

*This unit was written by Sue Elliot
who ran workshops for CID in November 1999*

How to use this resource

Each unit in this folder consists of three elements:

The **cream** pages are about definitions – what and why.

The **apricot** pages contain some of the tools NGOs need – how.

The **grey** pages are the toolkit itself – pull out reference sheets for exercises and activities.





CONTENTS

SECTION 1

WHAT CAPACITY BUILDING MEANS IN A DEVELOPMENT CONTEXT 5

What is Capacity Building?	7
Why is Capacity Building important?	7
Capacity Building as a means, a process and an end	8
Monitoring and evaluation of Capacity Building programmes	8
Capacity Building: A New Zealand NGO perspective.	9
The nature and depth of change needed	9
A sequence for capacity development.....	11

SECTION 2

CAPACITY BUILDING TOOLS 15

Capacity Building Tools and Models.....	17
Models of Organisations	17
Organisational Lifecycles	20
Organisational Culture	23
The Role of New Zealand NGOs	25

SECTION 3

CAPACITY BUILDING RESOURCES AND READINGS 27

Resources	29
Reading 1 – Donors: The Challenge to Add Value (by James Taylor, CDRA)	Insert
Reading 2 – Capacity Building: Myth or Reality? (from the CDRA Annual Report, 1994/5)	Insert
Reading 3 – Some Organisational Models (adapted from Rick James, INTRAC)	34
Reading 4 – The lifecycle of an organisation (by Al Holmes, adapted by INTRAC)	36
Reading 5 – Cultures of Organisations (from Understanding Voluntary Organisations) by Charles Handy	38





SECTION 1

WHAT CAPACITY BUILDING MEANS IN A DEVELOPMENT CONTEXT





WHAT IS CAPACITY BUILDING?

Capacity building is about increasing the ability of an organisation (or an individual) to achieve its goals and aspirations.

It is a continuing process designed to improve organisations' responses to the challenges they face in a constantly changing environment. It is a process

“Capacity building is about increasing the ability of an organisation (or an individual) to achieve its goals and aspirations”

We can define Capacity as “the measure of an NGO’s ability to satisfy or influence stakeholders, consistent with its mission.”

that applies equally to New Zealand NGOs themselves and to their partners overseas.

This section of the kit looks at both processes and does not always distinguish between them, because the principles are largely the same. It does not aim to provide a definitive “how-to” for capacity building, but to raise issues and offer models which may help in the capacity building process.

WHY IS CAPACITY BUILDING IMPORTANT?

Development work used to be largely a matter of making decisions based on the technical appraisal of projects. But over the past 30-40 years development organisations have come to the conclusion that focusing purely on technical programmes while ignoring the organisations that manage them is shortsighted and superficial. The results of such an approach are unsustainable.

At the same time there have been calls for greater accountability and proven effectiveness in the investment of public aid funds for development.

The result is a consensus that building the capacities of individuals, organisations and institutions is vital to the strengthening of civil society and grassroots development.

By increasing the capacity of organisations involved in development – both in New Zealand and overseas – interventions can be made more effective, and their results longer lasting.



CAPACITY BUILDING AS A MEANS, A PROCESS AND AN END

Capacity building can occur at a number of levels – the individual, the NGO, and in civil society as a whole.

A distinction can also be made between capacity building as a means, a process or an end in itself – as the matrix below shows².

	Capacity building as a means:	Capacity building as a process:	Capacity building as an end
In an NGO	... to strengthen the organisation to perform specified activities	... of reflection, leadership, inspiration, adaptation and search for greater coherence between NGO mission, structure and activities	... to strengthen an NGO to survive and fulfil its mission, as defined by the organisation itself.
In civil society	... to strengthen the capacity of primary stakeholders to implement defined activities	... of fostering communication: processes of debate, relationship building, conflict resolution and improved ability of society to deal with its differences	... to strengthen the capacity of primary stakeholders to participate in political, social and economic arena according to the objectives defined by themselves

The differences between the cells in the matrix are not absolute, but a matter of degree. Nevertheless, the matrix is a useful tool for distinguishing the central objectives of a capacity building programme from its secondary aims. As many NGOs know from experience, unless the central objectives of a capacity building programme are clear, it is impossible to develop a coherent strategy for implementing it, or even agree on criteria for measuring its effectiveness.

In practice, capacity building programmes supported by New Zealand NGOs are likely to involve more than one element of the matrix at a time. In designing capacity building interventions, which need to work at a variety of levels within NGOs and society, a number of things need to be borne in mind:

- 1) Strengthening the capacity of community members to participate in the political, social and economic arena (the bottom right hand corner of the matrix) is a far more involved exercise than strengthening an organisation to carry out a specific task (the top left-hand corner).
- 2) As we move from the top left to the bottom right, there is also an increase in the number of external factors influencing social, economic and political change. Often these factors are outside the control of the organisations involved.
- 3) Achieving changes in the bottom right corner of the matrix often involves changing social institutions, which may in turn mean altering prevailing norms, values and attitudes both within NGOs and society. These changes are difficult, complex and occur only slowly. For example, factors influencing the status of women are not confined to one aspect of society. Changing women's status requires a change at all levels of an organisation and society³.



MONITORING AND EVALUATION OF CAPACITY BUILDING PROGRAMMES

As with all other development programmes, capacity building programmes need to be monitored and evaluated. Clear objectives are needed in order to agree upon criteria and indicators for this monitoring and evaluation. But it is not necessary to have a separate system to monitor and evaluate capacity building initiatives.

Any assessment of outcomes at the project or programme level in social development needs to include an assessment of the organisations involved. But it must be remembered that capacity building activities often take a long time to show results and are influenced by a number of complex external factors.

CAPACITY BUILDING: A NEW ZEALAND NGO PERSPECTIVE

Along with colleagues in other parts of the world, New Zealand NGOs are reconsidering their relations with their international NGO counterparts, and with NGOs and other parties in the countries where they are undertaking development work. The changing roles, functions and expectations of all organisations involved in international development has led them to examine how they can strengthen their capacity in order to remain relevant.

Clearly, each organisation is responsible for identifying its own capacity building priorities. Outsiders can only assist in the process. In working with NGOs in developing countries, it is important that New Zealand NGOs develop ways of working which respond to the diverse and complex capacity building priorities among their partners, while at the same time attend to their own capacity needs.

