making impositions is a common feature in this style of leadership. However when difficult decisions need to be taken and the environment is uncertain convincing and committing people is a complex task and can clearly impede progress in any process of change.

Moreover it is not always possible to persuade and commit people; in some cases where changes require drastic decisions, when faced with opposition certain less 'dirigiste' leaders lack the knowledge or capability of making them. When this is the case, the cost of making the change can be incredibly high as the leaders see their position in the organization and relationship with the teams totally transformed.

Leading a process of change requires a firm attitude that is often, - not always - lacking where a less dirigiste style of leadership is characteristic and can clearly slow the process.

70% of the people surveyed are of the opinion that the leadership style of an NGO can be problematic when drastic decisions must be made to instigate a change or internal transformation in the organization.

Figure 2.12. Leadership style in the sector



Source: Survey NGO and change, ESADE, 2010.

However a general shared leadership philosophy also facilitates a wider vision that can enable the need for change to be detected more easily. A less *dirigiste* style of leadership that involves greater participation can in this sense contribute to constructing organizations with an ability to create and innovate, although with clear limitations for its implementation.

7) The unclear distribution of roles between management and governing bodies

The confusion of roles between the governing bodies and management is a common defect of many NGOs.

In small, less professionally structured organizations governing bodies tend to be very involved in the daily operations of the organization, exercising strategic leadership and an important part of the operational management. When the organization is in its initial stages it may be common (and quite often necessary) and clearly contributes to its dynamics. However this is not true in the long-term.

As is the case for individuals with a high level of emotional connection to a project, maintaining governing bodies highly involved in the daily operations can slow the mid-term evolution of an organization and make it difficult to consolidate an essentially strong management team for leading and managing processes of change.

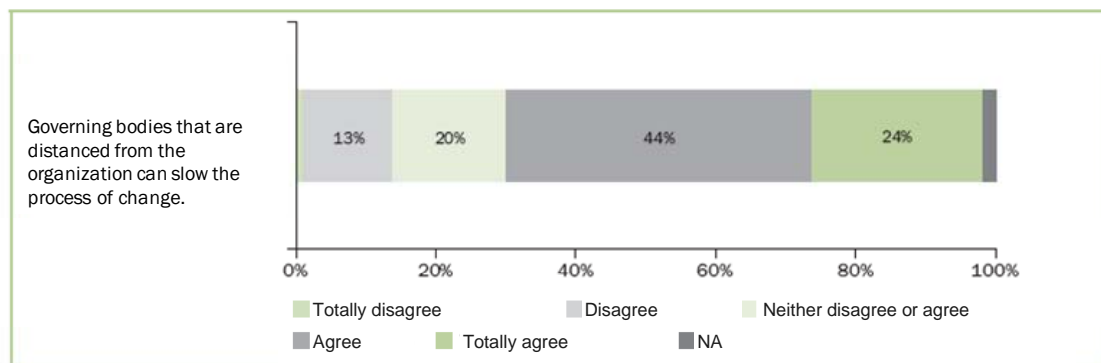
Organizations must evolve from the very beginning towards a model with a clear definition of the functions of both the governing body and the management team. The latter should be running the daily operations of the organization under the supervision of the former. The excessive involvement of the governors in management functions can lead to a critical situation (the long-term dedication of a governing body is not sustainable). This situation can also lead to the governors overlooking one of their key functions; to offer an overall vision that is not mechanized by the daily running of an organization.

However the evolution of organizations does not always reach a balance between both groups. As organizations grow and become more professional in structure, the role of the governing body is redefined and frequently separates from the organization or even excessively disconnects from its situation. It is

often the case that management teams actually run the organization, at times with the total complacency of the governing body, and often with some form of conflict involved.

68% of the people surveyed see the distance of a governing body in this case as an evident impediment to any process of change.

Figure 2.14. Governing bodies



Source: Survey NGO and change, ESADE, 2010.

In this case the governing body does not assume any kind of strategic leadership. It does not make any contribution regarding the project or situate it in the correct environment. The management team thus undertakes the strategic leadership role and operational management of the organization. Without the governing body to question any decisions or strategies, the daily management of the organization takes over and swallows up the reflections that are an important and necessary source of change.

Even where this is not the case and management teams are able to detect the need for a change and new outlook, they may well find opposition from the governors, who at a distance from the reality of the organization do not understand the necessity for transformation. Likewise the management team may find themselves facing the change without the explicit support necessary for it to be made.

Where there is a clear definition of roles between powerful governing bodies and management teams, the change process is unquestionably easier.

8) Scarce resources, the donation market and financial dependence

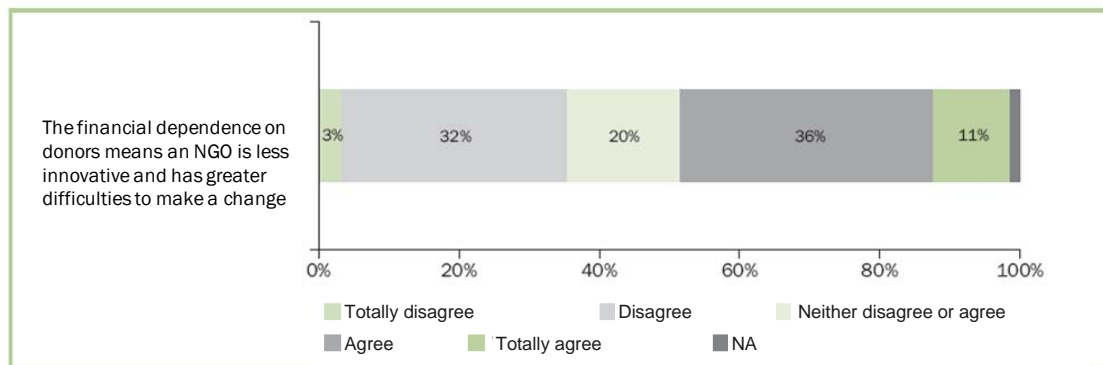
The majority of NGOs are characterized by very limited income - considering the volume of activity undertaken -, that comes from a very wide range of donors, and in the majority of cases often does not coincide with its beneficiaries.

Most NGOs usually have two kinds of “client”, beneficiaries and donors; two “markets” that they must follow closely, and that are themselves a source of change. The existence of both markets should in itself reinforce the predisposition to change, yet the connection with this double market means there is a disjunction between the vocation for social transformation and the offer of solutions to new social requirements that can and must be rapidly detected, and the reality of activities and management on a daily basis. Organizations may detect the new needs of one of its markets, the beneficiaries, but then need to convince the second market of donors who will assist them in undertaking the process of transformation necessary in adapting the work of the organization.

However the donation market can often delay change. The financial dependence on certain donors may mean that an NGO is less daring or innovative and will therefore find it more difficult to make a change.

47% of the people surveyed share this opinion and as outlined by some, it is particularly the case when it involves public donors or private sources of finance with very rigid procedures that are not used to collaborating in any kind of innovative project. However in the case of the individual donor it is usually the reverse situation. 52% of people in the survey feel that the support of a wide social base facilitates and encourages change in NGO's. (See graph 2.11)

Figure 2.15. Financial dependence



Source: Survey NGO and change, ESADE, 2010.

As in the case with the diversity of different stakeholders involved, the social base of an organization, its donors, may contribute to detecting its needs. The previous graph does not therefore reflect the agreement of the people surveyed since 35% consider that its financial dependence – particularly where public donors are concerned – mean NGOs are less likely to take risks or opt for innovation.

Yet the donors unquestionably contribute to increasing an organization’s budget and overcoming one of the clear limitations to change, the lack of resources. Changes are both risky and costly and organizations with scarce resources cannot always assume them. Although lack of resources may be an issue, as is the case for political activity outlined in the following section, it is more often a question of priorities in their use. The existence of certain donors also means that organizations are forced to monitor shares more closely and give feedback on their activities, a procedure that clearly facilitates progress in change.

Contributions from certain financial sources are closely linked to specific programmes or projects and although a specific transformation might have a direct impact on them, it is generally an investment with a mid to long-term effect that organizations have difficulty in encouraging its financiers to assume.

9) Politically active culture

Political activity as a focus on action rather than reflection is a feature of many NGOs and greatly determines the way they are managed.

It is important to remember that numerous NGOs were created to provide a solution to an outstanding need that they consider urgent. Offering some kind of service, campaigning against something, supporting a certain group or idea are all priorities for these organizations that were born with a clear focus on activity.

A logical priority for action deeply penetrates their organizational culture. The time, effort and resources available are always limited and dedicated to what is considered as the basic mission of the organization. Any reflection on the framework and surroundings of an activity, the dedication of effort and resources or anything that is not directly related to “managing” action is seen to a certain extent as secondary.

In smaller organizations the politically active culture is usually quite apparent. As the entity grows and becomes more professionally structured, the needs of management develop and resources dedicated to other areas other than direct activity are accepted, although not without creating tension.

A politically active culture may mean that many organizations in the sector are under-represented in certain areas that are not directly connected to its activity or mission, and time and resources for reflection are generally scarce.

An organization that by nature is commonly limited in resources may not detect any need to change, or if it is identified, may suffer from the lack of will or ability to make any reflection on its management. In organizations where political activity is particularly strong, any dedication to preparing for a change is complex and generally considered a waste of time.

Teams are used to action and not to thinking about it. The leaders are influenced by certain dynamics that can clearly endanger the process of change. When the need to change has been defined, the change is seen as having to be initiated immediately without any importance given to its preparation and planning.

10) Lack of culture of monitoring and evaluation

The lack of a system for monitoring and evaluation, or a source of information or tools developed to indicate what impact can be expected, is greatly related to the misunderstood culture of political activity. With the exception of the information sometimes requested by its financiers, the control, monitoring and evaluation of an activity has never been a priority in the sector.

The situation is closely related to the implicit difficulty involved in defining the impact and results expected. The complexity of specifying the impact or results of any change instigated has meant that once undertaken it may evolve in a number of different directions. The difficulties involved in gauging a change have also often led to an inability to define it and thus increases the problem of its follow-up and evaluation.

However and as explained in the first chapter, the first step is to know what direction and impact is expected. Monitoring and evaluation is consequently essential for an organization to develop an ability to adapt and improve its predisposition to change.

A culture of monitoring and evaluation would enable an organization to be more attentive to the data and signs in the environment whilst valuing the relevance, efficiency and effectiveness of an NGO's intervention. It would mean a necessary change could be detected and more so in cases without apparent crisis or rupture.

Evaluation is also a key instrument to maintain motivation for change by proving when cases are successful.

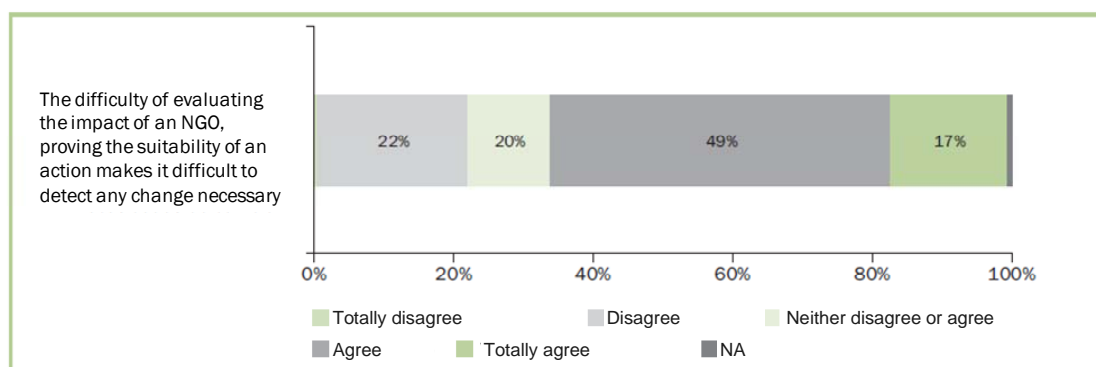
In fact 66% of the people surveyed agreed that the difficulty to evaluate the impact of an NGO and demonstrate the suitability of a certain activity makes it difficult to detect the need for change.

22% disagree with this statement, believing that the difficulty to evaluate impact is not so important. Evaluation and quantification must exist for change to happen.

In recent years there has been an attempt to make improvements in this area. Although the lack of tools to measure results is still one of the sector's greatest weaknesses, it has shown a tendency for notable improvement.

The difficulty involved in evaluating impact and in particular defining any differences that might arise for individual activities has led to measurement for the different sub-sectors, for example cooperation and development, social services etc. This tendency is not only due to the similarity between the different activities developed by each, but is a part of development and an initiative taken by the sector, platforms, coordinators, or even at times from the possible demands of financiers that might be common or comparable among different organizations.

Figure 2.16. The evaluation of impact



Source: Survey NGO and change, ESADE, 2010.

2.3 The tendency for change in an NGO

Throughout the chapter we have outlined the different specific features of non-profit organizations that positively influence or impede a process of transformation within an organization.

One of the main conclusions drawn is that some of these characteristics are actually double-edged in that they may prove to be both an impediment and a boost to making a change. A common feature of the sector overall is the high intensity of multi-relational work on an internal level. Within the organization its

day-to-day operations are intense and interpersonal relationships are greatly enhanced. This means on the one hand that relationships are much richer (greater contact between different groups, wider vision, greater interest for the correct functioning of the organization etc) but are also stronger (making it more difficult or requiring more effort in situations that are initiated without a certain amount of support as may be the case in instigating a change)

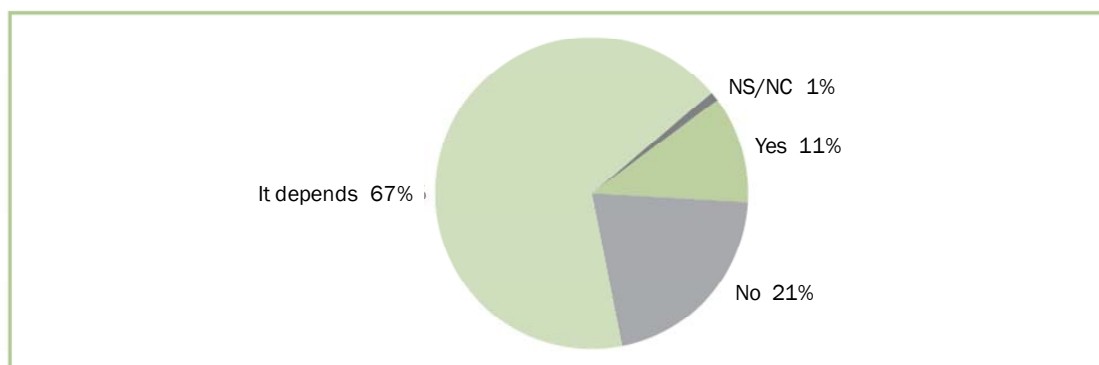
As reflected by a number of the survey results, the very nature of an NGO should mean it is intrinsically geared to making change, although in practice it is not always easy to internally develop the process (see graphs 2.1, 2.2 and 2.3).

After completing the survey participants were asked to give an overall rating for non-profit organizations' tendency to change (as presented in the graph below).

More than two thirds of the people surveyed were of the opinion that this argument cannot be generalized within the sector, since each organization is completely different. On the one hand they specified general features such as the size, type and activity of the organization and on the other, the fact that there are certain elements that may facilitate or hinder the process of change.

Although the minority, a noteworthy 21% of people feel that NGOs do not have a specific tendency to change, whilst only 11% believe it is the case.

Figure 2.17. In general do NGOs have a tendency to change?



Source: Survey NGO and change, ESADE, 2010.

"I believe that even when NGOs are able to detect the need to change or adapt to a new situation, it is complex for them to instigate it due to the great number of different groups involved in the organization, to avoid any traumatic reaction to the change and for all members to feel identified with it. There is also a particular need or obligation to act very carefully to protect what they already have, to improve on their situation by making change but without leaving anyone out. This involves great effort and is often coupled with the exhaustion felt by staff from an overload of work and very emotional involvement."

(Comment from survey)

3. Factors for a successful process of change

“There is nothing more difficult to take in hand, more perilous to conduct or uncertain in its success, than to take the lead in the introduction of a new order of things.”

Machiavelli

Change is necessary and almost an obligation for NGOs. But it is not easy. Countless studies have referred to change as one of the most complex procedures for organizations to experience. As Machiavelli stated in the XVI century, introducing a new order of things is one of the most uncertain tasks that exists.

After detailed research and over 20 years of experience Stewart Black and H.B. Gregerson ventured to declare a 50 to 80% failure rate for any change procedure. It is an extremely high statistic that clearly indicates the great difficulty involved in the process.

The leaders of the sector consulted refer to leading change as one of the most difficult, intense but also educational processes they have undergone in their entire professional career.

As seen in the previous chapter, there are certain characteristics of NGOs that must be taken into account to drive a process of change. The need to consult the opinion of the numerous *stakeholders* –members, volunteers, donors, financers– and the very beneficiaries of the services, the desire to reduce costs, particularly on a personal level that are associated with any change, and the importance of certain dilemmas can make leading a change in this sector particularly more complex than in other kinds of organization. It requires a great amount of energy and commitment.

3.1 The flow of change

Yet in spite of its complexity, change is possible. In fact the majority of organizations are continuously changing. Moreover there are numerous examples of changes that have been greatly successful in spite of unforeseen obstacles and events, and have actually led an organization to reach its ideal situation.

Is there a particular element that can explain the success of these changes? Is it possible to provide guidelines to a process for its result to be more satisfying?

On analysis of successful change procedures experienced by different organizations, Kotter declares it is possible to identify a flow of change that involves a number of consecutive stages that must be followed carefully for positive results to be seen. The Kotter model is based on the observation of a situation at hand where the most common mistakes made by an organization can be detected and avoided.

Kotter's 8-step change model²⁵

- Step 1: Establish a sense of urgency
- Step 2: Form a coalition
- Step 3: Create a vision for change
- Step 4: Effectively communicate the vision and strategy
- Step 5: Empower others to act on the vision
- Step 6: Plan for and create short-term wins
- Step 7: Consolidate improvement and produce more change
- Step 8: Institutionalize the new approaches

We share Kotter's basic premise that there are unavoidable, key aspects that must be a part of any significant process of change. However we believe that this model can be complemented with other key factors and perhaps be incorporated and studied jointly.

Missing any one of these steps might create the illusion of moving faster but will not generate satisfactory results. Moreover as Kotter points out in his book “The heart of change; Real life stories of how people change their organizations,” ²⁶ “the complexity of the world means that not all cases follow the strict order of these steps.”

We therefore believe that rather than referring to a ‘flow’ or ‘steps’, which implies the need to follow a pre-established order, it is preferable to consider the key

²⁵ Taken from Kotter's article, “Why Transformation Efforts Fail”, *Harvard Business Review*, March-April 1995.

²⁶ KOTTER, J. and COHEN, D. (2003) *The Heart of Change. Real life stories of how people change their organizations*. Harvard Business School Publishing.

factors for success; elements that cannot be overlooked for the design, initiation, implementation and finalization of a process of change and must therefore be taken into account by any organization aspiring to success. It does not mean that a certain chain or order in the development of factors is irrelevant, but perhaps does not always follow the exact format suggested by Kotter.

Inspired by the work of K.Lewin,²⁷ we have designed an adapted form of Kotter's 8-step model for the specific situation of the sector divided into three main stages so that it maintains a certain format of order but without necessarily implying that each step must follow the next consecutively.

²⁷ LEWIN, K. (1951) *Field theory in social science; selected theoretical papers*. D. Cartwright (ed.). New York: Harber & Row.

The three main stages include what we consider as the key factors for successful change and give the model greater flexibility in adjusting to a very wide variety of situations.

According to K. Lewin, to make an effective, lasting change it must proceed through three different stages:

A first stage, Lewin denominated *unfreezing*. This stage requires a situation of some concern for the organization where there is an imbalance that has meant change is being considered on an individual or organizational level. Unfreezing involves the appearance of discontentment, breaking the balance, and the manifestation of the evident need for change.

A second stage of *movement* which produces the necessary changes; transforming the structure and developing new values...

A third stage of *freezing* that aims to institutionalize and strengthen the new pattern of behaviour and the change introduced so it becomes the norm.

We feel that the "adaptation" of Kotter's 8-step model to the explanatory stages of Lewin's model for change allows us to have a clearer idea of the different factors that are necessary for successful change to be made and respect the concept of order without being caught up in unproductive arguments regarding the necessity of sequence.

We have proposed the flow of change by grouping together the stages and key factors, the result of the adaptation of Kotter's model, that serves as a reference or starting point to answer the two questions that arose at the beginning.

Is there a particular element that can explain a successful change? Is it possible to present a set of guidelines to follow for satisfactory results in a process of change?

We are far from believing in the design of a major formula for successful change. It is far too complex a concept to be simplified, however we are convinced that there are critical moments and elements involved in making a change that we must be particularly attentive to. Overlooking or not considering these factors when designing a strategy for change will clearly lead to failure.

Any guidelines for change must consider these elements or "key success factors" that are essential to fulfil the expectations of an organization.

Any process of change requires correct leadership and management but it is not sufficient to guarantee results. Additional factors such as the suitability of the change, the surroundings, the moment chosen to undertake it, the volume of resources available etc will obviously influence its success.

The adaptation of Kotter's model, the contribution of other authors and our personal knowledge of the sector were the central references for this book. It does not aim to offer a magical recipe that can transform the success of an organization, but it can provide a guideline for their leaders to design and lead change, increase the impact of their activity and consolidate their organizations.

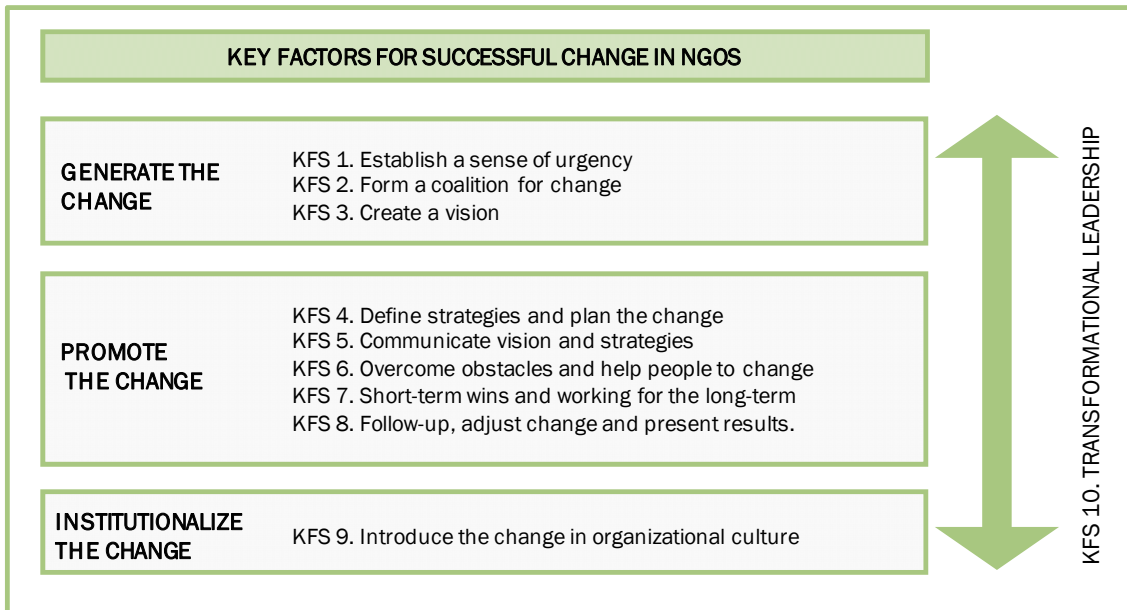
3.2 Key factors for a successful process of change: the basic outline of the book

The structure of the book is therefore based on a revised form of the three stages and key success factors that any transformational process must contemplate and use when devising strategies to lead and face change successfully.

A chapter is dedicated to each stage and its key factors. The last chapter also includes a specific reference to leading change, an essential element that the majority of directors in the sector value highly and consider absolutely critical for its success.

The diagram below represents the outline used and a brief explanation of the stages and key factors included in each.

Figure 3.1. The process of change in NGOs: KEY STAGES AND FACTORS FOR SUCCESS



Source: Internal creation based on Kotter and Lewin models.

STAGE 1. Generate the change

The first stage involves generating the change, and is a preparation that is fundamental to its success. The sense of urgency often felt by those wanting to instigate the change mean this stage is frequently undervalued. If overlooked completely it can seriously endanger it.

As illustrated in the previous chapter, political activity is a characteristic of many organizations in the non-profit sector and may obstruct the time necessary for this stage in any process of change. The fundamental objective here is to give the change the legitimacy and direction required.

Key factor for success 1 – Establish a sense of urgency

To initiate a significant change it is essential to generate a feeling of urgency among the most relevant people in the organization, to identify and establish the need for change.

Key factor for success 2 – Form a coalition for change

Once aware of the need for change and the sense of urgency, it is the moment to form a team, the coalition that will lead the change. This coalition must be made up of people with moral or technical legitimacy in the organization.

In the case of NGOs it is particularly successful, although difficult, to constitute a coalition for change made up of different stakeholders.

Key factor for success 3 – Create a vision

To know where to go with the change, be capable of valuing the different alternatives and formulate a shared vision that specifies the final destination is essential for the change to evolve favourably.

In fact in many organizations that we have studied the third step precedes the second or is undertaken at the same time.

STAGE 2. Promote the change

Once the need for change has been created and shared, the vision outlined and the team to lead the change designated, it is time to promote and implement it. There are five factors that are key for the success of its implementation: define a strategy, plan the change, communicate the vision and strategy,

overcome organizational obstacles and help people to change, achieve short-term gains and work for the long-term, follow-up on progress, adjust to the change and present the results.

The provision of planning and follow-up tools and particularly the development of strategies to overcome possible resistance (communicate, overcome obstacles, help people to change, achieve short-term gains etc) and committing the team to the change, are essential objectives for this stage.

Successful changes are generally those that progressively incorporate new people committed to the cause along the way. It is essential to explain the reasons behind the change and clearly communicate the vision and strategy as well as eliminate the obstacles that prevent the empowerment of people believing in the change.

Key factor for success 4 – Define the strategy and plan the change

Once there is a vision, a strategy for the change can be developed. It must include a study of the predisposition of the different stakeholders to the change. It will contribute to the timing of decision-making and the sequence of changes necessary, the level of planning required, the participation expected or possible, the obstacles to be overcome, and the allies to be made. Once a strategy is in place it is possible to plan the implementation of the change.

Key factor for success 5 – Communicate the vision and strategy

Communication is essential for an understanding from all the organization's members of the reasons for the change. It can overcome any resistance and form a group of key people who can assist with the coalition for a change to encourage and introduce it in the organization.

Key factor for success 6 – Overcome obstacles and help people to change

In all organizations there are both structural and informal elements that delay change (general overall changes or those applied in a specific area) and hinder their application for those supporting it. There are also elements that send contradictory messages to the organization. A fundamental task for all coalitions of change is to identify the obstacles and action necessary to overcome them.

Key factor for success 7 – Short-term wins and working for the long-term

It is essential to obtain short-term wins that encourage and give strength to the supporters of change and provide them with further arguments to defend it. Significant change usually has a mid to long-term vision and without evident proof that it will work short-term, the change often becomes inaccessible.

However achieving short-term wins should not become an excuse to delaying the evolution of change nor should it mean an effort that prevents work on the mid to long-term. It is important to link the different levels of change and set priorities for the achievements in such a way that these short-term victories contribute to facilitating the change in the long-term.

Key factor for success 8 – Follow-up on progress, adjusting to the change and provide results

An important factor that is generally overlooked in any process of change in the sector is the follow-up and presentation of results. Following progress, making adjustments accordingly and presenting results for communicating the evolution of the process is a critical element that ensures a continual commitment from the organization and success throughout the different processes that may generate important setbacks.

STAGE 3. Institutionalize the change

Institutionalize the change and sustain it, abandon past structures, behaviour, visions and beliefs to acquire another new outlook that enables adapting to the context much better. It is a complex and indispensable task when making significant change.

Key factor for success 9 – Introduce the change in the organizational culture

Transforming the elements of an organization's culture that are not coherent with the change instigated is fundamental for the process to be really significant and permanent over time. It is quite possibly the most complex stage involved in the process of change. It is important to remember that culture is the result of a number of elements and defined by those that are most stable and less flexible within an organization.

In the evaluation of a process of change, its impact on the culture of the organization is frequently overlooked and this stage considered unimportant. If the change is not impregnated on the organization it will not last long-term.

Key factor for success 10 – Transformational leadership

A transformational leader is able to give change a direction, communicate and make people committed to the cause whilst transforming the culture itself. Leadership is the most important factor of any procedure of change and involves undertaking a very different role in each stage. Without this critical individual at the forefront significant change is not possible.

3.3 The singularity of change and the relative importance of the different key factors for success

It is clear that not all changes are the same or are produced in similar conditions. The motives and urgency of a change, characteristics, magnitude, and organizational surroundings hugely differ in each case. This means that every situation of change is unique and has its own particularities.

Before initiating a change process it is important to identify these particularities, to understand their fundamental critical aspects, the stages in the flow of change that may be most problematic, and to give them the necessary attention.

Strategies will obviously differ enormously depending on whether a change arises in response to an external threat and considered necessary by the organization's members, or if a change has derived from the governing body and a desire to make progress with a new outlook. Whether a change is one of great magnitude and will affect the entire organization, or one which will only influence a small group of people.

Furthermore, strategies will not be the same for an organization tired of unfruitful changes or one that is impatiently waiting for a change to be made.

The motive for the change, the perception, level of urgency and necessity, the magnitude of the change and organizational tendency for it, all need to be studied to facilitate the definition of the most suitable strategy.

Certain questions should be addressed (see the following diagram) and can help us to take certain key decisions.

An analysis of the particularities of a change is fundamental to establish the strategy to develop, and can help us contemplate the decisions to be made regarding the correct moment to initiate the change, its timing, level of previous planning required, degree of collaboration necessary and mechanisms for its implementation.

If the strategy is defined in detail in the preparation stage, and given reflection before initiating the whole process, it can enable an organization to detect the need to reinforce certain stages of the procedure. By considering its singularity it is also possible to ask the question: is it really the right moment to change?

It is undoubtedly the first decision that must be made. Once the different aspects linked to the change have been studied it is time to decide if it is really the right moment for it, and evaluate the risks and costs involved in its delay. It is often a decision that organizations cannot afford to make.

As pointed out by Charles Handy (1988) "the majority of organizations unfortunately change only when really threatened, and the cost of the change exceeds the risk. This often means it is too late."

The singularities of change

Motive for change

What reasons have led to the change? Is it a need that stems from an obvious external situation? Is it an internal crisis that needs to be solved? Is it the resolve of a group of people without the evidence that these feelings are shared by others?

Urgency and need for change

What level of urgency does the change have? What would happen if the change wasn't made now? How long can it wait? Is there an obvious or shared feeling of urgency for the need to change?

Magnitude of the change

What type of change is it? Is it systematic all-round change that must be made progressively or a one-off very specific change within the organization? Which stakeholders will be directly affected by the change?

How many people will be affected by it on a daily basis? What level of collaboration would be necessary for the change to work? How many simultaneous aspects need changing?

Tendency for the organization to change

Is the need to change shared by many people in the organization? Is there a consensus regarding the course the organization wants to take with the change? Does the organization have a past history of previous changes? How have these worked? What predisposition do the members of the organization have for the change? What kind of work climate is there? How might the change affect it? Is there any level of resistance to the change? What power do the people resisting the change have in the organization? What about the supporters of the change?

Besides taking care not to initiate processes of change that are likely to end in failure, it is also important to be attentive to any forces of opposition so they do not indefinitely postpone changes; that in the words of Handy, may finally be made too late.

As illustrated earlier, in 1988 the former Executive Director of the Appalachian Mountain Club proposed initiating a process to transform the governing body of the organization and empower the executive team with the managerial power necessary. Control of the organization had been in the hands of the governing body for the last 100 years of its history. The Executive Director was a “mere coordinator” who was carrying out the orders dictated by the Board that was made up of volunteers.

In spite of the evident financial crisis suffered by the organization the proposal to change was not accepted by all the members of the board. The same proposal for change generated an internal crisis among the governing body that could not reach an agreement on the urgency for measures to be taken. The decision over whether it was the correct moment to change generated an intense debate that delayed a change that the Executive Director had been pushing to undertake at the earliest possibility.

It took over two years and a total renovation of the governing body before the process of change could be initiated.

3.4 Leadership, a key factor for success

As seen in Chapter 2, leadership is a key factor for successful change, and it is an opinion shared within the sector. Without suitable leadership the change procedure is destined to fail.

A leader must have the ability to guide and steer change, accompany people in the process and transform the culture of the organization. The leadership role has different functions and objectives in each of the different stages of the change. The leader and his team must make the organization aware of the need to change, to feel committed and have the knowledge and courage to act as well as achieve the permanent results expected by all.

