



inside job

reflections towards
greater NGO effectiveness

CONSUELO FOUNDATION 2010

Consuelo Foundation

is a private operating foundation founded in 1988 in Honolulu, Hawaii. Its mission is to prevent and treat abuse, neglect and exploitation of children, women and families. Since 1993 when it was set up, its Philippine office has worked with more than 120 partners in pursuing its mission among disadvantaged Filipinos.

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inside job

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The **front and back covers** feature the double helix image of DNA (deoxyribonucleic acid) which is also sometimes referred to as the “blueprint” of life. Since 1952 when the xray of Rosalind Franklin led to its discovery, the double helix has deepened man’s knowledge and understanding of the development and functioning of all known living organisms, particularly in terms of the storage and transmission of genetic information. Ten years later, Francis Crick Maurice Wilkins James D. Watson were awarded the Nobel Peace Prize in physiology and medicine for this discovery. (http://en.wikipedia.org/wiki/Nucleic_acid_double_helix; http://www.diffen.com/difference/DNA_vs_RNA#ixzz13QcCaSrF).

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You must be the change you want to see in the world.

Mahatma Gandhi

(spiritual and political leader, India's Father of the Nation)



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inside job is the result of Consuelo Foundation Philippine Branch's efforts to help its local partners become more effective in attaining their missions. It reviews selected concepts, principles and other information pertinent to the standard organizational components and provides certain capacity development protocols that could help non-profit organizations in undertaking positive change to achieve excellent performance.

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Greg G. Par

Organizational Development Manager
Consuelo Foundation Philippine Branch



FOREWORD

When Consuelo Zobel Alger first thought of a foundation, her dream was “to renew hope to those who have lost it and give hope to those who have never had it.”

In 1993, the Philippine Branch of the Consuelo Zobel Alger Foundation (CFPB) was established to bring hope to those who needed it most. Thus, it pursued the mission to prevent and ameliorate abuse, neglect and exploitation of children, and women.

Seventeen years later today, that mission continues to transform lives among survivors of abuse as well as those at risk of abuse, neglect and exploitation. Children, women and families who today have become self-managing and self-reliant are living testaments. They are now more adept at beating the odds, with their past in perspective and a decent future in sight.

CFPB pursues its Mission through partners. Its brand of partnership is characterized by congruence in mission, values and goals. It is a partnership that goes beyond a contractual relationship on project implementation. As an operating foundation that serves its target beneficiaries through the direct services with its partner organizations, Consuelo Foundation needs to ensure the latter’s organizational well-being. For this purpose, it provides the adoption as well as support the attainment of standards among its partner organizations.



As Patti J. Lyons, former President and CEO of Consuelo Foundation puts it: “The quality of organizational administration and management of their (partners’) programs and services is of great importance to the Foundation as these determine the extent and manner by which the needs of the target clients are properly addressed and satisfactorily served. For a child or woman who has been battered, abandoned, abused, exploited or extremely impoverished, access to quality social services spells hope for the future. Without these services, the opportunity to recover, develop God-given potentials and live a responsible productive life is nil.”

To further help partners, CF developed the *Guidelines on Organizational Capacity Building and Social Service Delivery* in 1998 and the *Organizational Standards Self-Assessment Workbook* in 2003 as tools for an organizational self-study. These manuals serve as guides to periodic reflection followed by the development of a concrete plan on how an organization can perform better. The development of the plan is crucial in an organization’s effort to achieve not just greater efficiency and effectiveness, but more importantly greater relevance and dynamism.

INSIDE JOB: Reflections towards greater NGO effectiveness, was conceived to complement the Organizational Standards Workbook. The latter was designed as a standard self-assessment tool. On the other hand, *INSIDE JOB* aims to inspire, motivate, and further equip partners. It reviews certain basic concepts and processes that could help them in undertaking the aforementioned self-study.

The first two chapters are basic introductions in the phenomenon of change and the notions of organizations as human systems. The other chapters deal with the standard OD components — organizational purposes and commitment, governance and administration, program/project development and management, human resource development and management, financial management, resource generation and mobilization, general administration, communication, and management information.

To ensure that its contents are relevant and appropriate, the concepts from Western and corporate perspectives are presented in settings of non-profit organizations.

The brief accounts of partners’ experiences are part of the effort to concretize abstract concepts within a non-profit organization’s perspective. These experiences

were studied with help from experts during a couple of forums conducted among partners. Some of these vignettes were from interviews with individual officers of partner organizations.

To make the contents appropriate to target users in terms of ease of understanding, their presentation took into account the varied levels of experience in non-profit operations among the leadership and staff across partner organizations.

A glossary and reference section are included to facilitate further research by users.

That it speaks to the individual professional flows from the basic tenet that guided the development of this material: the lifeblood of organizations is its workforce and that organizational growth really starts with and within the individual in the organization.

The value of this book rests with you, the reader-user. The inspiration, motivation, provocation and learning you will derive from it, is yours to determine. The amount of learning you will gain will hopefully help determine where your organization stands at the moment and how much farther it can go.

We hope that overall, *INSIDE JOB* will prove to be a useful companion to the Organizational Standards Self-Assessment Workbook. That it will somehow help you achieve personal and professional growth and satisfaction. And that you will take your organization along in the process, uplifting it as a truly professional development entity with substance and integrity.

When these come to fruition, the broken and hurting children, women, and communities we jointly serve will themselves be closer to our hope and their dream for meaning and substance in their own lives.

Ray Dean D. Salvosa

Managing Director

Consuelo Foundation Philippine Branch

Outsiders can help, but insiders must do the job.

Dr. Y. C. James Yen
(founder, Rural Reconstruction Movement)



THE ANATOMY OF CHANGE

"A transformation or modification;" "the passing from one place, state, form, or phase to another" (Dictionary.com) — two dictionary definitions of the word *change* which both indicate that change is a moving on or process, with an origin and a destination; active; on-going.

Many NGOs came to be because of change. Change is also the backdrop against which organizations operate today and in the coming years. Change is "a fact of life in the world of work" (Harvard Business School, 2003); it is "the only constant" and no organization is exempt from it (Lawrence and Seiler, 1961 and 1965).