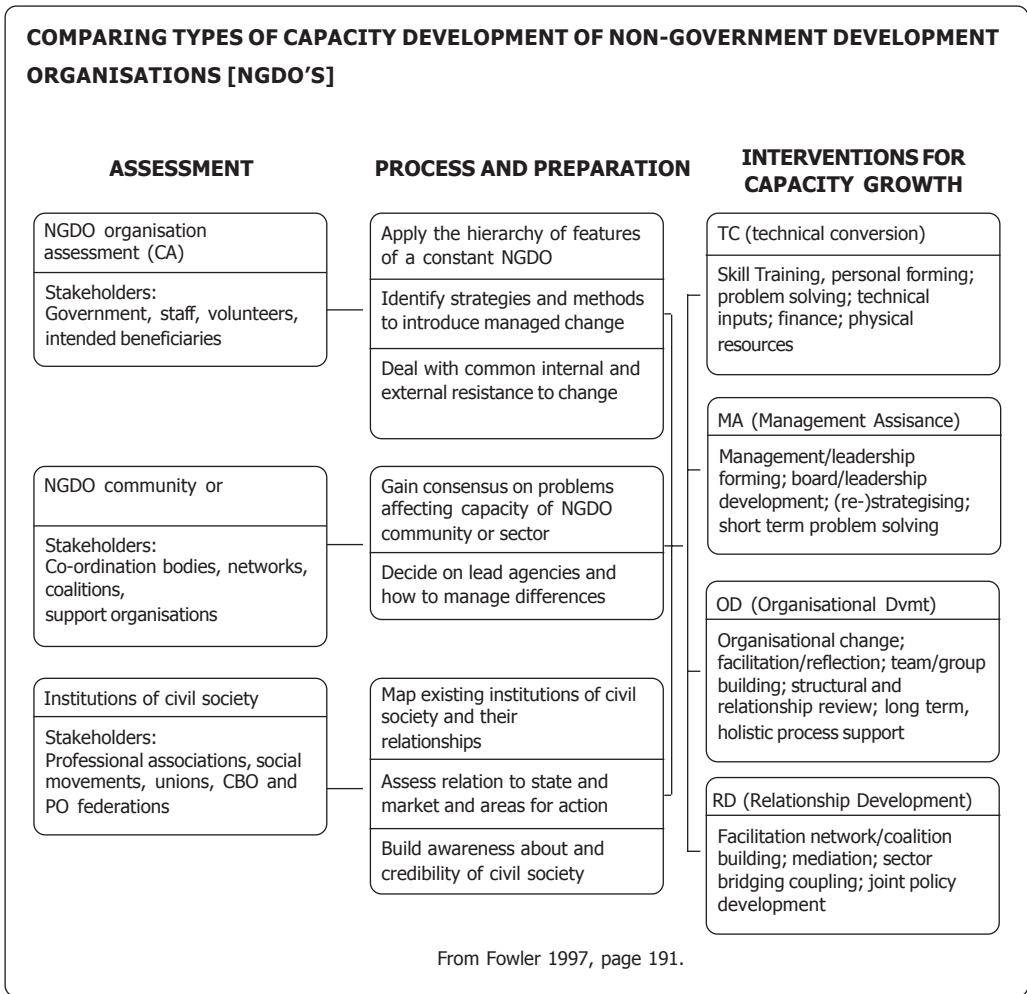
THE NATURE AND DEPTH OF CHANGE NEEDED

The mix of approaches used will differ depending on the type of organisation or institution involved. The figure below (from Fowler 1997, p 191) shows this by setting out for each type of organisation or institution:

“Each organisation is responsible for identifying its own capacity building priorities”

- an assessment involving different stakeholders;
- processes to identify areas and types of capacity growth required; and
- four possible types of intervention.

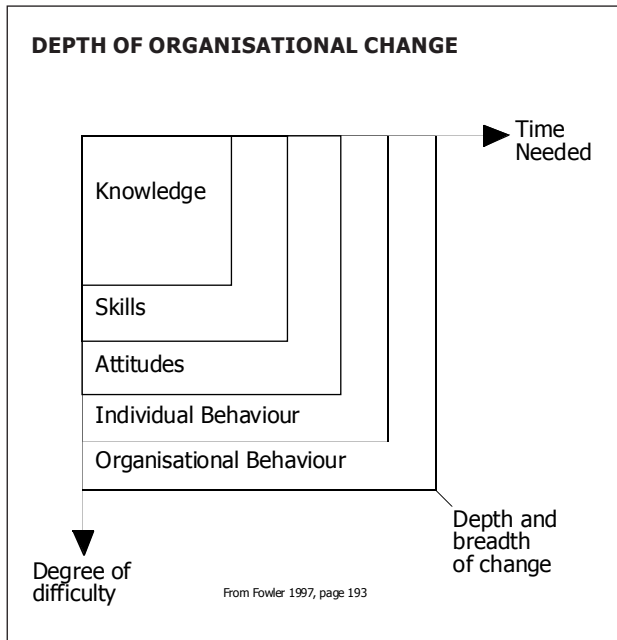




In order to decide on the most appropriate mix of interventions to be used in any situation, an assessment is required. (Some tools for organisational assessment are outlined in the next section.) However before any form of organisational assessment occurs, New Zealand NGOs, as funders⁴ or implementers of capacity building programmes, need to be aware of the depth of change needed and the subsequent resources this is likely to require.

For instance, as the diagram below indicates it is harder (and takes longer) to change organisational behaviour than to increase knowledge or skills.





A SEQUENCE FOR CAPACITY DEVELOPMENT

Although there are no blueprints for capacity building, experience has shown that, to be sustainable and coherent, organisations need to follow a certain logical sequence:

- **conceptual framework** first – then
- **appropriate organisational attitudes** which in turn lead to
- a **vision and strategy** and a
- **structure**, which in turn gives
- **content and energy** through **skilled individuals**.
- **adequate resourcing** then supports the whole.

Intervention or work on any of these elements will not prove effective unless sufficient work is done on preceding elements in the hierarchy.⁵

Emerging priorities

Each organisation has its own priorities in terms of its capacity development. Despite this, the work of the International Forum on Capacity Building (IFCB) revealed an emerging consensus on priority areas for capacity building of southern NGOs, as follows:

- Leadership development.
- Policy research and advocacy.



- Information access, use and dissemination.
- Building alliances, coalitions, networks, North/South partnerships and intersectorial partnerships.
- Financial sustainability.

Closer to home, and more specific to the work of New Zealand NGOs, a workshop assessment of the priority needs of Samoan NGOs revealed, according to the report 'A Polynesian Perspective on Capacity Building' for the PIANGO Council (July 1999), a need for attention to be paid to:

- Management and leadership training.
- Training in governance for Boards.
- Training staff.
- Team building to form an effective NGO.
- Training in self analysis and reflection.
- Management and marketing skill development.
- The development of negotiation skills for working effectively with governments and other NGOs.