As explained in the following chapters, to gain results the leadership team must be able to contrast and detect different problems, offer a vision and solution to the situation in question, identify other potential leaders for change, communicate, accompany, recognize and award attitudes as well as transform the very culture of the organization.

As Stewart Black and H.B. Gregersen point out, the leadership team must actually change individuals to change the organization. The role involves accompanying people as well as creating and changing the culture, and this particular capability distinguishes a real leader from a good manager.

The role of the manager in making a change is obviously important, but their participation is limited mostly to the implementation stage of the change. The manager then helps to make and implement plans, and monitor and adjust the organization accordingly with the changing situation. Good managers can ensure the success of one-off changes, but to obtain positive results for a significant change an organization requires a trustworthy and transformational leader who will win the trust of his teams and transform the organization's culture.

It is an enormous challenge and responsibility and increasingly difficult in a continuously changing environment.

4. Generating change

Preparing for a change, investing time in awakening a sense of urgency, constructing a vision that unites and guides people's efforts, and managing a coalition to lead the change is essential for its success.

The wide number of reference texts studied and interviews undertaken determine that there are many problems related to the procedure of change that are generated in the preparation stage. It is common for both enthusiasts and planners of the change to make important mistakes during this stage where the time and effort invested are a major guarantee of success. The urgency of the change, a feeling of euphoria, the certainty of finding the solution to the problem, or a faith in rationality may lead to energy being entirely focused on making a change immediately.

A change may therefore be initiated too suddenly or after a little but insufficient effort dedicated to its preparation. The risk of falling into the immediacy trap and skipping the preparation stage is very high in organizations that are used to taking action and where dedicating effort to non-action seems a waste of time. In a politically active culture such as the non-profit sector it is a common characteristic.

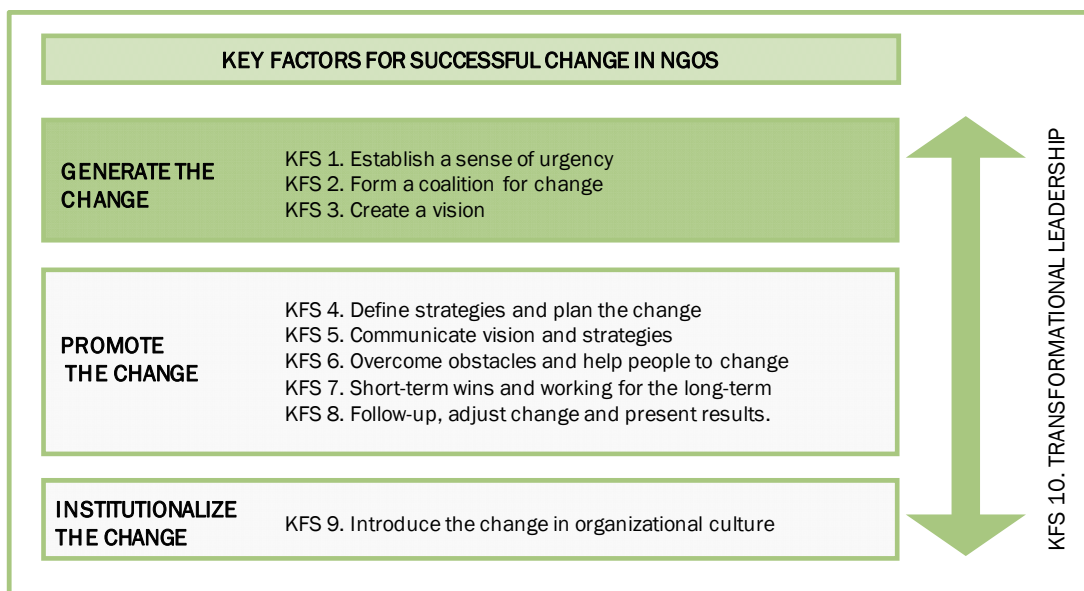
The more powerful or influential the person leading the change, the greater the risk of overlooking the preparation stage, and when insufficient time has been dedicated to its preparation, it is very likely to end in failure.

There are examples of changes that have not worked because the person leading them has ended up acting alone, there has been a lack of comprehension, or a management team has shown resistance. When managing a change the preparation stage is as important as the actual change procedure itself.

It is an exploratory period that aims fundamentally to attract people to the change and provide it with a direction. It is the stage Lewin refers to as *unfreezing*, where it is necessary to generate or observe dissatisfaction for there to be a need to change it. Anxiety, concern and motivation must be strong enough to justify the costs of making a change.

It is essential to inform people of the situation, clearly point to the future and indicate the way forwards to reduce any possible resistance when establishing the basis of the change. This preparation gives the change its necessary foundation.

Figure 4.1. The process of change in NGOs: GENERATE THE CHANGE



Source: Internal creation based on Kotter and Lewin's models.

The *Casal dels Infants para la Acci3n Social en los barrios* is a social organization that was created in the district of Raval in Barcelona in 1983. The association works to substantially improve the quality of life of children, young people and families in a situation of risk or social exclusion and the communities where they live.

At the time the change was initiated within the organization Casal had a budget of nearly 2 million euros and a working staff of 84 professionals and 477 volunteers.

At the end of 2004, the Board of the Casal dels Infants del Raval decided to encourage a strategic planning process to provide the organization with a tool that would guide it in the future. This procedure involved transforming the dynamic workings of the entire organization, as although it had annual programmes in operation there was no written mid-term strategy in place. It was the managing team who made the decisions that steered and guided the organization. The board was aware that as well as the results of the plan they were contemplating an important change that would deeply affect the organization.

The plan itself was not so urgent in the organization; it had shown continuous growth over the last fifteen years. The management team was powerful, committed and a good leader and all shared the resolve to establish a strategic guideline for the organization that would more clearly focus their efforts, empower the board and direct its growth.

The governing body and management team therefore coincided in their intention.

Within the organization there were certain tensions between the teams that had arisen from different visions regarding the future, making it even more recommendable to establish a strategic plan.

Within this environment, a rapid strategy might have been a good option. However the magnitude of the change at hand, its future implications and the aim for wider support within the organization led the management team and board to opt for a slower process. For six months the board and management team debated the need and urgency of the plan and agreed on the level of participation of the different stakeholders in the procedure. The creation of the plan took another year.

Participation became a key tool by sharing the need for a strategic plan and generating a sense of urgency for the change. The joint creation of the strategic plan was also the strategy adopted to offer a clear and shared vision of the future and the future direction of the changes. At the same time preparing and leading the strategic plan enabled a coalition to be formed that would eventually lead all related changes.

In this case, the culture of assembly within the organization in question, and its strategic importance at that particular time, meant that the organization considered an extended participatory procedure as the most suitable option. The planning procedure had to provide a solution to some of the fundamental tensions that the organization was facing as well as different options for expansion and growth. The procedure finally took a lot longer than was originally foreseen and still did not resolve some of the key tensions that had appeared.

The following stage gave rise to some key learning experiences. The participation of its members generated expectations that were not managed correctly. The results did not correspond with the general prospect of some of the groups, and in this case the participatory approach did not resolve the tension.

The strategic plan involved the extension and growth of the organization; an objective that a number of members did not share. The governing board and management team quite likely trusted too greatly in the power of consensus within the planning process. The culture of Casal made it difficult to face a conflict that in this case was difficult to avoid.

However the time dedicated to its preparation did contribute to increasing the awareness and commitment of the organization and quite possibly to facilitating its execution later, whilst as is often the case, it could not avoid some resistance to its proposals. In this particular example those against the plan had a totally different vision and understanding of the intrinsic essence of the organization.

In this situation leaders have to accept this particular point of view as a comprehensive reaction and work as far as possible on a clear communication strategy, and in the case of Casal, on supporting their teams at all times.

4.1 KFS 1. – Establish a sense of urgency

Change is not easy. It means renouncing the familiar and venturing onto a path of uncertain and unexplored territory. Change involves taking risks and unavoidable costs appear. In spite of there being many people who have a greater tendency to change and more flexible organizations, not everyone is always prepared to take the step, nor are all organizations able to undertake the costs involved.

To move from the known into the unknown commonly generates important resistance. As the saying goes, “Better the devil you know, than the devil you don’t” which clearly expresses one of the greatest obstacles to change. This obstacle can only be overcome if both the level of discomfort with the present situation and the expectations related to it changing are both high.

For an important change to take place it must be seen to be necessary, and it is the responsibility of an organization’s leader to ensure that this perception is communal. As Kotter explains, “the most successful changes start by generating a sense of urgency among the most important people. A sense of urgency will make people get up off the sofa or their chair and be ready to move.”

A sense of urgency is one of the fundamental motors of change and without it can be very difficult to proceed. An alert and committed staff will eliminate organizational complacency. According to Kotter it is one of the most efficient mechanisms to overcome stagnancy; where there is no change and everything remains the same. The greater the feeling of urgency, the more unacceptable the *status quo* and the more essential a radical change becomes. When people are convinced that a change is urgent and necessary they will abandon their comfort zone.

During this stage, the leaders of change must be able to transmit the feeling that if the situation continues it will be even more dangerous than heading towards a totally unknown situation. In moments of important transformation in the environment or an organizational crisis, generating this feeling can be relatively easy.

In fact at times the need for change is so obvious and the determination so great, that the primary functions of the leader are simply to detect and give it a name. Yet it is also important to remember that besides the sense of urgency there are other characteristics in its preparation that are critical and must be considered beforehand for the change to be successful.

The fact that we are currently in the midst of a full economic crisis and a situation of great instability, may have influenced the fact that the majority of people interviewed did not consider the generation of a sense of urgency as one of the most important factors for successful change.

In the face of the transformation currently being experienced by society it is apparently easy to find arguments to reinforce the need and urgency for change. It is important however that the relative facility of our current situation does not overlook the importance of preparation in any change procedure.

The need for change is not always so evident nor is it shared. Nor does it always respond to any kind of trouble or internal crisis. Change also takes place within successful or apparently successful organizations. To make a change when things are going well, to anticipate a situation in the future or change to transform the impact of an organization is an extremely complex task.

As mentioned in the first chapter of the book, when referring to “anticipatory changes” it is extremely difficult to awaken the need for change in successful organizations. This is also the case for organizations that have a mistaken perception of their success, although to a lesser degree.

The example of the Fundació Jaume Bofill once again illustrates this difficulty.

In 2007, the Board of the Fundació Jaume Bofill began the process of reformulating its mission, vision and the values of the organization. This process did not stem from any crisis or previous setbacks.

The Foundation had grown substantially in the last few years, had extended its areas of activity and consolidated an important role in certain central areas with a social and political agenda. The Fundació Jaume Bofill was considered one of the most highly respected centres of research in Catalunya. However the Board felt that despite its reputation among the public, the scope of its different areas and activities did not enable the organization to actually achieve the impact intended. It began to contemplate a clearer focus that would allow them to improve their efficiency in the use of resources.

The Foundation did not possess any kind of instrument to evaluate its results and the real impact of the projects undertaken so the Board initiated an external evaluation process (see Chapter 1).

Although this procedure did not provide an evaluation of the impact of their actions it did encourage the need to more clearly define what impact was expected and the strategy that was necessary to achieve it. A different perception of their impact and success; notions that had not been considered by the organization as a whole, led to a complete evaluation of the need to change.

The clear creation and definition of the exact impact intended by the organization and its communication to the key members of the Foundation became a fundamental strategy to establish the sense of urgency for the change.

In fact the complacency of some members of the organization was based on their history of high quality study and knowledge generation that had resulted in extensive public recognition.

Whilst the board recognized this was the case, their idea was to take it one step further and achieve an even greater impact. It was necessary to focus in more detail on the generation of knowledge and encourage social transformation. The ability demonstrated by the Foundation in influencing certain laws in key areas was an obvious sign of its success and an indication for them to continue in this direction.

As J. Stewart Black and H.B Gregersen²⁸ explain it is this failure to see the need for change that proves to be one of the biggest barriers. This failure means there is an inability to recognize the existence of a threat or an opportunity, and to understand that changes in the environment may mean that the organization's *modus operandi* is no longer suitable and that change is essential.

²⁸ Stewart Black, J. and Gregersen, H.B (2008) *It Starts with One. Changing individuals changes organizations*; Wharton School Publishing; 2nd edition.

This situation is common in organizations that have been successful in the past. Many members are unable to see the new opportunities or existing threats appearing because they are blinded by their current situation and a way of thinking that has guided their activity for years.

As outlined in the first chapter, Black and Gregersen quote three major "brain barriers" to change: failure to see, failure to move and failure to finish. The failure to see can be combined with an attitude of complacency or a fear of facing the unknown; and both feelings might impede change.

To overcome these obstacles and transmit a need to change, it is essential to collect data and evidence for developing a suitable communication strategy.

The authors recommend collecting data that can provide an overall vision of the past, present and future of the organization. It is a strategy that focuses on demonstrating an important contrast and confrontation to prove the existence of certain threats and to detect new paradigms.

A great leader has the ability to simplify reality, distinguish between important contrasts and highlight the differences that the change will make. An excessive collection of data is a common mistake made during this stage. Too many elements can overwhelm people with their difficulties or encourage them to merely focus on other interests and will delay the change. It is therefore important that the strategy simplifies reality, focuses on fewer, real transformational elements and is positive in its outlook to consciously demonstrate which problems or challenges can be faced.

Organizations often use an external consultancy company to identify and establish the need for changes to be made. A consultancy report that contains objective arguments for the need to progress in a certain direction may contribute to strengthening the position of any individual or group aiming to initiate a change.

The mission of the Fundación Secretariado Gitano is dedicated to the integral promotion, respect and support for the gypsy community and their cultural identity. It lends its services to the development of the community throughout Spain and Europe. The organization began its activity in the sixties although it was not consolidated as such until 1982 and became a foundation in 2001. It presently assists over 80,000 people a year, has a budget of over 20 million euros and approximately 750 people working on 160 programmes.

At the end of 2007 the foundation undertook a study of some of its general data such as the correlation between the growth of its staff and budget; since it had detected that the number of people working had increased substantially. This situation might be explained by the lack of clear criteria for the organizational programmes that had justified contracting personnel, and a lack of tools to control, monitor and focus on different variables of the organization. The board had identified a problem that needed a solution.

A consultancy company was contracted to study the situation in detail and outlined the need to improve the organization's internal management system, a problem that was confirmed by the Board. The report therefore clearly supported the establishment's necessity and urgency for change and gave it greater credibility.

Improving the management team became a part of the Foundation's strategic plan that was created in 2008. It proposed the need for a management system with a greater degree of integral information to facilitate the central decision-making role.

As Kotter explains, during this stage an organization must find the way to make people aware that the change is necessary and it is the right path to follow. To use another turn of phrase to not make the change would actually be more dangerous.

Rather than the cold and distant reiteration of data it is often more useful to encourage personal experiences or provide real examples of a situation that will prove that a change is necessary, and reveal a sense of urgency. Using specific examples of dissatisfied users, unfulfilled needs or organizational errors may enable the teams to better visualize and understand this necessity and establish a feeling of general urgency.

The Fundació Pere Tarrés is a non-profit organization dedicated to social and educational work that began in 1957 as part of Càritas to promote education in leisure for children and young people. Over time it has increased its activity in other social areas such as training, research and management. It became an official foundation in 1985.

The foundation is made up of four sections: services for education, a federation for free-time centres, a non-regulated training centre which includes a consultancy area, and a Faculty for Social Education and Social Work. Each centre works autonomously according to its own criteria.

When the change was initiated the Fundació Pere Tarrés employed 1310 workers and had a budget of over 25 million euros.

In 2007, the organization's Board of Directors (the CEO, the Financial Director and the internal management team as well as the four section directors) decided to implement a new software for client administration known as CRM.²⁹ At this particular time each section was directly managing its clients independently and there was no common data base sharing related information.

In fact the unification and management of client information was an issue that had repeatedly appeared before the board and they had been aware of the need for a communal data base for some time. They were also concerned by the fact that despite the exponential growth of the foundation in the last few years, the management tools in certain areas such as client relations were extremely dated and in need of a more suitable system for their size and complexity.

More important than the explanations regarding the advantage of the CRM system were the actual anecdotes related to the lack of client information for the different section managers that had resulted in a number of conflicting situations: two section managers awaiting a meeting with the same client, or the inability to respond to client queries from another section. The section directors were finally convinced of the need to introduce a change.

Providing real examples and anecdotes demonstrated the real need to change and become the important life experience necessary for its instigation.

As explained in the first few chapters, the lack of a culture of evaluation in the sector and certain data that will demonstrate the lack of efficiency or effectiveness, the inappropriateness of certain activities or an unfulfilled impact create huge difficulties for leaders when making preparations for a change. Creating a culture of evaluation is therefore of great importance to facilitate managing change in the sector.

²⁹ CRM stands for "Customer Relationship Management" and refers to the management of client relations or other individuals, as a computer application it is designed to support the management-client relationship. It also stores additional management information such as sales, collaborations, campaigns etc.

As well as the difficulties related to data and contrasting information, another common mistake during this stage is the impatience to move too fast, to expect that the recompilation and presentation of data is sufficient to make a change, or that it is so obviously necessary that people will immediately support it.

A certain amount of time may be necessary for the information to be digested and understood; a fact that is often ignored by leaders anxious to manage the situation and establish the change. The more complex the transformation at hand, the greater the need for all members of the organization to be a part of it and the greater the importance of time dedicated to this particular task. A time taken to reflect on the actual situation and the need for the change is well invested, and is not taken in vain.

Simplifying and contrasting information, assigning time and using a number of different channels are important factors in this first stage when preparing for a change.

Some organizations incorporate a period for reflection or a shared strategic planning procedure into this stage. The aim to outline a strategy becomes an "excuse" and a useful tool to awaken other members of the organization to the need for the change.

The Fundación Tomillo was created in 1983 to contribute to the social improvement and development of the individual. The Foundation runs a number of different programmes dedicated to infants, adolescents and families as well as the training and social-occupational integration of communities in Madrid area.

When the change took place, the Foundation had 455 collaborators and a budget of 10 million euros (over 1000 workers and 17 million euros if the work placement companies are added).

The Foundation undertakes a number of different projects within the structure of its three centres: a training and employment centre, a centre for pedagogical activities, a centre for personal development; and four organizations for work placement. It also includes a centre for the study of economics that for years has operated as a legally independent organization.

The different centres integrated in the Foundation were managed autonomously by independent supervisors who reported directly to the Chairman. An area of specific support offered basic administration and computing services to all the different centres. The work placement centres had always been directly run by the vice-chairman of the Foundation who oversaw them with an independent administrative support service.

In 2007 in the face of the imminent retirement of the vice chairman the Board identified the need to transform the organization and the dispersion of its different areas. It also intended to combat a certain attitude of complacency from some of the teams and a lack of external vision from other departments. There was an obvious stagnancy in certain areas, a number of organizational sub-cultures with clear differences of opinion and objectives, and the accumulated trauma of a number of failed attempts at succession that had created a frustration of synergies and the loss of its general meaning.

Despite the success of the individual areas there was a clear risk for the mid to long-term survival of the Foundation as a whole. The Chairman was aware that it was a key moment for the organization. It was necessary to modernize and create a vision that would be shared by all its members, guarantee the long-term survival of the Foundation and significantly increase the impact of its different activities.

However the change was not perceived to be necessary by the managerial and operational teams who were satisfied with the results of their respective areas, and did not share the general vision to make the change possible. The Foundation had grown exponentially, had an enormous amount of activity and the projects undertaken by its departments were of a very high quality. The organisation also had a very good image in the sector and was recognized by the public administration authorities. The workers at Tomillo felt committed to their projects and were proud to belong to the organization, although they felt a certain degree of dissatisfaction with the management.

The sense of urgency and a common need for an overall change was not shared by certain areas that had “isolated” themselves, were living independently and had no perception of the need for or appropriate action to unite. How could these contented teams be convinced of the need to change? How could the feeling of urgency be delivered?

New general management was contracted to lead the change with the intention of transforming the organization from a multi-pyramid, disperse structure (each centre director was his own boss) to a coordinated matrix structure. The new General Manager also had the explicit trust and support of the Chairman who demonstrated the fact by being present at all the related meetings.

Aware of the difficulty in making a change that was neither wanted nor understood, the new General Manager chose to initiate a process of strategic thinking. The process was the “excuse” to generate the need for change, and a method to consequently construct a powerful coalition.

The procedure chose to focus on generating the evidence that would lead to abandoning former work systems rather than actually updating the organization. The process lasted over 6 months and involved the managers of the different departments who took part as leaders and were the individuals who finally communicated the urgency of the change to the rest of the organization. Discussion groups were formed for strategic thinking on different themes and involved a mixed group of personnel from a number of work teams and departments together.

The strategic thinking – not a strategic plan -, that involved an external operator, from the very beginning concentrated on the search and definition of what would unite the different centres and departments within the foundation. Time was taken to reflect on the different values shared within the organization and it concluded that education and training were the two central themes that united the foundation’s activity. It also revealed that quality was still the foundation’s main objective and that strategic thinking was a necessary procedure both on an organizational and individual level. It gave the organization a common direction but more importantly meant that a study and need for change was finally shared by all the managers and their teams.

By mid 2008 the need to change and reinforce the organization’s synergies between different areas was an opinion shared by the majority of its members.

The realization of a strategic plan for participation is also a good strategy to generate and share the need for change among the different *stakeholders* or interested parties in the organization. Often leaders of change particularly in the larger NGOs are more concerned about proving the need for the change to the organization's most dedicated operational teams and completely overlook other stakeholders; members, donors, large financiers, sporadic volunteers or with less dedication, users etc. There are frequently a number of passive observers of a change that do not understand or see reason for it. Sharing the reason for the change with these people and proving it necessary becomes a fundamental strategy to strengthen the social basis of the organization and guarantee the success of the change in the future.

The Casal dels Infants por la Acció Social en los barrios ensured that its users, volunteers and several donors all took an active part in the process of strategic planning. This facilitated subsequent collaboration with the change itself and the comprehension of many.

For successful change to take place an important step is to generate a common need for it. Yet however well this stage in the procedure has been planned it is impossible to convince absolutely everyone in the organization of its necessity. There will be some people who are immersed in a false sense of complacency and refuse to accept the external evidence that things are not working, others will be afraid and unwilling to listen to any information, and some will deny reality or prefer to interpret it according to the old scheme of things.

A total consensus is impossible and to expect it can paralyse the process of change. It is therefore essential to create data that will see a certain level of discontent arise and that may encourage or push for change without expecting a unanimous predisposition from the entire organization. Resistance to change is common and often cannot be overcome in the first stage.

This stage should be used to provide solid arguments for the change but especially for a sufficient number of members of the organization to feel that the change is necessary and to act with the appropriate urgency.

4.2 KFS 2. – Form a coalition for change

Despite the fact that it is not unusual for a process of change to arise with the initiative of a small group of people or even the vision or resolve of just one person, if the initial step is extended to constitute a real team for driving the change, it can make a critical difference to undertaking the process successfully. A coalition for change is the lever that can transform the whole organization.

In fact a coalition for change with a team leading it, believing in it and encouraging its realization at all levels and beyond the established hierarchies is one of the key roles of the leader(s) of the organization. If they wish the change to be successful then they must legitimately recognize and empower the coalition group.

A sense of urgency for change facilitates the provision of a group to lead it; when a need is obvious it is usually easier to find people who are prepared to commit to and participate actively in the project. However by no means is it a straightforward task. To form a coalition for change it is necessary to identify the appropriate people, generate a feeling of mutual trust and commitment to the cause and encourage them to work as a team.

The construction of a competent and legitimate leading group that has the ability to bring together the resolve of many is particularly important for organizations in the third sector who work by consensus and participation as a constituent part of their culture.

The more significant and transformational the change, the more important it is to create a strong coalition with suitable legitimacy and capacity. It is not easy to find suitable people to form this group. It is not a management committee or team of project managers, but a group that has the ability and credibility within the organization to really work together as a team outside the usual hierarchy. This may begin as a limited number of people particularly in the smaller seized organizations but should increase as the process of change moves forwards.

In 1993 the Board and Executive Management team of Intermón considered the need to construct a new vision for the organization and undertook a procedure of reflection to find the best solution to the situation. The change arose within the organization from the resolve of the board and executive management team with the clear leadership of the latter.

However once Intermón became part of Oxfam International, the Management Board began to look at finding a solution to the two biggest challenges to be undertaken. On the one hand the definition of the role of Intermón Oxfam within Oxfam International and on the other the development of the changes that had to be made by Intermón to really become Intermón Oxfam. This latter project involved two sub-projects; one the change of 'brand' and the other the development of its internal competencies.

These were major challenges that the management could have faced, identified and planned directly. However the Intermón Oxfam Management Board chose not to do so. Aware of the importance of involving the whole organization in the change but particularly to persuade and commit the middle management teams in the process, the Management Board decided to create leadership teams for both transformational projects. Each was led by a specific coalition that was responsible for encouraging and planning it.

The Manager of the cooperation department (in this case the only member of the Management Board) and managers from the areas of humanitarian aid, studies, campaigns and brand and marketing made up the team that led the project to define the role of Intermón Oxfam within the Oxfam network. The team was also responsible for actively defining the Strategic Plan for Intermón Oxfam in 2000; clearly related to the new role of Intermón within Oxfam International.

The Brand and Marketing manager, Communication manager and other technicians made up the team to lead the change of brand, and the Internal Managing director, Human Resources manager and a member of each department formed the commission to lead the project for developing internal competencies.

The creation of three coalitions for change; each leading one of the different projects, was fundamental to simultaneously undertake a change on so many different levels. It became an incredibly useful mechanism to involve the operational teams who saw their direct supervisors (members of the coalition) as the most fervent supporters of the changes in question.

Changes that are encouraged by charismatic individual leaders can be successful in very small or recently formed organizations, but if they are unable to bring together a team of co-leaders to implement the process there is a clear risk of failure. In fact the failure to create a coalition can have hugely negative consequences on leadership since it can actually undermine its legitimacy. At the beginning of a change people may understand a very personalized leadership but over time the majority of teams will reject this situation.

The Harlem Children's Zone is a social organization that works with impoverished families and children in the Harlem district of New York.

When the change took place the organization had a budget of 15.6 million dollars and a team of 45 employees. At the beginning of 2000 The Harlem Children's Zone received finance from an important donor for a strategic planning project contracted with a well-known consultancy company.

The aim of the process was to help the NGO to evaluate the wide range of programmes it was offering, define its strategic position and create a plan of solid growth. It also aimed to define a set of performance indicators so the management team could measure the social impact of the organization, improve its strategy and attract extensive and long-term financial resources.

The process lasted five intense months and produced an ambitious and detailed growth plan. The Executive Director Geoffrey Canada, was more than satisfied with the results.

However two years after the initiation of its implementation Canada began to detect serious problems of motivation amongst the directors of the organization's different programmes.

One of the fundamental factors in the success of the organization previously had been the freedom of its directors to be involved in the development of their programmes. Highly committed individuals, the managers were used to solving problems and using their own evaluation systems to measure the impact of the programmes and communicate their decisions.

The new plan demanded they totally transform this system. The programmes became part of one integral system, along with growth plans and new performance measurement systems that meant they had to increase the number of people attended (apparently less intensively) whilst collecting constant statistical information.

According to the programme directors this distanced them from the real essence of their work. In spite of their trust and respect for Canada, they did not understand or share the reasons for the change. As a

leader Canada had initiated the change individually and had not considered it necessary to entrust a coalition or integrate a certain number of the programme directors in it.

He had undertaken the role of guaranteeing and pushing the change and had created a technical team of external staff within the organization to implement it.

The main problem was related to the new results control system, and how it affected the operational and functional duties of the programme directors; who had to spend a great deal of their time managing data they considered pointless.

The system was also being controlled by a new management team who were situated between the programme directors and Canada. The programme directors felt that this new team and accounting system had totally transformed their relationship with the Executive Director who was more focused on analyzing data than on the visits and exchange of opinions they had shared in the past.

Faced with the programme managers concerns, Canada developed various initiatives to encourage their participation in the strategy. He formed a Programme Council to be informed and in contact with the managers. The Programme Council met every two months at one of the programme headquarters to discuss strategic ideas and gather together all the programme managers and managers of the main office. Before the end of the meeting the executive team (the higher management team) would leave the programme managers alone with Canada. They therefore had the chance to speak with him directly as they had done in the past. A further series of meetings was also organized to design different programmes in which each manager outlined their programme in detail and explained their method of decision-making in relation to personnel. The other managers were encouraged to participate with suggestions and propose alternative methods of improving the abilities and participation of members of the team with high potential.

These measures assisted in overcoming resistance from certain members of the organization and meant the programme managers recovered their role as leaders in the growth of the organization.

The case of the Harlem Children's Zone contrasts with the process designed to introduce a new system of integral management in the Fundación Secretariado Gitano.

The Board and management team had decided from the beginning that without the incorporation of the departmental directors in the coalition of change it would not succeed. In June 2009 they organized their first meeting with 27 people, department directors, deputy directors and territorial supervisors. The aim of the meeting was to jointly plan the implementation process of a new system of integral management and define how to proceed with the creation of a management division. A team was thus assigned as responsible for defining the measures to lead the process.

4.3 KFS 3. – Create a vision

Even when the urgent need for change has been established and is shared by a certain number of people in the organization, there are still cases where people do not undertake the action and the change is not instigated.

A fear of the unknown, a pessimistic outlook, self-protection and uncertainty regarding the correct path to take, are usually some of the reasons that explain the situation. It is clearly not always sufficient to establish a sense of urgency and a team to lead the change for it to be undertaken. It is essential to identify a vision that will guide the change forwards and provide a certain prediction of future improvements so that joint efforts can be used to overcome the obstacle of paralyzing fear.

Creating a promising vision is particularly important when the change has not arisen from poor performance, but perhaps because certain activities are no longer appropriate or there must be a change in direction or the nature of an organization.

It is relatively easy to convince people of the direction to take when something is not being done well and the proposal involves doing the same thing but better. It is not so easy when the execution of the task in question is correct but the change involves abandoning what is known (and works well) to initiate in a new field that may be more relevant but quite likely means acting at least initially at a different level due to lack of knowledge and/or experience.

The change in many organizations begins with something correct that is done well. Suddenly the environment changes and what was once appropriate is now unsuitable.

The most frustrating part of this alteration as explained by J. Stewart Black and H.B. Gregersen is that the organization continues to be very good at its activity but it is no longer appropriate nor the right thing to do. It is quite likely that in this situation the organization is unable to understand what is happening and

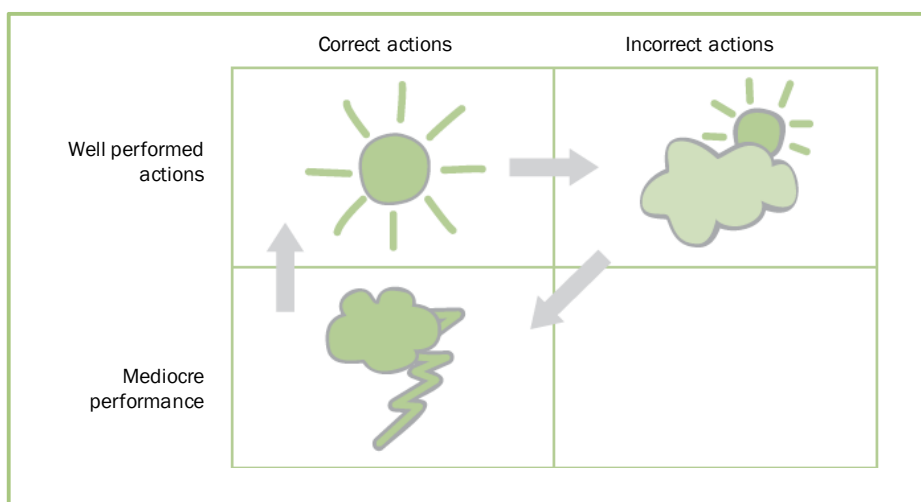
may insist on continuing to perfect their current line of activity. It is also possible that after a time they may well recognize that it is not the correct path and will detect the urgency and need for change.

It is at this moment when movement can be difficult. The organization may be unsure where to go or may not act from the sheer frustration of having to abandon an activity they dominate and perform well to instead initiate a brand new task where they will be totally novice.

It is here where the role of a leader is essential; when leading change they must offer a vision that can overcome this first period of frustration and gain the trust of the team to believe in the advantages of the vision presented. It is a vision that will lead them to move out of their comfort zone, particularly in the case of the most successful organizations. Once people begin to act they will start to do the right thing without having to be controlled. It requires time and effort to incorporate new, unfamiliar activities within an organization and to do them correctly.

The graph below visually explains the cycle of change and some of the existing impediments. A leader must have the ability to transmit the visualisation of an organization that brings it back to the first block of change.

Figure 4.2. Matrix for the basis of change



Source: J. Stewart Black and H.B. Gregersen.

In 1999, the Junta de la Asociación Fe y Alegría decided to become the Fundación Entreculturas and undertake a change of mission and outlook. It initiated a path that proved to be far from smooth.