But these only make up half the story.

Change is also what organizations need to undertake in order to grow. It is a basic element in an organization's pursuit of its mission. It is fundamental to its progress and therefore essential in strengthening its operational and adaptive capacities that will enable it to achieve its purpose. It is at the heart of every organization's capacity development initiative.

With its vital role in organizational growth, 'change' ought to be looked at more closely. A basic understanding of it is an important first step. We hope that you will be encouraged to partake of what's in store, especially as it relates to the collective self-study process which Consuelo Foundation requires of its partners and for which the Organizational Standards Self-Assessment Workbook was developed as guide.

2 GETTING FIT FOR CHANGE AMID CHANGE a.k.a. ORGANIZATIONAL CAPACITY DEVELOPMENT (an overview)

Change up close

Competition, economic and market trends, scientific breakthroughs, demographic movements, politics are only a few of the external circumstances that stimulate change. Because of the rate at which they occur, changes arising from them also come at a dizzying pace more than ever before. Advances in visual technology that used to take many years to achieve now come in a matter of months. New gadgets appear in the market like veritable mushrooms. Due to increasing climate change, the proverbial 'sudden summer rain' now hardly applies. A newer software than the one with which this manuscript was started is now in the market with a later version already in the works.

But the thing with change is not just the speed with which it occurs. Change begets change and the effects of change have grown from ripple to wave to tsunami proportion. One only has to think about the new and strange diseases that curtail travel within and across countries, threatening economies that are dependent on tourism. For a time, the warning was that if the US sneezes, the world will come down with a fever. Today, China's winking sends global commerce reeling. Though there was a shift from one country to another, it remains that a decision or action by one country is enough to trigger change in the world at large.

In the smaller sphere of organizations, what complicates the change process is not only the rate at which it occurs or the expanse of its aftermath. Change also takes many forms. *Structural* change is where parts of an organization are reconfigured to improve overall performance. *Cost-cutting* is eliminating the nonessentials to conserve resources for reprogramming for other needs. *Process* change alters ways of doing things for greater efficiency and effectiveness. *Cultural* change influences the behavior of the human side of an organization and thus affects work performance. Change could also be *one single abrupt shift* or *a series of small incremental changes* over a period of time. (HBS, 2003)

Change and its effects are BIG in the 21st century and they continue to escalate. Thus we have a world that is facing threats of various kinds and magnitude. This is what makes capacity development a necessary and urgent undertaking for organizations today especially nonprofits which deal with life issues of those most vulnerable in times of change.

Capacity development is the process by which individuals, groups, organizations, and societies increase their abilities to perform core functions, solve problems, define and achieve objectives, and understand and deal with their development needs in a broad context and sustainable

manner (Hogan et. al., 2003). It must be an ongoing program that undergirds everything an organization does. It is the only way an organization can consistently unleash its full potential and manifest this in quality performance amid unstoppable and unavoidable change.

Here are additional notes on *organizational capacity development* from Hogan et. al. (2003) which are worth knowing:

History:

It originated in the fields of technical assistance and development cooperation. The focus shifted from the supply of inputs and the transfer of technology from industrial countries to less developed ones with the assumption that they would trigger sustained economic growth in the 1950s and 1960s, to acquisition of knowledge and skills in developing countries, changing attitudes and increasing ability of individuals to work collectively to meet needs and manage processes rather than on supplying inputs; then to strengthening the national economic and legal institutions that foster the development of private enterprise. These past approaches were found to be too limited in their view of development requirements and processes. They paid too little attention to the essential capacities needed for public organizations and NGOs.

Definitions:

"An ongoing process to increase the abilities of an individual or an organization to perform core functions, solve problems, and define and achieve objectives." (United Nations Development Programs)

"A systematic approach of continuous learning to improve an organization's ability to make the most effective and efficient use of the available personnel and financial resources to achieve the humanitarian purposes of the Society in a sustainable way." (The National Red Cross and Red Crescent Society)

"A highly complex process of learning and improvement that takes place within the organization"

Common features:

1. an ongoing process
2. aims to increase the ability of an organization to carry out its functions and achieve its objectives
3. increases the ability of an organization to learn and solve problems
4. includes creating the ability to deal with the issues of today and also to remain relevant in the future



Through a capacity development program, an organization charts its own transformation in a manner which will allow it to keep functioning effectively as it undergoes change. It provides the platform as well as the processes that enables an organization to hone its ability to effectively apply its skills and resources in meeting known as well as emerging issues. It strengthens both the operational and the adaptive capacities of an organization, providing it the capacity it needs to cope with multitudinous change in the environment without seriously jeopardizing its work.

Capacity development is a non-negotiable responsibility of organizations. This is especially so in the case of those in social development that preach and advocate development and positive change. Ideally such organizations are expected to manifest growth and development in their own individual and organizational lives.

When the human side of organizations are living proofs of the need for and value of change, they become more effective communicators of the same to their clients. The best organizational

*All work starts with
human nature,
not corporate logic*

Bill Jensen
(simplicity at work expert)

capacity development effort is one that is carried through in the minds and spirits of the individuals in the organization beyond and above programs and activities. This is the kind of motivation for growth that unifies a service organization with the people and communities they seek to serve.

But positive results could still prove elusive in spite of an NGO's firm commitment and best effort. This is because real change can only take off from a conscious and deliberate desire to grow. The change NGOs seek is change in the lives of others -- its clients. Thus it can only come

about if the client so decides. In this sense, NGO work can only *communicate about change* in order to enable -- communicate to inform, to show, to prove, to encourage, and later on, to support.

The initial desired outcome is positive thinking and attitude towards growth on the part of the client. The ultimate desired result is positive change in the client's own situation resulting from his or her own action.

Though even more complicated today, capacity development has benefits that far outweigh the consequences of inaction. Being spectator will always be just second best. The most a spectator gets is a good time from watching the race or a good feeling from vicariously experiencing the exhilaration of the one who ran the race to the finish. Both the good time and the good feeling are short-lived though -- they soon fade into memories usually recalled only when exchanging stories with family and friends.