Emerging principles

Again, while no blueprint for capacity building exists, certain principles of good practice by international NGOs have emerged. These principles can be grouped at a number of levels: the **process** of capacity building, the **methods** of capacity building and the **needs** of capacity building providers.

The Process of Capacity Building

- Capacity building is a long-term process. During the process it is important not to overload organisations. Their work must continue throughout the process.
- Capacity building programmes need realistic goals with time frames and indicators.
- The roles and responsibilities in the process need to be clear.
- Usually, capacity building benefits from an outside facilitator.
- When assisting their overseas counterparts with capacity building, New Zealand NGOs need to make their intentions clear and have a clearly articulated exit strategy.
- Capacity building needs co-ordination among international and donor organisations. Many NGOs and CBOs in developing countries have more than one donor or partner. Lack of co-ordination between these can be debilitating.



- Capacity building requires sensitive approaches to funding, whereby adequate funds are made available in a timely manner. New Zealand NGOs need to pay attention to their role as good funders.
- Capacity building is marked by changes in relationships and strategies. Flexibility is required as needs change over time.
- Capacity building requires open sharing of information, dialogue and discussion.

The methods of Capacity Building

- Organisational development harnesses individual development and follows the same path of development.
- Capacity building needs flexible approaches and methods.
- Capacity building cannot be achieved by training alone. Formal training methods can be complemented by internships, exchanges between organisations and consultations.
- Pilot projects can provide opportunities for training and identifying lessons and issues.
- Capacity building involves the whole organisation and its major stakeholders, not just the leaders.
- On-the-job experience, mentoring and partnering can be powerful capacity building tools.

The needs of Capacity Building providers

Capacity building providers need:

- to pay attention to their own needs;
- to be highly skilled;
- to be open and responsive to the needs, perceptions and priorities of the organisations with which they are working;
- to focus on a few capacity building issues for in-depth work.

The development and support of local NGO Resource or Support Centres and consultants enhances the opportunity for the development of sustainable in-country support.



Footnotes

¹ Fowler, A., *Striking A Balance; a Guide to Enhancing the Effectiveness of Non-Governmental Organisations in International Development*, Earthscan/INTRAC, UK, 1997

² Eade, D., *Capacity Building*, Oxfam, UK, 1998 (adapted from Bebbington and Mitlin, 1996)

³ Fowler, 1977 p. 189

⁴ see Reading 1, Kaplan, A., *Donors: The Challenge to Add Value*

⁵ see Reading 2, *Capacity Building: Myth or Reality*. For a further discussion of the hierarchy see also the CDRA website at www.cdra.org.za/ar9495.htm



SECTION 2

CAPACITY BUILDING TOOLS





CAPACITY BUILDING TOOLS AND MODELS

In this section we explore some models and tools which can help New Zealand NGO staff better understand their own and partner organisations and reflect on some commonly used capacity building interventions.

But first, a word of caution: the models below are static and cannot reveal the true complexity of any organisation. Intervening in another organisation is a complex business. Capacity building requires both certain attitudes, as explored above, and appropriate skills.

When used and explored with your partner organisation these tools can provide the basis of a collaborative organisational assessment.

MODELS OF ORGANISATIONS

ACTIVITY ONE

Think about your own organisation and one of your partner organisations that you know well. Write down the three main organisational problems each organisation faces.

Now read Reading 3: Some Organisational Models. This reading discusses two organisational models; one showing the interrelatedness of organisational components, the other shows the increasing complexity of NGO capacities as you move towards the centre of an organisation.

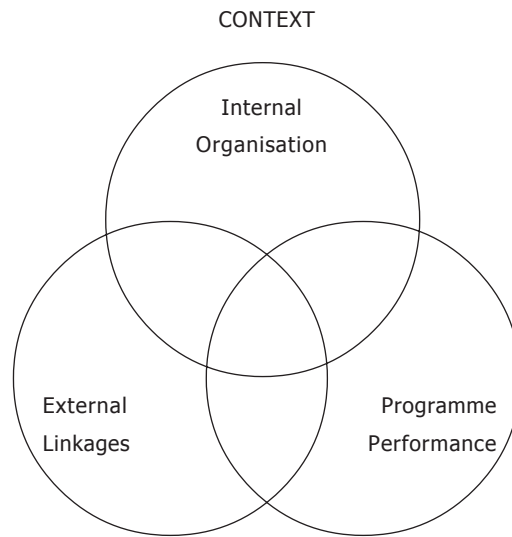
ACTIVITY TWO

Take the NGO problems you identified in the first activity and plot them in these two different frameworks (i.e., the cloverleaf and the onion skin)

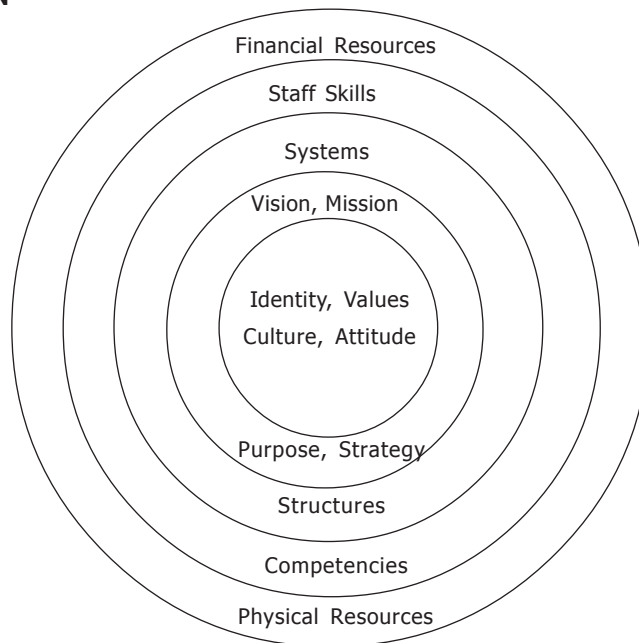
What light do these frameworks shed on the organisational problems you identified?



CLOVER LEAF



ONION SKIN



ACTIVITY THREE

- List the capacity building interventions your organisation uses in its capacity building projects with partner NGOs.
- Plot these on the onion skin model.

Common Capacity Building Interventions

Too often capacity building interventions are aimed at only the outer layers of the onion, leaving the crucial inner layers untouched. There are many reasons for this. Often it is the result of NGOs carrying out the intervention themselves when they may lack the skills and

“It is inappropriate for New Zealand NGOs to play a funding and capacity building role simultaneously.”

knowledge to do it well. It may also be difficult for NGOs to approach the task with objectivity. It is inappropriate, for example, for New Zealand NGOs to play a funding and capacity building role simultaneously. The capacity building role is best left to others, preferably local NGO Support organisations or consultants.