The change involved beginning new lines of activity and to diversify from the exclusive task of financing projects for Fe y Alegría with public funds to also concentrating on awareness projects and studies in the north. It also meant extending the number of counterparts and territories; incorporating a less centralized structure with delegations in different parts of Spain, and developing a national and international volunteer programme.

The change meant abandoning a comfortable situation where the organization had been expert in their field to venture onto a complex and unknown path. The organization moved from relating to just one counterpart and a clear, easy relationship to several new counterparts for the first time. In fund raising for example this meant a change from projects exclusively financed from public funds for the south, to receiving an important number of private and public funding that was not exclusively connected to development projects in that area.

The transformation had huge organizational implications and was a massive challenge for all the members of the Association. To convince them of the need for the change, but in particular provide a mid to long-term vision of the situation that would enable them to act was essential for the change to take place.

The resolve for change came from the organization's Board; a fact that greatly facilitated the transformation. Moreover the Association was at this time a small-sized organization; the workers trusted their council implicitly and had a clear emotional involvement in the project. The change did not mean abandoning what the organization had been doing but extending it into new areas.

The fear of the unknown and the frustration for possible initial difficulties were overcome with trust and clear vision since the workers were convinced that the change would contribute to reinforcing the objectives of their mission.

When organizations propose making alterations to essential features such as a theory regarding social change or impact, constructing a shared vision of the situation is particularly critical. In these cases the need for change is not always obvious or shared, and very often arises with an intention rather than a necessity, that makes creating the sense of urgency difficult.

How can a team be convinced that a change is necessary when there is no external evidence of it? Or when the suggestion is to “refund” the organization and it is not based on any threat or crisis? How can movement be steered communally in the right direction?

There are numerous obstacles that hinder change not caused by a failure to see it but the diversity of opinions and visions of an organization’s course.

The creation of a vision in this case is not just to provide direction for the change but to justify its need and urgency. The most common strategy at this preparation stage is usually to open up a long debate amongst all the members and form a “charismatic” coalition for the change. However it does not avoid the fact that in some transformational change procedures certain important members often abandon the organization when they feel they no longer share the path undertaken.

A vision can be created communally or defined by a small team or just one person. The more people participate, the more easily it is shared although the procedure also requires more time. However it is important that the participation of members is not misunderstood, as it can generate decision-making expectations that subsequently lead to greater resistance when it moves too far from the explicit aims of the participating groups.

As previously seen in the cases of the Casal dels Infants para la Acció Social en los barrios or the Fundación Tomillo both organizations opted for a planning or strategic thinking procedure as a way to transmit the need for change but also to construct a shared vision to guide it.

In the case of the Casal dels Infants, the vision identified an organization that was growing and reaching new territories, and created a communal intervention model with the important presence of volunteers. Activity was to be initiated according to demand. The vision offered was well received by the majority of the team but did not actually meet the expectations of some members who considered that it had not sufficiently considered their contribution. The expectations generated from the procedures of participation were very high and did not correspond with the results. Planning had outlined an organization that was growing into new territories; a position that was clear but in itself had to face one of the organization’s major areas of tension.

As mentioned earlier, the Harlem Children’s Zone received the assistance of a consultancy company working closely with the Executive Director to create a new vision for the organization. The lack of direct participation of the programme directors in the process was a huge impediment to the later implementation of the change.

Whatever the procedure chosen to create a vision for the change, it is clearly one of the most important steps taken for the change to be successful. Without a clear direction or aim it is difficult for people to act or combine their efforts with the same objective

Creating a vision is an essential tool to unite the team and the organization for the change. Reference is made here to a ‘vision’ rather than a ‘plan’. The latter is also necessary but it is produced at a later stage. The vision must clearly highlight the path to follow and allow plans to be re-directed when they do not turn out as expected. In a highly changing environment vision gives clarity of direction beyond any scheme or plan, and is absolutely essential to avoid disorientation during the procedures of change. As the participants in the Leadership Forum stated, “Change is a continuous series of unexpected events, and it is more important to know where you are going than what the plan is, as this has to be changed on an almost daily basis.”

The ability to construct a bold, audacious vision is a characteristic feature of the most successful organizations.

4.4 Leadership in the preparation stage

To give change a direction is unquestionably one of the most important tasks of the leader(s) of a change. As illustrated throughout this chapter, it is the responsibility of the leaders in the preparation stage to make people aware of the need for the change and manage to gain the commitment of a group of people from the organization to share the cause.

Detecting and clearly defining and highlighting the motive, need and urgency for the change, identifying people to lead it and offering a vision to motivate people away from a state of complacency all become basic functions of leaders in this stage with a fundamental role to play.

The lack of a clear, credible, and trustworthy leader makes it incredibly difficult to generate any form of change. In fact it is often a legitimate and trustworthy leader that encourages people to join the path towards a change. Trust facilitates the awareness and commitment of people. It is important to remember that commitment is based on a vision and an unproven expectation for the future. Any new director assigned to promote a change must therefore have the full legitimacy and authority necessary.

The skills needed to manage an organization are not the same as those required to change it. This often means changes fail because those encouraging them do not have the necessary leadership capacity to do so.

The difference between managers and leaders of change becomes evident in the preparation stage. Leaders know that without awareness, persuasion and commitment change is not possible however well planned it might be. A good leader is able to invest time in generating the change and a good manager often overlooks this step.

Leading the generation of a change requires a great deal of patience to know when to wait; very good empathy and communication skills to draw people closer to a new way of looking at reality, and capacity to generate a real vision that is full of hope and enthusiasm.

In this stage a good leader can make people, and his teams feel that change is the only possible path and that it must be initiated immediately.

5. Implementing the change: promoting change and joining the team

Once the need for change has been made apparent it is time to promote and implement it.

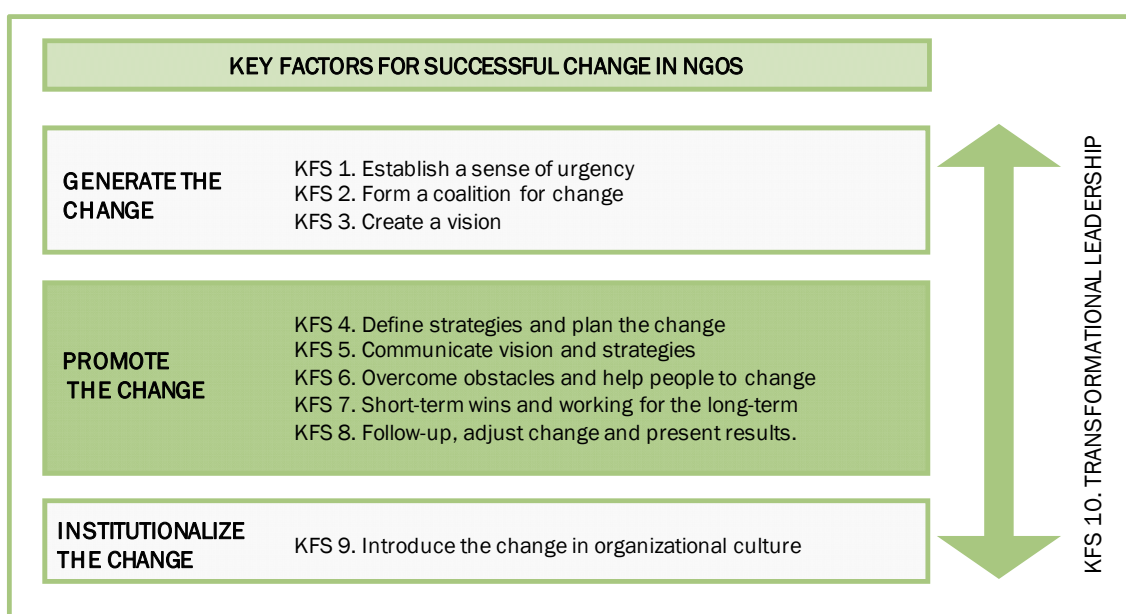
In the implementation stage leadership and management go hand in hand. Implementation requires definition of a strategy and plan, the assignation of resources and the monitoring and adjustment of the development process. However planning, assigning resources and making adjustments are not sufficient to ensure a change is successful.

The final result can be endangered by rushing, imposing, making communication errors, obstacles within the organization, little concern shown for demonstrating and validating the path taken or the excessive euphoria for small victories.

During this stage the leaders must be capable of communicating and committing the teams to the change, overcoming the obstacles within the organization that prevent people from changing and standing by their teams along that particular path.

One of the main risks in the implementation stage is to focus on efficient management and underestimate the importance of promotion. Significant changes require the commitment of a sufficient number of the organization, of a critical group of people. Without their support the change is destined to fail mid to long-term.

Figure 5.1. The process of change in NGOs: IMPLEMENTING THE CHANGE



Source: Internal creation based on Kotter and Lewin's models.

5.1 KFS 4. – Define the strategy and plan the change

«It is really complicated to plan absolutely everything in a change. You do need a direction but in the end you just have to go into the jungle with a machete and make your way through the best you can. Daily life is “using the machete”. You know where you want to go and why you are involved but it is not something you question every day. The important thing is to know where you are headed, and that is the basis more than the strategy for how to get there...»

(Comment taken from the PwC Leaders Forum)

Whilst the very nature and difficulty of change means that the appearance of unexpected occurrences is common, the definition of a strategy to follow and the planning of its stages and development can avoid serious problems.

Defining strategy and planning a change does not guarantee its success but the effort involved in the planning and related thinking process can help to detect possible risks and contemplate any resistance from within the organization that is much easier to face if it has been previously accounted for.

As outlined in Chapter 3 it is essential to study the particular characteristics of each change to decide the correct strategy to follow. Defining a strategy involves setting the pace, establishing the necessary planning and collaboration.

These three variables are very closely connected. At a greater pace, with a greater level of planning there will quite possibly be less collaboration. At a slower pace, there will generally be a more delimited action plan involved. The more urgent a change and the greater the power of its instigators, the more suitable a highly planned and speedy strategy will be. However this kind of strategy can make it difficult to connect the team.

The loss of the public tender for the management of alternative criminal justice measures meant that the Fundación IRES had to make swift changes within their organization. In less than three months the Fundación was forced to abandon one of their priority areas and transfer the workers to the organization that had won the tender. The new situation involved a very important reduction in the volume of the resources they managed: 67 people and almost 2.5 million euros less, which had an obvious impact on the structure of the foundation that was forced to totally reestablish the tasks managed by its personnel and find the necessary measures to overcome an important reduction in income.

Moreover the loss of tender had highlighted the slow growth experienced by IRES in the last few years, which paradoxically had been the very reason for their success. The Foundation had managed to reassign a large number of its innovative services to the public administration system which had led to an almost “involuntary” change in their organizational model. Lending services to the public system had become a central activity for the organization. Whilst the situation had guaranteed sustainable growth and ensured a certain amount of its development it had finally revealed at the end of 2009 to be the organization’s Achilles Tendon.

Alternative criminal justice measures had been one of foundation’s main activities in the last ten years, and alongside the Generalitat, the regional government; it had developed a specialist model for Cataluña. IRES had been a leading foundation in the introduction of alternative criminal justice measures in Spain and were the founders of the CEP – Conferencia Europea de la Probacion (European Probation Conference) - and were considered referential in this field.

The loss of the tender eradicated one of the areas where IRES had received most recognition and seriously questioned its consolidation strategy of previous years. It had clearly reestablished the need to advance in their strategic thinking process. The crisis had given their situation a sense of urgency.

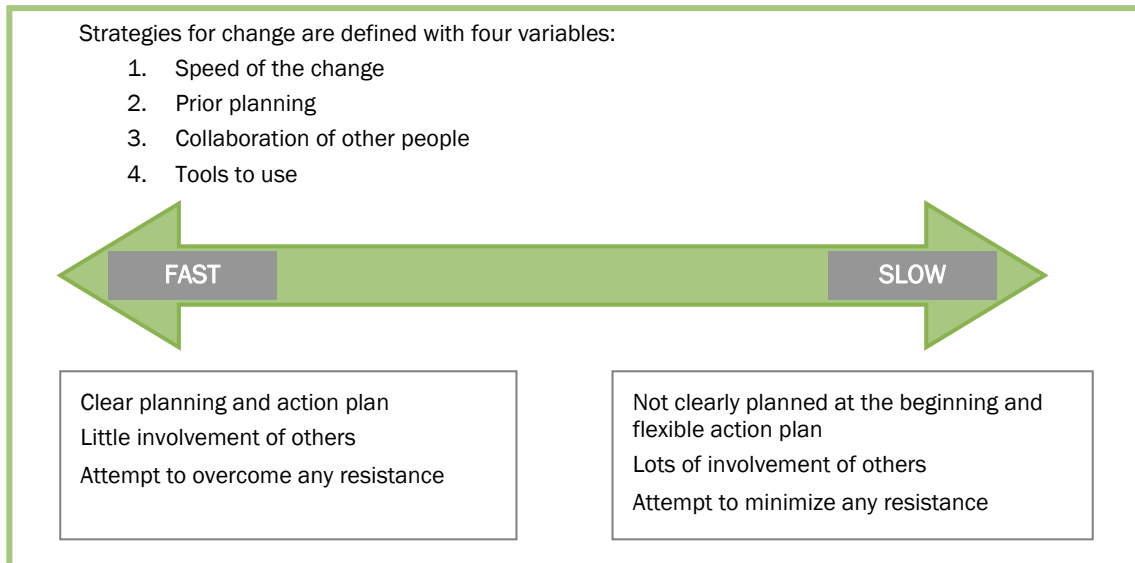
The management team opted in this case to consider two closely related changes; each individually. On the one hand a strictly planned change to adapt the organization after the loss of the tender, which was outlined by the management team themselves to quickly provide a solution to the “inevitable” changes that had been produced the day the results of the tender were presented.

There was obviously a great deal of resistance but the inevitable character of the external change actually made it easier for the members of the organization to assume the change even whilst not sharing it as they could see that the strategy for its implementation was almost non-negotiable.

As far as the transformation of the organization was concerned regarding a new vision and strategy, a more gradual change was proposed; one that needed a greater level of involvement and participation. And in spite of the fact that in this case identification of the new vision was assigned to the participation of just the board and management team, a planning process was also developed that involved many other members of the organization.

As Kotter explains, “Strategic options can be perfectly defined as a continuum. At one extreme the strategy for change demands very rapid implementation, a clear action plan and little collaboration. This kind of strategy aims to overcome all resistance to it. At the other extreme is the strategy that has to tolerate a much slower process of change, admitting a much less-detailed plan and requires the collaboration of many people as well as the instigators of the change themselves. This kind of strategy aims to reduce resistance to a minimum.”

Figure 5.2. Kotter's Strategic Continuum



Source: Internal creation based on Kotter's model.

The study of the individual specifications of a change also gives an idea of the level and kind of involvement necessary for the change to be a success. Likewise it is also necessary to determine which people will be important to involve in the process and define the strategy to follow to encourage their collaboration.

Knowledge of the key people to involve and time taken to consider any possible resistance contribute to deciding the ideal moment to instigate a change. It is important not to overlook the fact that a failed attempt at initiating a change can have an absolutely disastrous affect on an individual or group's leadership.

30 Refer to the case outlined in Chapter 3.

In 1988 before leaving the organization, Tom Deans, the former Technical Director of the Appalain Mountain Club³⁰ decided to instigate a change that would allow the organization to undertake the process of professionalization of their management system. However he did not appreciate just how important it was to have the support of an important number of the club's members.

The Technical Director recommended contracting an Executive Director with the authority to manage the Club's operations. Moreover he proposed that the main governing body, known as the Club Council should abandon the management functions they had been responsible for in the last 112 years of the organization's history to become a kind of governing body, in a "corporate" style that would be responsible for outlining policies and overseeing their management.

Tom Deans considered that the organization's huge debt –at that time a total of 1.68 million dollars– and the common feeling within the organization that expenses had gotten way out of control would be enough to convince other members of the board of the necessity to contract an executive director, redefine its functions and initiate the change. So in March 1988 Deans went public with the financial situation of the organization, his decision to leave the organization and the need to contract an executive director.

Deans' suggestion was felt by many members of the organization as an attack. The voluntary work ethic was so deeply rooted in the identity of the Club that any innovation that might threaten it was greatly controversial.

After more than eight months of intense debate with the members of the board, Deans left the organization personally exhausted and without having achieved his immediate objectives. However he did prepare the way for his successor to establish a new direction for the organization. In 1990 Appalain Mountain Club redefined its functional operations and outlined a more professional management profile.

In this case motivation for the change was clearly negative for the manager in question. Either he did not sufficiently appreciate the difficulty in involving certain key people in the change to transform essential elements in the organization's culture, or if he did, had been prepared to assume the personal cost that this involved. In fact Deans made the most of his intention to leave the organization to propose the change, and thus avoided that the new director had to be negatively affected in the process.

Finding the balance between urgency and the need to allocate members of an organization becomes one of the main difficulties when deciding the strategy to adopt to implement change. If the strategy is not selected correctly it can make it very difficult for a change to be successful.

To be able to plan and decide the pace of the different changes it is important to consider the team's perception of its urgency, the importance and impact that the changes will have on them, the experience of previous changes and the need to demonstrate certain short-term gains. The environment often demands a slower pace than what the instigating team would like. A calmer pace for making the change in some organizations may be a key strategy to convince the team and increase support for it.

In 2007, faced with the approaching retirement of the vice chairman, the Chairman and founder of the Fundación Tomillo, detected the need for transformation in the organization that would lead to the expansion of its different areas. The lack of general awareness among the team for the need for this change and the aim to maintain a good atmosphere in the organization; where the workers were particularly relevant, led them to opt for a calmer pace in the proceedings.

The procedure was initiated with strategic thinking practice that lasted over six months and contributed, as explained in the fourth chapter to generating a sense of urgency and creating a shared vision of the situation. The strategic thinking also allowed them to outline the specific action necessary for progress to be made:

- Creation of a pedagogical commission that would identify what the foundation defined as education and training.
- Unification of the two social action areas – a training and employment centre and a centre of pedagogical activity– that were each acting individually in different centres and locations.
- Reorganization of the foundation's management team and development of an EFQM model with the centralization, standardization and reinforcement of the different support services
- Creation of a commission of studies and strategic thinking

The management team was aware of the scope and complexity of the changes proposed and their emotional implications. They therefore opted to undertake the change gradually and calmly adjust the pace according to reactions and time.

The pedagogical commission was established first, integrating various members of the different departments. The documents prepared by the commission were debated by a wider variety of groups with participation from technicians and members of the organization's support area.

The pedagogical manifest became a focus and point of reference for the entire organization. The document was a positive sign of a new shared way of working and evidence that collaboration among different departments was advantageous and provided good results for all concerned. The manifest was communicated to all the members of the organization and the basic competencies for assistance relations were identified (the organization's main activity) to become the focus of a new communal training plan.

The complexity of unifying the two social action centres meant it had to be planned in different stages. The two centres were completely different; in their personnel structure (type of contract, timetable etc), levels of computer facilities, standardization of procedures, management models for people and levels of autonomy in relation to the central services. The two cultural centres had completely different work systems and were located in separate geographical areas.

The first step taken involved the General Manager as common supervisor; prior to the change the two centres had depended on the general secretary for supervision but there had been no coordination. The clear intention in the process was to encourage synergy and allow a bridge for communication, until then absent, to be constructed.

Work throughout this stage was very intense in the attempt to engage the centre directors whose support was essential for the success of the project.

The directors of each centre consequently began to take part in weekly meetings organized by the teams of both centres that also enabled them to improve their mutual knowledge and appreciate the enormous potential of their synergy. The success of this initiative meant there was a common ground that unified both centres. Three months after initiating the joint meetings, an Area of Social Projects was created, at a higher level than both social action centres (the centre of pedagogical activities and the centre of training and employment) that temporarily maintained its "independence".

The director of this new Area, the director of one of the two centres and a recognized leader in his area and outside it, was responsible for encouraging the transversal projects. The creation of mixed teams

(made up of people from both centres) enabled them to see the enormous potential of shared work. The success of these projects facilitated the progress of unification.

Eventually the two centres were eliminated and the area of social projects reorganized to incorporate their different programmes. Each area was reorganized and the organizational chart simplified.

Finally in summer 2009 the programme coordinators of one centre moved into the headquarters of the other, in the south of the city and much nearer to their operational activities. Physical contact was vital in the progress to bring both cultures together and was reinforced by stronger central support services and more definition in procedures. A “standardization” process was undertaken for work conditions and personnel structure.

Planning offers workers security. When a path is designed with specific goals, it is possible to see the viability and basic implications of the changes established.

However not all changes involve the same level of planning. Particularly in the case of significant changes where key elements of the organization must be reformulated and detailed planning although possible, can be very difficult.

In 1994, Intermón agreed on a change to its mission and vision, to effectuate sustainable changes that would reinforce the impact of its activities and their orientation. The change of outlook involved the internationalization and modification of its modus operandi. It opted to reinforce humanitarian aid, campaigns, political lobbying and fair trade and extend its geographical areas of activity.

The international vision and dimension was a catalyst for transformation and became the main motor for a change that it was unclear how to approach. Without identifying a plan it was not possible. For a time the organization was working towards a change with a known destination but with no concept of the path, plan nor definition.

For over a year the Board and Managers studied a number of different alternatives, among which was the opening of headquarters in other countries, the creation of strategic alliances and the creation of a new international organization. In fact a few years earlier Intermón had already initiated an international NGO network, Eurostep to make contact with the European Union's Official Development Aid. However this network did not allow for the extent of internationalization Intermón was aiming for.

Once the measures had been identified and their objective was clear (as outlined in chapter 4) the management team proposed two important changes that were presented as projects.

On the one hand, to identify the role of Intermón Oxfam within the Confederation of Oxfam International and reinforce those aspects that would enable them to establish themselves in their new situation. On the other hand there were also changes that had to be adopted by the organization with the transformation of Intermón to become Intermón Oxfam. This last project involved two sub-projects: one being a change of brand, and the other the development of its internal competencies.

Each project was led by a specific coalition responsible for its instigation and planning. The planning in this case was undertaken in much greater detail and therefore contributed to the global transformation of the organization.

When planning any transformation it is essential to decide on the order of changes that need to be made and their pace. The type of change, the urgency and predisposition of the organization will make a huge difference; is it better to opt for a focused and gradual change? Or maybe it is preferable to open the change up on different levels? Should the change be initiated drastically or small alterations introduced to gradually prepare the staff for a more transformational change further down the line? Which change should the organization introduce first?

In the planning stage answers should be found for these and many other questions.

In 2000 the Asociación Fe y Alegría España initiated a process that would lead them to become the Fundación Entreculturas. Aware of its complexity and implications, the organization opted for planning the change progressively. The task was undertaken in a strategic planning process that was divided into two stages:

Stage 1, 2000-03: Intensive stage

During this stage and based on a first strategic plan (2000-03) there was a first extension of territories and activities. At this time a special focus was given to diversifying the sources of finance to incorporate non-state public administration and individual private funding. Moreover they also began to work with new counterparts in Latin America that were not part of the Fe y Alegría network. Social and educational awareness work was undertaken for development and the volunteer base established.

Although an initial profile had been designed for the future organization involving additional activities in the two previous areas, they chose to prioritize certain elements in the first stage and leave remaining objectives for a later stage that would adapt to the evolution and results.

Stage 2, 2004-07: Second stage

On completion of the first stage the Strategic Plan 2004-07 was created for the second stage of the process with reference to the organization’s new mission and identification. Experience gained from the evolution and impact of the first stage of the process (timing, keeping tensions caused by rushing procedures to a minimum, adapting progressively to the internal structure etc) was valuable in creating the second.

Entreculturas thus initiated the remaining procedures for their new organizational model that had been outlined with a particular focus on the following:

- Incorporating company relations (other recruitment sources)
- Cooperating with other territories outside Latin America
- Increasing international relationships
- Creating studies and influence

The Strategic Plan 2004-07 was finally postponed a year to enable all its objectives to be fulfilled and actually finished in 2008.

Planning a change may involve the participation of many members of an organization. However there are also examples of situations where more “traumatic” changes involving dismissal or directly affecting the staff, mean that planning is undertaken and communicated almost exclusively by the management team.

A shared planning process enables the vision and orientation of the change to be emphasized, and it becomes an important tool for training and information. However participation in the planning stage may also generate a greater level of conflict or unease among the members of the organization particularly when there are readjustments in the process or there is no communication or feedback given on the situation.

It is therefore of great importance that leaders of change consider whether it is appropriate to undertake a planning process jointly. A lot will depend on the kind of organizational culture in question and particularly the type of change and its implications, and the intention and ability to maintain good communication and participation throughout the process. It is fundamental when a process involves a number of people that the level or participation of each group is clearly defined. The following diagram explains the concept of co-decisions, what level and what kind of decisions can be applied to avoid any misunderstandings.

Figure 5.3. The different levels of participation

	1	2	3	4	5
Groups:	Inform	Communicate	Consult	Co-decision	Decision
Governing					
Body					
Staff					
Management team					
Members and volunteers					
...					

Source: internal creation

5.2 KFS 5. – Communicate the vision and strategy

Even as in the majority of cases the vision, strategy and even certain elements of planning are communicated, the activity often does not produce the expected results, and people are not convinced or committed to the proposal for change.

In some cases the difficulty to convince and commit people is due to the inappropriate message delivered. To convince people they must be persuaded to change their way of thinking, and the only way possible is for them to understand the reasons behind the decisions being made by the organization. It is a prerequisite for a change to be sustainable and long-lasting.

Persuading team members is therefore essential to avoid delaying the change, yet convincing people of the need for change, its orientation and how it is to be undertaken is not an easy task. It requires clarity, sincerity, tenacity in communication and empathy.

Communication in the second stage is thus fundamental. It was also the case in the stage dedicated to generating change where the clear objective was to make people aware of its need and suitability.

Ideally communication should also aim to transform the feelings of the team members, to lead them to establish an emotional connection with the change that would involve personal commitment. This is not always possible nor is it essential for the change to be successful.

The aim is to inform and convince an important group of workers and is a communication objective that must be always present. Communication must facilitate comprehension for the change, implications and a sense of security to the members of the organization, to offer them the “guarantee” that their leaders know where they are heading, why it is necessary to go there and how they intend to do it.

In June 2006 after more than a year of intense planning involving the participation of the organization, the Casal dels Infants approved its strategy for 2007-2011.

The plan proposed eight basic objectives. Three of which supported the course that had been initiated by Casal to extend their different areas of activity. The decision was made to extend their territories from three to twelve, to reinforce awareness programmes and political impact further than direct intervention, and to identify activities for new social needs as a major priority.

The remaining five objectives were based on themes related to the organizational model they aimed to consolidate. It allowed them to develop an independent model for the association, and cohesion, internal participation and networking were also other major objectives.

In fact the plan provided the perfect framework to continue the intense activity that Casal had undertaken in the last few years. It made the growth of Casal in other territories, new areas and activities legitimate. It recognized effect and awareness as priority matters and established the foundations necessary to identify the implicit ideas and opinions of the different members of Casal for a specific intervention model (volunteers, networking, integral and innovative solutions).

Once the plan had been approved, the organization’s management organized a series of meetings with different groups of workers to present the results. A handout was also produced specifying the different strategic ideas, objectives, and indicators and was distributed among all the workers.

For the first year of the plan’s implementation, weekly meetings were organized to explain its evolution to the workers.

However, and despite the effort made to communicate, there was important resistance from the organization. A large number of workers admit that their resistance stemmed from a lack of understanding of the reasons for extending into other territorial areas. The workers felt that the district of Raval where the organization had started represented the very essence of the organization. For some people moving into other areas meant betraying this inheritance.

The first year of implementing the change was difficult for Casal. A number of significant members of the organization left and a tense atmosphere formed between the different operating teams.

Aware of the resistance and difficulties, the organization concentrated on reinforcing communication with its workers. The organization’s 25th anniversary celebrations and a number of related acts were used as an opportunity to emphasize their message; the reason for extending their operations was presented as organizational evolution. An extension of the organization was not a betrayal to its essence, simply a way to demonstrate just how valid their activity really was if applied to more than one district. Extending their geographical area would also increase the impact of the organization since it would give its work greater legitimacy.

The new communication policy for the change, with clear messages and arguments explaining the reason for growing into new areas managed to gain the support of the majority of workers in the organization.

The example of Casal clearly shows the importance of integrating messages that transform the staff's way of thinking for their persuasion.

In the case of an NGO it is important that the communication process pays particular attention to explaining the reasons and vision for the change, and revises the way it is going to move towards this new outlook by relating it to its mission and basic values.

It is also important to emphasize that these organizations have an especially high level of emotional attachment to their origins. It is fundamental that when communicating a change special attention is given to clarifying how it will make a positive contribution and not undermine their very essence.

It is also important to decide when and how to communicate the new vision and strategy. People require time to digest messages and assume their consequences. Changing the way people think is very complex and it is preferable to over rather than under-prepare. A common error is to rush the process, assuming that the change has been communicated and the staff is informed and ready.

Moreover communication must be accompanied by evidence that supports the change objectives. There is nothing more harmful to its credibility than after communicating the course and reasons; certain managers are seen making totally incoherent decisions.

It is essential that the members of an organization trust that what they are told is what will happen. A lack of confidence is common within organizations that have experienced numerous failures to change or where a crisis might worsen this phenomenon. It is important in these circumstances that communication is accompanied by "exemplary" measures that demonstrate that the change will be reality.

5.3 KFS 6. – Overcome obstacles and help people to change

"I tense my reins to curb my flight, because it is not so important to get there alone or fast but to arrive together and on time."

León de Felipe

Overcoming the obstacles that impede change, accompanying the people who believe in its path and empowering them to make progress, detecting any signs of resistance and designing a strategy to face it are all key functions for the leader(s) of change in the implementation stage.

Leaders must be prepared to assume that the change will inevitably provoke resistance. There will be some members of the organization who will not understand or share the reason for the change. Some may put up frontal opposition, leave the organization or try to undermine the change. Others may adapt and comply with "orders" or find subtle alternatives to continue behaving in the same way as always.

There are numerous, diverse reactions to change and their impact on the result will largely depend on the power and credibility of the people communicating them. For a change to be successful it is essential that an organization is prepared for these reactions as a natural part of its process.

What may seem straightforward is not at all the case in organizations where consensus is a natural part of the culture. The "impossible" search for total consensus is one of the major impediments to delaying the instigation of change, and can exaggerate feelings of unease among the teams that are initially committed³¹. The conflicts that are a natural part of all processes of change may be perceived as a failure from members of organizations where staff involvement is not so common.

³¹ See Chapter 2 on the specific characteristics of the sector.

The strong sense of consensus and assembly in the Casal dels Infants organizational culture meant that opposition from a number of workers to the strategic plan was seen by certain members of the team as a sign that the change was a failure, and created more doubt over its suitability.

In this case the coalition of change did not correctly evaluate the impact that the voluntary departure of certain workers (who did not share the reasons for the change) would have on the commitment of the rest of the team. The reason for the departure of a number of important figures in the history of the organization created rumours that led to an exaggerated feeling of unease among the organization and undermined the confidence of a certain number of people.

Had the legitimate existence of conflict in opinion been publicly recognized, and a strategy designed to either gain support from the staff or communicate the reason for their colleagues' departure, the situation of dissatisfaction and low motivation would have been avoided. In fact it was not solved until a communication strategy had been adapted and the advantages of the change were more apparent.

Understanding that conflict is an inherent part of change, and helping teams to assume it as natural becomes an essential task for leaders during this stage. Leaders must often be prepared to learn from rather than dominate situations of tension and inevitable dilemma.

When a change is to be initiated, it is important to study the different dilemmas and tensions and the different stakeholders and people that might oppose them, to know exactly which strategy can be adopted to overcome or reduce the impact of this resistance. It is what Kotter and Schlesinger refer to as a *Diagnosis of resistance*.

In the article “Choosing strategies for change”³² the authors consider the four most common reasons for people to oppose a change, to which we have added a fifth. Identifying these reasons and developing strategies to confront them becomes a key part of the implementation stage.

³² Kotter, J.P; and Schlesinger, L.A (2008) “Choosing Strategies for Change”, *Harvard Business Review*, July-August 2008 (Edition “Best of HRB”, reedition of article originally published in 1980), p. 130-139.

Figure 5.4. Reasons people oppose change

- Parochial self-interest
- Misunderstanding and lack of trust
- Different assessments
- Lack of credibility or trust in the change
- Low tolerance to change

Source: Kotter and Schelesinger and internal creation.

Resistance to change

1. Defending personal interests

One reason that might lead people to oppose a change is the defence of their personal interests. Loss of status, fear of being relegated with new circumstances or losing their job, the idea that the change will worsen work conditions or mean greater non-rewarded effort, are often the motives that are hiding behind the resistance to change.

In this stage it is essential to identify the people who might be negatively affected by it and define a strategy to solve their “logical” resistance.

At the end of 2008, the Fundació Jaume Bofill approved a new vision of the organization with a focus on education. It appeared that the people who would be most affected by the strategic change were the supervisors of the different areas.