Lagging behind which is a better option than inaction is not a cheery prospect either though. For many, the very thought of its consequences can be quite terrifying. For business organizations, it

could mean losing to a competitor in a neck and neck race for consumers' money in these hard economic times. Failure could necessitate downsizing or, worse, folding up. For NGOs, it could ultimately mean delayed response to life-threatening needs of clients.

Man's inhumanity to man is not only perpetrated by the vitriolic actions of those who are bad. It is also perpetrated by the vitiating inaction of those who are good.

Martin Luther King
(civil rights leader)

Social development organizations also run a race and face competition but of a slightly different kind. The increase in the number of NGOs and the challenges they face have considerably dried up resources available for social development initiatives. Philippine NGOs that are looking at foreign grants and donations are in competition with other countries' needs such as those caused by major emergencies abroad.

Moreover, the worries of NGOs revolve around needs that cannot wait. Issues like food, health, shelter, education, protection, and a rapidly deteriorating environment come with broad life-threatening implications. Unmet, they pose a threat to society as a whole.

But in spite of the complications and frustrations that usually accompany capacity development, there is more for organizations in deliberately embarking on the process of change than merely waiting for change to happen and reacting to it. While striving makes winning only a possibility, it unfailingly brings some degree of fitness.

Capacity development stretches organizational muscles, in turn expanding an organization's capacity to carry out its functions and achieve its objectives during difficult times. This stretching is training an organization for future challenges as it makes it better fit for present-day concerns.

Apart from its being a fitness regimen of sorts, organizational capacity development is a terrific classroom. With it comes learning which is not only the acquisition of knowledge. It also includes the application of it through doing something new or doing something differently. *One would want to know more about a new job assignment to do it well, no matter how closely related or similar to a previous one. If it comes with a change in supervisor, one will also want to know the person more to work with him well. A new system is something a responsible employee strives to know more about and get used to so that it facilitates rather than disrupts his own work or that of his colleagues.*

Even failed attempts at organizational change have lessons to teach. In fact at times, they prove to be the more effective teachers.

Thanks to the complexity and the stretching involved, capacity development reveals truths an organization and the individuals comprising it never thought existed. The process takes them out of their old ways to adventures they only thought possible for others, or in dreams, or in movies. It



brings them realizations about their real strength, their determination, their crisis quotient, how far they can go distance-wise and endurance-wise. It gives them a glimpse of the real measure of their faith — in themselves, in their colleagues, in their organization, in their higher force or being.

The lessons that can be derived from and through capacity development have no expiry date. They are lasting, serving the present as well as helping the organization stay relevant and effective in the future.

But more than all of these pluses of capacity development for NGOs, there is something more fundamental that NGOs must recognize: NGOs and inaction do not go together.

Inaction goes against the very essence of an NGO. It erodes its reason and purpose for being no matter what that purpose is. It leaves a gaping hole in the psyche of an NGO and brings with it nagging questions. *What if we tried? Could we have succeeded? Would we have had the strength, the endurance? How would we have fared?* These questions which unfortunately can no longer be answered when asked and the helplessness that usually accompanies them can significantly impede an organization's effort towards greater effectiveness.

NGOs in countries like the Philippines where basic supplies and services are in such shortage, have little choice. They are constrained to act or to give up. Precisely due to this lack of choice, it is best that capacity development is undertaken deliberately, seriously and urgently. Through it, an NGO will get a better hold of itself and its work, and the opportunity to take a deeper, more organized, better structured look at its situation that is innate in the process. These will then enable it to map out a realistic and appropriate approach that will tap its capacities to the utmost and eventually help deliver the results it desires and needs.

The level of difficulty of undertaking change makes careful planning, implementation, monitoring and evaluation of the process absolutely necessary. Preparation must include studying how the elements involved come into play.

It would be in the best interest of an organization to take cognizance of culture as one of these key elements as it embarks on the change process like capacity development. Such is of utmost importance for organizations in a highly regionalistic country like the Philippines where organizations are constantly dealing with various cultures as well as subcultures within as well as outside of it. Most Philippine NGOs have multi-subcultural staff. Complicating matters further, the nature of NGO work mainly entails working with different sectors of society in various localities and communities, each with their own subculture. Working around and within all these is significant in achieving purpose and the desired outcome of organizational capacity development.

Unless an organization perseveres in its pursuit of a well-crafted process of change and renewal, it could unwittingly entrap itself in circumstances that keep it merely coasting along from day to day, when it has every potential to soar.

Soar or coast along?

Change is no respecter of anything or anyone. Organizations are not exempt. They do not exist in a vacuum and therefore cannot operate in isolation. Neither can they insulate themselves from the changes happening around them. Sometimes they are forced by external circumstances to undertake change. Sometimes crisis triggers the change.

Change is also inherent and constantly occurring in human systems like organizations. The people in organizations undergo change within and outside of the workplace that influence their work performance and effectiveness.

But organizational change need not only occur in the wake of external or internal processes and crisis. The best kind of change that can occur to individuals and organizations alike is that which is freely chosen, and carefully planned and undertaken when the individual or the organization is prepared to do so. This is the kind which also usually succeeds because having been a deliberate choice, it comes with the willingness and the perseverance to pursue of those involved.

Capacity development is a logical and pivotal choice for organizations especially because the when, what and where of external change that impact strongly on their operations are impossible to predict (HBS, 2003). This is the reason experts urge organizations to accept the inevitability of change. Fortunately, transformation is *always* an option for any organization (Quinn, 2004).

Acceptance of the need to change enables organizations to see times of transition as opportunities for maintaining or enhancing their relevance and effectiveness, rather than as threats (HBS, 2003). This helps give them the equanimity needed to gain as much of the positive effects that change could bring. As a consequence, they are able to objectively apply these in overcoming the negative effects which also come with change.