However, the number and type of capacity building interventions used by New Zealand

NGOs has increased and diversified in recent years. Recent workshops on capacity building attended by NGOs from throughout New Zealand showed that the following capacity building interventions and methods have recently been used:

- training at an individual, organisational and network level;
- visits and exposure trips;
- help with proposal writing;
- conferences;
- consultations and dialogue;
- leadership succession training and funding;
- brokering contacts/linking and signposting;
- provision of funds;
- provision of capital items;
- support/advocacy for particular issues;



- operational audits;
- work placements in other organisations;
- provision of key staff for a period of time; and
- self and organisational peer review.

This compares well with the following list of methods commonly used by international NGOs elsewhere in the world:⁶

- networking;
- training;
- technical assistance;
- advocacy/policy dialogue;
- learning and research for mutual benefit;
- support for the development of local NGO Support organisations;
- collective reflective workshops; and
- international NGO staff secondments.

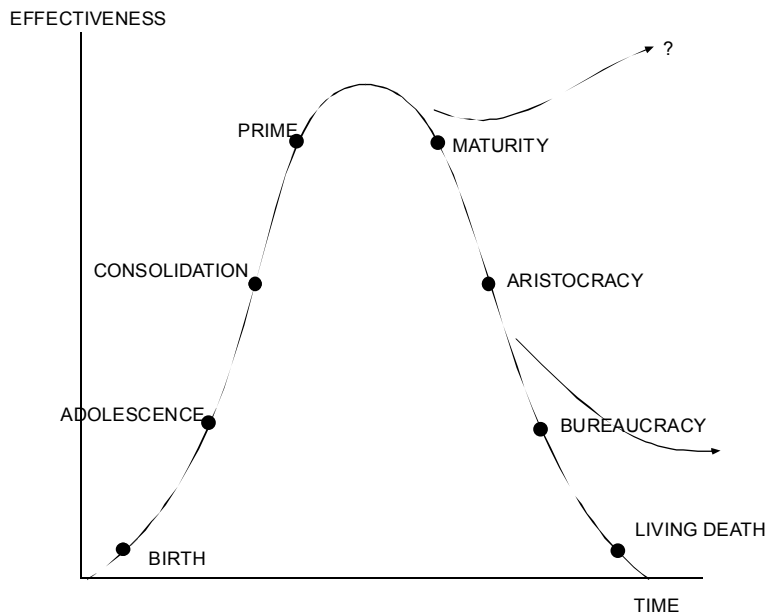
ORGANISATIONAL LIFECYCLES

Static models of organisations can only provide a snapshot. An organisation's size and age will also determine its capacity. New, small young organisations cannot be expected to perform to the same level as large, older organisations.

Al Holmes of the Manitoba Institute of Management developed the life cycle model of an organisation (for more detail see Reading 4). In reality most organisations don't follow such a clear curve, but grow and decline differently in different parts of the organisation.



THE LIFE CYCLE



ACTIVITY 4

Read Reading 4 and place an **x** on the lifecycle model to show where you think your organisation is in its lifecycle.

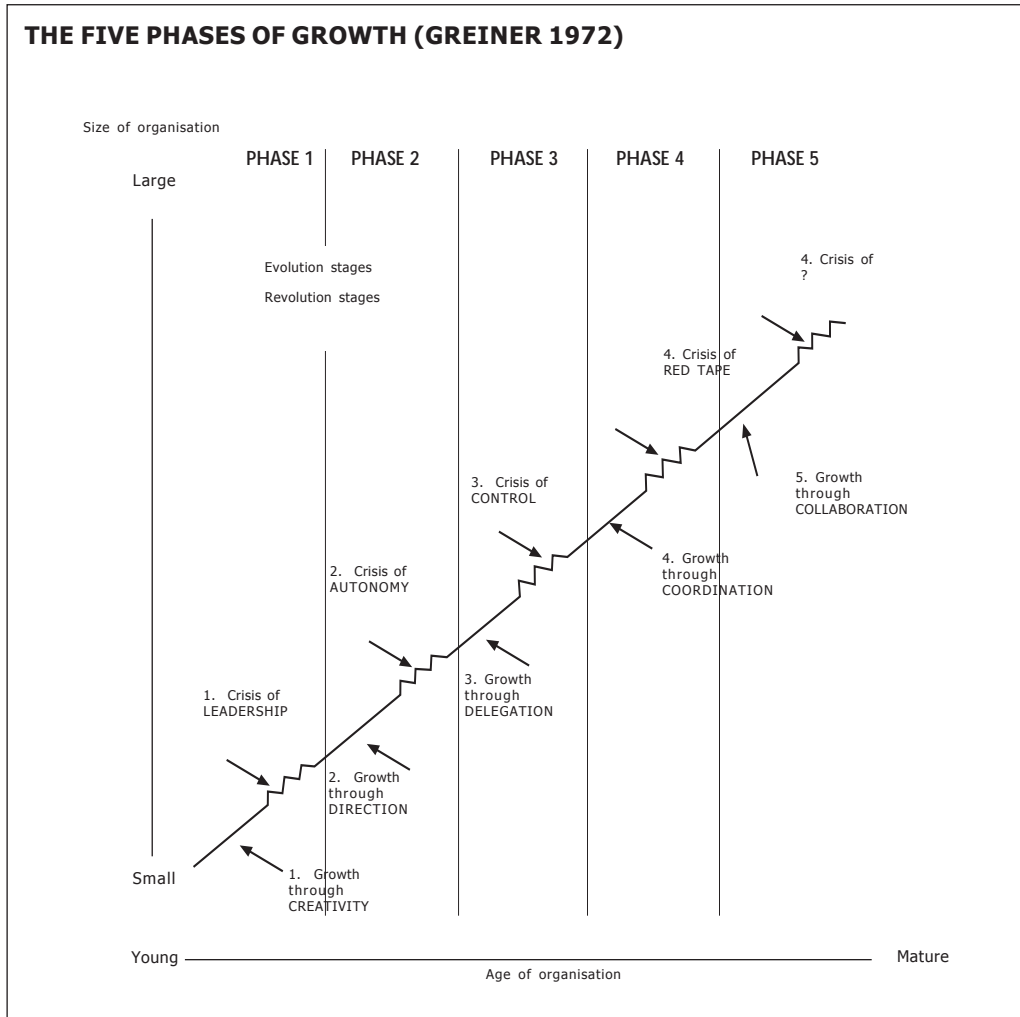
ACTIVITY 5

Plot the lifecycle of your organization. Give dates and significant events or changes.