Although the new strategy and organizational structure had not been defined it was obvious that the change of vision would mean abandoning the structure that had been used up until that moment. The structure had been based on four areas of priority interest- immigration, participation, equality and education.

The area supervisors and the CEO were the organization’s core management team. Moreover many of them had grown professionally within the organization and had been in charge of shaping and boosting their respective departments and responsibilities through a period of sustained growth.

The change modified the management position of each and also meant a total re-think of their modus operandi.

The support of the area supervisors was seen as essential to make progress in a non-traumatic way whilst making the change that would transform the organization.

A strategy was undertaken on a number of levels. Firstly, in spite of the fact that they did not participate directly in the definition of the new vision, (a task that the Board assigned as their own role) the CEO ensured they were totally informed of the evolution of all discussions.

The area supervisors were also the first people to know the officially approved vision for the change and a number of joint work sessions were dedicated to openly discussing its possible effects and implications. They were then encouraged to participate in defining the strategy to develop and were incorporated in the coalition that would lead the transformation. Over a period of approximately six months, the CEO and area supervisors discussed the concept of education, the foundation’s new focus, and elaborated a definition

that could incorporate a certain amount of the work load from other areas. This definition was used to make a specific proposal for the strategies and programmes to follow.

The new strategic plan gave the organization a new structure. The CEO negotiated new responsibilities with all the individual area supervisors within the organization.

This strategy meant that in spite of the logical initial “duel” period they committed to the change. Their commitment was also largely due to an important emotional connection to the organization and the effort invested in explaining and visualizing the transformation of the organization presented as logical evolution and a clear way to improve their impact.

Resistance that arises from defending personal interests does not only appear in groups that are likely to be negatively affected. In fact it is not unusual to find people who will apparently not be affected by the change or even that might benefit from it, yet that oppose it as they feel it will harm them in some way. This subjective perception and evaluation of factors that have not been considered by leaders may lead to unexpected cases of resistance.

2. Lack of understanding and/or trust

Defending personal interests is by no means the main reason for people to oppose change. Very often, and particularly in NGOs, a lack of understanding is the reason behind the strongest resistance. Furthermore in this case it is usually among people who are highly connected to the organization, whose rejection to the change is based on their commitment to an institutional project and their experience in the organization.

The lack of understanding for a change, its motive or orientation can lead certain people to oppose a process that in their opinion will actually endanger the organization. This kind of resistance is particularly common in organizations where there is a strong emotional attachment to the project.

It also arises when the need or urgency for the change is not shared by the whole team. Particularly when a change is anticipatory it is common to find groups who will question the nature of the change and the risk it implies for the organization. Is this not too big a risk for us? Why are we doing this? Are we not putting the organization in danger?

The more work dedicated to generating the change, the more the new vision will gather strength in the organization and the less this type of resistance will appear. Obstacles can be overcome with information, training and making the resisters participate in constructing the new alternative.

However a lack of understanding is not always just related to the vision that has been identified, but also on a lower level may be related to the measures used for its deployment.

The strategic procedure that was initiated in 1999 to redefine The Rheedlen Centers for Children and Families, an organization in New York dedicated to the prevention of delinquency and the development of children and young people in some of the most marginal districts in the city, led them to outline an ambitious growth plan that was based on three main points:

- It firstly meant that Rheedlen had to explicitly define the theory of change that it was proposing, namely “for children to become healthy, productive adults they need programmes that ensure the presence of a committed and effective group of families as well as early, gradual activities in child development”.
- Secondly, the organization decided to dedicate the majority of its activities to the families in the area that made up the 24 blocks of the Harlem Children’s Zone. This concentration of effort –directed at a greater percentage of residents in the area, with more diverse and effective services particularly during the first stages of child development, became the basic operations of the organization. The organization opted to change its name and thus became The Harlem Children’s Zone.
- Thirdly the organization agreed to widen the scale of its activity to assist thousands of impoverished children in the future via a large network of services and programmes over a greater geographical area.

The plan outlined the types of beneficiaries, growth rates, and the goals for area penetration that Rheedlen had agreed to reach. It explained the new management and information systems that the organization would need, and included a time scale for the development of each. Likewise it outlined a clear process for development over the next nine years in three stages. During the first stage the basic model for the programme was presented in detail, whilst the second and third stages considered the systematic expansion of the two neighbouring geographical areas.

The plan offered a clear vision and directed the organization to concentrate its full energy on the development of families and children in a specific area. It gave the organization a reference with which to structure its great mosaic of activities, services and programmes.

Moreover the Plan detailed the development required to achieve its objectives. Development included the reinforcement of its central headquarters and the increase in financial resources that came mainly from larger donors.

The plan was shared by the programme directors who supported the idea of concentrating efforts on certain areas and communities. However the measures chosen to implement the plan generated a great deal of resistance; the directors seriously questioned the new reporting system that had been introduced to validate and improve the organization's development model and satisfy the demands of the largest financiers, consequently increasing necessary resources.

The system was designed by an external consultancy company and an evaluation director. Working alongside the Director of Harlem, Geoffrey Canada, the new Evaluation Director created an individual tool to measure the results of the children by evaluating their reading and numerical skills. The programme directors were forced to use this tool to evaluate the evolution of all the children being attended.

The reading and counting ability of children rated by the measurement tool became a basic reference to evaluate the impact of the organization's different programmes. The programme directors were forced to dedicate the time and effort of their teams to certain tasks – such as accompanying reading activities– that were not directly considered as their responsibility, or the main reason for their programmes.

However the donors were satisfied with the system as it enabled them to receive clear quantitative data on its impact.

The directors seriously questioned the tool that had become a central part of the new development strategy. Although they shared the need for some kind of monitoring tool to evaluate their programmes and provide feedback to the donors, they did not agree on the particular design chosen.

The design finally had to be modified to gain the support of the programme directors and proved an important part of the organizational procedure.

3. Different ways to evaluate change

Resistance that is connected to defending the interests of the organization may also arise when there are different opinions regarding its origins or what the organization actually stands for, and will likewise appear with the orientation or reasons for a change.

The explanation given for extending their area meant that some of the Casal dels Infants team members finally committed to a change that they had originally neither understood nor considered to be in line with the organization's mission.

The geographical extension was essential to demonstrate the value of a community intervention model, to offer a solution to the needs of new groups of people and more importantly to have a transformational effect on society.

Yet the argument did not convince a certain number of people who considered that the organization existed for the needs of the Raval district. The extension of the organization meant undermining and losing sight of its essence and virtue. It was a clear case of resistance stemming from a different understanding of the organization itself; one that is very difficult to overcome and in the majority of cases, (as proven with the experience of Casal) leads to the departure of these individuals from the organization.

The fear of “losing their essence” or “betraying their basic values” were two comments common to a number of interviews that describes one of the biggest causes of resistance in the change process, and particularly where procedures are related to the growth or professionalization of the organization.

Measures that allow the organization members to express their feelings and make an important contribution to the process can be used to overcome this kind of resistance. These include offering training and communication related to the organization and its current situation, undertaking studies and shared thinking procedures to understand an organization's defining features and allowing people to participate who are committed to a cause but question a change.

4. Lack of credibility

The lack of credibility or trust in those that are instigating a change may be one of the reasons people resist or fail to commit to it. A lack of credibility is often explained by the fact that the person instigating it is not legitimate in the organization or does not have the backing of the most important governing bodies. Likewise the organization may have attempted various changes in the past that were unsuccessful.

There are numerous examples of organizations that have changed their management teams in a very short period of time. Organizations used to fluctuating different “management teams” with the intention of effectuating some kind of change make the actual procedure extremely difficult.

The organization members do not trust in the proposals made or their results and this may lead to avoiding involvement or even outright opposition.

To make the new management team credible and achieve the permanent commitment of the governing bodies is a main priority for progress to be made.

One of the main concerns of the Chairman of UNICEF when contracting a new General Director to lead the change in the organization was that they possessed the necessary credibility and legitimacy to progress in its transformation.

The new director was contracted shortly after a change to the legal format and governing bodies of the organization. It was a decisive step towards the constitution of a real executive management team to transform traditional operations, especially those related to territories, where the chair and executive management teams had been very closely involved.

Leading the change in this environment supposed a double challenge. On the one hand, it was necessary to convince and commit the territorial chairmen and active volunteers to the suitability of the new organizational model for management. On the other, it was important to establish the new management group for the operational team to understand the change in direction and decision-making structure.

Without these two factors, developing new activities and consolidating a new future strategy for the organization would be extremely difficult. Credibility for the new management team was crucial for a credible change.

The change in legal format and contracting of an external Director for the first time in the history of the organization were the first clear signs that an important transformation was being undertaken, and paved the way for a new direction.

The management team and Chairman clearly defined their position by appearing together at a number of different acts, and undertaking the strategic-executive role that was their responsibility. It was vital for the operational team to see both establishments present as well as the Chairman’s clear implicit trust in the General Director for them to believe in the new management model.

5. Low tolerance to change

Resistance to change may also be due to the intolerance of certain people or organizations. A lack of tolerance is very much connected to actual character; however it is often the nature of the organizational culture itself. Any previous negative experiences or past failures in attempts to make changes will aggravate the situation even more.

As Kotter explains, “lack of tolerance to change is often the reason many people oppose it, although they may understand that it is good for the organization.” The difficulty in this case lies in the fact that resistance is an almost unconscious phenomenon, the individual looks for rational arguments to justify their actions, but even when given explanations, the opposition to the change and discomfort involved persist.

The lack of tolerance to change is often rooted in an unconscious fear of being unable to fulfill the new functions, or meet the skill requirements necessary. Once again there may be what Stewart Black and B. Gregersen define as a failure to move³³ as explained previously in the importance of constructing a clear vision.

33 See Chapter 4.

Although people may understand and see the direction they are headed, they remain paralyzed, and in this case because they doubt their own capabilities. It becomes an essential task to provide people with the necessary tools, training and support in the process of personal change.

The new vision proposed by the Fundació Jaume Bofill in 2008 meant changing from an organization dedicated to the fields of immigration, participation, equality and education to focusing completely on education.

As well as centering on one main topic, the new vision also involved reinforcing the concept of impact, and required modifying its focus and work systems. The new outlook involved developing the organization's competencies and skills.

The Foundation identified the key processes that were present in all its projects and those requiring levels of excellence, and constructed a new organizational matrix structure that designated interactive procedure and project managers.

The structure was completely new for the operations of the Fundació Jaume Bofill. The project managers had previously been overseen by the area managers and suddenly no longer had hierarchical dependence on one director but had to collaborate with the procedure managers responsible for guaranteeing a level of excellence in all their projects. The need for interaction multiplied and the work culture was transformed.

It was clear that staff would need to be prepared and have the necessary skills to undertake this change. The Fundació Jaume Bofill therefore initiated a skill development and training plan with particular relevance for the procedure managers.

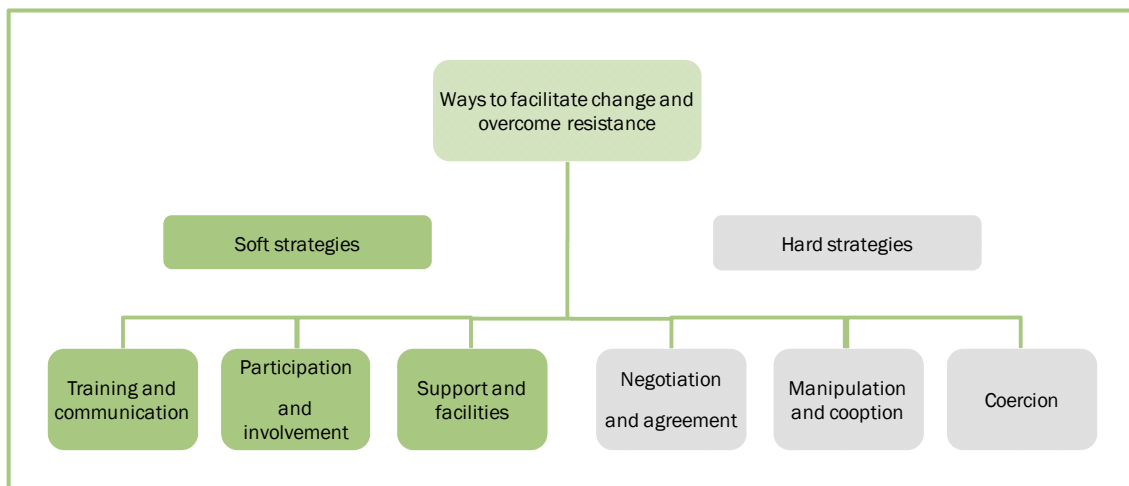
Strategies to overcome resistance

There are a range of measures and strategies that can be used to deal with resistance. These include training, supporting and encouraging the participation of people who might resist change, offering a space for dialogue, listening and negotiating with resistant parties, including their demands and requests in planning, offering some kind of reward co-option, likewise there is the option of coercion and even expulsion of the resistor.

Leader(s) of change need to consider the level of authority and legitimacy of the resistant person(s) or groups, the importance of consensus in the organization and the ability to integrate the resistant person in the change to identify the most suitable strategy to follow.

Strategies may be grouped as illustrated below according to type, i.e. "soft" or "hard" strategies, that will largely depend on the leadership style of whoever instigates the change.

Figure 5.5. Ways to facilitate change and overcome resistance



Source: J.Kotter, and A. Schelesinger

To minimize resistance for implementing the new CRM, the Fundació Pere Tarrés used a wide range of strategies.

Before the general launch and implementation of the new CRM, training courses were provided for all the people involved. A document was created to assist in the task, as well as an instructions manual and handout covering the most frequent questions on the intranet system. Posters were published with basic information covering the CRM system and its main features that were distributed in public areas for the main users of the tool. The institution also worked to provide a security framework that would assist the new users in overcoming their reticence, and involved the CRM manager, a computer technician and a specially trained CRM supervisor for each department.

However in spite of this support, there were a number of strong cases of resistance to the system, particularly from people who had been in the organization the longest, and from a number of managers within different areas of the foundation. This also meant there was a different use of the CRM in each department.

The general complaint was that the CRM used more of their time and that they were unable to work as they had before. In this case the message delivered by the general management team and departmental supervisors was clear: the CRM did not allow their staff to do the same as before; it involved different tasks that would give better results mid-term.

There was no turning back, and in some cases the “imposition” of the tool was unavoidable. The foundation were forced to trust that the advantages of its daily use (the benefits in some cases were immediate) would far outweigh the resistance and eventually overcome any fears; particularly those arising from unfamiliarity. The CRM meant that more information was available for the results of communication campaigns and increasing clients (response index for client profile, sales service, calls etc) and provided the sales team and communication managers with obvious added value.

To reduce the logical resistance from the process of change undertaken, the Fundación Tomillo opted to use a number of different kinds of strategies.

As well as the effort involved in constructing and sharing a sense of urgency and vision in the direction of change – via strategic thinking and a pedagogical commission, the general management team was particularly careful to choose a pace that suited the needs of the different groups within the organization.

Communication was in the CEO's opinion of utmost importance. The message for change was repeated continuously at each meeting, and had the full credibility and explicit support of the Chairman-founder of the organization, who continuously expressed his opinion on the matter and was present at the most important meetings dedicated to progress in this area.

The design of a training and skills plan in accordance with the new pedagogical manifest, and the courses attended by the majority of organization members were also an important part of the change.

The courses were aimed at members of different projects, teams and departments to encourage mutual knowledge and an exchange of information. There were also transfers of personnel both across the organization and, and in some cases to a different level in certain projects, mostly voluntarily, although in the occasional case of resistance the management were forced to “impose” this relocation.

Finally as a consequence of strategic decisions taken there were a number of departures that were very significant for the organization and provided them with important information on the change.

However independently of the leadership style sometimes overcoming resistance requires drastic measures such as the relocation of employees or even their dismissal. These are incredibly difficult measures to take, and as the leaders interviewed admitted, are often applied too late.

Postponing the dismissal of individuals who are obstructing and undermining the progress of a change is one of the most common errors committed by the leaders interviewed as part of our research. This may have a huge impact on the organization particularly when the people concerned are at a middle management level.

The lack of support from middle management can greatly undermine the process, since it will frustrate those who do follow it, and reduce the incentive of others who may have begun to come around to the idea. It is particularly important to be attentive to gaining the involvement of this group of people as soon as the change is initiated, since their commitment is likely to increase as the work begins and the change is being generated.

On outlining its new strategic plan Intermón Oxfam's management team decided to create leadership teams to guide the two main projects of transformation within the organization; an essential measure to motivate and engage their middle management personnel.

To identify the role of Intermón Oxfam within Oxfam International meant that the leadership team (representing Intermón Oxfam) began to take an active part in international work meetings, to meet and become familiar with the other participating organizations and make evaluations based on their experience and knowledge of the day to day running of the organization.

The creation of this coalition of change, composed of the middle management individuals most affected by the internationalization of the organization, allowed the organization to adjust the changes accordingly but most importantly engaged their middle management teams to the transformation process that was completely modifying their modus operandi. Once their integration was clear their leadership role in the process allowed the middle management individuals to experience it as an opportunity rather than an imposition. The fact that campaigns were agreed at an international level for example was among many aspects that completely transformed their role.

In fact the middle management personnel became the most loyal supporters of the internationalization of the organization and actually facilitated the situation since they encouraged their teams to believe in the process.

It is often middle management personnel who undertake the direct leadership of their teams and are therefore the most prepared and suitable to be empowered as the ones to lead the change and progress.

Change is not an easy task and requires time. Changing an individual implies modifying their attitude and behaviour; a complex process that does not always work first time around. Moreover the efforts needed to change are not always taken into consideration and when results are slow in coming, the risk of losing faith and patience is obvious.

As Stewart Black and B. Gregersen rightly said, change often means entering totally unknown territory and without a full skill set. It therefore has a penalty, an initial cost. We have to stop doing a task we know for another that we do not dominate. The risk of despondency is high.

It is therefore fundamental to support the people involved in the change, recognize their efforts and offer awards along the way. Above all they need to be supported during this period and it is a task that middle management, close to the operational staff, are more than capable of assuming.

However there are times that organizations may have to face particularly resistant middle management individuals with little ability. If this is the case, the coalition of change must identify those who are nearest to the key roles to be transformed to believe in the change for support and recognition.

The implementation of the change can be facilitated by identifying the people who are committed to it, who can undertake the intermediate leadership or a more operational role in the process. Training, encouraging participation and supporting these people can help to maintain their motivation, and can later be contagious for the rest of the organization.

However it is not always sufficient to identify the leaders of the change and outline strategies to overcome resistance. Obstacles to change often go beyond the individuals themselves and can be found in the very structure or culture of the organization.

Restrictive, rigid organizational models and structures, low incentive salary systems, and very conservative cultures that are adverse to risk for example are just some of the elements that must be considered, analyzed and transformed.³⁴

34 In the next chapter we will look more closely at an understanding of organizational culture and how it can be transformed.

Adopting a new organizational model, introducing a new incentive system, or even seemingly less important alterations such as changing headquarters or timetable, may be necessary to really make progress with the change.

The location of two headquarters in different districts was one of the greatest obstacles for the unification and joint work of the two social action departments within the Fundación Tomillo. In spite of the communication systems in place, the lack of informal interaction within the work space had exaggerated a lack of mutual understanding and knowledge between the different departments and lead to misunderstandings and a sense of differentiated cultures

The move to a common headquarters brought physical contact that was part of the final stage of unification between the departments and was particularly significant. On the one hand, it allowed a visualization of the foundation's real aims and on the other, facilitated a change in relational dynamics.

5.4 KFS 7. – Short-term wins and working for the long-term

Short-term victories are one of the most motivational features of a change.

The procedure for change is usually slow and often involves an important effort from a certain number of the organization or people involved. Planning small demonstrative victories can make a huge difference and is a key element in successful change.

As explained by Kotter, “Most people will not follow the change if they don’t see some sign in the first 12 to 24 months that the course they have chosen is delivering the expected results. Without short-term victories many people will abandon or lose faith in the change.”

These small victories are particularly important when large-scale changes have been applied or within organizations with a high level of complacency. Short-term victories will make a clear difference and serve as evidence that the change is moving in the right direction, thus contributing to overcome the obstacles that prevent progress.

Short-term gains also make the change credible and strengthen the trust of the staff in the leading teams.

When planning the change and designing the strategy, leaders must be able to select those aspects that are easy to achieve short-term; potential, more immediate victories that might have an impact on communication and strategy and directly strengthen their leading influence.

As illustrated in the following diagram, it is important to study the complexity of the changes as well as their level of strategic and communicative importance. Leaders should not waste their energy or credibility on highly complex elements (where failure is more probable) and of low strategic importance, but focus on those with a high strategic importance, immediately undertaking those that can provide the fastest results and establishing the foundations for more complex changes in the future.

Figure 5.6. Matrix of the importance – complexity of change procedures

		Level of strategic importance	
		Low	High
Level of complexity	High	Not to be undertaken	Work systematically to achieve results mid-term
	Low	Delegate	Undertake for fast results

Source: Internal creation

In 2008 when Bernardo García was appointed CEO of Anesvad, with the responsibility of overseeing the complete renewal of the organization he faced an enormous task list. The Foundation was undergoing a crisis provoked by charges that had been brought against two of the highest ranking executives and the Chairman of the organization for the unlawful appropriation of funds. The Foundation was being supervised by a Governmental Legal Administration department.

Their institutional weakness was more than obvious. The organization had been governed by an executive chair team with a very *personalist* management style that lacked the strategic methods to maintain a clear course of direction.

The new CEO made a preliminary study of the strengths and weaknesses of the institution to establish the main challenges to be faced.

Urgency, strategic importance and complexity were the three elements that determined the time scale for the biggest challenges.

The priority was initially to focus on two main themes: the constitution of a powerful management team who could lead and transform the organization, and the installation of a new ideological structure and intervention model.

The management team was mainly from outside the organization. Just before their arrival the organization had redefined its mission and vision. The new team culminated the organization's new cooperation model, and was a clear indication of the new focus and work system adopted.

An external consultancy company was contracted to create a new strategic plan, and once elaborated it was communicated to all the members of the operational team and integrated in departmental action plans.

Likewise and due to the type of crisis suffered by the organization, a number of additional control systems and transparency procedures were developed as well as a network of external relations formed with the sector and the public administration system.

Recovering their credibility had become an intensive and crucial mid-term strategic objective for the general management team, who carefully planned the time scale for all activities according to their strategic priority and level of complexity. A clear list of actions was devised with short-term goals and objectives that would contribute to consolidating longer-term projects and challenges.

The communication of goals became an important way to consolidate the change within the organization and gain the trust of the operational team. The management team therefore produced a periodical document outlining the aims and objectives for all the workers in the organization. Handouts were published and finally after the first year after initiating the change, a summary of progress was made and distributed.

The 'objectives' document reinforced motivation for the change but also communicated its meaning to the staff and clearly indicated where they were heading.

The communication and celebration of short-term victories helps a change to advance. However the celebration of short-term victories should never overlook the long-term objectives. In fact a premature declaration of success before behaviour and routine have been institutionalized is one of the most frequent errors made at this stage of the change process.

5.5 KFS 8. – Follow-up, adjustment to the change, present results

The very nature of change means that most of its development is often unplanned. Unforeseen events, unplanned resistance, unexpected results are all part of the process. Working spontaneously becomes the permanent task of the leaders who without the necessary instruments to systemize objectives and results run the risk of losing themselves along the way and not completing the process.

Clearly outlining the final objective of the change, using a suitable plan and instruments to monitor results on progress, and presenting the results and feedback, will avoid premature euphoria that becomes diluted and can actually delay the real change.

Information gained from monitoring the situation enables evaluation of the necessity to reconsider a plan or strategy and means the process can be adjusted to circumstances as and when the change advances.

A real leader is able to recognize both the successes and failures and integrate improvement.

Aware of the important implications of the process, in 1999 when the Asociación Fe y Alegría España initiated a procedure for the organization to become the Fundación Entreculturas it decided to clearly plan each of the biggest milestones throughout the process.

A process of strategic planning was applied in two main stages 2000-2003 and 2004-2007 with strategic lines and clear objectives outlined.

From the beginning the Foundation established a clear vision and final objectives. However it opted for structuring the process in two stages and on completing the first strategic plan, undertook a study to reassess the situation and consequently plan the next stage of the change.

The second Strategic Plan 2004-2007 was subsequently designed with the ability to adjust the future activities to the current circumstances more easily than initiating the process from the very beginning.

Since the change involved the complete transformation of the organization it was not until the final stage of the second plan that formalized evaluation tools were introduced. Between the first and second plans, analysis had focused more on the design of the strategies to resolve the question 'what do we need to reach our objectives?'

However in 2007 using a monitoring system related to the second plan, with clearly marked objectives the Foundation were able to identify a number of outstanding goals and decided to extend the strategic plan another year.

When a change is planned in stages, milestones established along the way and specific times assigned for revision and evaluation, the results must be monitored and reflection given to its evolution. This process can enable an organization to reach its final goal; a process that leaders are neither keen nor able to initiate alone.

Communicating the progress of change, publicly recognizing its achievements as well as the setbacks to be modified becomes a fundamental way to keep a team motivated.

At the end of 2009 and after two years of introducing the changes that had arisen from the strategic plan 2007-2011, the Management Board of Casal expressed serious doubts over the progress of the plan.

The plan had outlined eight basic strategies. Three of them continued the initiative to extend their range of activities. Casal had opted for territorial expansion, to increase from the three operating at present to a future twelve, had reaffirmed their aim for more awareness programmes and political lobbying, and to go beyond direct intervention to defining activities to meet new social needs as a major priority for the organization. The remaining five objectives were focused on themes related to consolidating their organizational model.

An independent associative model was developed, whilst cohesion, internal participation, reinforcement of the structure, consolidation of a volunteer model and networking were all outlined as other major priorities.

In fact the plan offered a framework for the intense activity that Casal had experienced over the last few years. It made the growth of Casal into other territories as well as in new fields and activities legitimate, recognized impact and awareness as priority intervention areas and established the foundation for what the members of Casal implicitly understood as a specific intervention model (volunteers, networking, integral and innovative response).

The vision offered by the plan was shared by the management team and board. However in 2009, the board questioned the course taken with the change. In their opinion it was over-focusing on territorial expansion with little attention given to the other key elements such as volunteers, impact or networking. In fact it was an opinion shared by other workers who felt that the vision approved two years earlier had taken them to five new territories but had not consolidated other essential aspects within the organization.

The management team did not share this view. They considered that they were working on all the most suitable lines of strategy although they admitted that there were a certain number of difficulties. The growth in the number of volunteers (over 37%) and private finance (94%) and the presence of a multitude of networks demonstrated that the change was being correctly undertaken. Yet to establish the Casal intervention model it needed time.

The Casal Management team had not evaluated the evolution of the plan nor had they given clear feedback to the board or operational team on their progress. Moreover the different groups all had their own perception of what the outlined vision really involved.

Had evaluation criteria been agreed prior to the initiation of the change, it would have greatly facilitated the discussion regarding the different strategic lines and their realization and quite likely avoided how this interpretation spread. In a critical moment a monitoring and evaluation system would also have provided an objective point of view to move discussion on and readjust the plan or any related action accordingly.

5.6 Leadership in the implementation stage

Gaining the commitment of the teams, supporting personnel and providing them with the measures and courage necessary to change are fundamental tasks that leaders must assume in this stage of effectuating the change. Managing the change becomes central in this stage.

A certain level of planning is necessary for a change to be successful, providing the right resources, monitoring its steps and adjusting to a changing reality. Management and leaders unite at a stage where both are fundamental and particularly when it involves a significant change within a certain-sized organization.

The aim of the leaders at this stage is for people to modify their activity to suit the direction of the change. For this to be possible they must firstly be persuaded that the change is justified with rational and emotional elements that will change their way of thinking.

By communicating the direction and strategy of a change, demonstrating the achievements along the way and giving feedback on progress, they can keep their staff informed and knowledgeable and prove a change valid; therefore encouraging their way of thinking and their behaviour.

As illustrated in the diagram below, to persuade and later commit people to change, it is necessary not only to alter their activity but also their way of thinking. If the leader cannot make his team believe a change is positive, imposition will be the only way to make it reality.

The power of imposition may lead people to follow orders but the integration of the change will be weak. For the change to work, people must believe in it and feel it is necessary since this will lead them to accept the change and act consequently.

It does not necessarily imply that people will commit emotionally to a change. To change people's feelings and emotional attachment to an organization is not so straightforward; particularly when it involves significant changes that transform elements that are often essential.

It is possible that people understand the change but continue to be emotionally attached to a previous situation. In this case their commitment will be weak, although the change is possible.

Obviously the more people who adopt the change, who feel and not only think it is necessary and suitable, will mean it is effectuated with much greater facility and speed. However the leaders of change must realize that emotional attachment is not always feasible and that it often takes place after the change.

Yet even when people are convinced that the change is necessary and heading in a good direction, even when people feel it is positive for the organization, there are still important obstacles that can prevent these people from acting.

Leaders must have the ability to detect the barriers and overcome them with the right measures and skills to make people progress along with the change.

Figure 5.7. Expressions of change

Changes produced in people			What the change initiator achieves	People's answers
ACT	THINK	FEEL	Initiator	Answer
NO	NO	NO	unsuccessful promotion	Reject
YES	NO	NO	Impose	Comply
YES	YES	NO	Convince	Accept
YES	YES	YES	Commit	Adopt

Source: R. Serlavós, El desarrollo de la competencia Orientación al cambio (Developing the skill to orientate change)

Furthermore at this stage leaders must have the ability to identify and empower those people who can co-lead and support the change at different levels of the organization.

In the execution stage, leading change requires great skill in supporting people and leaving an imprint on the organization of a new modus operandi. It is important to be coherent and consistent but also capable of recognizing mistakes and adapting to each situation, keeping teams informed, and showing them continual support along the way.

Leaders must not lose sight of these ongoing responsibilities or the fact that at the execution stage a change needs people to support it. Managing the change is important but it is team leadership, the skills of persuasion and the commitment of people that really make the difference to a successful change.

6. The institutionalization of change. Leadership and a change of culture

A change is not complete until it has been institutionalized; namely when it has been incorporated into the natural modus operandi of an organization, and it is an integral part of the culture.

Making progress in pre-planned changes, achieving small victories, obtaining the commitment of teams, and removing organizational obstacles that prevent change are important factors to consider but not sufficient to believe that a significant change has occurred.

The modification of strategies, structures or systems is often necessary but it goes beyond this; for a change to really prevail, it must lead to a new culture, a new, shared pattern of behaviour and values. If it is not the case, the change will simply survive at the most superficial levels of an organization and sustainability will be complex.

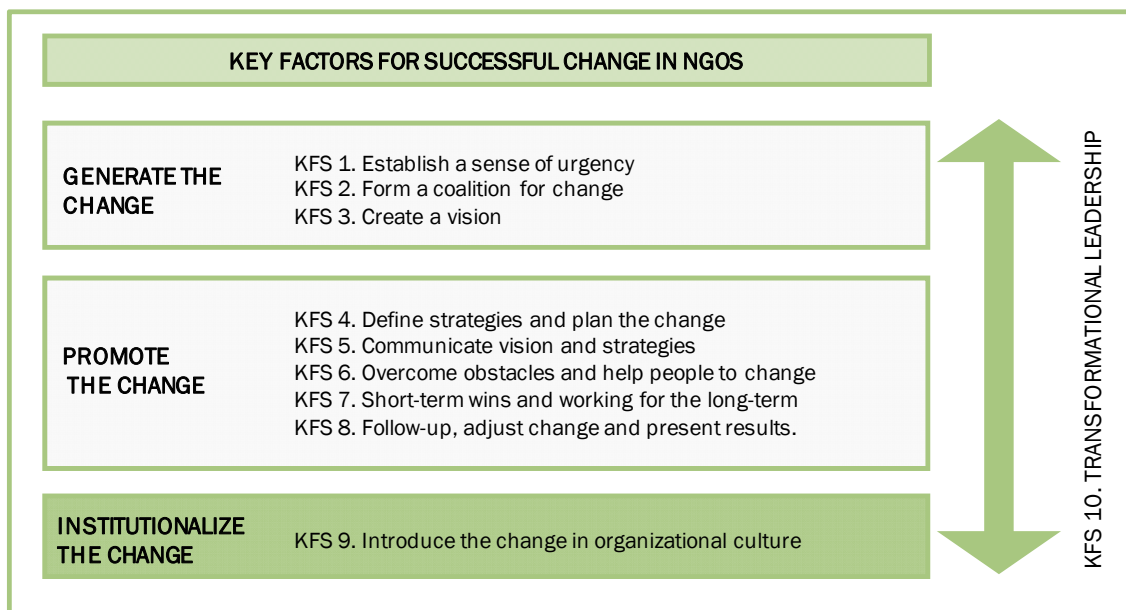
*“The greatest efforts of intense work can be blown away by the winds of tradition in a considerably short period of time”.*³⁵

In fact as Kotter points out, one of the biggest mistakes made when undergoing procedures of change is to celebrate a victory too early, forgetting the need for the change to settle, or in the words of Kurt Lewin to “freeze” it.