As capacity development taps the organization's potential to perform, it helps the organization accomplish its goals and satisfy the expectations of its stakeholders. As it enables an organization to meet current difficulties, it is strengthened for future challenges. The nature of the growth process is also such that an intimate and personal connection between the process and the



object needing and wanting the change is indispensable. Just as reading about the rudiments of swimming does not guarantee that once in the water, the person will be able to swim, no one or nothing can truly be transformed by reading about change or growth.

Destiny is not a matter of chance, it is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved.

William Jennings Bryan
(peace advocate,
public servant)

For genuine growth to occur, the unit of change must, so to speak, get into the water. Very much like the physical fitness regimens for humans, capacity development requires first-hand, hands-on engagement, and proper and consistent execution of carefully studied movements to achieve the desired fitness. External assistance or resources may become necessary, but these are merely supplemental to the organization's own resources and drive.

A strategic way of tackling the present and bracing up for the future

Daunting as it is, capacity development is essential for an organization's survival.

Effectiveness and efficiency no longer suffice. Increasing competition, a global economy and rapid technological change require organizations to innovate continually in order to survive (Spreitzer and Quinn, 2001). An organization must adapt to stay relevant in an era of uncertainties. The challenge to organizations today and in the coming years is about becoming flexible and adaptable.

To step up to the plate, organizations must engage in *action learning* -- bringing people together mainly for two things: (1) to share and learn from their experiences in the various aspects of the organization's work and (2) to process and use insights from these experiences in determining how things can be done better within individual and organizational capacities and the context of the organization's external operating environment.

The essence of action learning is in conceptualizing and testing appropriate innovations. This requires the organization to leave its comfort zone and replace life-long habits with new and better ones.

But this is not to say that capacity development is simply breaking free from the old in favor of the new. It requires striking a balance between respecting tradition and history while instituting new ways that will enable an organization to achieve a better future more efficiently and effectively. It

requires remaking structures, systems and culture without discarding the good and the meaningful from its past. It promotes adaptations that are not out of character but changes that are consistent with its true identity and purpose. (HBS and Society for Human Resource Management, 2005)

HBS and SHRM (2005) lays out the five key competencies that can enable the Human Resource professional and others in the organization who are leading the change process, in employing a strategic approach to capacity development:

1. Culture management

Influencing people across the organization to share ways of thinking and behaving. Hofstede (2010) states that organizational culture is rooted in practices and therefore manageable. He lays out five dimensions of culture operational in the workplace: (1) *power distance* (the extent to which the less powerful in organizations accept and expect a more equitable distribution of power), (2) *individualism versus collectivism* (the degree to which individuals are integrated into groups), (3) *masculinity versus femininity* (the distribution of roles across genders), (4) *uncertainty avoidance* (the tolerance for uncertainty and ambiguity), and (5) *long-term orientation versus short-term orientation*. A review of Hofstede's study of these cultural dimensions would be a good input to managing culture for organizational effectiveness (http://www.geert-hofstede.com/geert_hofstede_contrarian_position.shtml).

2. Change acceleration

Encouraging people in the organization to hasten change by applying lessons from experience to the new change initiative, monitoring how the processes are coming along, analyzing what promotes quick decisions and applying them in decision-making, and ensuring that the resources needed are available.

3. Strategic decision-making

Appropriately analyzing and deciding on strategic issues.

4. Client (market) understanding

Acquiring an understanding of the organization's clientele and helping others in the organization to acquire the same understanding.

5. Strategic (business) planning

Thinking how the organization can distinguish itself from other organizations and plotting out action steps revolving around it.

Leaders must see to it that the following five elements are embedded in the organization for it to successfully undertake capacity development (HBS, 2003).

- A ***bold vision*** will provide the stretch towards excellence. The image of something much better than the present will inspire and motivate.
- A ***systematic approach*** will ensure that tasks are completed properly by the right people and at the right time, and that all inputs are coordinated according to plan.
- A ***clear intent and mandate*** will set the appropriate focus and parameters, helping the organization to stay on track.
- A ***specific methodology*** that spells out the logical and practical mechanics to achieving goals and objectives will serve as guide in accomplishing tasks.
- An ***effective and visible leadership*** will (1) set the climate conducive to change and growth; (2) inspire, motivate and encourage a positive regard for change as a growth opportunity rather than a threat to security; and (3) model and guide people towards acquiring, strengthening and applying attitudes, behaviors and practices that help to overcome hurdles in the change process and to stay the course until the desired change is achieved.

In spite of the best of preparations for capacity development though, only one thing is certain – the going will not be smooth. Change produces stress. It also promotes a sense of loss and anxiety. It lowers morale, loyalty and trust. It destabilizes and can even displace people. And not only negative change but even positive change puts people through a wringer.

All these make change intimidating even to the hardest of organizations. It is therefore no surprise to encounter resistance besides resistance being a natural human response and part of the natural process of adaptation. But people and organizations that resist change can be helped.

Leading strategic change

No matter how well prepared organizations are for change, they will still need anchors – things that will give their human resource a sense of routine, familiarity and continuity.

This calls for a kind of leadership that walks with the rest in the organization through the journey, rather than one that merely calls the shots from the conference room or behind her desk (Adair, 2003). Cultivating this kind of leadership is a major strategy for preparing an organization for the change process.

A leader during such times must create the need and the context for change, provide a strategic vision and an environment where everyone in the organization can pursue it, promote team spirit, and nurture the practice of leadership at all levels. While a guiding vision is fundamental in leading change, connectivity between a leader and the rest in the organization is just as crucial. A leader who is one with the rest will serve as the much-needed anchor during the change process. (Cameron and Green, 2004). A tough job even during more stable times, leadership in an era of change is no longer just accountable for achieving targets. The goal of leadership during the change process is not a perfect state but the heightened quality of the journey (Owen, 1999). Its role is to promote conditions that are conducive to the realization of human potential. Its desired product today is a high-performance team that does not only deliver the service, but one that rides out the storm to deliver the service. This is why experts say that especially during these times and for those in social development, leadership is a calling, not just a job.

To push people through the change process is a job. To lead, inspire, and encourage them is a calling. This is how to draw the best results from change. But leading, inspiring and encouraging people can only be done successfully by leaders and managers who are themselves inspired and motivated. When they are, they usually have a real understanding of people's reaction to change and are able to support them along the way. This is where real influence emanates, which is what leading is all about, nothing more, nothing less.