Greiner's model

Greiner developed another model of an organisational lifecycle in 1972. This model, shown below, indicates that crises are a normal part of organisational life and are to be expected.



ACTIVITY 6

Where is your organisation on this chart?



ORGANISATIONAL CULTURE

Another aspect of an organisation which needs to be understood if a programme of change is to occur, is its culture. Put simply, an organisation's culture is "the way that things are done around here". Part of this consists of things like the way people dress and behave towards each other – even the way the office space is arranged. However, like an iceberg, what you can see above the water is only a fraction of the whole thing!

ACTIVITY 7

The culture of an organisation is often captured in images.
Take a few minutes to draw your organisation as an animal.

Is it fast or slow, highly mobile or sedentary, large or small, old or young?
What connotations does it have in popular culture?

These sorts of images, while humorous, can be highly revealing of an organisation's culture.

What is your organisation's culture?

There are several other ways of classifying organisational culture.

Handy's model

Charles Handy describes four main types of culture in his seminal book *Understanding Voluntary Organisations* (Penguin, 1994)

Zeus – leader of the "club culture"

Apollo – manager of the "role culture"

Athena – co-ordinator of the "task culture"

Dionysus – patron saint of the "people culture"

Handy's vivid descriptions of power, role, task and people cultures are contained in Reading 5.

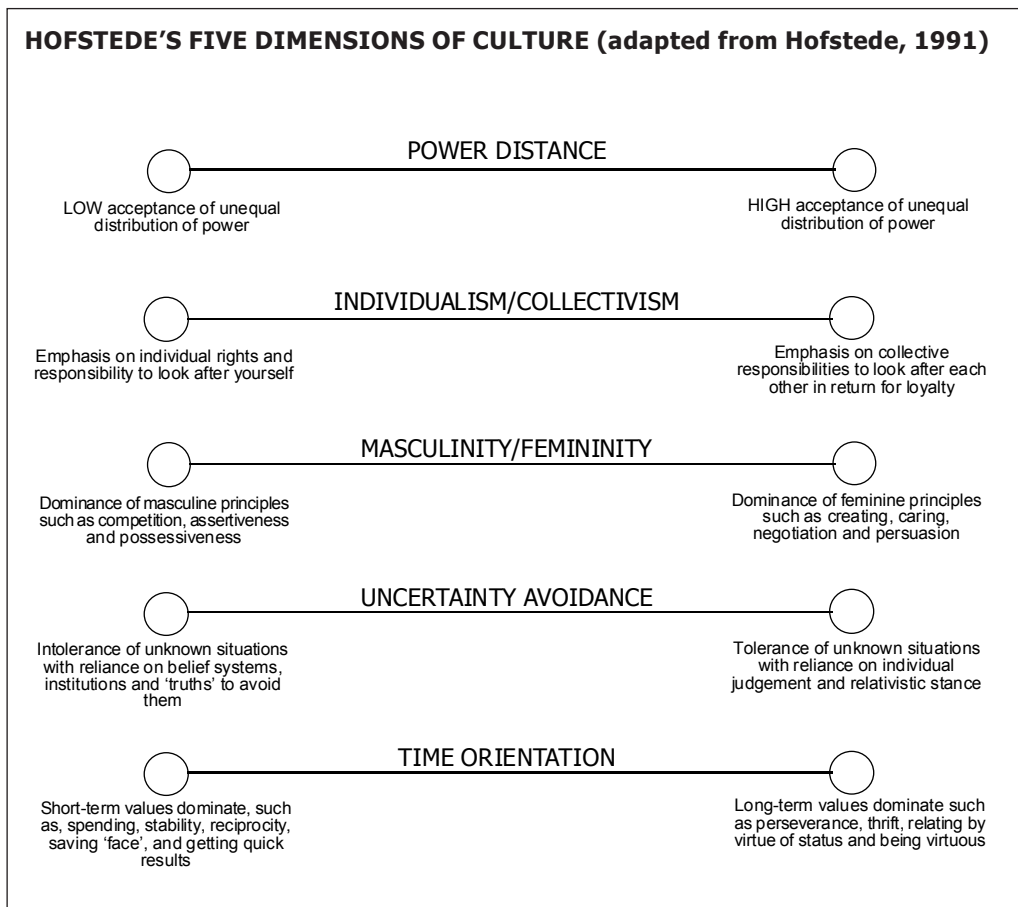


ACTIVITY 8

Look at Reading 5. In small groups in your organisation, list the advantages and disadvantages of different types of organisational culture.

Hofstede's model

At another level, national culture influences how people behave and expect to be treated within organisations. Hofstede (1991)⁸ identified five dimensions of national culture and organised his findings into a framework, revealing the expectations people had of leadership and management within an organisation. The diagram below shows the range of positions in relation to each other. Hofstede's work pointed out that differences occur across national cultures.



ACTIVITY 9

Take a moment to reflect on your own national culture; where would you put us on each of the dimensions. Now reflect on the national culture of a partner organisation. Would they position themselves differently?

While it is important to develop an understanding of organisational culture, it is one of the most difficult aspects of an organisation to change, in fact some would say such change is impossible. What do you think?

THE ROLE OF NEW ZEALAND NGOS

ACTIVITY 10

Being involved seriously in NGO Capacity building means changes for both New Zealand NGOs and their partners. In small groups in your organisation, list what changes need to occur in your organisation if you are to be further involved.



Footnotes

⁶ James, R., Ryder, P., Elliott S., *Consultation on Capacity Building; Northern NGOs*, International Working Group on Capacity Building, 1998

⁷ Greiner, L., "Organisational Growth and Development" in *Evolution and Revolution as Organisations Grow*, Harvard Business Review Vol. 50 (4), pp 37-46

⁸ Hofstede, G., *Cultures and Organisations: Software of the Mind*, McGraw Hill, Maidenhead, 1991



SECTION 3

CAPACITY BUILDING RESOURCES AND READINGS





RESOURCES

Vass Handbook (MFAT 1999)

New Zealand NGOs can apply for VASS funds for Capacity building (of themselves or their partners) under three headings: Capacity Building Projects; Management Support Grants for NZ NGOs; and Appraisal, Monitoring and Evaluation Support Funds. Sections of the VASS Handbook you may find useful are listed below.