35 KOTTER, J. and COHEN, D. (2003) *The heart of change. Real life stories of how people change their organization.* Harvard Business Press.

Unfortunately and all too often leaders of change consider that once the planned changes have been effectuated their work is done. Yet the change is not real. It is not a true change until it has transformed the attitude of the people involved and their behaviour. And this is an incredibly difficult transformation to make.

Figure 6.1. The process of change in NGOs: INSTITUTIONALIZE THE CHANGE



Source: Internal creation based on Kotter's and Lewin's models

When people are used to doing things as they have always been done it is because they have been proven to work. In fact the culture of an organization is born from successful experiences and the reason it can be incredibly complex to change. The pull of gravity is usually strong.

Instigating significant change means having to question the existing culture (during the stage to generate the change) and offer the elements to construct a brand new culture or at least encourage it to evolve.

It involves redefining certain basic concepts within the organization in the implementation stage and consolidating, institutionalizing and reinforcing them, as well as valuing the elements that will enable the organization to survive, adapt it to the environment and fulfil its objectives.

One of the roles of leaders is to question the culture of an organization and to be able to generate a new model that can provide a better response to present and future challenges. Leadership is characterized by this skill and in fact it is what differentiates a good manager from a real leader. As explained by Schein,³⁶ leadership is the conscious and unconscious use of all mechanisms that may modify the basic work of a group.

³⁶ Schein, E.H. (1997) *Organizational culture and leadership*; New York: Jossey-Bass, cop. 1997.

“Many change programmes fail because the leader who wants the change fails to use the entire set of mechanisms to change the assumptions of a work group. When all these mechanisms are used the manager becomes a ‘leader’.”

Transforming an organization’s culture is a key requirement for success and the final objective of many procedures of change.

6.1 Moving closer to a definition of culture

What do we understand in this case to be culture? And how can an organization’s culture be changed? Why is it so important to change culture?

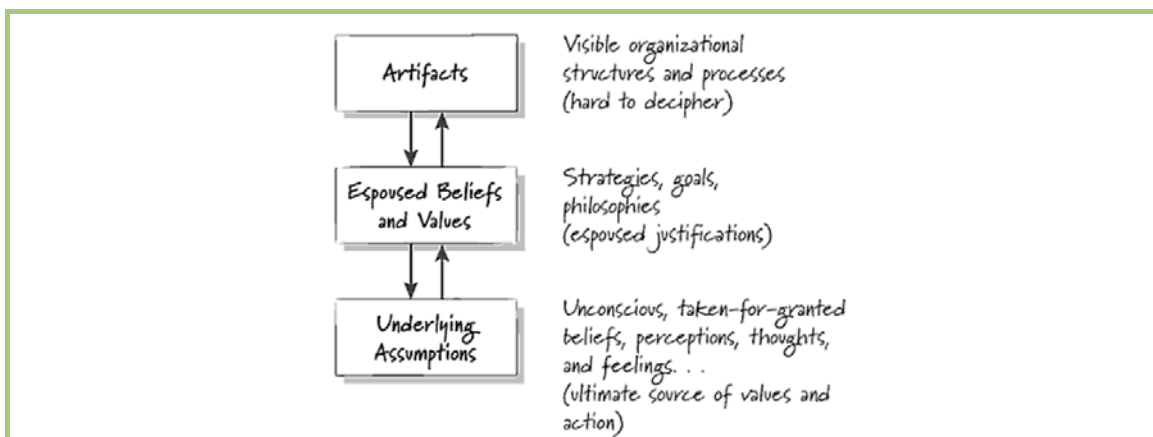
Edgar Schein defines culture as *“a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and therefore taught to new members as the correct way to perceive, think and feel in relation to those problems.”*

Culture is therefore quite profound, and is set within the very essence of an organization. It is a combination of basic assumptions, feelings, beliefs, values and behaviour that are shared by an important number of its members. Culture is what often explains the differences between organizations, and can be referred to as its character or personality. It is what is shared (values, norms, conduct, traditions, criteria) and sufficiently rooted, is stable and provides a model for the coherent integration of different elements.

Culture determines the behaviour norms of a group, and is reflected but also configured by language, customs and traditions. The main ideologies and institutional policies, the values manifested by the organization and the skills it respects are implicit elements that make up the very essence of culture.

Schein considers that the culture of an organization can be analyzed on three levels, and understood as the degree to which the cultural phenomenon is visible to the outside observer. The three levels are inter-related and when one is modified it affects the others, although not all to the same extent.

Figura 6.2. The three levels of culture



Source: E.H. Schein, (1997); *Organizational culture and leadership*.

On the first level on the surface are the artifacts that include all phenomenon that are perceived when meeting a new group with a different culture to our own and includes relationship and presentation codes, dress, timetables, conflict-solving methods and even the decoration or way to hold a meeting.

These elements are easy to observe but not always to decipher even when their meaning is clear. Artifacts send out messages about the culture within an organization but particularly outside it.

However, and despite its “danger,” the use of artifacts is important to communicate an organization’s culture and can demonstrate the changes that it wishes to produce. Artifacts are relatively easy to modify

and are clearly important for their strong symbolic value when transforming culture at different levels of an organization.

In June 2009 the Spanish Committee of UNICEF initiated a process of strategic planning. Their management team had the 'gift' of their credibility and there was general awareness throughout the organization of the change intended. The Chairman met with the board to discuss the Committee's vision for the coming years and established the basis of their Strategic Plan along with UNICEF priorities.

The Executive Management team began the fundamental process that involved the participation of the organization to create the plan. The Management Committee outlined their vision, analyzed the possible future scenarios and defined their strategic objectives for the period 2010-2012. There was active participation from the Permanent Committee and the support from the board throughout the whole process.

To outline their vision and develop its strategies groups of 15 people from a number of different locations and teams got together to reflect on their feelings for the institution, and the changes that needed to take place. Using the contribution of the group, the management committee established five general objectives and in teams with two departmental directors developed independent objectives and indications.

This brief but intense process lasted three and a half months and was undertaken during the holiday season. It meant an important effort from all those involved, but was crucial to the progress made in internal cohesion and in reinforcing the different functions.

The intensity, brevity and period chosen for the process confirmed the organization's real intention to manage a significant cultural change.

Although not one of its greatest priorities the change of Anesvad's headquarters was among the strategic activities outlined for the period 2009-2011. The search for a functional headquarters suited to their new mission, vision and values was an obvious indication that the organization had taken a new direction since the crisis that led to Bernardo García appointment as CEO and clearly reflected the new organizational culture to be introduced.

Beneath the level of artifacts, there is a second level of institutional values and criteria that are adopted and publicly espoused. These involve strategies, objectives, a recognized philosophy, public institutional policies and values.

Unfortunately the explicit values and criteria communicated are not always reflected in the organization's actual behaviour. There is often an obvious discord between the set of values the organization verbalizes to what it then actually realizes.

Debating and discussing the values and strategies of an organization is one of the most common measures to encourage cultural change.

It was the strategic thinking, rather than strategic planning undertaken by the Fundación Tomillo in 2008; the starting point for the change it intended to initiate, that led them to conclude that education and training were the central focus of all their activities. This thinking process revealed the need for a pedagogical commission to define in detail what the Foundation understood by the concept of 'education'.

The pedagogical commission was formed by members of different departments and produced a pedagogical manifest that eventually became a reference for the whole organization. The document laid the way for discussion over the very essence of the organization, considering a certain number of its basic assumptions and adding to them.

The process demonstrated a new way of working as a group that proved to be more fulfilling for all involved. The manifest also expressed the basic philosophy of the organization, and as such became an important reference in the design of all the Foundation's programmes, its new culture and its implementation.

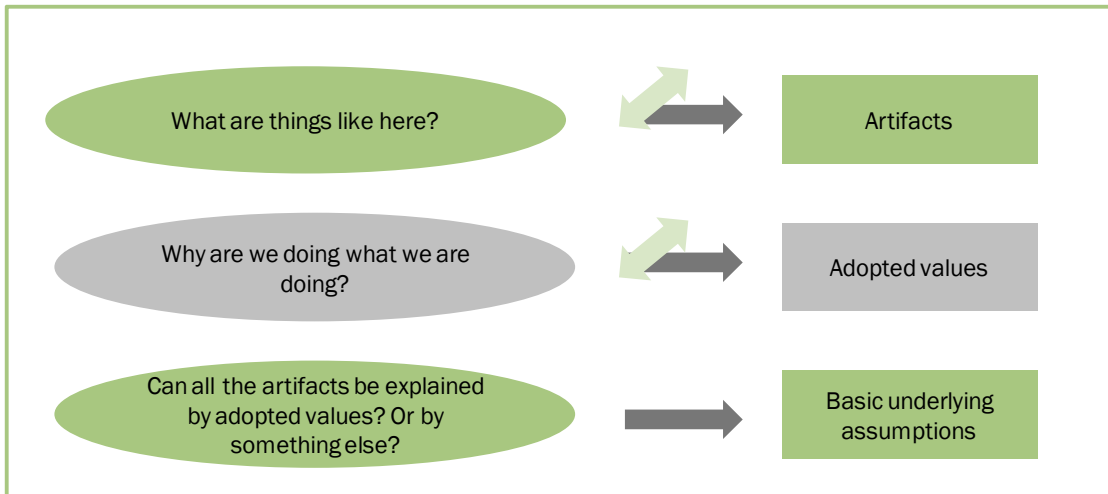
The document was presented to the members of the entire organization and having defined the basic skills involved in assistance relations, was used to design a new communal training plan.

The third and deepest level, which Schein considers the real essence of an organization's culture, is what he refers to as the 'basic underlying assumptions.'

These convictions within the organization are ruling ways of thinking that are seen as proven fact and normally derive from historical education; beliefs and experiences that work or have worked in the past, and have been passed on by the founder or external persons that have proven them valid.

These supposed unspoken beliefs generally arise with an organization through its founders or new leaders who introduce new forms of behaviour that are successful in solving its problems and challenges. Their success mean they are introduced into its education and understanding of reality, taken for granted and subsequently transmitted to the other members of the organization until they become consolidated as a fundamental part of its culture. Unspoken assumptions emanate and generate certain values that are then strengthened mutually.

Figure 6.3. Three questions to identify the basic underlying assumptions



Source: E.H Schein. (1997); Organizational culture and leadership.

As these aspects are not explicit they cannot be discussed or argued and are often extremely difficult to detect. Significant change takes place when these basic underlying assumptions are transformed.

One of a leader’s fundamental tasks is to understand the basic underlying assumptions, decide if they are suitable for an organization and the direction it wants to head in, and evaluate if they need to be changed.

It is important to consider that underlying assumptions give groups a certain degree of stability and can help to predict and guide forms of behaviour that facilitate life within an organization. To break with such assumptions generates anxiety, increases the unpredictability of behaviour and until new assumptions arise may temporarily cause a lack of stability.

In October 2008 when Bernardo García was appointed as CEO of Anesvad the institutional weakness of the organization was clear.

The charges brought against two of its highest ranking executives and the Chairman/founder of the organization for unlawful appropriation of funds in 2007 had delivered the Foundation a hard blow.

The organization had been run by a chair-executive team in a very personality-driven management style, without any strategy or clear path to follow. For almost 40 years the chair-executive team had personally steered the organization, taken all key decisions and established a very hierarchical culture with no consideration for individual initiative or decision-making. The profile and behaviour of the managers in charge had obviously been influenced as such.

Following the Chairman’s arrest there had been an absence of a leader for the organization and by mid-2007, the lack of clear management was creating enormous tension among a number of members of the management team.

Motivating and committing the team to a new project was a huge challenge, but more so was building a new organizational culture that would offer its members an alternative to its former style of leadership.

The previous leadership model had failed and had left the organization in an obvious state of crisis. This meant the staff was open to change but needed proof that the new model and management style would work for there to be a new organizational culture.

Figure 6.4. Some examples of underlying assumptions present in NGO's

General suitable underlying assumptions	Questionable underlying assumptions
<ul style="list-style-type: none"> • We are the people who are going to change the world • We believe in what we do, we work for what we believe • We rebel against status-quo • Union makes strength. We don't compete, we collaborate • We are ahead of time. We know how to change • We are all motivated and give our utmost • Volunteers represent the very essence of our values • We work as a team • We don't like individualists 	<ul style="list-style-type: none"> • We are good and companies bad • Change is a process. Results can't be measured • The journey and experience of an NGO is more important than direct competition • Nobody is dismissed here unless they do something really serious • Procedures and structure: only the minimum necessary

Source: internal creation

But why is it necessary to modify the culture? What is its real value in an organization?

Culture is the final element and the basis for the behaviour of a significant group of people within an organization. Culture determines the way people think, feel, and face certain challenges.

As was explained at the end of the last chapter if we cannot change people's way of thinking and feeling we will only make them act differently by imposing it and this will weaken the sustainability of a change. It is more obvious in organizations where control mechanisms and culture is usually "vague".

As explained by Chatman and Euyong³⁷ control norms and regulations are only useful to provide an answer for standardized and foreseeable situations. In an ever-changing world, where prediction is complex, building a strong culture is increasingly relevant.

³⁷ CHATMAN, J.A.; and EUNYOUNG, S. (2003) "Leading by Leveraging Culture"; *California Management Review*, Summer 2003, Vol 45.

A strong culture therefore greatly influences what is valued, and the content of these values. A strong culture allows people to commit to a certain way of understanding their environment and organization and makes certain elements a priority over others; leading to an implicit way of behaving.

A strong culture makes it easier for people to act as they are expected to, as the organization would require, without having to use any control measures or strict orders. In fact as Chatman and Euyoung point out, *"the irony of leadership through culture is that the less formal direction you give employees about how to execute strategy, the more ownership they take over their actions and the better they perform"*.

In fact leadership through culture is a common characteristic in the sector. As we have seen from their specific characteristics NGOs are made up of people who are highly attached to the organization, who believe implicitly in their project and are completely imbued with the organization's culture. It is possible to conclude that a strong culture is a feature of many of these organizations.

However, even if this strength is a positive characteristic and can build organizations with a greater impact, it can also provide difficulties when there are significant changes intended.

To modify the culture of an organization where consensus and other values are held in high esteem can be an arduous task.

When studying the process involved in making significant changes the fear of losing an organization's essence and of betraying its culture is often behind the opposition of many groups. These groups will resist changing what they consider gives their commitment meaning and guarantees the survival and impact of the organization. They will feel anxious faced with an unknown path and a change to something that has been proven to work.

Cultural change is even more complex in organizations with a strong culture, and it is where transformational leadership becomes absolutely essential. A transformational leader will mark the change, accompany it and provide solid solutions to reduce the general anxiety produced from abandoning its underlying assumptions.

6.2 KFS 9. – Introduce change in the organizational culture

In spite of the difficulty to make changes to the culture of an organization, it is actually a process that will be produced almost inevitably as it starts to evolve. As an organization matures it involves a number of cultural changes without a premeditated use of measures for this to be the case.

If we reflect on significant changes that have taken place in organizations we know, we will discover that cultural change is the final objective of the majority, and the total number of small changes beforehand take place as a natural measure to encourage this transformation. Yet even when cultural change is not the explicit final objective, it is still a requirement and a consequence of others undertaken.

Cultural and organizational change is closely related and can be seen as two parts of the same process. However, and despite this narrow relationship, changing culture in our own direction is no easy task.

In fact the skill to design a strategy and use the right measures to achieve it distinguishes a leader from a manager in any process of change.

More important than the charisma of some leaders (not the characteristic of many) is the ability to transmit new values and construct new basic assumptions; and it often occurs with the conscious or unconscious use of various mechanisms.

A coherent use of these measures and a consistent message is fundamental for the cultural change to happen, as well as the practical demonstration that the new culture can provide the results they want. With this in mind, achieving an organization's goals and the successful implementation of the change strengthens and helps its consolidation.

A cultural change requires a coherent time frame and strategy.

In fact the three levels that Schein uses to identify culture (artifacts, institutional value and underlying assumptions) and their correlation and mutual influences, can help to design a strategy for cultural change. Any work at one level will influence the others. Coherent parallel changes made at different levels can facilitate the transformation of an organization.

These might be subtle changes such as modifying the name of a department, redesigning the work space, or more important changes such as modifying policies or introducing personnel evaluation systems. Crucial changes might include transforming the strategy of the organization or introducing a new CEO among others. All will have an influence on the organizational culture. The older and apparently more successful the culture of an organization the more complex it will be to transform.

The role of leaders in making cultural changes and the importance and use of different measures to encourage them depends greatly on how mature the organization is.

Firstly as Schein indicates, the behaviour of the leader is crucial in both creating and changing the culture. As the organization and the structure of procedures grow, other elements appear that can be used to encourage the change, as is also the case when new sub-cultures are born or inevitable crisis appear. The ability to detect the right measures to use to change at each moment in its evolution is an essential part of being a transformational leader.

The reasons behind the change also determine the ease with which the cultural change can be introduced. Crisis that throw doubt on the underlying assumptions of an organization make teams much more open to accepting a change and this situation can be utilized to its advantage and considered a clear opportunity to reformulate a culture that has not achieved the goals it was created for.

This does not necessarily mean that the cultural change is only possible when there is a situation of crisis. The value of a real leader lies in his ability to generate the need for the change, helping his teams to control the anxiety created by modifying their underlying assumptions and supporting them throughout the process to demonstrate that the new ideas will provide solutions to the challenges faced by the organization without having to suffer a crisis before making the change essential.

But what measures do leaders have at hand to encourage changes in an organization's culture?

The list is long and varied. Using Schein's book *Organizational Culture and Leadership* as reference and the study of the cases undertaken the following is a list of those we consider to be most important.

Figure 6.5. Measures to encourage change in an organization's culture

1. The incorporation of new members in the organization or replacing the leaders
2. Promoting certain cultures
3. Support and training
4. Modifying evaluation and monitoring systems and criteria used to dedicate scarce resources
5. Introduction of new systems, procedures and tools
6. Reformulate the structure of the organization
7. Redefine the strategy, values and fundamental values
8. A reflective study of cultural assumptions

Source: Schein and internal creation.

Measures to modify culture

1. Incorporating new members in an organization or replacing leaders

One of the most powerful ways to introduce and socialize a new culture in an organization is by incorporating people that fit its values, norms and forms of behaviour. It is a method that can be particularly interesting if these new people become part of the strongest groups or coalitions or if they undertake a strategic role in the organization.

Organizations normally incorporate people who share their fundamental values and modus operandi which generally perpetuates and institutionalizes an already existing culture. In this respect, the voluntary selection of people who “break” with the prevailing culture of an organization is a real challenge since it is not always easy to introduce. Nor is it easy to find the right person; someone who can really adjust to the new culture.

In fact it is not unusual to find NGOs that have experienced a number of failed attempts at incorporating new staff, particularly when the aim has been to introduce a different “professionalized” managerial culture.

In 2007 the Fundación Tomillo initiated a change that would unify its two action centres, whilst also re-ordering its central services to better suit the size of the organization.

Improving the quality of support services and increasing the level of communication with the operational areas were positive signs of the change. The decision was made to contract two new managers for Personnel (HR) and Finance. Both new incorporations were from a business background and thus attempted to introduce management measures and procedures from their individual company experience. However in this case company culture was extremely alien to the Fundación Tomillo and in many respects it did not coincide with the management and leadership style the foundation wanted to encourage. Neither individual managed to adapt, and left after barely a year of being contracted.

Two departures in less than year did little for the credibility of the management team who had backed the selection of these particular candidates.

However recognizing their mistake they consequently changed their focus and contracted a new manager for Human Resources and another to reorganize the economic-financial department; eventually regaining the trust of their staff to continue advancing with the change. It is a process that is still in progress.

Since its creation in Spain in 1990, Médicos del Mundo has experienced important growth and it can be described in three very distinct stages.

The second of these stages, between 1998 and 2004, began with an important change in the organization: - the consolidation of a territorial model and the choice of a professional management team independent of the governing bodies.

Following its growth the organization initiated a series of activities with an increasingly complex context and impact that demanded greater quality both internally and externally in all activities and work models. It was a huge change for the governing bodies and a total turn-around in the focus of their management.

As well as the changes to the organization's territorial and organizational models it was also decided to form a professional management team to be independent of the governing body. Gradually stable roles

were incorporated within the management team in areas of human resources, projects, communication and private funding management, and this later led to the appointment of an economic-financial and general management figure.

The result was the configuration of a classical structure for the different management procedures (HR, finance, projects and marketing). Professionals were incorporated from other sectors particularly in roles that were not directly connected to the mission. This practice has continued and received positive feedback in general, improving the constitution of the organization with a wide range of skills and experiences. For this practice to be successful it is important that these professionals show a strict commitment and conviction to the organization's mission particularly where the associative model and the promotion of volunteers are concerned.

An important issue in the organization at this stage was the progressive adaptation and adjustment to the governing and management systems, with logical tensions arising between the association and volunteer's culture and the operational teams and newly contracted staff.

The great diversity of co-existing organizational cultures (volunteers, associates, operational staff, inclusion, development cooperation, humanitarian action, assistance orientated, awareness or denunciation, central headquarters, regional headquarters, territories) as well as very powerful governing bodies and management teams were two factors that encouraged and facilitated the choice of a shared responsibility model. Management leaders also encouraged a combination of different procedures using consensus and participation. This naturally meant that change was slower but it was more solid, consistent and coherent. Management problems gave way to debates and discussion focused on strategy, mission and the orientation of activities.

The transformational value of incorporating new members in an organization is clearly greater the more authority they have. Significant change procedures effectively begin with the contracting of a new director to lead the process. Changing management is a real sign of the intention to transform an organization from those instigating the change (in this case the governing body) and emphasizes the message whilst offering a simple possibility to introduce new behaviour, values and norms.

The personnel selection process itself is often a measure used to transmit a message to the organization. The candidate profiles and HR procedures, particularly where it concerns people with a certain level of impact on the organization or certain groups, represents the organization's new priorities and therefore contributes to creating its culture.

The selection process for a new executive manager for the Spanish Committee of UNICEF was opened up to candidates from outside the organization at the end of 2007, and was a clear message from the Chairman to all the teams.

The selection of Paloma Escudero, who had professional training and extensive experience in the cooperation sector was a clear break from the organization's traditional management style and was an invaluable step to changing the organization's culture.

The succession of leaders and the associated periods of transition, particularly within organizations where the founder is present, are incredibly important stages in a cultural change.

2. The promotion of certain cultures

It is relatively common for larger, more mature organizations to have a number of existing sub-cultures. Sub-cultures are generally connected to different departments, geographical locations and types of work for example. Using and encouraging a certain sub-culture is a very efficient method for transforming an organization as a whole. This can involve an explicit measure such as promoting a certain person to become a part of a sub-culture in a position that will influence the rest of the organization, or installing measures used by a particular sub-culture, or encouraging the physical proximity of certain groups to be affected. An example is to locate two departments within the same area, for one to influence the other, or moving headquarters, creating a shared work space that obliges cultures to co-exist. It can also be advantageous to mix teams.

Promoting a sub-culture can also be effectuated more implicitly by the attention or recognition given to a certain group from the leader(s). Expressed more informally it becomes a clear message to the rest of the organization for what is considered positive, and the culture they aim to promote.

The promotion of certain sub-cultures can visually transmit and socialize the ideas considered to be most important.

In 2000, the Fundación Secretariado Gitano (FSG) created the employment programme ACCEDER with its main aim to incorporate the gypsy population more effectively into the work market. The Foundation refers to the importance of this particular programme's results during a 10 year history; over 36,000 work contracts for the 51,000 participants. These figures and the recognition and support shown for the ACCEDER programme are clear indications of its success and efficiency.

According to organization representatives, one of the features of the programme that largely contributed to its success was a clear results-orientated design and the methodology used to provide follow-up and constant evaluation. This enabled them to measure their objectives of impact from the figures for individuals incorporated into the work market.

After a few years in operation the organization's management team realized that the focus of the ACCEDER programme was very valuable and that its results-orientated culture might be incorporated into other areas and programmes. The success and recognition of ACCEDER would help to influence the rest of the organization with its sub-culture. With this aim in mind, they undertook a number of different actions:

- *Changing roles:* Initially the Fundación Secretariado Gitano contracted and trained a specific team and coordinator for every one of the 50 cities where it had an ACCEDER programme. However over the years the coordinators gradually became local or regional coordinators and not exclusively dedicated to ACCEDER. The people leading the programme with a results-orientated focus moved on to coordinate a whole series of programmes in the area, with the intention of extending a certain work style and focus to the overall operation of FSG, in its different activities and in each of its cities.

- *Introduction of methodologies and tools used for the ACCEDER programme to other programmes:* The 10 year-old employment programme, opted for an intervention method based on the development of individual itineraries of social-occupational integration, which greatly contributed to its success. This choice of method has been tentatively introduced in other areas of FSG intervention, for example with individual educational itineraries. A further feature of the ACCEDER programme is their use of new technology to measure results, developing a complete IT tool (data base) online combined with technical utilities for social-occupational intervention using coordination, impact follow-up and measurement. It is currently developing another similar tool for intervention in the field of education.

The existence of different sub-cultures is a feature that can be considered natural in the growth process of an organization and therefore shouldn't be seen as a separate problem. Some sub-cultures within an organization complement the dominant culture; they may present certain different characteristics but do not actually contradict any aspect of the main culture. There are also radical sub-cultures that are based on the dominant culture but may differ in which issues they value.

Cultural diversity is of concern when we find cases of the so-called *counter-cultures*, groups with cultural characteristics that are totally contradictory to an organization's dominant culture and can completely halt its progress, provoke a split, or when no other culture dominates may guide the whole organization.

In 2007, faced with the imminent retirement of the vice-chairman, the Chairman and founder of the Fundación Tomillo realized there was a need to instigate a process of transformation within the organization to bring the different areas of the organization closer together. There was also a need to fight against a certain level of complacency from some of the teams and a lack of outside vision from other departments. A number of departments showed signs of stagnation, and had clearly differentiated individual and organizational sub-cultures. The organization was also suffering from a general 'trauma' after a number of failed attempts at succession. There was a lack of synergy and the organization's general essence had been lost. In spite of the individual successes of each area the actual mid-term survival of the Foundation was at stake.

A general management team was contracted to lead the change with the aim of transforming the multi-pyramid, disjointed organization (each centre manager was their own boss) to a matrix-format, coordinated structure. The strategic thinking process that the new management team instigated clearly highlighted the need for a change and a number of objectives were outlined including the unification of two of the organization's social action centres.

The unification of the areas was a complex task and involved significant cultural change. The two areas had clear cultural differences related to their leadership styles, personnel structures (type of contract, timetable etc), different IT levels, procedure standardization, management models for personnel, and levels of autonomy for very distinct central services. Moreover both were located in totally different geographical areas that further accentuated their separation.

It was necessary to encourage shared work and full use of their synergies. However, to do so it was necessary to bring the cultures closer together and break from the tradition of working independently. 'Bridges' of communication were created, the organizational structure reformulated, physical proximity encouraged (changing the headquarters) and one of the managers was promoted to overall director for a unified department of social projects. The promotion of the director of the training and employment centre enabled their sub-culture to shape the new overall culture.

3. Support and training

By offering support to those who have absorbed the new culture and providing training to the operational teams it is possible to introduce and make changes at a social level. It is not only the content of the training but the way it is undertaken that will transmit a certain message enabling the introduction of new values and forms of behaviour.

The official integration of Intermón within Oxfam International meant there was a need for progress in their organizational culture to incorporate the value of internationalization and the concept of a trans-cultural shared working system. Culture was particularly important at the middle management levels of the organization that were forced to change their behaviour more drastically.

The development of new skills became a fundamental part of the process to make these changes. Training also involved the transformation of some of the organization's basic assumptions.

Moreover, the formation of coalitions of change and the general understanding from a number of the organization of the advantages to working together with other Oxfam International members clearly facilitated the cultural change. The coalition members became the individual transmitters of the change since their behaviour clearly represented the new culture and a way to socialize it.

4. Modification of evaluation and systems of recognition and the criteria used to assign scarce resources

Irrespective of the level of existing training in an organization, each has a system to evaluate and acknowledge finished work. Whether through informal measures such as verbally congratulating staff, or more formal personal evaluation systems or projects with their corresponding results, the concept of recognition clearly indicates what is valued and considered important and therefore how to face the biggest challenges.

In many NGOs systems of evaluation and acknowledgement are informal although more organizations are now constructing formal evaluation and follow-up measures both at an individual and group level; systems that are not always connected to material or formal incentives.

The criteria used to evaluate and acknowledge staff, to award or promote a certain individual and to decide which projects can be assigned scarce resources, will obviously influence the configuration of an organization's culture. The modification of such criteria and the introduction of evaluation and acknowledgement systems becomes a useful tool to modify culture.

The new evaluation system introduced in 2000 at The Harlem Children's Zone as a result of the Strategic plan was in itself a clear message to the organization. The new system questioned basic assumptions that had previously ruled within the organization and were "incoherent" with the reformulated mission that had recently been constructed.

The system was based on a tool to measure the development of the children being assisted and involved the evaluation of their reading and numerical skills. The programme directors had to use the tool to evaluate the children and their evolution. Reading and counting skills were rated quantitatively with the designated tool and it became a basic reference for evaluating the impact of programmes.

The directors were faced with a particularly demanding situation since it involved dedicating the time and effort of their teams to this particular task – reading support for example – that in their opinion did not directly correspond to their role, or to the main reason for the programmes. However the organization donors were satisfied with the system since it allowed them to receive informative data regarding impact.

The directors agreed with the new strategic focus of the organization that was based on the change that had been outlined: *"for children to become healthy, productive adults there must be programmes that ensure the presence of a critical group of committed and efficient families as well as an early and gradual intervention in child development."*

However they considered that the new evaluation system was not coherent with this idea and complained of it "drifting" towards a numerical focus that in their opinion was leading them away from their real role. The number of people assisted, and results of their growth and reading-numerical evolution was becoming a key element in the development of the organization.

In this case the methods used to guide the cultural change (new strategy, new theory of change, new evaluation system, new organizational structure) were sending out messages that were being interpreted by the members of the organization as totally incoherent. Furthermore the impact of the new tool on their daily work load meant that the final prevailing message was misleading and the strategic and cultural change was actually losing credibility whilst clearly disorientating a number of key members of the organization.

5. The introduction of new systems, procedures and tools

The introduction of new procedures or tools can also be useful in encouraging the modification of an organization's culture. Reference books related to the development of organizational culture repeatedly use the term "seductive" technology as an obvious example of how to modify an organization's culture.

Internet, mobile phones and other technological elements have transformed the culture of the majority of organizations as we know them. It is not unusual to find examples of the implementation of a new programme used as an excuse to transform the behaviour and culture of certain departments or the whole organization.

However, it is not only technological elements that modify cultures. A new evaluation system as described previously or the creation of protocols and procedures can visually introduce certain concepts that influence behaviour on a social level, and that will establish new ways of seeing and understanding reality.

In 2008 the first introduction of a new CRM system within the Fundació Pere Tarrés, (an organization dedicated to social and educational action), enabled different departments to share up-to-date client information throughout the individual areas of the organization. The Foundation was at this time divided into four different sections: education services, a federation for free-time centres, a non-regulated training centre including a consultancy area, and a Faculty for Social Education and Social Work (that operated autonomously and according to its own criteria).

The CRM also facilitated the analysis of results from communication campaigns and allowed the extension of their client base (client profile response index, sales service, calls etc) as well as providing obvious added value to the sales teams and communication managers.

After introducing the CRM an integral sales plan was designed for the Foundation with the creation of a special sales commission; an initiative from the sales supervisors in different areas to study and design specific client strategies. The CRM also enabled the marketing department to progress in certain functions and increase its strategic role. Despite some logical (and predictable) resistance the implementation of the tool actually served as a key feature in the cultural change, encouraging task sharing and the full use of organization synergy.

6. Reform the organizational structure

The design of an organization's structure usually represents different values and some of the beliefs that are the basis of its culture. Schein considers the organizational structure a part of the first level of culture.

Hierarchical dependence, the name of the departments, their composition and different responsibilities represent an organization's priorities and these features of the management and leadership systems define the culture.

Reforming this structure can strengthen the intention of modifying opinions and introduces new ways of observing reality. A change in organizational structure is often the consequence of a change in priorities and is a powerful mechanism to influence the basic underlying assumptions of its members.

Reforming the organigram and organizational structure, (particularly its composition and different department functions) and creating a powerful management team, were the first tasks undertaken by the new executive management team appointed by the Spanish Committee of UNICEF in 2008.

Key new responsibilities were identified and the departments redefined. A number of managers left the organization and several new people with different profiles and experiences were incorporated. These incorporations, the change of department name and function were a clear message to members of the organization's new priorities.

Marketing, funding and communication departments were created (previously associated with awareness) as well as a territorial department to oversee the autonomous teams. The awareness and child policies department was strengthened as was the cooperation and emergency team. A department was also created for New Technology and Organizational Development and the finance department totally restructured. Each maintained the same number of permanent staff contracted.