Anticipating and minimizing resistance

One good way of starting is by learning how people usually react at various stages of the change process. HBS (2003) provides an overview along with some useful ways by which leaders can help their constituents. These are summarized in the succeeding pages.

People's first reaction to change is **shock**. They feel threatened and unsafe, may become immobilized, and shut themselves down to protect themselves. **Preparing them ahead of time** will help lessen the shock, provide people with opportunities to vent their feelings, and help them manage stress.

People then usually go into **defensive retreat**. They get angry at what has been done to them and try to hold on to the past. At this stage, it would help to **keep the resisters connected to the immediate group and to provide them the verbal outlet for their grievances**. (Resisters are those who refuse to accept change because they perceive themselves as losers in a change initiative or those who lag behind in the process of change.)

Then people begin to explore the pros and cons of their new situation and to consider taking risks. This is the **acknowledgment** stage during which a manager can **continue being sounding board for complaints, strengthen group cohesion and encourage staff to try new things.**

Finally, people relinquish the old situation and the pain from the process in favor of the new, accept the change, and adjust appropriately. These signal that the **acceptance and adaptation** stage is at hand. While things may have quieted down, it is not the time to be complacent. Managers need to **keep working on group dynamics, understand what each staff needs to feel a sense of accomplishment, move the focus from feelings to action, and if needed, replace the staff who simply cannot and will not fit into the new situation.**

Less resistance, more acceptance will facilitate and increase the probability of success of a change initiative. To achieve this, the change process must have the following features which must be communicated to everyone involved:

- It is a clear advantage over the status quo.
- It is compatible with people's deeply-held values, experiences and needs.
- Its requirements are understandable.
- It provides people the option to experiment with the model on a small scale.
- Its results in another setting are observable to people.

These features will provide people with a sense of stability from the promise of a better future -- one that is responsive to their needs and within their values. Knowing what the requirements of the process are will encourage them to participate actively and guide them on how they can contribute appropriately. The option to experiment and to see positive results from the same process in another setting will also minimize the unknown to people and strengthen their sense of security. The potential benefits and risks in organizational capacity development underscore the importance of informed and careful planning.

*Planning is bringing
the future into the present
so that you can do
something about it now.*

Alan Lakein
(author on personal
time management)

Proper planning will give the organization the well-thought out options it needs. It will also provide the venue where information that could impact significantly on every aspect of operations can be examined. A participative endeavor like planning also provides the time and the processes to cultivate and promote the climate needed for capacity development.

Here are seven practical steps that managers at all levels can take in leading the change process (Beer et. al, General Electric's Management Development Center, and Schaffer and Thomson as cited in HBS, 2003).

- 1. Mobilize energy and commitment through joint identification of problems and their solutions.** Answering why is essential in motivating the staff and creating a sense of urgency.
- 2. Develop a shared vision of how to organize and manage for competitiveness.** People in charge must be clear about the benefits that the organization's improved future will make possible and communicate these to the staff. An effective vision can get staff on the side of change.
- 3. Identify the leadership.** The leader/s must own and lead the change initiative.
- 4. Focus on results, not on activities.** Even for a long-term, sustained change program, focus on measurable short-term performance improvement goals is important. One common mistake is to focus on measurement, training, team-creation and other activities that "sound good, look good and allow managers to feel good" but which hardly contribute to bottom-line performance.
- 5. Start change at the periphery then let it spread to other units without pushing it from the top.** Change instigated in small, fairly autonomous units works better. Accomplishment on a smaller scale (a unit) can provide impetus to change in the other units. This helps to diffuse the change initiative throughout the organization.
- 6. Institutionalize success through formal policies, systems and structures.** "Gains can be consolidated and cemented through policies," information systems and reporting relationships; staff must be as concerned with institutionalizing the "journey" as much as implementing the process itself, with *continuous* improvement as the ultimate goal.
- 7. Monitor and adjust strategies in response to problems in the change process.** "Change programs almost never proceed according to plan." Unanticipated problems crop up, developments in the external environment occur. Leaders must be flexible and adaptive; plans must be able to accommodate adjustments in scheduling, sequencing and personnel.

Getting ready, becoming ready

The prospects from the change process are many; so are the risks. This makes readiness for organizational capacity development a must.

An NGO's approach to organizational capacity development must be one that is expeditious and cautious at the same time. The process is complex. It involves the organization as a whole. Moreover, it puts an entire program in jeopardy. In the case of most NGOs, this is tantamount to

putting people's lives at risk because the services NGOs render are basic and the people they are meant for are usually those with severely limited alternatives. An organization must prepare to undertake a major change initiative like capacity development for its own sake as well as for its beneficiaries' welfare.

The following pages discuss the three indicators from HBS (2003) which show that an organization is change-ready and the steps that can be taken to facilitate the change process. We have included some questions as aids in determining where one's organization stands and what can be done to help it at the initial stage of the change process.

An organization is ready for change when...

- **"Leaders are respected and effective."** Bosses who are "neither respected nor effective are absolute deterrents to organizational performance....inept leaders... can thwart well-designed plans for improved performance." *Who are the leaders in your organization? What are they like? How are they generally regarded by you and your colleagues? What can be done to make them even more effective?*
- **"People are personally motivated to change."** Staff motivation typically comes "from tangible dissatisfaction with the status quo" and an eagerness for something better; "a certain level of nervousness, fear or discomfort must be in the air for real change to have a chance." *How pleased are you with the way things are in your organization? What about your colleagues? And even if you are fairly pleased, where do you think some improvement can be made? How can you help create excitement in the organization in trying out new things to become more effective? In doing things differently but with better results?*
- **"The organization is non-hierarchical and people are accustomed to collaborative work."** A hierarchical structure could be useful in economically driven change. But process and culture change have different requirements. "Effective change demands collaboration among willing and motivated parties." Two ways to overcome a hierarchical structure are: (1) to push for more decentralization where units are more autonomous and (2) to create opportunities for people in different units and at different levels to collaborate. *How can you influence your organization to be more decentralized? What is the level of trust in your organization? How can you help strengthen it so that decision-making can be more participative? What are the steps that will help develop leadership in all levels of your organization without threat to the formal leadership? When does your organization engage in team work? In what activities and who are involved? What can be done to promote stronger teaming up within your organization?*