Part B: VASS Funding Opportunities

Section 5: Capacity Building Projects in the VASS Handbook

This Section outlines

- how much New Zealand NGOs can apply for;
- the criteria and guidelines for various categories of Capacity Building initiatives that can be funded;
- types of Capacity Building initiatives that can be funded;
- application and reporting procedures; and
- an Application checklist.

In keeping with the emerging principles for Capacity Building outlined in Section 2 of this resource, projects and programmes are required to:

- have a strategic focus;
- be concerned with means rather than being ends in themselves;
- be demand driven;
- pay attention to gender equality;
- be sustainable in organisational terms;
- involve long term partnerships;
- demonstrate local ownership.

Section 10: Management Support Grants for NZ NGOs

This Section outlines the criteria and guidelines for support for one-off management Capacity Building and institutional strengthening of NZ NGOs.

Section 11: Appraisal, Monitoring and Evaluation

This Section outlines criteria and guidelines for applying for funds to build the expertise of NGOs and/or their partners in project appraisal, monitoring and evaluation.



Resources Held by DEV-ZONE (The Development Resource Centre)

These can be borrowed or accessed by registered members of the DRC. It is free to register. Books (except Reference) can be borrowed for two weeks. Other resources can be photocopied for a small fee.

DEV-ZONE	phone: +64 4 472 9549
Development Resource Centre	fax: +64 4 496 9599
Level 5, PSA House, 11 Aurora Terrace	email: info@dev-zone.org
PO Box 12440	Web: http://www.dev-zone.org
Wellington	
New Zealand	

Community Development Resource Association [CDRA] Annual Report 1994/95

Capacity Building

D. Eade. Oxfam. UK, 1998.

Striking a Balance; A Guide to Enhancing the Effectiveness of Non-Governmental Organisations in International Development

A. Fowler. Earthscan/INTRAC. UK, 1997.

Organisational Development; Approaches to NGO Capacity Building

R. James. INTRAC. UK, 1998.

Understanding Voluntary Organisations

Charles Handy Penguin, 1994

Publications of the International Forum on Capacity Building:

Consultation on Capacity Building - Northern NGOs: survey of northern NGO approaches to Capacity Building

International Working Group on Capacity Building (IWGCB), 1998. Book, 41 pp. DRC ID No. 8194
Executive summary; introduction; survey findings; conclusion; appendices; graphs. Dialogue on Capacity Building of NGOs: consultation on Capacity Building - South East Asia

International Working Group on Capacity Building (IWGCB), 1998.

Book, 56pp. DRC ID No. 8195.
Process and participants of workshop; summaries of individual presentations; Bina Swadaya training programmes; priorities for capacity building; issues; target groups; benefits; solutions to problems; north-south, south-south relationships.

The Future Capacity Building of Southern NGOs

International Working Group on Capacity Building (IWGCB) 1998.
Book, 19pp. DRC ID No. 11288.
NGOs; capacity building.



Politics of Capacity Building: Consultation on Capacity Building - South Asia

International Working Group on Capacity Building (IWGCB), 1998.

Book, 60pp. DRC ID No. 8196.

Annexes; politics of capacity building; consultations on benefits and issues in North-South NGO collaboration; assessment of needs; highly effective relationships.

Southern NGO capacity-building: issues and priorities. A synthesis of consultations and surveys

International Working Group on Capacity Building (IWGCB), 1998 Book, 21pp. DRC ID No. 8192.

Preliminary report; capacity-building and different constituencies; priorities for future capacity-building; benefits and issues of North-South cooperation; issues in capacity-building.

Strengthening Southern NGOs The donor perspective Vol. 1

International Working Group on Capacity Building (IWGCB), 1998.

Book, 60pp. DRC ID No. 8193.

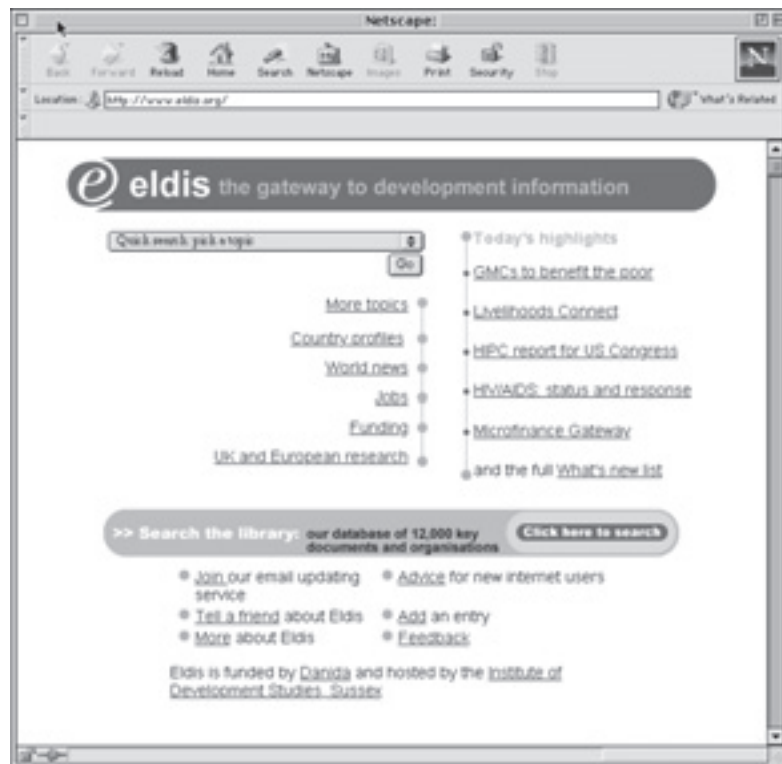
Definitions and concepts; overview of the three types of donors; findings; lessons learned; main conclusions; appendices



Key Websites

Eldis – the best gateway to development information:

<http://www.eldis.org>



One World: NGOs and Institutional Support; Shared Visions in North and South

http://www.oneworld.org/liaison/pubs/iwan_gb

EU NGO Liaison Committee. A report from a roundtable meeting organised by the Liaison Committee of European NGOs and DG VIII of the European Commission, Brussels, May 1996.

The DOSA Page: New Directions in Organisational Capacity Building

<http://www.edc.org/INT/CapDev/dosapage>

The DOSA page aims to help NGOs develop new methods to identify organisational strengths and weaknesses, interpret data generated by the process and translate findings into action plans for change. The site gives access to an on-line organisational assessment tool.

Community Development Resource Association

<http://www.cdra.org.za/publications.htm>

The Community Development Resource Association (CDRA) was established in 1987 as a non-profit NGO to build the capacity of organisations and individuals engaged in development and social transformation. Based in Cape Town, CDRA works mainly in Southern and Eastern Africa. Their site gives access to several excellent publications on capacity building.