The change in name and configuration of the departments were indications of transformation to the organizational culture and likewise some underlying assumptions and the basis of its activity. They became important features in the overall cultural change.

7. Redefine strategy, values and fundamental documents

The strategy, institutional policies, values and other formal documents make up what Schein refers to as the second level of culture. They are explicit features that give the first communication of an organization's characteristics and priorities.

Whilst words do not always coincide with actions in an organization, public documents generally reflect both how an organization sees itself and how it wants to be seen, and therefore greatly determine the expected behaviour of its members.

Modifying fundamental aspects of these documents can be a way to introduce significant cultural changes. In fact members participating in reformulating a strategy, its values, mission or vision can usually do more than just introduce or socialize new ways of seeing reality and actually modify the cultural parameters that guide the behaviour of an organization.

The strategic planning process that led the Casal dels Infants del Raval to become the Casal para la Acci3n Social en los barrios; that involved the participation of its stakeholders for a year, was a fundamental method to consolidate the cultural change that was taking place within the organization and to establish certain basic cultural elements.

In fact the plan actually offered a framework for the intense activity of the last few years and generally confirmed one of the organization's basic fundamental assumptions; that Casal provided an extremely valuable model for specific social transformation. The plan also made the growth of Casal into other territories, areas and activities legitimate, served to recognize impact and awareness as priority areas and established the bases of the social transformation model.

Territorial growth was the most questioned aspect of the new strategic plan, yet this aspect was actually based on demonstrating the true value of the transformation model.

8. Reflective analysis of cultural assumptions

Encouraging thinking processes related to different cultural assumptions and their value for new circumstances is a way of demonstrating how they affect an organization and revealing the need for evolution.

However this kind of reflective analysis is not common since it requires a very "external" outlook that is often difficult to find. Yet it is a process that can be very useful to encourage a change and can be undertaken during the preparation or generation stages of change.

6.3 KFS 10. – Transformational leadership. Leadership and a change of culture

As well as the ability to design strategies and combine different methods to make a cultural change, leaders have a valuable tool for steering the organization in the right direction: their own behaviour.

A leader's behaviour is the primary source of every culture. Coherency and consistency in their messages and actions is fundamental for the credibility and progress of a cultural change.

The members of an organization will observe a leader's behaviour and use it to judge their concerns and underlying assumptions. When credible enough it can eventually lead to the transformation of the organization. A leader's behaviour can present new cultural features and socialize them as proof in the mid to long term that they are valid.

A leader's focus of attention, measurement or specific control is of particular importance. For example the leader who is obsessed with financial results will define an organization where "numbers" and budgets are considered crucial and a project's economic results are highly valued. On the other hand a leader who pays little attention to the economic side of a project transmits a very different message and will shape an organization where financial issues are secondary.

Yet it is a leader's overall behaviour that will definitively contribute to defining an organization's culture. Behaviour must be coherent to convey a clear message.

Leaders must be aware of their power, particularly in organizations that are in the early stages or significant procedures of transformation. It is important particularly in the initial periods of leadership to reveal the key features of the organization's culture they are keen to encourage.

In 2008 the incorporation of the new executive management team to the Spanish Committee of UNICEF, revealed a level of distrust within the culture of the organization –between the different headquarters and committees, contracted staff and volunteers

The chair and executive management teams were clear that it was an element that had to be changed. They chose to provide staff with the possibility to express any complaints and offer possible solutions. When faced with a particular complaint both the chair and executive management teams focused their attention on the solution proposed by the individual rather than the complaint in question.

The clear focus on solutions rather than on problems transformed the culture of the organization; adopting individual responsibility for any challenges or problems.

6.4 Joint leaders and leadership

Reference is made to leaders and leadership in a plural sense since the processes for change particularly where culture is concerned usually require the encouragement of leading groups rather than one charismatic individual. Changes that originate in one person or a small group without growth are quite often unsuccessful.

The creation of a powerful coalition to lead a change, as outlined in Chapter 4, is a key factor for success. Coalitions generally work better within organizations that have a joint leadership culture; based on teams with interdependent members who reinforce and strengthen their learning mutually, making joint decisions and where each member contributes with personal skills and experience.

Joint leadership does not substitute vertical leadership but it is complementary. It is generally based on the existence of one or several strong leaders, with the ability to boost a change and the will to empower their teams to assume a leading role that involves dialogue rather than imposition. Joint leadership shares influence among the different members of its team.

A suitable environment is necessary for leadership to be transferred; a culture of participation and team work, a favourable outlook to changes and learning, flat, flexible and collaborative structures, training plans and direct development.

Joint leadership is increasingly more common in the sector since a wide variety of voices and viewpoints facilitates the detection of the need for change, but it can sometimes interfere with building the consensus necessary to move it forwards. However once there is consensus for a change, joint leadership can make the process much smoother and be long-lasting and transformational for the culture. A strong, committed group to lead a change generates a feeling of trust within the organization and sends a clear message of commitment to its members.

A coalition with a wide variety and number of members also attracts the support of a greater number of people and is essential for change. The primary source of its culture is multiplied. The coalition becomes referential for the change, and the behaviour of its members, as individuals become leaders in the process to encourage a cultural transformation.

However the presence of a powerful, committed coalition team is not enough for the members of an organization to immediately trust and believe in a change. A group must be trustworthy and legitimate, particularly when it involves action that may affect the very essence of the organization. Leadership is not only built on individual or collective skills but requires the recognition of the organization it is leading. Without recognition there is no leadership.

Procedures for significant change therefore require the involvement and direct leadership of people with recognized, legitimate authority within the organization; within the management team or governing body.

The consensus of management and governing bodies is actually imperative to progress for the real transformation of an organization. The provision of such consensus is often another strategy to legitimize and establish the process to change.

However, as outlined in the second chapter that describes the specific characteristics of the sector, the agreement of governing bodies and management teams is not always easy to obtain, especially in cases where the governing body remains totally separate from every day organizational reality.

Leading a process of change however, should not be limited to a minimal group at the highest levels of the organization. Significant and successful changes are usually characterized by the gradual growth of the initial coalition for the change throughout the process; new members are integrated at different levels to formally or informally participate in leading some stage of the change in question.

The people who believe in a change become its instigators, references and guides in a specific area of activity. These people think and feel that the change is positive and advance with the cultural

transformation that is necessary; they support the change and are an example for their colleagues. Different levels of leadership will be applied to a greater or lesser extent depending on the moment in question.

In fact identifying people with the ability to co-lead a change at different levels of the organization, the “champions” for the change is another quality of a good leader, and can greatly facilitate its implementation at every stage in the process.

6.5 Leadership skills

This style of leadership persuades rather than imposes, committing people to the change wherever possible. It is a style Bass³⁸ defines as transformational leadership; influential, motivational, intellectually stimulating, and with respect and consideration for every individual.

Figure 6.6. Transformational leadership

Influence: A leader must be credible, inspire trust, and have sufficient authority within an organization. His position and decisions determine the behaviour of others.

Motivate: A leader must offer and communicate a vision that can focus its energy and unify the organization members’ activity.

Intellectually stimulate: A leader must question the *status quo*, offer innovative solutions to new or old challenges and encourage other members of the organization to question old recipes and forms of behaviour.

Respects and recognizes: A leader must respect the individual, recognize their work and offer the necessary support for their development.

Source: internal creation based on Bass.

Leadership must involve skills in the four main areas identified in the research study on leadership for social change.³⁹

The inspirational leader(s) must have the ability to inspire others using determination, self-awareness, clear communication and a firm adherence to the mission, vision and values of the organization. Leaders must have the emotional intelligence to perceive and manage their own and others’ emotions and with recognition, constructive criticism, identification of strengths and weaknesses and task delegation build motivated and autonomous teams. Moreover they must have the foresight for suitable decisions, and by studying the environment make correct, balanced choices based on the experience, information and analytical reasoning.

³⁸ Bass, B.M. (1985) *Leadership and Performance Beyond Expectations*, Free Press. New York, US.

³⁹ Carreras, I.; Leaverton, A. and Sureda, M. (2009) *Líderes para el cambio social. Características y competencias del liderazgo en las ONG. (Leaders for social change. Characteristics and skills for leading NGO’s)* ESADE-PwC Social Leadership Programme 2008-09; Institute for Social Innovation ESADE, Barcelona.

More importantly still, an integral part of a leader is the natural disposition to change. A significant change will imply that the leader(s) have to alter their own outlook and understanding as well as their role within the organization. The commitment of a leader to a change will often determine a greater ability for its assimilation and progress.

Figure 6.7. Skill groups of social leaders

Group 1: Inspirational leadership

The skill to inspire others; determination, self-awareness, clear communication, and a firm adherence to the mission, vision and values of the organization.

Group 2. Emotional intelligence

The skill to perceive and manage one’s own and others’ emotions.

Group 3: Decision-making acumen

Skill to make correct and balanced decisions based on experience, information and analytical reasoning.

Group 4: Joint leadership and building motivated, autonomous teams

Develop a team through recognition, constructive criticism, specific identification of strengths and weaknesses and the delegation of tasks to strengthen the trust of a team and its autonomy.

Source: I. Carreras, A. Leaverton, and M. Sureda *Líderes para el cambio social. Características y competencias del liderazgo en las ONG.*

Leaders of change are therefore people who have a high disposition for personal change, who can manage and understand their own and others emotions, build and motivate teams, and also have the ability to generate inspirational foresight whilst remaining realistic. Attentive to their environment, they can read its signs and build on an uncertain future; identify underlying assumptions of an organization and old, dated paradigms.

Unfortunately the more mature an organization, the more elements that may delay the change and the greater the difficulty of finding people with this ability to detect and lead, particularly to transform certain underlying assumptions.

Organizations create their own systems to select people who will adjust to its predominant culture and values. This is positive for its stability and continuation but makes it difficult to find voices that disagree, and that can look at a situation in a totally new light.

Therefore it is common that a significant change process is born with a new leader(s). The arrival of a person who is totally alien to the organization is not only a method to encourage cultural change but often becomes a factor in revealing its necessity. Replacing a leader, particularly in the case of the founder is often a necessary step to open the door to new changes.

As outlined in the first chapter, NGOs as organizations are frequently engendered from an opportunity to transform society and in theory should be more open to change. However reality shows us that in spite of a greater ability to detect the need to change, with multiple stakeholders and their desire to serve society, NGOs are actually organizations where change is neither common nor simple.

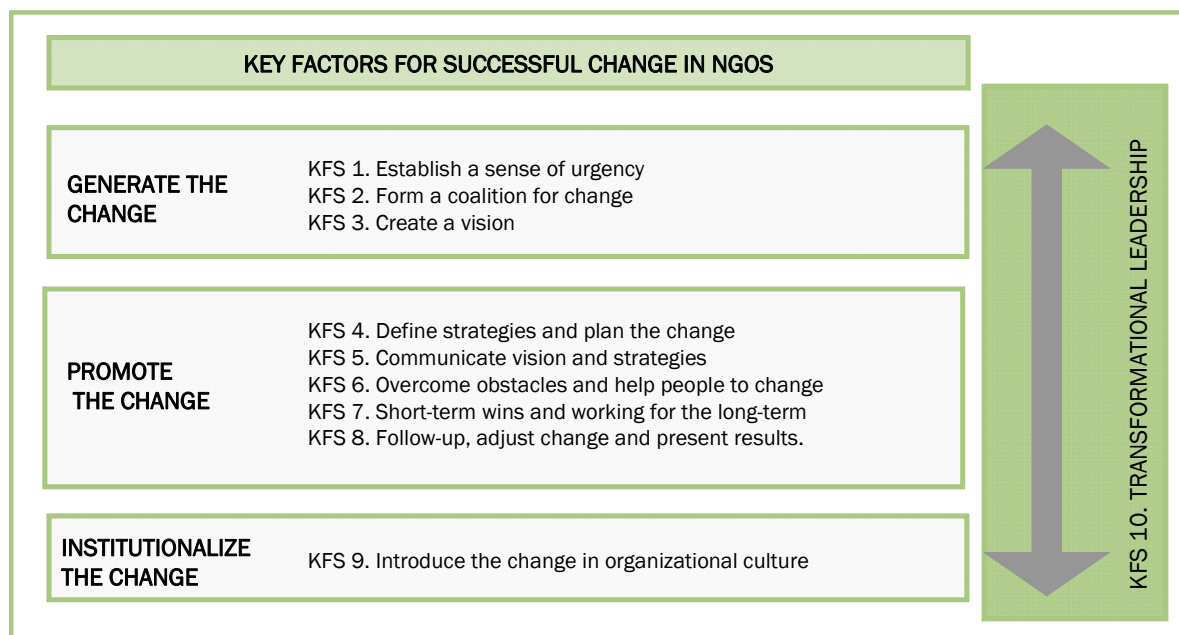
The forces preventing a change from taking place are powerful and extensive. Elements such as a strong culture of participation and consensus, and groups of people who are emotionally very attached to the organization and its programmes are among the factors that make change a complex process and where powerful, transformational leadership is crucial.

6.6 Leadership and the process of change

Leadership is fundamentally the most important factor in any process of significant change. Without the active presence of leader(s) with the ability to generate, implement and institutionalize change, it is simply not possible.

The role of leader(s), their objectives, and methods differ greatly according to each of the different stages in the process.

Figure 6.8. The process of change in NGOs: TRANSFORMATIONAL LEADERSHIP



Source: Internal creation based on Lewin and Kotter's models

In the first stage of preparing for the change, leaders must be able to generate awareness for the need to change, offer a vision of its management and gain the commitment of a coalition to effectuate it. In this stage leaders need to make this need to change apparent and widespread as well as guiding its direction.

The fundamental aim at this stage is to put a stop to complacency and overcome the lack of foresight and movement⁴⁰ Credibility and trust are essential. As outlined in chapter 4, in the preparation stage the leader must convince the organization's members of the need and reasons for the change, offer them a goal and a meaningful destination. It is an emotionally complex period where the leader must generate a feeling of discomfort sufficient for people to feel open to change, whilst providing the foresight necessary to quell any reactions of anxiety.

⁴⁰ See Chapter 4 and Stewart Black and Gregersen's three barriers to change.

With this objective fulfilled, the change enters its implementation stage where leaders and managers work hand in hand. Managers must guarantee the correct plan, follow-up and evaluation, and ensure that there are enough resources for it to take place. Managers and leaders need to work together so their teams committed to the change are suitably prepared and equipped and have the courage to act.

Communicating the change, supporting the people involved in it and recognizing their progress are all tasks of the leaders during this stage where their role is not always visible but essential nonetheless.

This stage is frequently long and variable and leaders must be aware of the power that personal interests, fear and uncertainty can play in impeding progress. Changing the modus operandi, breaking with underlying assumptions and reconstructing new concepts generates a certain level of anxiety and produces inevitable imbalance. Leaders must assume it as an important part of the process of change for an organization to recover its stability. Once the change has been institutionalized and results have proven it viable there is an evident cultural transformation to support it.

The main task of leaders in any process of change must therefore focus on the human aspect summarized as follows:

Changing the behaviour, way of thinking and where possible, feelings of an organization's members for them to act accordingly, and providing them with the necessary skills, tools and structures to do so.

Figure 6.9. Leadership at the different stages of change

Stages of change	Objective: what the leader(s) must achieve at this stage	Methods: how to do so
Prepare the change	<ul style="list-style-type: none"> • Generate awareness for the need to change • Offer a vision of change • Commit to a coalition for change 	<ul style="list-style-type: none"> • Spread the need to change • Detect the problem and offer contrasting information • Provide the change with a direction • Construct a vision that will provide a solution to the problem • Identify the people for the coalition
Implement the change	<ul style="list-style-type: none"> • Commitment to change from the team • Technical preparation to advance the change • Courage to act differently 	<ul style="list-style-type: none"> • Communicate the change • Support people • Recognition, award attitude and activity • Facilitate knowledge, training • Remove obstacles
Institutionalize the change	<ul style="list-style-type: none"> • New attitudes • Stable results • New culture 	<ul style="list-style-type: none"> • Develop leadership appropriate to the change • Change attitude and behaviour • Change organizational structure • Create incentives, new attitudes, etc.

Source: Internal creation

Only leaders with an ability to detect the need for change; who can construct significant consensus around it and support people in the process will ensure the survival of their organizations and lead them towards a future with greater impact, and guarantee progress in their mission.

Annex 1: Experiences of change

The following is a list of eleven experiences of change that were analyzed for this study and have been referred to throughout the book:

1. Anesvad
2. Casal dels Infants para la Acció Social en los barrios
3. Fundació Jaume Bofill
4. Fundació Pere Tarrés
5. Fundación Entreculturas
6. Fundación IRES – Instituto de Reinserción Social
7. Fundación Secretariado Gitano
8. Fundación Tomillo
9. Intermón Oxfam
10. Médicos del Mundo
11. Spanish Committee of UNICEF

The organization

The Fundación Anesvad is an organization for cooperation and development with over 40 years of experience working to promote and protect health as a Fundamental Right. When the change took place Anesvad had a budget of over 25 million euros and 62 workers.

The crisis and the change

In March 2007 two of the highest ranking executives in Anesvad and the actual Chairman of the organization were charged with the unlawful appropriation of funds. The Public Prosecution Service adopted the cautionary measure of naming a public civil servant to undertake the role of the board to continue the activities of the foundation. Three legal administrators were named as members of the new governing body. The Anesvad Foundation was the adversely affected party in the ensuing court proceedings.

The Foundation continued to work for almost a year without General Management. Finally in October 2008 Bernardo García was appointed as the CEO of Anesvad with the clear responsibility of completely renewing the organization. The task list was enormous.

The institutional weakness of the organization was clear. Anesvad had been run by a chair-executive team with a very personality-driven management style and lacking the strategic methods to keep the organization on a clear track.

Following the Chairman's arrest there had been no leadership of the organization and by mid-2007 the lack of management was clearly manifesting itself in tense relations between certain members of the management team. The survival of Anesvad was clearly in danger and the need to change was felt and directly experienced by the whole organization. By the time Bernardo García took over as CEO the team were anxiously awaiting its transformation.

In this particular case, there was a common feeling that it was urgent for the organization to change. However there was also a certain amount of dissatisfaction and a particular lack of motivation. The workers had expected a great deal from the legal administrators but they had lacked the cohesive management to run the organization and provide it with a new organizational project. The team were discouraged and moreover used to a very *dirigiste* style of leadership. Bernardo García was met with the huge challenge of motivating and committing the team to a new project and winning back their trust.

The first year of the change was described by the new CEO as "extremely challenging" and provoked a great deal of tension. Bernardo García met with every member of the organization to listen to their individual opinions and feelings on the situation and organized a number of assemblies to inform the staff of the new proposals. Communication and close contact with the teams became an essential strategy to make progress with the changes in process.

The new manager made a primary study of the institutional strengths and weaknesses to establish the most important challenges the organization needed to face. Initially there were two main priorities: to create a powerful management team to lead the change within the organization and to establish a new ideological basis and intervention model for the organization.

The management team was formed in its majority by people from outside the organization. Prior to the arrival of the new CEO a new mission and vision of the organization had been defined. The new team was the final part of the organization's model for cooperation. The very existence of a new structure was clear proof to the whole team that a new work philosophy and a brand new focus were in place.

A strategic plan was also devised by an external consultancy company, and the new mission, vision and strategies were immediately communicated to all members of the team and integrated in the individual action plans of each department.

The very nature of the crisis led to additional explanatory procedures and control systems being applied internally, as well as the creation of a network of external relations with the rest of the sector and the government.

Recovering the credibility of the organization was absolutely critical and the priority of the general management team as an objective mid-term, to work intensively on forming important contacts throughout the sector.

A financial protocol and code of ethics and behaviour was developed and applied to all financial investments. Likewise a protocol was developed for purchasing and the Spanish NGO Coordinator for Development's code of behaviour, and norms for visual and written messages were adopted.

A consultancy council was created including prestigious professionals from the different sectors collaborating with Anesvad.

Particular attention was paid to communicating with partners and donors and the most referential institutions. Public documents were created to explain the situation of the organization during the legal proceedings and the different stages of the processes of change taking place within Anesvad. Openness was an essential and central part of the new strategy.

The new objectives and models meant that departments had to be redefined and others eliminated completely to redesign the organizational structure. It was a process that involved incorporating new profiles and a completely different expertise to what the organization had ever seen in the past. A skills and training plan was created, and adjustments made to the team to fit the new requirements of the project, entailing cases of dismissal as well as new contracts. The new managers undertook full responsibility in supporting and training their teams in the new procedures and work systems.

Another key factor was the communication of each small achievement that contributed to taking another step forward in establishing the change and winning the trust of the operational team. Activities were clearly planned according to their strategic priority and degree of complexity, providing a straightforward list of short-term aims and objectives that would each contribute to the ideals and goals long-term. The management team periodically created an objectives document outlining their goals that was delivered to every member of the organization, as well as handouts and an annual summary informing them of the achievements. These documents were a further way of fostering people's motivation as well as explaining the meaning for the change and where it was heading.

The Fundación Anesvad is currently still undergoing changes. It needs to continue working on consolidating a new working culture that has been unquestionably influenced by the new management team and their methods. The strategic plan has outlined the years 2009, 2010 and 2011 as fundamental for establishing the new model and structure for the organization.



The organization

The Casal dels Infants para la Acci3n Social en los barrios is a social organization that was created in the district of Raval in Barcelona in 1983. The association works to substantially improve the quality of life of children, young people and families in a situation of risk or social exclusion, and the communities where they live.

When the change took place Casal had a budget of almost 2 million euros and a working staff of 84 professionals and 477 volunteers.

The change

At the end of 2004, the Board of the Casal dels Infants del Raval decided to undertake a strategic planning process to provide the organization with a tool to guide it in the future. This procedure involved transforming the dynamics of the whole organization since although it already had annual programmes in operation there was no written mid-term strategy in place. It was the management team who made the decisions that steered and directed the organization.

The management team had all agreed on the need for strategic direction that would enable them to focus their efforts, empower the Board and direct the growth of the organization.

When the strategic plan was initiated there was a certain amount of tension between the teams because of their different outlook, and this highlighted the need for a clear definition of the organization's vision. Casal had shown continuous growth over the last few years and was revealing the typical tensions of an organization in process of expansion.

For six months the Board and management team met to discuss the need and urgency of the plan and agree on the level of participation of the different stakeholders in the procedure. A strategic plan was created and involved participation from the workers, volunteers, beneficiaries, and partners. It took another year to complete.

Finally in June 2006 the strategic plan 2007-2011 was approved, based on eight main objectives.

Three of the objectives confirmed the path already initiated by Casal to widen its field of activities, opting for the expansion of territories from three to twelve areas. Awareness programmes and political impact were highlighted as well as direct intervention and activities to meet new social demands that were seen as an absolute priority. The other five objectives were more focused on areas related to the organizational structure that needed to be consolidated.

Casal outlined an independent model for its association, cohesion and internal participation, and major emphasis was given to reinforcing the structure, consolidating a model for its volunteers and promoting networking.

The plan was a real turning point in the history of the organization as it was the first time Casal had actually had a direction to guide its activity in the future. By outlining its vision and clarifying a model, the plan became a key element for the organization, its management and the cohesion of its teams. In fact it provided the perfect framework in which to continue developing the intense activity it had undertaken in the last few years. It made the growth into other territories and towards new fields and activities legitimate, it recognized impact and awareness as priorities and established the foundation for a specific intervention model (volunteers, networking, integral and innovative solutions).

However, in spite of the effort made in ensuring there was participation from the whole organization in the process, the Strategic Plan provoked a certain amount of conflict. Casal's ambition to extend into other areas was the concept that most surprised and confused the operational team.

Instead of solving tensions among the teams, the initial implementation of the plan actually aggravated the situation and even led to some individuals leaving altogether. However a great effort was made to

explain the reasons for the change and for the 25th anniversary celebrations in 2008 work and impact were revised, and Casal managed to strengthen its relationships within the organization, overcome resistance and bring the teams closer together.

The Strategic Plan was initiated in January 2007 and from this moment onwards (with the exception of the economic crisis particularly in the last quarter of 2008 and throughout 2009) Casal has shown exponential growth.

At the end of 2006 the organization was managing 23 projects and attending 2500 people, employing 119 professionals and 552 volunteers. By the end of 2009 the number of projects managed had risen to 36, and 5800 people were being attended by 156 professionals and 759 volunteers. Budget increased by over 89% during this period and Casal extended its territory from three to seven areas.

In January 2009 and after a year's work from the Management and the Board, Casal approved its new name, a new brand, and changed from "Casal dels Infants del Raval" to be known as "Casal dels Infants para la acción social en los barrios". The change of name was one of the most visible signs of the organization's new strategic direction.

The disappearance of the word "Raval" from the organization's name reflected its aim to represent a new geographical situation and was a clear demonstration of the step it had taken. The organization had always had a very close relationship with the district of Raval and now wanted to be seen as an entity working in different districts, with a wider outlook to social reality throughout Catalunya (and even abroad).

At the end of 2009, half-way through the process, the Board presented a number of queries to the management team regarding the timing of objectives to be fulfilled, the amount of resources available, the effort needed to be dedicated to them and their actual suitability.

The board was questioning what they felt was an excessive priority shown to the geographical expansion of the organization over other basic strategies. When the time came to approve the operational plan for 2010 the board emphasized the need to re-balance the priority list and increase efforts in other areas.

The board also disputed whether some of the goals outlined were attainable and even recommendable. In an environment of economic crisis (not accounted for when the plan was outlined) was it realistic or suitable to be expanding into twelve different territories when on the plan's approval Casal dels Infants was only present in three? Was Casal dedicating too much time and effort to its geographical expansion and overlooking other key elements of the plan? Was the expansion being made as it should? Was it necessary to make alterations to the plan's strategic objectives? Did Casal have enough capacity to undertake such an ambitious plan? How could it be made stronger?

The lack of follow-up and evaluation of the organization's evolution and achievements meant that it was difficult to know the real situation and whether the board's interpretation was correct. It was an opinion shared by other members of the team, and with the additional influence of the economic crisis the management team finally decided to reconsider the plan for 2010.

They opted to concentrate on the territories currently in operation without making any further expansion into new areas and improve the assignation of responsibilities into other fields. A position was created for the internal supervision of volunteers and the communication and funding supervisors were promoted to management level. The organization began to work on a new concept of the management team by increasing its current members to include middle management positions, allowing it to establish leadership for the change at every level of the organization.

The concept of intervention was also revised as one of the priority objectives of the plan but in reality it had not had any clear consensus. In fact the number of different opinions regarding the numerous "concepts" of its vision proved to be a source of serious conflict since it prevented any shared outlook or evaluation of the change.

The organization

The Fundació Jaume Bofill is a cultural foundation in Catalunya that aims to promote initiatives to facilitate and improve knowledge in our society by reducing inequality, and by widely extending education and culture. The Fundació Jaume Bofill is one of the most-well respected organizations in Catalunya in the field of studies and imparting knowledge.

When the change took place the foundation had a budget of 3.8 million euros and a team of nearly 30 people contracted.

The change

At the end of 2007 the Board made the first move to undertake the change. The retirement of the director of one of the group's foundations and the need to approve some new objectives for the next four years were a good push to begin the thinking process at the end of 2008.

The foundation had increased significantly in the last few years, extended its activity and consolidated its referential role in some of the most important themes on the social and political agenda.

The Fundació Jaume Bofill was one of the most prestigious centres of research in Catalunya. However, the Board realized that in spite of its public recognition, the dispersion of its fields and activities meant that it did not actually achieve the impact it desired. There and then it was decided that it was necessary to widen the impact of its activities, improve and more efficiently use resources.

For over a year the board worked to outline a new mission, vision and values. At the beginning of 2008 they organized an evaluation process for the previous four years 2005-2008. The lack of a complete evaluation system limited decision-making and made it extremely difficult to "demonstrate" the need and urgency of the change to the foundation's team. The team in general, did not see the change as essential although they shared the Board's concerns.

The foundation had their four-yearly plan that outlined a number of great objectives but no indicators for the four priority fields of activity (education, immigration, equality and democracy). It also had an annual programme that was created according to the projects and activities to be developed.

Although technical limitations prevented the impact evaluation for activities from being made, it did reveal the need to identify the kind of impact that the organization expected, and to consider the strategy to achieve it.

In fact the different opinions regarding the concepts of impact and success; notions that had never previously been jointly contemplated, explain how there were different reactions to the need to change. The complacency of some members of the organization was based on the fact that the organization had a very high level of studies and education imparted and was very well-known and respected by the public. Although the Board recognized and shared this point of view, their idea of impact went beyond this and there were slight differences in their view to how successful they had been.

A focus on education was necessary and social transformation encouraged. The capacity the foundation had shown in influencing certain laws and key fields was an evident sign of their success and it was along these lines that it had to continue working.

Finally in November 2008 the Board approved a new mission, vision and values. The new vision involved the organization changing its major objectives from immigration, participation, equality and education to focus mainly on education. Yet more importantly still, the new vision also involved reinforcing the actual concept of impact and modifying its focus and modus operandi.

The new vision led the organization to reconsider its whole organizational structure (that had been focused on imparting knowledge in four priority areas) and developing new skills and abilities to increase its influential capacity.

In December 2008, the Board instructed the CEO to prepare the Foundation for a change. It was undertaken in three stages; the first to specify the new vision and mission by creating a strategic plan that would lead into the second stage of programming its activities, and finally the third stage to reform the organization and its team.

The year 2009 was seen as a period of transition. As well as its three stages, priority was given to sharing the new concept of impact and its obvious link with the foundation's actual cause and history. Communication and training became fundamental strategies to establish a sense of urgency for the change and avoid resistance. At first it was mainly the area supervisors that initiated this task but later it also involved the rest of the team. In February 2009 a work session was dedicated to share the new vision with all the organization's employees.

The presentation of the organization's new vision coincided with the crisis that was affecting income from corporate assets (that had decreased nearly 40% between 2008 and 2009) and therefore influenced planning for 2009. Individual area supervisors were forced to reduce their programmes to fit the budget available.

The crisis and reduction of related activity enabled the area supervisors to focus more intensively on the task that the Board had recommended once the vision had been approved – to outline the organization's strategy and programming.

After the new vision had been approved, the CEO met with the management team (the managers and supervisors of different areas where projects were divided) for a day to introduce them to the new vision, mission and values outlined for the organization.

The CEO had kept the team informed on the evolution of the process and therefore its results were no surprise. Keeping the team realistically and punctually informed had been the a major concern of the CEO during the time dedicated to discussing the new vision since he strongly believed that the area supervisors would be the most affected by the strategic plan being considered. Although the new organizational strategy and structure had not yet been defined it was clear that the change in outlook would involve completely abandoning the organizational structure that had existed until then.

The CEO and the area managers had made up the core of the management team and the majority had grown professionally within the organization and been responsible for shaping and forming their respective areas over the years of sustained growth. In fact they had managed to consolidate the role of the foundation as one of the most specialist educational organizations in each of its fields. The change would modify their management positions and completely revise their work systems.

Supporting the area supervisors was of considerable importance to progress in changing the organization in the least traumatic way possible. The Board decided to involve the team in defining the strategy and therefore encourage their commitment to the change.

Once the vision had been approved the CEO and team worked together for a period of almost six months to define the concept of education, its new focus and provide an outline that could incorporate some of the other fields developed by the foundation. They then undertook the task of outlining specific strategies and programmes. The strategic plan was used to create a new structure for the organization. The CEO met every area manager to discuss their individual new responsibilities within the organization.

The Fundació Jaume Bofill identified the key procedures that needed to be present in all projects, and those that required certain levels of excellence, and created a new matrix-format organizational model with supervisors appointed for the different interactive procedures and projects.

This structure was completely new for the foundation whose project managers had previously depended on area managers. Project managers no longer had any hierarchical dependence but instead had to collaborate with the procedure managers responsible for guaranteeing the excellence of all projects. The need for interaction increased greatly and the whole working culture was transformed.

It became obvious that for the change to be successful people needed the right skills to face the new situation. The Fundació Jaume Bofill created a skills development and training plan with particular focus on the new procedures managers.

The strategy meant that despite the logical "duel" period initially, the team finally committed to the change. Their commitment was also largely due to the important emotional attachment felt by many staff and the great effort made to explain and present the transformation of the organization as a logical evolution and a clear way to improve its impact.

The Fundació Jaume Bofill is currently undergoing the process of transformation.

The organization

The Fundació Pere Tarrés is a non-profit organization for social and educational activities that began operating in 1957 under Càritas with the aim of promoting education as leisure for children and young people. Over time it has increased its activity into other fields of social action such as training, research and management. It officially became a foundation in 1985.

The foundation had four divisions: services for education, a federation for free-time centres, a non-regulated training centre that includes a consultancy area and a Faculty for Social Education and Social Work. Each centre worked independently and to its own criteria.

When the change took place the Foundation had over 1310 workers and a budget of over 25 million euros.