A manager can help his or her organization become ready for change by

- Doing a **unit-by-unit change**.
Some units may actually be ready even if the organization is generally not; use these units as tests for your change initiative. *Which units are these in your organization, if any? What makes them tick? How can they be made to infect or influence others?*
- Developing **more participative approaches** to day-to-day tasks.
 - (a) "Push decision-making to the **lowest possible** levels." *What are some of the common decision points you face? How is decision reached? Apart from you, who are involved?*
 - (b) "Begin to **share information freely**." *What information do you usually share? With whom and in what way? Can it be made better? How?*
 - (c) Foster **two-way** communication. *How do you usually communicate with your staff? With your peers? With your bosses? How often do you usually do the talking? How much listening do you usually do? After you have listened to others, what do you usually do with the information? Is there a pattern in the way you handle what you heard from others? For instance, is there a particular source whose information you usually use? Why? What can you do to promote real interactive communication in your organization?*
 - (d) "Eliminate **unnecessary symbols** of hierarchy and unequal status." *Such symbols impact on people subliminally. The really unnecessary ones -- those that are not vital to doing one's work well -- are better done away with. When people are focused on purpose, committed and confident, they have no need for the usual trappings of traditional leadership. It is not by them that genuine respect and trust are earned. Do you see any such symbols in your organization? For instance, an office by the window? First class travel? A corner office? Exclusive lounge?*
 - (e) "Encourage **participatory** management." *To what extent does your organization enable people to contribute significantly in management? In what particular areas does this happen? Who are involved and how is it carried out? What makes it possible? How can the process be replicated within your organization?*
 - (f) "Get into the trenches" **with your front-liners**. *While there could be advantages in physically joining your front-liners in their work, there could also be disadvantages. But what this is referring to is making your staff feel that you are "with them" in their work without being physically present. It is knowing that they can consult with you at anytime.*

It is being assured that even their failures will be reviewed within the context of honest best effort and that it will be followed by assistance from you to correct or improve. To what extent do you as manager join your front-liners literally and figuratively? How did you feel? How did they feel? What else can you do to strengthen your working bond with your staff?

- (g) *"Give practice in collaborative work." Having cross-functional teams implement activities and solve problems help people from different functional units to get used to working together.*
- (h) *"Help staff see the why of change and work with them to discover the what." Tackling the actual change becomes smoother when people are clear about the reasons behind the change initiative.*

- **Giving people a voice.**

"Voice empowers people to act." Kotter (as cited in HBS, 2003) states that employees generally won't help or cannot help with the change effort if they feel relatively powerless or voiceless. As Richard Axelrod eloquently puts it: "The cornerstone of any democratic process is voice -- the power to be heard and to influence outcomes. Maximizing voice means widening the circle of involvement to encompass those likely to be affected by the change process, including those who might be opposed or who think differently. When people believe their voice counts, a critical mass for change spontaneously emerges. But in companies that lack interactive discourse, it's harder to mobilize the energy and the innovation required to reverse sagging fortunes." (HBS, 2003)

- **Driving out fear.**

"...change cannot happen in an environment gripped with fear." A fear-dominated organizational culture is incapable of serious change. When people are fearful, they are incapable of coming to grips with needed change. Fear promotes avoiding risks and communication, and encourages concealing disappointing results. "Employees...must feel free to challenge the status quo, identify problems, suggest solutions...and try new things without fear of retribution if they fail."

It's time!

Implementation is the toughest part of change management. It also hardly proceeds smoothly to the envisioned and desired future. (HBS, 2003) Usually it takes more time than planned due to unanticipated problems, ineffective coordination of activities, distraction from other activities and

occurrences, insufficient capabilities of those involved, inadequate training and instruction, adverse effect of uncontrollable external factors, and insufficient support.

HBS (2003) lists down six activities which are essential for leaders during the implementation phase of a change initiative:

1. **Get the support and involvement of key people** — those respected by others in the organization, with key technical skills and access to vital information, the informal leaders.
2. **Draw up an implementation plan** — that is simple, “structured in achievable chunks,” specifies roles and responsibilities, created by people at all affected levels, and flexible.
3. **Maintain the plan through consistent behaviors and messages** — management must “walk the talk,” inconsistency erodes the trust between management and rank and file.
4. **Develop enabling structures** — activities and programs that are critical parts of the plan such as training, rewards system, and pilot programs.
5. **Celebrate milestones** — to “keep up people’s spirit and energy,” “neutralize scepticism about the change initiative, provide evidence that sacrifices and hard work are paying off, help retain the support of senior management, keep up the momentum and boost morale;” but *victory must not be declared prematurely*.
6. **Communicate relentlessly** — tell them why, tell them how, and tell them often (to set the tone, motivate, overcome resistance, prepare people for the pluses and the minuses of change, give staff a personal stake in the process):
 - a. *Specify the nature of the change.*
 - b. *Explain why.*
 - c. *Explain the scope of the change, even if it contains bad news.*
 - d. *Develop graphic representation of the change project that people can understand and hold in their heads.*
 - e. *Predict negative aspects of implementation.*
 - f. *Explain the criteria for success and how it will be measured.*
 - g. *Explain how people will be rewarded for success.*
 - h. Repeat, repeat, and repeat the purpose of change and actions planned.
 - i. Use a diverse set of communication styles that is appropriate for the audience.
 - j. Make communication a two-way proposition.
 - k. Be a poster boy or poster girl for the change program.

Now that we have seen the whats and hows, it's time to take note of the various roles and inputs of people in the process of organizational change. The other sections will continue to deal with them as they figure in the different aspects and components of organizational capacity development. Meantime, an overview.

Maximizing the insiders

Who are the key insiders that can help an organization significantly as it undergoes capacity development? What are they known for and what can they really do?