International Forum on Capacity Building

<http://www.ifcb-ngo.org>

The International Forum on Capacity Building (IFCB) is a global initiative launched by southern NGOs in an effort to focus on key future priorities of capacity building. The secretariat is based at PRIA (The Society for Participatory Research in Asia) in New Delhi. The IFCB site includes results of the consultations and surveys of donors, international NGOs and southern NGOs carried out in 1997/98 and regular updates of the work of the forum.

International NGO Training and Research Centre (INTRAC)

<http://www.intrac.org>

The International NGO Training and Research Centre (INTRAC), based in Oxford, was established in 1991 to provide specialised training, research and consultancy in support of the NGO sector. Their site provides information about the Centre and access to *ONTRAC*, their regular newsletter which includes a section on capacity building news.

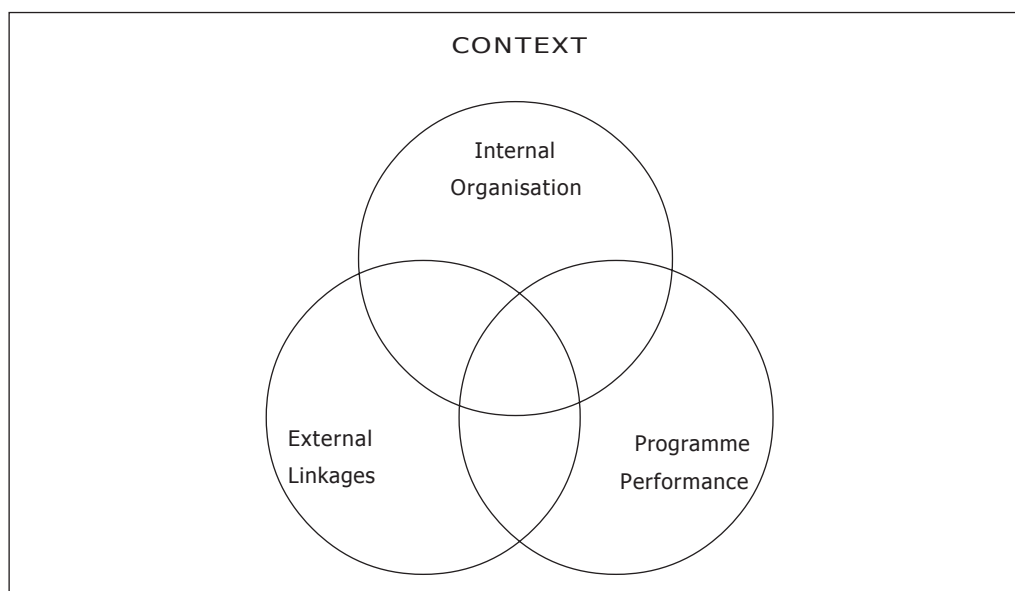


READING 3

Some Organisational Models

Adapted from: Rick James INTRAC (Oxford, undated).

An Organisational Framework



In this model, NGOs are made up of three main elements.

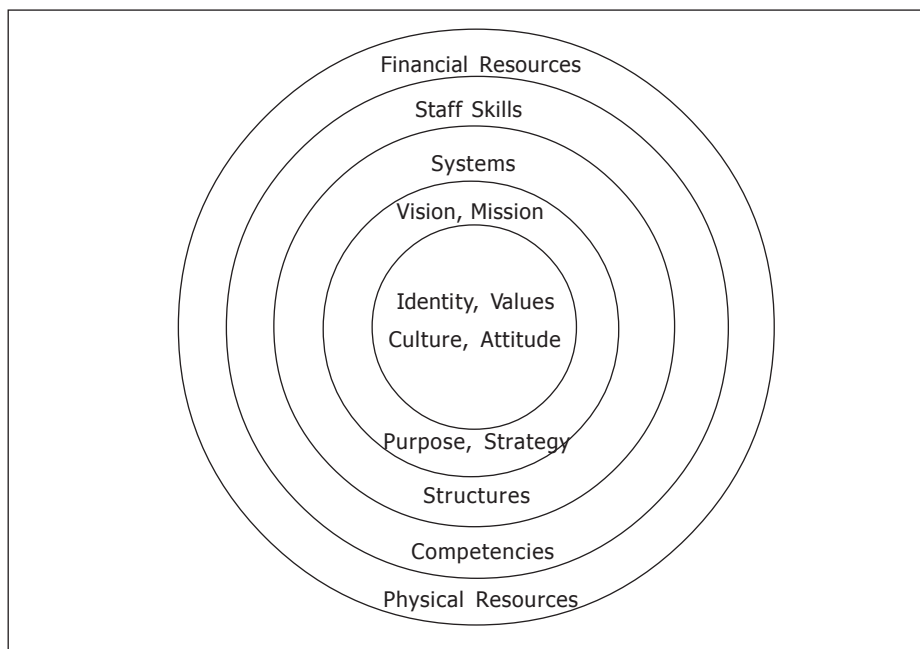
Firstly there is the NGO's **programme**. NGOs are set up to *do* something for other people. In the past, donors have made funding decisions on the basis of technical appraisal of projects and outside assistance to NGOs was mainly in the form of technical transfer.

However, recently it has been realised that a focus on technical programmes whilst ignoring the **organisation** that manages these programmes is very shortsighted and superficial. As SIDA holds "*without taking heed of the need for sustainability of activities and the importance of capacity-building and organisation strengthening to achieve this almost any development support is likely to have short-lived results*"⁹. As well as being able "to do" an NGO needs "to be". However, it also needs to be able "**to relate**".

An effective NGO needs to have **positive external linkages** with other organisations and institutions. NGOs cannot achieve change working in isolation. For NGO programmes to be effective, NGOs need to relate effectively to others. Crucially, there is a direct correlation between the quality of an NGO's external linkages and its impact on development¹⁰.

The final element in this picture is the **context** or **environment** in which the NGO is operating. The external context is often largely ignored in analysing and managing NGOs. The way in which an NGO is managed will be contingent upon its environment.





Another model for looking more specifically at organisational capacities, which an NGO needs, is represented overleaf.

The outside layer of the “onion skin” represents the **physical** and **financial** resources which an NGO needs - the money, the buildings, the vehicles, the equipment.

Inside that layer are the **human skills** required to carry out the activities - the individual staff competencies, and abilities.

Inside that the **structures** and **systems** (such as monitoring and evaluation systems personnel systems, financial management systems) needed to make an organisation work.