The change

In 2007 the organization's Management Board (made up by the CEO, the financial and internal processing manager and the four division managers) decided to implement a new software system for client administration known as CRM. At this time each individual section directly managed their clients completely independently and there was no common data base being shared by all.

In fact the need to unite information for client management had been presented to the Board on numerous occasions, and they had been aware of the need for a common data base system for quite some time. They had realized that in spite of the exponential growth being registered by the organization in recent years, the management tools in certain areas, including client management were very dated and more suitable for the needs of a smaller, less complex organization.

More important than the explanations describing the advantages of the CRM system were the anecdotes that were related to the lack of information for clients between managers and their different sections (for example situations such as two section managers expecting a meeting with the same client, or being unable to answer client demands regarding another section) and finally led the various departmental managers to acknowledge there was a real need to change.

The financial and internal processing manager directly undertook the role of leading and managing the project, which despite being necessary, generated obvious distrust from the section managers who were a little "afraid" to share their client information. It became an important task for the section managers to understand that the new tool had great potential for generating new business.

The project was initiated in March 2007. A prestigious external consultancy company was contracted to oversee the procedure and CRM was soon identified as the mechanism to move the organization towards a work culture involving sharing work among the different sections.

Two work groups were created for the new project. A central group was formed by the financial director, an I.T. technician, and a project technician who along with the consultancy firm were in charge of designing the different procedures related to the CRM. The second group was designated for "follow-up and contrast" and included people from the departments most affected by the new tool (commercial area, client relations etc) from a number of sections and common management areas. These people were nominated by their section managers and met with the central group to study the different proposals for design and structure whilst suggesting any modifications necessary for different departments, areas or sections. The aim of the 'contrast' group was to guarantee that the tool would consider the whole range of features necessary and avoid its design being seen as an imposition.

In July 2008 the new CRM was designed and preparations made for its installation. A study was made of the key areas where the CRM had to be implemented and in spite of its complexity the decision was made to install the system simultaneously throughout the organization. This was a clear sign that the organization approved and backed the new tool and a brand new work system. It also meant that from the very beginning there would be full use of its potential and the synergies it created. If the decision had been made to make installations gradually this totality would not have been appreciated.

A CRM manager was appointed (with a high level administrative background) responsible for reporting any possible incidents and supporting the new users. To overcome the initial fears staff were provided with

the resources necessary to feel confident during the initial launch stage, as well as given preliminary training and the possibility to participate in its design. They also had the direct and permanent support of an IT manager during the first few weeks of implementation to help solve any queries.

Before the launch and general implementation of the tool, training courses were undertaken with all those involved. Likewise a help document and a user's manual were created and a question and answer guide published on the intranet. Posters were edited with the basic information regarding CRM and its fundamental concepts that were displayed in the areas occupied by its main users. The organization also worked on providing a security framework for the new users to overcome any concerns they may have. This involved the support of the CRM manager, and specially trained IT specialists and CRM supervisors in each section.

However and despite their support, there were some cases of strong resistance particularly from people who had been in the organization the longest and from some of the supervisors of different sections. This meant the use of the CRM was not uniform throughout the organization. They complained that the CRM took more time, and that they could not do the same as they had before.

The response given by general management and section managers in this case was immediate. Naturally the CRM did not allow the same system as before, but instead enabled different tasks that would give better mid-term results. There was no turning back and in some cases "imposition" of the tool was unavoidable in the hope that the obvious daily advantages for workers (in some cases immediate) would outweigh the fears of the unknown.

One example was that the CRM actually provided information on different communication campaigns or new clients (response index per client profile, sale of services, calls etc) and offered the sales and communications team obvious added value.

In fact after the CRM system was installed an integral commercial plan was designed and the section sales managers took the initiative to create a special sales commission for the study of basic client strategy. The CRM has also enabled progress for the marketing department who increased their strategic role.

In spite of logical resistance, the installation of the tool, as predicted, actually proved to be a key feature in changing the organization's culture.

The organization

Entreculturas is a development NGO promoted by the Jesuits that focuses largely on educational activities as tools for development, transformation and inter-cultural dialogue.

Introduction: The complete reorientation of an organization

This particular case presents the transformation of the 'Asociación Fe y Alegría España' to become the 'Fundación Entreculturas'.

The Fundación Entreculturas – Fe y Alegría was created in 1999. However it began as Asociación Fe y Alegría España, that at the end of the 1990's and beginning of this century underwent a period of transformation including the change of name and legal condition and a significant reorientation of its activities.

The change

When the Asociación Fe y Alegría España was created in 1986 its main activity was based on fundraising in Spain for the network Fe y Alegría in Latin America. The organization was almost exclusively financed by the state administration. However a few years later, the organization's management board and technical team suggested a complete reorientation of its mission that would involve increasing its activity on a number of different levels.

On the one hand the aim was to increase operations as direct activity as well as merely concentrating on fundraising in Latin organizations. More activities were incorporated including awareness programmes and a number of studies formulated. There was also a desire to increase the number and kind of counterpart territories and to collaborate with other organizations as well as those within the Fe y Alegría network. The decision was made to undertake cooperation on a much wider level by increasing activity and its geographical area.

Another result of the transformation was the development and diversification of its financial structure. In 1999 the overall budget was 4 million euros; exclusively public funds and largely from state administration.

Entreculturas has greatly increased its income; currently balanced between public and private funds (in 2008 income was over 23 million euros, 23% from state administration and 27% from independent public and local organizations).

This increase was also accompanied by an amplification of the organizational structure; in 1999 twelve people worked from one main base in Madrid. There are now 27 delegations throughout Spain with a total of 80 workers as well as an important network of 400 volunteers.

Evolution and geographical expansion implicitly arose with the reorientation of the organization's mission that involved decentralizing the initial activity of fundraising to diversify and introduce awareness programmes and other sources of finance in new territories.

Process of change

The change process began in 2000. From the very beginning the organization was aware of the implications of completely altering its mission and radically changing the structure. It even affected them on a legal and jurisdictional level since it involved the dissolution of the Asociación Fe y Alegría España to create the Fundación Entreculturas.

The initiative for the process was promoted by the governing body (initially the association board that became the board of the new foundation). Once this decision had been made the whole team was involved in the new shared mission led by the management team that formalized and planned the whole process to make the changes progressively. The procedure was undertaken with a strategic plan divided into two stages:

Stage 1, 2000-03: Intensive change

The first stage was based on a first strategic plan (2000-03) and undertook the first territorial expansion and increase in their activity. The organization focused on diversifying its sources of finance by incorporating non-state public administration and private and individual funds. It also began to work with new counterparts in Latin America that were not part of the Fe y Alegría network. This first stage also developed its work on social awareness and development education and began to work with volunteers.

Initially the organization had outlined a future profile with additional activities to those already mentioned however it opted to give priority to certain elements in the first stage, leaving other objectives for a later period as dictated by evolution and results.

Stage 2, 2004-07: Second stage

Once the first stage had terminated a second plan was outlined, the Strategic Plan 2004-2007 accompanied the second stage of the change process. Throughout the whole process the main reference was the new mission and definition that had been agreed for the organization, using the evolution and impact of the first stage to design the second (timing, minimal tension for speedier procedures, progressive adaptation of the internal structure etc). During this stage Entreculturas initiated the remaining procedures to fit the new model:

- To incorporate relationships with companies (other sources of funding)
- To cooperate in other territories beyond Latin America
- To increase international relationships
- To create studies and intervention

Finally the strategic plan 2004-07 was postponed a year to fulfill all the objectives it had outlined and terminated in 2008.

Finalization of the process

Once the two-stages of the procedure were completed and the different activities undertaken for the eight year period, a further Strategic Plan (2008-2012) was created and approved in 2008. This plan specified the organization's strategies as a continuation of development.

Furthermore the organization was able to collect information based on its experiences of the last few years with a new direction and management system, and evaluate the results of its development to clarify the new objectives for the coming period 2008-2012.

The organization

The Fundació IRES, Institut de Reinserció Social, is a social organization that was created in 1969 to provide social, psychological and educational attention to those people in risk of social exclusion. From the very beginning individuals with a criminal record were a priority group.

When the change took place IRES had a budget of over 8.5 million euros and a staff of 254 professionals employed.

The change

IRES had been planning a change in outlook for a while when in 2009 the regional government, the Generalitat de Catalunya announced that it was offering out to public tender the implementation and development of alternative criminal justice measures; a service that the organization had been managing since 2000.

The management of the service had grown exponentially from 400 cases attended in 2000 to 15,000 in 2009 and involved 130 workers and 4 million euros.

The final resolution of the public tender that had divided the management of alternative criminal justice measures into two main divisions for the province of Barcelona meant an important loss in the volume of cases for IRES. It won one of the divisions valued at 1.5 million euros.

The new situation also supposed a very important reduction in its human and financial resources – 67 people and 2.5 million euros less, that had a clear impact on the foundation's management structure. The organization had to rethink both the number and type of responsibilities of those people managing it and look for a way to face such an important reduction in income.

However, the loss of public tender highlighted the strategic thinking process that the organization had initiated in 2008 and the management saw it as an opportunity to recover their role as an innovative agent collaborating with government and other agents, and overcome the current situation (as an apparent supplier) to make progress and redefine their organizational structure.

IRES had been the leading body to defend the introduction of alternative criminal justice measures in Spain and had founded the CEP – Conferencia Europea de la Probation (European Conference of Probation) and was referential in this particular field. Alternative criminal justice measures had been one of its major areas of activity for the last 10 years and it had developed an independent model with the Generalitat for Catalunya.

The loss of tender emphasized the lack of growth of the last few years, but had paradoxically also been the reason for their success since they had managed to encourage public administration bodies to include the majority of the innovative services they promoted. This had led to the almost "involuntary" transformation of their organizational structure since lending a public service had become IRES' central activity.

Although it had guaranteed sustained growth and ensured part of its mission was undertaken, by 2009 it actually revealed itself to be an Achilles tendon.

The situation had already been detected by the foundation's Board in 2008. The exponential growth of managing alternative criminal justice measures (in 2005 management of work in the community grew by over 290% and by 373% in related training programmes) had led the Board to question the difficulty of developing any kind of innovative projects with real impact with such heavy focus on lending public services.

In fact the desire to consolidate impact and increase its intervention model with research, awareness programmes, public activity and social action, had been one of the reasons for the jurisdictional change made by IRES in 2006 from association to foundation.

However, and in spite of this change, on the express desire of the Board that had inherited the former council, IRES continued to work principally in the same areas and with the same format as always. The increased pressure from the demands of public administration, the budgetary stability it provided and the

lack of specific resources dedicated to new intervention measures made it very difficult to consolidate the new model. A number of research and awareness projects were still undertaken; however they were not given the importance initially intended when creating the foundation.

Although this reflection had been made in 2008, it wasn't until a new member joined the foundation's board that it decided to initiate a thinking process to revise its intervention model. The new board member had an important role in these reflections; a businessman with a group of family companies, he strongly believed that it was time to modernize the structure of the organization and diversify from depending so much on public funding.

In 2008 the Board was made up by a number of people from the justice system as well as businessmen with strong connections to the organization, among them its founders, but was a particularly elderly age group. The new board member, the son of one of the founders arrived with energy and enthusiasm became committed to the organization and caused a tremendous revolution.

This 'stirring-up' of circumstances also coincided with the consolidation of a powerful management team. When IRES became a foundation, its Managing Director Montserrat Tohá was aware that the organization's management team needed to be reinforced. Montserrat had been director of IRES for 10 years and its organizational structure was totally insufficient. In an environment of sustained growth where the institution's functions were continuously redefined and increased, the organizational structure had proven to be a clear weakness.

For nearly two years the Managing Director worked with the Board to increase the team, and select the people to lead the organization into the future. Between 2007 and 2009 the Foundation incorporated a new financial manager, Human Resources manager, Communication manager, and Technical manager and created a Research, Innovation and Educational manager, a role assigned to an individual with a long experience within the organization.

In September 2009 when the Board decided to instigate a strategic thinking procedure to redefine the organization's vision it therefore had a management team prepared to encourage the changes. In fact although it was the Board that finally approved the new vision (in March 2010) the management team took a very active part in its creation.

It was amid this process (in November 2009) when the Generalitat published their public tender for the service of alternative criminal justice measures and caused the organization's 'crisis'.

This crisis provided a feeling of urgency within the organization however it also presented a number of difficulties as an obstacle to their progress and specific vision with the new circumstances.

The Board and management team saw the resolution of the tender as a sign that it was absolutely essential to change their organizational structure. They therefore outlined a vision that opted for more specialization (despite the risk, IRES chose three priority areas for intervention) and major objectives combining social action, training, research, innovation, social awareness and political lobbying in selected areas, geographical expansion in Spain and an increase of private funding.

The "superimposition" of two simultaneous changes; one short-term priority of recovering the budgetary balance after losing the public tender, and the other long-term considering the complete transformation of the organization's structure, made the latter particularly difficult.

Certain measures were taken to survive the crisis, such as increasing a number of services in less priority areas that distanced the organization from its original vision. To avoid this situation the management team emphasized its vision and clarified the value of individual activities within the structure.

After losing the tender the first change was clearly planned and directed by the management team to resolve the "inevitable" alterations that had arisen since the results of the tender were published. A great deal of resistance obviously arose; however the external nature of the circumstances provoking the change meant that members of the organization actually assumed them more easily (although did not necessarily share them) understanding that the strategy selected to instigate them was quite non-negotiable.

The identification of a new strategy and the consequential transformation of the organization were considered slower changes that would obviously require a much greater level of involvement. Instead of a detailed planning process, the organization opted initially for long-term, less detailed planning measures (business plans, geographical expansion plans).

IRES is currently initiating the changes associated to its new vision. The change of Board, the selection of a new Chairman in 2008 and an increase in members including the incorporation of experts in the different future fields have all made an essential start. The Board also renewed its commitment to take an active part in raising more funds from private sources.

The communication, fundraising and geographical expansion plans became referential for the Board and especially the management team who were faced with the double challenge of short-term survival and long-term transformation.

The organization

The mission of the Fundación Secretariado Gitano is the integral promotion of the gypsy community, with respect and support for its cultural identity. It lends services for the development of the community all over Spain and Europe. The association was created in 1982 to defend the situation of the gypsy community and bring it to the attention of the government; inheriting the social work undertaken by the church (Cáritas) with the gypsy people since the end of the 1960's. It became a Foundation in 2001 and currently attends over 80,000 people a year with a budget of over 20 million euros, and a team of 1200 people working on approximately 160 different programmes.

The experience of change: A better look at results

The FSG is an organization that claims to be very pragmatic and is focused on maximizing the impact of its activity. For this reason many of its programmes involve a system to measure the results and impact.

In 2009 the organization suggested taking these measures even further and formalizing this method by integrating it into its general overall management rather than merely focusing on specific programmes. The organization thus initiated a process to improve its management structure.

Beginning and justification

The experience involved two major events beforehand that made the need to change quite clear:

1. A consultancy report for results at the end of 2007 that highlighted the need to improve the foundation's internal management to increase efficiency and improve decision-making processes by centralizing information.
2. The strategic plan 2009-13 that was created in 2008 and outlined a future strategy for the organization.

In both cases there was an obvious need for key management information to assist in decision-making. The consultancy report for example showed that there was an evident weakness in this area since there was no cohesion in the organization's recent evolution between the growth rate of structure compared with the development of its programmes and budget.

Therefore in 2009 the Board of the Fundación Secretariado Gitano took the initiative to begin improving the organization's management systems to address three main requirements:

- A more integrated and comprehensive vision of management shared by all.
- Alignment of management with organization strategy (coherence).
- Better orientation of results in management

A new management system was to be adopted with a balanced scorecard to complement the existing strategic plan. Furthermore a special unit was created to undertake this action, the Planning and Control department that was formed initially by three organization employees. The aim of the unit was to centralize management information from all the departments, prepare and maintain key processes (planning, budgets etc) unify management tools, analyze information and create reports.

Explanation of the process

In June 2009 a first meeting was held with 27 managers from different departments within the organization, grouping together the management team (department managers), assistant managers and department and area supervisors. The aim of the meeting was to plan the procedure to follow based on the preliminary proposals outlined by the head management team.

After the first meeting, the initiative continued to evolve progressively until March 2010:

- With an internal processing department officially formed of three people
- The design of a balanced scorecard to identify its indicators.

The choice was made to develop the process gradually; the implementation of a new management system involving the participation of the department managers and intermediate level supervisors. As well as creating and defining the management system it also focused on providing more training to improve the skills of the management team and enabling them to better adapt to the new model.

Aware of the difficulty in implementing an integral management system for the whole organization the management team decided to opt for a more gradual process where they could harmoniously balance the complex information among its different departments.

Although this process is still underway, the organization has managed to share the need for change and improvement in its management methods and has involved the managers in the preliminary stage of the study.

However there is a certain amount of passive resistance from the team who are expectant to see exactly what the change involves. The head management team has detected certain key elements that are vital to consolidate the change and involve the whole organization in the process:

- Communication. Several measures were taken not only to inform the team of the process and its development but to also receive feedback such as the participation of supervisors and managers in designing the system.
- Introduction in gradual stages. To ensure its successful integration the organization decided to introduce the management system gradually and into each department individually. For example the three main sources of information (accounts, human resources and project management data base) began with the first with a new computing tool for better analytical capacity and accounting control.
- A result-orientated culture. The management team was aware that there were a number of sub-cultures within the organization and gave particular attention to the results-orientated employment department that provided a clear indication of positive impact. One of the foundation's most successful programmes, recognized both externally and internally, served as a perfect example to the rest of the organization for this kind of system and was consequently a way to introduce the philosophy elsewhere. A practical and purposeful orientation that is very much a part of the foundation's culture and values, they were keen to share the philosophy with the whole organization not just its individual programmes, but actually influence the overall vision of the organization, in particular its internal management.

The organization

The Fundación Tomillo was created in 1983 with the aim of contributing to improving society and personal development. The Foundation organizes a number of programmes for children, adolescents and families as well as social and occupational training and placement within the area of Madrid.

When the change took place the foundation had 455 collaborators and a budget of 10 million euros (a total of over 1000 workers and 17 million euros budget if the work placement companies are included) and effectuated a whole range of projects within its structure of three different centres (a training and employment centre, a centre for pedagogical activities and a personal development centre) and four work placement organizations. Furthermore it ran a centre of economic studies that for several years had worked as a legally independent body.

The different centres were managed completely independently by their managers who reported directly to the Chairman and vice-chairman of the Foundation. A support area for the Foundation offered the different centres basic administration and IT services. The work placement organizations had always been run directly by the Foundation's vice-chairman who oversaw operations with an individual administration service.

The change

In 2007 with the approaching retirement of the vice-chairman, the Chairman and founder of the Fundación Tomillo recognized the need to undertake a process that would unite the different areas of the organization. It also intended to combat a certain degree of complacency from some of the teams and a lack of outside vision from other departments. A number of areas were stagnant, there were several sub-cultures all with different objectives and a number of failed attempts at succession had created a lack of overall vision and wasted synergy. Despite the success of individual departments the mid-long term survival of the organization was at stake.

The Chairman was aware that the organization had reached a critical moment. Modernization and shared vision were absolutely essential to guarantee its survival long-term and to substantially increase the impact of its activity.

However the management and operational teams did not share this opinion since they were all satisfied with the results for their respective areas. There was no shared general outlook to enable change.

The Foundation had grown exponentially and was a dynamic organization with high quality projects run by each of its departments. It also was well reputed in the sector and recognized by the public administration. The staff was committed to its projects and was proud to be part of "their Tomillo" although there was a certain feeling of discontent with the head management team. The feeling of urgency and need for overall change was not shared by certain areas that had "isolated" themselves and were operating independently and did not even consider unification.

A General Manager was contracted to lead the change and transform a multi-pyramid and disintegrated structure (the centre managers were their own boss) into a matrix-format coordinated organization. The new General Manager was supported by the explicit trust of the Chairman who participated in every relevant meeting.

Aware that the change could not be instigated without the understanding or commitment of the staff, a process of strategic thinking was initiated. The process was the "excuse" to introduce the need to change and was also a method to build a coalition. Rather than focusing on activity, the process aimed to provide the evidence necessary to make a break from former work systems.

The process lasted over six months and involved the managers of the different departments as leaders to transmit the urgency for change to the rest of the organization. Discussion groups were also organized to deal with certain areas of strategic thinking and involved staff from different work teams and departments.

The strategic thinking (not strategic plan) was led by an external organization that concentrated on identifying common elements that united the different centres and departments within the Foundation. Reflecting on the shared values, they concluded that education and training were the central areas of

activity within the Foundation. The thinking process also identified quality as its main objective, and that the strategic thinking process should continue on both an overall and independent level.

The process allowed common features to be outlined, but more importantly it led to the organization's managers and team members agreeing on the analysis for the need to change.

A number of activities were established to make progress with the change:

- The creation of a pedagogical commission to define the concepts of education and training
- The unification of the two social action areas (centre of training and employment and centre of pedagogical activities) operating separately in different locations.
- Reorganization of the Foundation's management and different organizations, using an EFQM model for the development, centralization, standardization and reinforcement of support services.
- The creation of a commission for studies and strategic thinking

The head management was aware of the wide scope, complexity and emotional implication of the changes proposed and therefore opted to undertake the changes gradually, adapting the timing to the reactions and circumstances.

Firstly a pedagogical commission was formed that included members of the different departments. The different documents created by the commission were discussed by larger groups made up of technicians and staff from the different support areas. This joint task led to the creation of a pedagogical manifest that became a true reference point for the organization as a whole, and was evident proof of a new way of working as a group and with several departments working together and providing much better results for everyone. The manifest was presented to the whole organization and along with the identification of the basic skills of aid relations (their basic activity) became the basis of a new training plan for all the staff.

The complexity of the process meant that the unification of the two centres and their individual projects of social action were planned in several stages. Each centre was completely different in regards to its personnel structure (type of contracts, timetable etc) levels of IT, standardization of procedures, personal management models and independence in relation to the central services. The two centres had completely different work cultures and were located in two separate geographical areas.

The first step was for both centres to depend on the general management (they had previously been supervised by the general secretary without any intention of coordination) to encourage synergy and create a bridge of communication. This stage worked particularly hard to commit the centre managers to the project, a critical strategy for it to be successful.

The managers of each centre were then invited to participate in weekly work meetings organized by the centre teams that also enabled mutual understanding and an appreciation of the enormous potential of their synergy. The success of this particular initiative facilitated the creation of a joint work space for both centres.

Three months after initiating the meetings an Area of Social Projects was established at a higher level than the centres (pedagogical activities and training and employment centre) that temporarily maintained its "independence". The manager of this new area (a former centre manager, respected as a leader both internally and externally) encouraged the transversal projects. Mixed teams were formed (made up of personnel from both centres) that demonstrated the enormous potential of task sharing. The success of these projects immensely facilitated the progress of unification.

The two centres were eventually eliminated and the Area of Social Projects reorganized to encompass the different programmes. Each area was reorganized and its structure simplified. Finally in the summer 2009 the programme coordinators all moved to one of the centres in the south of the city; much closer to their operational area. Physical proximity was an essential measure to unite the two work cultures and was reinforced by the central support services with clearly defined procedures. A standardization process was also undertaken for work conditions and staff structure.

A number of strategies were used to reduce the logical resistance that arose in the face of such enormous change. As well as the effort made to establish and transmit a common sense of urgency and vision of the change (with strategic thinking and the pedagogical commission) the general management team took special care to adapt the pace and timing to the needs of each of the different groups within the organization.

In the opinion of the General Manager, communication was also a key factor. The message of change was reiterated at each opportunity and in every meeting. Furthermore the message had the credibility and explicit support of the Chairman-founder who continuously expressed his opinion on the question and was present at all the most important meetings organized to progress in this area.

A training and skills plan was created in accordance with the new pedagogical manifest, and training courses were held for the majority of staff. The courses were a vital part of the change, and were specifically aimed at different project members, teams and departments to foster mutual knowledge and information exchange.

There was also a transfer of personnel throughout the organization but also within different projects and on different levels. These transfers were mainly voluntary however on a number of occasions they were “forced” by the management. Finally and as a consequence of strategic decision-making there were also a number of departures from the organization that was an important message for the organization.

At a deeper level the change required a completely new outlook towards the people within the organization itself, starting with its managers and coordinators. It was important to recognize all the positive aspects of the organization’s history that had enabled its evolution, to consider each individual independently, understand what was behind their fears, and identify their potential contribution to create a framework of trust where each person could align their vocation within the organization’s mission.

The direct contact of area and general managers with each of their coordinators and programme managers enabled this new work system to be transferred to their own teams and extended throughout the organization.

In the work placement organizations a number of factors contributed to the dynamics of changing the organizational model such as the retirement of the vice-chairman and the reorganization and conclusion of a number of past activities (both a result of the strategic thinking process) as well as the economic difficulties. The integration of these activities and particularly their training programmes within the Foundation’s Area of Social Projects also became an important part of the process of change.

Once again the difference in cultures and organizational format, the emotional aspect and internal communication failure were the most complex factors during this part of the process; that lasted much longer than it should have.

The introduction of a work dynamic that reinforced the connection between social action and research, and the undertaking of joint projects has offered staff new professional opportunities within the organization and a complete revision of positions and responsibilities.

It has also seen a return to European research projects, and an increase in the number of social projects in operation has provided additional motivation for staff; demonstrating a way to share their intervention model in multi-disciplinary, trans-national areas and likewise fostering comprehension of the change and its advantages. The joint work groups at the Centre of Economic Studies have also shown the potential of an organization that can work on different levels with common objectives.

Besides the unification of the operational areas there has also been a reorganization of the central services to accommodate the size of the organization. Improving the quality of support services and communication with the operational areas has contributed to providing a much more positive view of the change. New human resources and financial area managers were contracted, both from a business background in an attempt to introduce their experience in company organization methodology and procedures.

However this particular method did not work and both individuals left the organization in under a year of their contract starting; departures that negatively influenced the credibility of general management who had selected these particular candidates. Fully recognizing their mistakes the situation was soon rectified with further appointments made for the personnel and financial departments that regained staff trust and continued to progress with the change. The foundation is still undergoing this procedure.

The organization

Intermón Oxfam is an NGO dedicated to development cooperation with over 50 years of experience. In 1993 when the change took place Intermón was one of the largest organizations in the Spanish cooperation sector present in 13 cities and with over 100,000 members.

The change

The change in Intermón was engendered from the desire for greater impact. In an increasingly global world as a local organization it was only able to offer limited cooperation that it considered insufficient, as was their main focus on development projects.

The board and management team realized that to make progress and contribute to real social transformation it was necessary for the NGO to become an international organization and undertake a much wider scale of programmes of humanitarian aid as well as reinforcing campaigns and political lobbying. Furthermore they needed to extend their geographical areas of intervention particularly within the African continent.

In 1994 the Foundation's board approved a new strategic plan where internationalization was priority. It was seen as an important catalyst for the transformation although the approach to be taken was still unclear.

For over a year the organization studied a number of different alternatives including opening headquarters in other European countries, creating strategic alliances with experienced organizations in their new fields and even forming a new international organization.

In fact a few years earlier, Intermón had already begun an international NGO network with Eurostep to participate in the EU Official Development Aid programme. However the nature of the network did not reach the level of internationalization that Intermón was aiming for.

The process coincided with Oxfam's intention to reform its international network to become a new confederation – Oxfam International. Intermón finalized the agreements to become an official member.

Once the transformation measures and objectives were clear the management team outlined two main challenges that took the shape of new projects for the organization.

On the one hand, it was necessary to identify and encourage an active, influential role of Intermón Oxfam within Oxfam international, and on the other, to instigate the changes necessary for the organization to become Intermón Oxfam. This latter project involved a number of sub-projects, one being the change of identity, the other the development of a number of internal skills.

The two major challenges could have been directly undertaken, identified and planned by the management. However they chose to approach the situation differently, realizing the importance of involving the whole organization in the changes, but more importantly of convincing and committing staff at a middle management level.

The management board decided to create *leading teams* for the two main transformational projects. Each project was to be led by a specific coalition responsible for its instigation and planning. The manager of the cooperation department (in this case the only member of the management board) and from different areas of humanitarian aid, studies, campaigns, marketing and branding made up the team that would define the role to be played by Intermón Oxfam within the international network. The team was also responsible for actively defining the Strategic Plan for Intermón Oxfam 2000; a plan that was clearly related to its new role within Oxfam International.

To identify the role of Intermón Oxfam within the new Oxfam International network the leading teams were forced to take an active part in international work meetings, to meet the other participant organizations and share their experience and knowledge on the day to day running of the organization. It was an important way to demonstrate the potential contribution of Intermón within the confederation and identify possible synergies and joint development programmes.

To overcome internal resistance a communication strategy was designed. Foresight was once again an important part of this strategy. The message was clear; the change would increase the organization's

impact and improve the lives of all the people it worked for. Furthermore a specific skills project was developed especially for the staff most affected by the new international change in the organization.

The change of name/brand also became an important feature. It was considered vital to explain to the stakeholders the reasons for the change, in particular the donors and members. This change was planned in two stages.

The first stage maintained the former name with the phrase “member of Oxfam” added at the end, and was gradually introduced into the usual channels of communication (magazine) as well as providing information regarding Oxfam and its mission.

The second stage which actually involved a definitive change of name meant that Intermón actually became Intermón Oxfam. In the opinion of the organization’s Director at that time Ignasi Carreras, it was quite possibly too slow. Even after the first stage had taken place a number of donors had not realized there was going to be a change until the second was underway.

However in spite of the effort made, the project still provoked a great deal of mid-term resistance. There was a logical fear of the unknown and reticence from those who saw that their position within the organization was at stake.

Intermon’s work areas had different levels of importance within Oxfam International. Fair trade for example was not seen as a priority activity for the confederation and this concerned the area managers and the people working within Intermón who felt that their possibilities to expand in their field were limited. Moreover the people at the different area headquarters saw their decision-making rights threatened. The campaigns that had previously been agreed between the central headquarters and the different areas were now made at an international level. The area headquarters would no longer participate in the decision.

Communication and training was intense. Once again the vision of the organization was emphasized, transmitting the message of the advantages of the change: enabling them to successfully fulfill their mission and fight for a common cause. The cost of not expanding internationally was made apparent whilst every small victory was celebrated and communicated to the team. One of the new triumphs was the ability to act in certain emergency situations. However the organization also recognized there were costs associated with introducing the change.

The existence of the coalitions meant that at middle management levels of the organization the projects were a powerful tool for the change. The members of the coalition had participated actively in defining the change and had become its most fervent defenders to impregnate the organization with a positive vision of the transformation.



The organization

Médicos del Mundo is an independent association of volunteers committed to defending and promoting health and a dignified life as a universal right. The association works in the health sector with impoverished or socially excluded populations or victims of humanitarian crisis. It undertakes development projects and provides humanitarian aid in 21 different countries as well as social inclusion projects in twelve autonomous communities. It also effectuates a number of educational development activities, programmes of awareness, social mobility and political lobbying to defend the equal and universal right to health.

These projects are possible with the support of over 90,000 donors, 2700 associates, 800 volunteers and 550 staff, of which 250 are personnel from the countries where the association operates. Its annual budget in 2009 was 22.4 million euros. Médicos del Mundo España belongs to the international network of Médicos del Mundo.

From this brief description it is possible to underline three elements that provide the organization with a wide diversity of different actors all working with the same mission:

- **Connection/involvement:** within the organization there are governing and strategic orientation bodies (state and autonomous community boards, committees and thematic groups) as well as more than one hundred volunteers. The different projects and activities are undertaken by over 700 volunteers as well as the support of contracted staff.
- **Territorial development:** The territorial model involves one association with high geographical decentralization as well as its presence in the different countries of cooperation development and humanitarian activity.
- **Diversity in its different areas of activity:** as a humanitarian organization, Médicos del Mundo began working in social inclusion in Spain and almost immediately initiated cooperation development and humanitarian activities. Over time it has increased its activity in education for development, social mobilization and lobbying in a process that is coherent with its strategic evolution.

The cultural component is a basic foundation of the Médicos del Mundo organization. One of its challenges is to positively and productively channel the participatory capacity of citizens and volunteers and to adjust its organizational and management models to incorporate and create the space for these values.

Since its creation in Spain in 1990 there have been three definite stages with two particularly relevant moments of change within the organization: the consolidation of the geographical model and the choice of a professional management team independent from the governing bodies (2000-2004); and the impulse for a strategic vision (2006-2008) to redirect its structure and activity and focus on social change, increasing humanitarian vision and promoting development with greater participation, motivation and foresight.

The origins of the Association 1990-1998

Médicos del Mundo has its ideological origin in the humanitarian movement of the 1970's, and its subsequent evolution has involved an increase in different areas of activity whilst maintaining its identity as a humanitarian volunteer association defending the universal right to health.

In Spain Médicos del Mundo began working on projects of social inclusion in 1988 as a delegation of Médecins du Monde in France. In 1990 it officially became the Spanish delegation with individual programmes and an independent budget. On 18th November the first meeting of the General Assembly took place involving all the associates and formed the Management Board.