Leadership and change go together. **Leaders** initiate the creation of an appealing vision of the future, lead in developing a logical strategy to realize it, and then motivate people to pursue the vision. When there was not as much change, managing or running organizations sufficed. But today's change environment points to *leading* as the more appropriate strategy, the more crucial role and skill that should be encouraged at all levels.

Experts support the idea that for an organization to survive and thrive in the 21st century, leadership must be a "collective and constantly redistributed function" (Owen, 1999). Shared leadership is feasible and it has propelled organizations to unimaginable heights of effectiveness.

*Life is like a game of tennis.
The player who serves well
seldom loses.*

Anonymous

Leadership is inherent in the workplace and people possess leadership potential in varying degrees. An open, learning-oriented and empowering environment can unleash and cultivate that potential. Once tapped, employees will give meaningfully to their work (Spreitzer and Quinn, 2001).

The empowered leader leads by example, not just by words. He goes by a guiding vision and connects with people. He is an insatiable learner, an innovator, and a relentless communicator. He is focused on purpose, inspired and inspiring, not easily cowed, and consistently service-oriented. He is authentic.

Especially in social development, today's leader is a role model who must be trained for a marathon (Spreitzer and Quinn, 2001). In a time of continuous change, endurance is key.

Managers must learn to be leaders and lead the change initiative, i.e., make complex tasks run smoothly by working out the implementation details, get needed resources and keep the energy of staff channeled in the right direction.

Apart from its role in looking after the needs of the people in the organization -- reassigning and/or replacing personnel displaced by the change, arranging for employee training, facilitating meetings and conferences, and helping institutionalize successful change through employee development, rewards and organizational design -- the *Human Resource (HR) Unit* helps with the hiring and assignment of consultants who may be needed.

Along with the leaders, managers and the HR Unit, *change agents* are a category of insiders with a crucial role to play in the change process. People in organizations who possess the characteristics of change agents are a tremendous boost to management during a change initiative like organizational capacity development. They can be engaged to help their colleagues through the process. It is important for management to identify them and to place them in key positions in the capacity development initiative.

NGO workers are generally regarded as change agents. As such they are expected to have an edge when it comes to facing change. Being change agents themselves, they are expected to have a greater potential in leading others through capacity development.

What is a change agent anyway? Have we ever paused to assess ourselves within the context of this role? How can we become real change agents and influence others to become real change agents too?

Dictionary.com lists the word "catalyst" as another word for change agent which it defines as one "who precipitates an event or change, a prime agent of change." In organizations, a change agent or catalyst (1) gets the ball rolling, (2) creates bridges across people, (3) helps others see and grapple with the problem, (4) works through others in translating intent into action, (5) diagnoses problems from the perspective of others, (6) articulates the need for change, (7) motivates others to change, (8) stabilizes the adoption of innovation, and (9) fosters self-renewing behavior in others. (HBS, 2003)

People are like sticks of dynamite -- the power is on the inside but nothing happens until the fuse is lit.

Mac Anderson
(author, founder of
Simple Truths)

To be a "broker" for change indicates leadership qualities. To maximize the informal leadership potentials of change agents, organizations must strive hard to identify the change agents in their midst and mainstream them in the change process.

Spot them in your organization: Who do people listen to? Who are not satisfied with the way things are? Who are new and not likely to be infected with the same mind-set as everyone else? Who has unusual training or experiences?

An organization may sometimes tap external help.

Consultants can provide organizations with invaluable guidance during the change process. But an organization's relationship with a consultant becomes beneficial only if the organization understands beforehand how the consultant can be of help and how it can make the most of the consultant's services. Whether an organization opts for an *expert consultant* who will help shape the context of change or a *process consultant* who will recommend procedures to make change happen and coach leaders and the change team along the way, there are certain basic requirements to ensure successful use of consultants (HBS 2003).

It is necessary for the organization, particularly its HR Unit or Officer, to know exactly the specific field of expertise of a prospective consultant. The consultant's track record will provide useful indicators including other organizations she may have helped in the past. Expectations and terms must be made clear to both parties at the contracting stage. The consultant must also be oriented thoroughly on the prevailing conditions within the organization.

Familiarity with the organization is an advantage for consultants. However, all things being equal, there is also good in tapping new consultants. They could help and guide an organization from a fresh perspective.

Volunteers are outsiders with an inroad to the operations of the organization within certain parameters. As such, they comprise an important segment of the external environment from which help could be generated. As with consultants, orientation on the mission, goals and objectives of the organization, the work they will do, and the mechanics pertinent to their specific tasks is important for volunteers. Even if they have been helping the organization for sometime, it is better not to presume that volunteers are clear about these things. Monitoring and support while they perform their tasks as well as acknowledgment and reward after completion are also crucial.

Organizations must not only maintain a healthy relationship with volunteers to ensure some sort of fallback when crunch time comes. NGOs are in the business of building people. The opportunities they provide volunteers to cultivate their own potentials are concrete avenues for personal growth. This perspective will strengthen volunteers' motivation to help others. They can also derive satisfaction from knowing that as they help others, they too grow in the process.

A Consuelo partner has a long-running overall positive experience with volunteers which it draws from its project sites.

It does not have any formal criteria for volunteers -- the staff incharge simply sees to it that a volunteer's capability matches the task assigned. The satisfactory performance of its volunteer program shows that the staff know their volunteers well and that volunteers are also familiar with the organization's work. Good monitoring has also enabled the staff to readily respond to performance issues of the volunteers.

An invaluable lesson for the staff pertains to a volunteer whose over-familiarity got in the way of her otherwise healthy working relationship with the staff as well as the staff's relationship with its beneficiaries.

Even in the absence of similar problems, staff must never let their guard down. Roles must be adhered to without being stiff or unreasonably strict and formal about them. Caution must be a rule of thumb especially in matching volunteers with tasks. The risks must be weighed carefully because possible harm especially to beneficiaries like abused children in the case of some NGOs, can sometimes be irreversible. The protection of beneficiaries should prevail at all times.