Inside that the **vision, purpose** and **strategy** of the NGO – what it wants to achieve and how.

Right at the heart of an organisation lies the core of an NGO – its **identity, values**, beliefs, **culture**, motivation and theory of development.

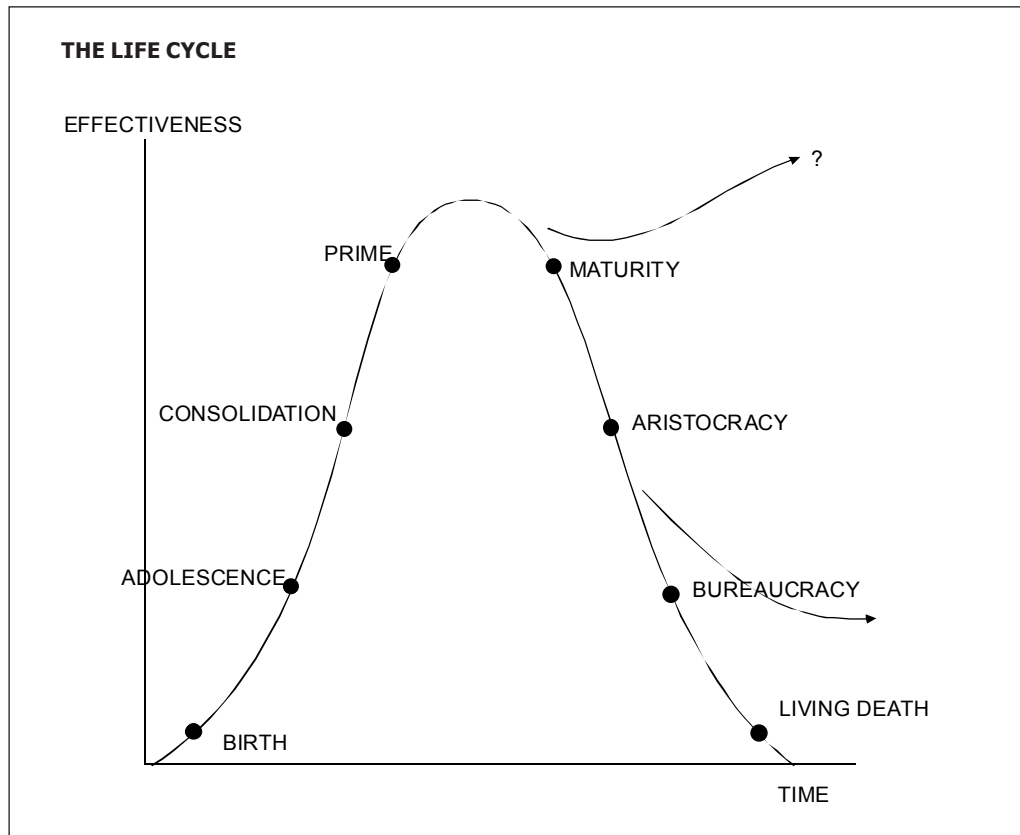
The benefits of this model are that it shows clearly how **inter-related** all these different components of an NGO are. There is a need for **coherence** and **consistency** between these different components and an understanding that if you work on one component, it will have ramifications for the rest of the organisation. The “fit” between the different components has to be good.

The onion skin model also serves to show that the **complexity of NGO capacities increases as you move towards the centre of the onion**. It is often easier to solve the problem of a lack of financial resources than of self-serving values or an unclear purpose. Indeed, NGOs themselves often struggle to analyse their needs beyond their immediate resource deficiencies, and yet their most serious and long-term problems are



much more deep-rooted than that and not easily solved just through the outside injection of funds.

READING 4



The lifecycle of an organisation

Adapted by INTRAC from Al Holmes of the Manitoba Institute of Management.

Birth/Infancy

Many organisations start with a dream: one person or a small group meet together and decide they want to run a programme or provide a service for the community. In the early days they do everything themselves, running the activities, raising funds, writing reports. Decisions are often taken collectively and many, if not all, of the staff are volunteers.

Adolescent Crisis

As the organisation grows and becomes more successful, it inevitably experiences "growing pains". New staff have to be recruited. The founders often try to control every aspect of



the organisation, but such control becomes less and less feasible. There is a need to “depersonalise” the leadership of the organisation and have a greater direction from the Board and standardised administrative systems. Some founders are unwilling to let go and the resulting crisis can tear the organisation apart.

Consolidation

If the organisation comes through this crisis successfully, it often devotes its resources to establishing a sound management and administrative base. Personnel policies are institutionalised, financial management systems are established and priority is given to long-term planning and co-ordination.

Prime

This leads on to a new stage when the organisation finds itself in its most effective period: clear goals, well-established support systems and committed staff.

Maturity

The effectiveness is still there and in fact the programmes may be at their most effective. But, the vision commitment starts to lessen. Ideally, the organisation needs to “renew” itself, re-engage with its vision, keep in touch with and learn from the people they are working with, decentralise, move back into the “prime” stage. If it does not ...

Aristocracy

The decline will begin (the seeds of decay!). The efficiency will still be there and the organisation will probably keep its good reputation over time. But the organisation will gradually lose contact with reality. The enthusiasm and creativity will disappear. Serious problems will occur but these will be ignored or hidden. These underlying problems will have to be dealt with. Any revival will have to be dramatic and is often associated with a change in senior management.

Bureaucracy

Sooner or later the aristocratic organisation will be hit by bad news that something is wrong: major sources of funding may refuse further support, the media may launch an attack, users may band together to protest. People start to fight and search for scapegoats. The better people, since they are feared, are fired or they leave on their own while others hang on long after they cease to perform a useful function. If the organisation can continue to get funding, it moves into the bureaucratic phase where the vision has disappeared, the programmes are secondary and the emphasis is on forms, procedures and paperwork. Everything must be put in writing. Any revival has to be traumatic and radical surgery is needed; otherwise ...



Living Death

The organisation will lose the confidence of its constituency and donors and will die although some bureaucracies never get there, they just go on and on

READING 5

Handy, Charles; Understanding Voluntary Organizations Penguin 1988

Chapter 6, Cultures of Organizations pp 85-102;

Appendix, Questionnaire on the Cultures of Organizations pp 162-168

CID is waiting for Penguin's permission to include this chapter.



Footnotes

⁹ Johnson and Wohlgemough, "Capacity-Building and Institutional Development – SIDA's perspective" IDR Currents, IDRC, Uppsala. 1993

¹⁰ Carroll, T., 'Intermediary NGOs', Kumarian Press, Connecticut, 1993