The first stage in the life of the organization followed a pattern that is common to many of these kinds of organizations, and was particularly influenced by the character of its founders; a very personal leadership style, high emotional involvement, a lack of definition or confusion over different roles, an absence of methodology or organizational procedures, strong growth and a structure created ad hoc in accordance with the particular activity undertaken.

The period was characterized by the choice to fight against AIDS particularly with projects of social inclusion and for its participation in some important humanitarian crisis that marked the evolution of

many organizations; the war in Bosnia (1992-95), Hurricane Mitch and its devastating effect on Central America (1998) and the crisis in Ruanda (1994-97).

The experience of change 1998-2004

The growth of the organization, the increasingly complex nature of its context and activities as well as a greater demand both internally and externally for quality action and work models, provoked a change among the governing bodies and of management focus.

It was at this particular time that the foundations were laid for the association's current territorial and organizational model, with an attempt to combine the strength of being one association with a central nucleus with strong technical and operational capacity supporting the development of its local headquarters ("Autonomy Headquarters" for the Spanish political-territorial model) and a strong level of independence. The autonomy headquarters were areas involving the participation of volunteers and people associated at this time particularly with projects of social inclusion.

The Management Board was formed towards the end of this period with two different "formats": a permanent board made up of associates directly elected in the assembly, and a plenary session that incorporated the chairmen of the different autonomy headquarters elected for their respective territories.

At this time the decision was made to create a professional management team that would be independent from the governing body. Stable positions were gradually consolidated within the management team for different areas including human resources, project management, communication, private fund-raising and finally financial management and internal procedures. A more classical structure for the organization was formed for management procedures (HR, finance, projects and marketing).

Professionals were incorporated from other sectors largely in roles not directly connected to their mission, and it is a practice that the organization has continued to apply, and is generally widely accepted as a way to improve and enrich the organization with a wide range of skills and different experiences. For this practice to be successful the commitment and conviction of these professionals with the organization's mission is of vital importance, particularly where it concerns the association's structure and the promotion of its volunteers.

For the next few years, the organization focused on improving methodology, procedures, monitoring activities and adapting new work and management models. A strategic planning process was undertaken (2000-2002) although it had little real impact on evolution and was more tactical and cooperative than a strategic procedure.

One of the key factors in the organization at this time was the gradual adaption of the governing and management systems and the logical tensions that arose between the association and volunteer culture and that of the operational and contracted personnel.

The huge diversity in organizational cultures that existed simultaneously (volunteers, associates, different operational areas, inclusion, development cooperation, humanitarian activity, greater direct assistance, awareness or reporting, central headquarters and autonomy headquarters, territories) as well as very powerful governing bodies and management teams were two conditions that led to the management's choice of a shared responsibility model with procedures involving consensus and participation.

This combination of circumstances obviously meant that the changes and progress were slower but more consistent, solid and coherent with the culture of the organization. The evolution enabled the organization to relegate management problems and concentrate on discussions of strategic vision, mission and the orientation of their activities.

The new management model 2004-2010

In 2004 there was a change of Chairman and a new team was incorporated within the governing body (the permanent Management Board). A new planning document was also created (Strategic Plan 2004-2006). Throughout 2005 several measures were taken to improve the structure of the organization and to direct its procedures towards the values and mission of the Association.

During the first few years of this stage the organization introduced a number of measures and procedures that would later become their management system, a planning tool with annual objectives, an information

system for project management (ERP) and a Map of Procedures to analyze, identify and improve the organization.

The Médicos del Mundo Map of Procedures was organized in three areas: strategy, mission and support. Its aim was to align the organization's goals and its methods and direct them using its main intervention principles, values and policies.

Six areas were defined within the mission: Humanitarian Action, Development Cooperation, Social Inclusion, Social Mobilization, Associative Development and Focus on Human Rights and Gender.

The evolution of the association, and the thinking process related to the Map of Procedures and the missions led to two processes that marked the second part of this stage.

Firstly a series of changes were made to the organizational model that mainly affected the management team and the central headquarters departments. New units were created such as Knowledge Management, Social Mobilization, Transversal Focus on Rights and Associative-Organizational Development. The different support functions were reorganized under one management team. These changes led to a renewal of the management team to strengthen the different areas of its mission including intervention, social mobilization and associative participation.

Secondly, a process was undertaken that lasted eight months, and involved the participation of people from all the different areas and territories in the creation of the Strategic Plan 2007-2010. This plan was consolidated as a reference tool to guide the different fields of the organization and promote a progressive change within its activities, management, debates and thinking processes.

In June 2010 a new Management Board was due to be elected to undertake the design of a further Strategic Plan for the future. Currently the organization is studying the different elements of strategic vision with a focus on future intervention, considering the changes in the sector and its international context. For example the integration of a focus on rights from a public health perspective and the role of civil society organizations. Other improvements are related to the need to redefine activity connected to social inclusion and communication and the use of new technology to promote a more active and conscious participation from the general public.

Overall evaluation

The evolution of an organization is a continuous process that can be described and understood as moments of change within the history of the institution, and involves alterations in its condition or influences the whole organizational system. We have therefore highlighted two moments of change that were of particular importance: the consolidation of the institutional model, both on a geographical level and for the complementary role of its governing body and management roles (2000-2004); and the complete change of strategy to a social focus that involved transforming the entire structure of the organization. It was represented by the Strategic Plan 2007-2010 created with the active participation of a great number of members from many different areas within the association.

There are two common elements to both changes:

1. The value of the different cultures and participation: the search for cooperation and inclusive models (the traditional areas of its mission are development cooperation and social inclusion) that enabled the full benefit and wealth of experience to be shared in each case (associates, volunteers, Spanish workers, foreign workers in countries of intervention, participation in governing bodies, management and intervention, from the central headquarters, autonomy headquarters and different territories.)
2. The importance of adapting and creating structures, organizational and relationship models that were coherent with the association's vision, mission, strategic discussion and the priorities established for planning.

In each case and throughout the process, which lasted 20 years, the Médicos del Mundo volunteers have been the association's link with society and prevents it from losing sight of its basic objectives. The volunteers are absolutely fundamental to consolidate the associative development and geographical presence and avoid the different centres becoming mere offices dedicated to project management and fund-raising. The evolution of the management model has always been ruled and directed by an aim for coherence in mission, values and structure.

The organization

The Spanish Committee of UNICEF was created in 1961 as an official association from the initiative of a group of people who wished to contribute to raise funds for the United Nations Children's Fund.

The history of the organization, the situation before the change

Groups of volunteers created local committees in the different Spanish provinces that operated quite independently. Each local committee had its own board. Over time the committees gradually incorporated administrative staff as a support to the management. Recruiting members and selling Christmas cards were the most important sources of funding and the need arose for a more central management system. An office was created in Madrid to manage the purchase and sales of cards and their distribution as a service to the committees whilst organizational command continued through the volunteers chairing each local committee.

In 1990 UNICEF undertook the mission to strive to defend the rights of children internationally. This also affected the national committees that besides their fundraising functions, were given the additional responsibility as guarantors of the Convention of children's rights in their respective countries of informing society of the condition of children all over the world, the reasons for it, and the UNICEF development model defending their rights.

The new mission meant that UNICEF Spain had to completely reconsider its operations and organization. A technical team with a university background that concentrated on awareness, advocacy and education for development was added to the structure of local committees with their individual governing bodies and administrative staff and a central office that was made up of a sales and logistical management team.

The Spanish committee was considered a successful organization. The work of its volunteers and local committees meant that it had built a prestigious reputation in Spain. However the organization was growing into two separate groups with clearly different cultures, criteria and objectives: - the fund raisers and the awareness supervisors. Along with the geographical dispersion, the diversity of activities among different committees and the lack of common orientation were provoking a number of crises that were seriously affecting the organization as a whole.

In 2004 UNICEF and the Association's Governing Board undertook an in-depth study of the Committee's situation and efficiency and concluded there was a definite need to adapt its structure and operations to the reality of Spanish society and the needs of UNICEF internationally, involving the national committees more efficiently within the organization.

The impulse for change

In 2006 the committee was made up of 17 autonomous committees, had offices in 53 Spanish cities, a team of 162 contracted professionals, 860 professional volunteers and a budget of 48 million euros.

Consuelo Crespo, Chairwoman of the Basque Country committee for over 10 years was appointed Chairwoman for UNICEF Spain to continue the important work that had been initiated and committing to a process of change that would enable UNICEF to fulfill the objectives approved by the Governing Board and promote greater knowledge of the organization's mission, work and results among Spanish society.

It was absolutely essential to have a governing body that could mark the direction of the organization. The process began with the legal change from Association to Foundation with a Board made up of the 17 chairmen from the different autonomous committees and ten independent members who were well experienced and reputed in the different areas of Spanish society. Six of these individual board members formed the Permanent Commission, and an additional three members were autonomy chairmen that rotated the role on a yearly basis.

The Registration Agreement with UNICEF was renewed and new statutes approved for the creation of internal regulations that included the obligations and norms of behaviour and operations of the Board, Chairmen and Autonomy boards.

The Board and Permanent Commission approved the objectives that were considered by the Chair in the three different areas:

- On an internal level
- In relation to UNICEF
- In relation to Spanish society

A study was made of the Committee's strengths and weaknesses, its opportunities and problems and the steps to be taken for each activity plan.

It was necessary to form one common organizational culture where volunteers and contracted staff, central headquarters and autonomy committees would coordinate their work in fundraising, awareness and advocacy to develop the enormous potential of the organization.

To clarify objectives, identify functions, design strategies and evaluate results it was necessary to initiate a complete change in the organization and one that required management to execute the decisions of the board. A real "management team" was needed to assume the executive direction of the organization on every level, and transform the traditional disperse, horizontal operations that were wasting the effort and efficiency of the dynamic, active Committee.

In January 2008 the decision was made to incorporate a new Executive Manager and the selection process was undertaken externally. The Governing and Management body roles were clarified and strengthened and more open, fluent communication was established between both.

The new Executive Manager had the full support of the Chairman from the very beginning to initiate the change that had been approved by the Board. Her work began with the management committee that incorporated the different area and department managers considered the most strategic individuals, as well as a number of personnel with different "sensitivities" to avoid the change being perceived as completely "turning over a new leaf" or the victory of one of the existing divisions.

New key responsibilities were identified and departments redefined. A number of managers left the organization whilst a number of new people were incorporated with new profiles and experiences. The new incorporations, change of name and function of departments delivered a clear message to the organization regarding its new priorities. Marketing and fundraising departments were created, as was a new communications department (previously connected to awareness) and a territorial department that would be responsible for leading the autonomous teams. The awareness department was reinforced along with child policies and the cooperation and emergency teams. A new technology and organizational development department was also created and the department of administration and finance totally restructured. The number of fixed contracted personnel remained the same.

In February 2008 a meeting was organized for all the members of UNICEF Spain to study the new future direction of the organization, its new management team and the Chairman, with the main aim of finding a common spirit within the values and principles of UNICEF to inspire the different responsibilities. Different work groups discussed a code of conduct for the organization that was approved the same year by the Board.

In June 2009 a management team "qualified" with credibility and the whole organization aware of the change that was intended, saw the initiation of a process of strategic planning. The Chairman discussed the committee's outlook for the coming years with the board, based on the UNICEF priorities and the Strategic Plan.

The Executive Management team initiated a fundamental process that involved the participation of the organization in designing the plan. The management committee presented the vision, studied possible future situations and outlined the strategic objectives for 2010-2012; the process involved the active participation of the Permanent Commission with the support of the Board throughout.

Groups of fifteen people from different areas and teams were brought together to outline the vision and develop the strategies, and discussed the feeling of pride as a part of the institution, and the changes necessary to generate effective motivation. These contributions from the different teams enabled the management committee to outline five general objectives and teams of two department managers developed each objective and its indicators.

The design of the Strategic Plan was consolidated by the new management team. The brief but intense process took place over three and a half months during the summer holiday period and involved a huge effort that became definitive to its progress of internal cohesion and strengthening its different functions.

The new management team was provided with a direct support team. An Executive Management front office was created to incorporate management control, planning and evaluation and a bi-monthly balanced scorecard allowing the Permanent Commission to meet the Executive Management team on a monthly basis to effectuate the real monitoring of the Strategic Plan.

It was necessary to evaluate the work of the autonomous committees and define the roles of the different managers for each area. Functions and responsibilities for strategy and management were outlined to ensure solid governing and strengthen the institutional role of the autonomy chairmen that represented UNICEF within their communities and comply with the strategic plan. To facilitate this process, an 'autonomy coordinator' was appointed; a member of office staff responsible for operations and contact with the personnel from the autonomy, provincial and local offices. For the first time ever staff were given a direct link with the executive management team.

A key factor in the change was to reinforce the role of the autonomy chairmen and the relationship they formed with the autonomy coordinator. The new organigram and work system often provoked strong resistance to the changes. However the good results after the first initiatives, the external recognition of the organization from alliances formed such as with FC Barcelona, and the concession of the Principe de Asturias Award for example, as well as further achievements encouraged feelings of pride within the organization and demonstrated that progress was possible (such as the new educational model). It fostered motivation and reduced the feelings of distrust among many.

The new management team assumed their responsibility as a motor for changing the culture. However the previous pace of work and a culture of distrust (between the headquarters and the committees, the contracted staff and volunteers) were not easy to change.

At key moments (the beginning of the crisis in Spain, changes in UNICEF etc) the vision and direction foreseen for each situation was clearly presented to the organization. A work system was established with objectives and evaluation systems for workers (without salary impact), an important training plan was undertaken and time dedicated to listen to complaints and offer solutions.

The second essential stage of the change was instigated: identifying people with potential and supporting the middle management positions that believed in the change to lead the process at different levels.

A volunteer plan was also initiated to guarantee training, strengthen their feeling of belonging, motivation and commitment and to work towards efficiently managing the integration of all the volunteers within the Strategic Plan 2010-2012.

During this period of transformation within the organization and its operations, the role of volunteers and particularly the chairmen of the autonomy committees have been fundamental. Their commitment has enabled a correct institutional presence to continue the work of the organization on a daily basis.

Annex 2: The survey “NGOs and change”

The survey

Survey on NGOs and managing change

The ESADE Institute for Social Innovation has undertaken research into the management of change in nonprofit organizations. Within this study the following questionnaire has been included to discover how NGOs are perceived in relation to organizational change and how the specific characteristics of the sector might influence these procedures of transformation. The survey is not exclusively directed at people working in the sector but also aims to know the opinion and feelings of other people connected to it.

We would like to thank you in advance for your collaboration by asking you to take just a few minutes to complete the questions. Those people who include their email address will receive a copy of the results; there will also be a prize lottery draw of two hampers of free trade goods for participants.

Block 1. Relationship with the non-profit sector

1. Do you currently work with an NGO? *(Please choose just one of the following options)*

- Yes
- I don't work with an NGO but I am or have been connected to the sector *(former worker, member of governing body, volunteer etc)*
- I don't have nor have I had any direct relationship with a non-profit organization

If you have selected the third option we would like to thank you for your interest but it is not necessary for you to continue the rest of the survey. If however you are interested in the results please send us an email to innovacionsocial@esade.edu requesting the final report of the survey results.

Block 2. NGOs and change

2. In your experience what are the key factors for transforming organizations? Which of the following elements do you feel are fundamental for successful change in an organization? *(Several answers may be given)*

- | | |
|--|---|
| <input type="checkbox"/> Create a sense of urgency | <input type="checkbox"/> Team (capacity, profile of workers,...) |
| <input type="checkbox"/> Balance between short and long term | <input type="checkbox"/> Focus (specific process of change) |
| <input type="checkbox"/> Leadership | <input type="checkbox"/> Commitment of the team |
| <input type="checkbox"/> Clear and common vision | <input type="checkbox"/> Create a coalition of change |
| <input type="checkbox"/> Monitoring the process | <input type="checkbox"/> Resources and measures available |
| <input type="checkbox"/> Communication | <input type="checkbox"/> Planning |
| <input type="checkbox"/> Combine moments of change with stages of rotation | <input type="checkbox"/> Strategic relationship – structure – culture |
| <input type="checkbox"/> Others 1: _____ | |
| <input type="checkbox"/> Others 2: _____ | |
| <input type="checkbox"/> Others 3: _____ | |

Among the factors you have chose, could you choose the two most important?

Factor 1: _____

Factor 2: _____

3. Would you please indicate your level of agreement with the following statements on NGOs and change within organizations. *(Mark each sentence/rows according to your level of agreement indicated in each column or you can choose the option NS/NC in the case that you have no opinion on this question)*

	Totally disagree	Disagree	Neither disagree nor agree	Agree	Totally agree	NS/NC
NGO's show a high tendency to internal change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NGO's are characterized by their ability to adapt easily to external change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organizational change is more frequent in NGOs than in companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ability for transformation is inherent to NGOs as they are pioneers in detecting new social needs that involve transforming their activity to offer solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Following the previous guidelines, how much do you agree with the following statements regarding the effect that participation and the number of stakeholders in NGOs have on their management and tendency to change in the sector?

	Totally disagree	Disagree	Neither disagree nor agree	Agree	Totally agree	NS/NC
Certain specific cultural elements of NGOs such as participation make internal processes of change more difficult or slower	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The fact that NGOs involve greater participation of their members means that the different groups feel much closer and united in a process of change within their organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The financial dependence of donors means that NGOs take less risks or are less innovative and therefore find it more difficult to change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The support of a wide social base facilitates and encourages change in NGOs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The presence of the founders and people who are very emotionally attached to the project make change difficult within an NGO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The wide variety of stakeholders connected to NGOs make agreement in decision-making difficult during a process of change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The different roles and visions of stakeholders help to show the need for change within an organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Finally, would you indicate how much you agree with the following statements regarding the culture of NGOs, their leadership, management styles and governing bodies when having to face change and internal transformation?

	Totally disagree	Disagree	Neither disagree nor agree	Agree	Totally agree	NS/NC
NGOs are characterized by a culture rooted in tradition and with little innovation in their operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The leadership style of NGO managers makes drastic but necessary decision-making difficult for change and internal transformation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The generalization of shared leadership within the sector provides a wider perspective to detect the need for change beforehand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NGOs generally have a less flexible organizational structure for change, procedures are slower than in companies where measures are adopted more rapidly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Certain organizational changes require drastic decisions that are more difficult to instigate within an organization with the values of an NGO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governing bodies that are distant from the organization slow down the change process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The presence of volunteers contributes an external vision of the organization and encourages change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The difficulty of evaluating the impact of NGOs and demonstrating the suitability of activities makes it more difficult to detect the need for change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. According to your answers to the previous questions, do you consider that NGOs are generally organizations with a tendency to change? *(Please choose just one of the options)*

- Yes, in general *(The sector has more elements to encourage change than obstacles to it)*
- No, in general *(The sector has more elements that make change difficult than facilitate it)*
- It depends very much on the organization *(There are many extremes, organizations with a greater tendency to change and more traditional organizations adverse to change in comparison to other sectors)*
- I don't know

Block 3. Your "position" in the third sector

7. Have you worked or do you have experience in other sectors?

- Yes, I have experience in the business and/or public sectors
- No, I have only ever been connected to the non-profit sector

8. What position do you currently have within your organization? (the main position in the case where you are connected to various) *(Please choose just one of the following options)*

- Member of the management team (*general manager, department manager etc*)
- Employee (contracted worker)
- Member of governing body (chairman, managing board, etc)
- Volunteer
- I am a partner/member of the organization
- Other. Please specify: _____

9. What sector(s) of activity are related to the work of your organization? *(Several answers are permitted)*

- Development and cooperation
- Environment
- Social (attention to groups at risk of exclusion)
- Education in free time
- Culture
- Other. Please specify: _____

10. What is the legal status of your organization? *(Please choose just one of the following options)*

- Association
- Foundation
- Cooperative
- Other: _____

11. Do you have any comments? Please feel free to elaborate further on any of your previous answers or add any additional observations regarding your opinion of NGOs and change:

END OF SURVEY

Thank you very much for your collaboration!

If you are interested in receiving the results please provide your email address for us to send out the final report:

To find out more about the leadership of NGOs we suggest you consult the book "*Líderes para el cambio social. Características y competencias del liderazgo en las ONG*" (Leaders for social change. Characteristics and competencies of NGO leadership) that was published last year and can be consulted online at the website for the Institute of Social Innovation: www.innovacionsocial.esade.edu

At the end of this school year and with the research and survey results we will be publishing a new book. If you have added your email address we will enclose the electronic version of the book once it is edited.

Results

TOTAL RESPONSES: 270

1. Do you currently work in an NGO? (Please choose just one of the following options)

OPTIONS	ANSWERS	%
Yes	246	91,1%
No I don't work in one now but I am or have been connected to the sector (<i>Former worker, member of governing body, volunteer, etc</i>)	24	8,9%
I don't have nor have I had any direct relationship with a non-profit organization	0	0,0%
Total	270	100%

2. In your experience what are the key factors for transforming organizations? Which of the following elements do you feel are fundamental for successful change in an organization?

OPTIONS	ANSWERS	% (out of 270)	% (out of 1504)
Create a sense of urgency	20	7,40%	1,30%
Balance between short and long term	71	26,30%	4,70%
Leadership	198	73,30%	13,20%
Clear and common vision	218	80,70%	14,50%
Monitoring the process	76	28,10%	5,10%
Communication	141	52,20%	9,40%
Combine moments of change with periods of rotation	40	14,80%	2,70%
Relationship strategy – structure – culture	103	38,10%	6,80%
Team (capacity, profile of workers,...)	140	51,90%	9,30%
Focus (specific process of change)	44	16,30%	2,90%
Commitment of the team	145	53,70%	9,60%
Create a coalition for change	67	24,80%	4,50%
Resources and measures available	78	28,90%	5,20%
Planning	146	54,10%	9,70%
NS/NC	0	0,00%	0,00%
Others	17	6,30%	1,10%
Total	1504	557%	100%

FACTOR 1

OPTIONS	ANSWERS	%
Clear and common vision	96	35,8%
Leadership	90	33,6%
Relationship strategy – structure – culture	16	6,0%
Team (capacity, profile of workers,...)	14	5,2%
Planning	12	4,5%
Communication	9	3,4%
Commitment of the team	8	3,0%
Balance between short and long term	7	2,6%
Create a coalition for change	5	1,9%
Create a sense of urgency	4	1,5%
Monitoring the process	2	0,7%
Focus (specific process of change)	2	0,7%
Resources and measures available	2	0,7%
Others	1	0,4%
Combine moments of change with periods of rotation	0	0,0%
Total	268	100%

FACTOR 2

OPTIONS	ANSWERS	%
Commitment of the team	42	15,7%
Clear and common vision	37	13,9%

Leadership	32	12,0%
Team (capacity, profile of workers,...)	32	12,0%
Communication	23	8,6%
Planning	22	8,2%
Relationship strategy – structure – culture	20	7,5%
Resources and measures available	18	6,7%
Create a coalition for change	13	4,9%
Monitoring the process	7	2,6%
Balance between short and long term	6	2,2%
Focus (specific process of change)	6	2,2%
Combine moments of change with periods of rotation	5	1,9%
Others	3	1,1%
Create a sense of urgency	1	0,4%
Total	267	100%

3. Would you please indicate your level of agreement with the following statements on NGOs and change within organizations? (Mark each sentence/rows according to your level of agreement indicated in each column or you can choose the option NS/NC in the case that you have no opinion on this question)

NGOs show a high tendency to internal change			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	19	7,1%	59,0%
Disagree	139	51,9%	
Neither disagree nor agree	55	20,5%	19,0%
Agree	46	17,2%	
Totally agree	5	1,9%	
NS/NC	4	1,5%	
Total	268	100%	

NGOs are characterized by their ability to adapt easily to external change			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	12	4,5%	36,4%
Disagree	86	32,0%	
Neither disagree nor agree	53	19,7%	42,8%
Agree	98	36,4%	
Totally agree	17	6,3%	
NS/NC	3	1,1%	
Total	269	100%	

Organizational change is more frequent in NGOs than in companies			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	23	8,6%	56,8%
Disagree	128	48,1%	
Neither disagree nor agree	48	18,0%	21,1%
Agree	51	19,2%	
Totally agree	5	1,9%	
NS/NC	11	4,1%	
Total	266	100%	

The ability for transformation is inherent to NGOs as they are pioneers in detecting new social needs that involve transforming their activity to offer solutions			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	6	2,25%	30,0%
Disagree	74	27,72%	
Neither disagree nor agree	50	18,73%	49,8%
Agree	101	37,83%	
Totally agree	32	11,99%	
NS/NC	4	1,50%	

Total	268	100%	
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4. Following the previous guidelines, how much do you agree with the following statements regarding the effect that participation and the number of stakeholders in NGOs have on their management and tendency to change in the sector?

Certain specific cultural elements of NGOs such as participation make internal processes of change more difficult or slower			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	17	6,37%	27,7%
Disagree	57	21,35%	
Neither disagree nor agree	28	10,49%	
Agree	121	45,32%	61,4%
Totally agree	43	16,10%	
NS/NC	1	0,37%	
Total	267	100%	

The fact that NGOs involve greater participation of their members means that the different groups feel much closer and united in a process of change within their organization			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	3	1,12%	21,3%
Disagree	54	20,15%	
Neither disagree nor agree	54	20,15%	
Agree	119	44,40%	56,3%
Totally agree	32	11,94%	
NS/NC	6	2,24%	
Total	268	100%	

The financial dependence of donors means that NGOs take fewer risks or are less innovative and therefore find it more difficult to change			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	9	3,36%	35,4%
Disagree	86	32,09%	
Neither disagree nor agree	43	16,04%	
Agree	97	36,19%	47,0%
Totally agree	29	10,82%	
NS/NC	4	1,49%	
Total	268	100%	

The support of a wide social base facilitates and encourages change in NGOs			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	5	1,90%	21,3%
Disagree	51	19,39%	
Neither disagree nor agree	69	26,24%	
Agree	96	36,50%	51,7%
Totally agree	40	15,21%	
NS/NC	2	0,76%	
Total	263	100%	

The presence of the founders and people who are very emotionally attached to the project make change difficult within an NGO			
OPTIONS	ANSWERS	%	GROUPED

Totally disagree	8	3,00%	13,9%
Disagree	29	10,86%	
Neither disagree nor agree	44	16,48%	68,5%
Agree	123	46,07%	
Totally agree	60	22,47%	
NS/NC	3	1,12%	
Total	267	100%	

The wide variety of interested parties connected to NGOs make agreement in decision-making difficult during a process of change			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	1	0,38%	19,6%
Disagree	51	19,25%	
Neither disagree nor agree	42	15,85%	62,6%
Agree	143	53,96%	
Totally agree	23	8,68%	
NS/NC	5	1,89%	
Total	265	100%	

The different roles and visions of interested parties help to show the need for change within an organization			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	0	0,00%	8,3%
Disagree	22	8,30%	
Neither disagree nor agree	57	21,51%	64,2%
Agree	141	53,21%	
Totally agree	29	10,94%	
NS/NC	16	6,04%	
Total	265	100%	

5. Finally, would you indicate how much you agree with the following statements regarding the culture of NGOs, their leadership, management styles and governing bodies when having to face process of change and internal transformation?

NGO's are characterized by a culture rooted in tradition and with little innovation in their operations			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	13	4,89%	44,0%
Disagree	104	39,10%	
Neither disagree nor agree	44	16,54%	39,1%
Agree	86	32,33%	
Totally agree	18	6,77%	
NS/NC	1	0,38%	
Total	266	100%	

The leadership style of NGO managers may make drastic but necessary decision-making difficult for change and internal transformation			
OPTIONS	ANSWERS	%	GROUPED
Totally disagree	2	0,75%	18,1%
Disagree	46	17,36%	
Neither disagree nor agree	31	11,70%	69,8%
Agree	135	50,94%	
Totally agree	50	18,87%	
NS/NC	1	0,38%	
Total	265	100%	

The generalization of shared leadership within the sector facilitates a wider perspective to detect the need for change beforehand			
--	--	--	--

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	2	0,76%	14,8%
Disagree	37	14,02%	
Neither disagree nor agree	50	18,94%	
Agree	132	50,00%	61,7%
Totally agree	31	11,74%	
NS/NC	12	4,55%	
Total	264	100%	

NGOs generally have a less flexible organizational structure for change; procedures are slower than in companies where measures are adopted more rapidly

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	8	3,01%	21,4%
Disagree	49	18,42%	
Neither disagree nor agree	36	13,53%	
Agree	123	46,24%	62,8%
Totally agree	44	16,54%	
NS/NC	6	2,26%	
Total	266	100%	

Certain organizational changes require drastic decisions that are more difficult to instigate within an organization with the values of an NGO

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	4	1,51%	11,3%
Disagree	26	9,81%	
Neither disagree nor agree	23	8,68%	
Agree	154	58,11%	79,2%
Totally agree	56	21,13%	
NS/NC	2	0,75%	
Total	265	100%	

Governing bodies that are distant from the organization slows down the change process

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	3	1,13%	13,9%
Disagree	34	12,78%	
Neither disagree nor agree	43	16,17%	
Agree	116	43,61%	68,0%
Totally agree	65	24,44%	
NS/NC	5	1,88%	
Total	266	100%	

The presence of volunteers contributes an external vision of the organization and encourages change

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	5	1,88%	11,7%
Disagree	26	9,77%	
Neither disagree nor agree	66	24,81%	
Agree	129	48,50%	60,5%
Totally agree	32	12,03%	
NS/NC	8	3,01%	
Total	266	100%	

The difficulty of evaluating the impact of NGOs and demonstrating the suitability of activities makes it more difficult to detect the need for change

OPTIONS	ANSWERS	%	GROUPED
Totally disagree	1	0,38%	22,0%
Disagree	57	21,59%	
Neither disagree nor agree	31	11,74%	

Agree	129	48,86%	65,5%
Totally agree	44	16,67%	
NS/NC	2	0,76%	
Total	264	100%	

6. According to your answers to the previous questions, do you consider that NGOs are generally organizations with a tendency to change? (Please choose just one of the options)

OPTIONS	ANSWERS	%
Yes, in general (<i>The sector has more elements to encourage change than obstacles to it</i>)	29	10,86%
No, in general (<i>The sector has more elements that make change difficult than facilitate it</i>)	56	20,97%
It depends very much on the organization (<i>There are many extremes, organizations with a greater tendency to change and more traditional organizations adverse to change in comparison to other sectors</i>)	178	66,67%
I don't know	4	1,50%
Total	267	100%

7. Have you worked or do you have experience in other sectors?

OPTIONS	ANSWERS	%
Yes, I have experience in the business and/or public sectors	207	78,11%
No, I have only ever been connected to the non-profit sector	58	21,89%
Total	265	100%

8. What position do you currently have within your organization (the main one in the case where you are connected to various)? (Please choose just one of the following options)

OPTIONS	ANSWERS	%
Member of the management team (general manager, department manager etc.)	187	70,6%
Employee (contracted worker)	48	18,1%
Member of governing body (chairman, managing board, etc.)	13	4,9%
Volunteer	7	2,6%
I am a partner/member of the organization	3	1,1%
Other	7	2,6%
Total	267	100%

9. What sector(s) of activity are related to the work of your organization? (Several answers are permitted)

OPTIONS	ANSWERS	% (out of 270)	% (out of 404)
Development and cooperation	112	41,5%	27,7%
Environment	51	18,9%	12,6%
Social (attention to groups at risk of exclusion)	138	51,1%	34,2%
Education in free time	38	14,1%	9,4%
Culture	14	5,2%	3,5%
Other	51	18,9%	12,6%
Total	404	150%	100%

10. What is the legal status of your organization? (Please choose just one of the following options)

OPTIONS	ANSWERS	%
Association	103	39,02%
Foundation	115	43,56%
Cooperative	1	0,38%
Other	45	17,05%
Total	264	100%

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Director of the ESADE *Instituto de Innovación Social*. His specialist areas are strategy and leading change in organizations. He is an industrial engineer (UPC) and postgraduate in General Management (ESADE). He has also studied postgraduate courses in Harvard, Stanford, Babson and EAE. He has collaborated with several NGOs and foundations as a volunteer, and is now a member of the respective boards. He is a member of the international management board of the *Global Reporting Initiative*. He has been General Manager of Intermón Oxfam and is a committee member of Oxfam International. He was one of the founders of *Casal dels Infants del Raval* and has worked with several NGOs in various sectors. He is the author of various books on solidarity and NGOs.

Maria Iglesias

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Maria holds a degree and a Masters in Business Management and Administration with ESADE and a Masters with CEMS. Specialized in the management of non-profit organizations, she is co-author of a number of books on non-profit organization management such as “*Los retos de gestión en las organizaciones no lucrativas. Claves para el fortalecimiento institucional del Tercer Sector*” (lit. “*Challenges to management in non-profit organizations. Keys for strengthening institutions in the Third Sector*”. Norma, 2005; Granica, 2004) and “*La gestión de las organizaciones no lucrativas*” (lit. “*The management of non-profit organizations*”. Deusto, 1998) as well as various articles on the management of non-profit organizations.

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