ORGANIZATIONAL CAPACITY DEVELOPMENT — an inside job

Organizational capacity development involves promoting an environment which fosters attitudes that are tolerant and facilitative of change. It entails cultivating a culture that is open to learning and meaningful participation from everyone in the organization in whatever position or rank. It requires conceptualization and installation of built-in procedures for internal change. It needs mechanisms and attitudes for surfacing and integrating divergent ideas. It calls for serious and thorough work on information relevant to the affairs of the organization.

It is a form of *reengineering* that can optimize the organization's competitive advantage. For NGOs, it is becoming leader among NGOs by changing/modifying the organization for greater effectiveness -- *reviewing* its thrusts, programs, systems and practices against the prevailing needs

of the times and *realigning* them as needed. This includes adjusting placement and assignment of its human and other resources into a functional integrated system, and altering overall orientation and direction permanently or for the long-term.

Being solely accountable for its own welfare and growth, an organization must choose to change and grow. A growth process like capacity development can only be sustainably effective if it is a deliberate and free choice on the part of the organization, and is conceived, planned, executed, monitored and evaluated by the organization itself.

The immense potential benefits an organization can gain from capacity development do not come free or easily however. Being a human system, the organization cannot simply leap into the process. There are the breathing, thinking individuals that make it up and give it life. *In reality, who pursues the vision? Who works hard and perseveres to achieve targets and goals? Who strives to make good work habits even more effective? Whose openness will allow change towards growth for the organization?*

The individual is key in an organization's capacity development initiative -- just like a cog in a machine that can get it going or bring it to a halt. If the individuals in an organization are in sync with the organization's purpose, and deliver their inputs according to the systems and procedures in place, can a healthy, dynamic and stable organization be far behind?

This is not to say though that developing one individual will suffice for the entire organization. One individual's growth can make a difference but organizational capacity development requires collective change, that is, change in everyone.

If only for this reason, one individual's growth must be cultivated rather than left in isolation. Conditions that will make an individual employee's growth infectious must be ensured until a critical 'growth' mass is formed within the organization. If handled well, mechanisms and interactive procedures like *team-buidling* can appropriately channel individual abilities and energies, transforming the people into a collective force with greater potential to achieve organizational mission and goals.

The bottom line remains though — organizational capacity development cannot do without the commitment and perseverance of the individual in the organization.

Help pave the way for your organization's journey to change. Undertake your own individual change initiative.

*Individual change is at
the heart of everything that
is achieved in
organizations.*

**Esther Cameron
and Mike Green**
(change consultants,
authors)

Meet with the *man in the mirror*, to borrow the phrase from the King of Pop.

Look hard. But with affection, understanding, and a genuine desire to help him change for the better because it won't be easy (Spreitzer and Quinn, 2001). Trying to know one's self can be one of the most difficult things for an individual. It needs looking without bias or defensiveness. It means confirming one's strengths but also confronting one's weaknesses.

But the growth that can come from that one hard look will be like no other -- for yourself and eventually for your organization, and the individuals and communities you would very much like to themselves grow.

2 THE DNA OF ORGANIZATIONS

As numerous experts have said in many different ways, the most successful and enduring organizations are usually the dynamic ones with learning-oriented cultures and highly capable human resource.

*Why is that and what does it take? Let us find out by starting with a review of the basic notions of **organization** — what it is, how it really works, what makes it tick, what will help it grow.*

ORGANIZATION: Definitions and concepts

Dictionary.com's three definitions of the word *organization* provide the basics. "A group of persons organized for some end or work," "a structure through which individuals cooperate systematically to conduct business," "a body (as a corporation or union) that has a membership acting or united for a common purpose." The elements common to them are: a coming together; several individuals as opposed to only one or two; doing or operating jointly or together; shared work, purpose or end; and an order or system that governs the way the shared work, purpose or end are pursued.

'Physical' make-up

Management experts have also likened *organizations* to a number of things in an attempt to define and describe organizations. Management guru and author Gareth Morgan in his book, *Images of Organization*, uses four interesting metaphors (as cited in Cameron and Green, 2004).

Organizations as **machines**: Usually called bureaucracies, such organizations take on the character of “rational enterprises designed and structured to achieve predetermined ends.” They go by routine operations, a well-defined structure and job roles, efficient working parts, and clearly defined procedures and standards. The limitation of such operations is when conditions are unstable and strong management actions, inspirational vision and control from the top down are needed for change to happen.

Organizations as **political systems**: This metaphor emphasizes power play, competing interests and conflict. Change in such organizations will only work if sufficiently supported by an important person. New coalitions must also be forged. The exclusion of others which this metaphor implies can make the organization a political war zone.

Organizations as **organisms**: An organization likened to “a living, adaptive system” is an *open* system designed to balance the internal needs of the individuals in it with the requirements of the external environment. It assumes that there is more likelihood for adaptive functioning of the entire system when the social needs of its people are met and the organization is well designed to meet the needs of the external environment. The concept is limited in its underlying concept that an organization is merely an adaptive unit which is at the mercy of the environment.

Organization as **flux and transformation**: This metaphor views an organization as a part of the environment rather than distinct from it. It recognizes its capacity to self organize, change and self renew but simply as a part of the environment’s ebb and flow. Its managers can energize and shape progress but cannot control change. It assumes that order emerges during the process of change and can only be understood after the event.

From these definitions and metaphorical descriptions of *organization* emerges an image of an entity (or ‘an object that exists’) with the following basic features:

- **A group of individuals.** The people in an organization may be united in mission, vision and purpose, yet widely diverse in age, gender, education, ethnicity, regional origin, professional and personal experience, creed, socio-economic standing, and political leaning. This diversity makes the dynamics in organizations interesting as well as complicated. Leaders and managers of organizations with a widely diverse human resource will not be lacking in challenge. *One partner organization encountered problems emanating from the strong sense of regionalism among its staff which is very Filipino. It hindered cooperation rather than foster teamness.*

- ***With a common vision.*** Crafting one's vision is easier said than done. But if done well and communicated well, an organization can be assured that it has provided its workforce with what Adair (2004) describes so lyrically as "the blazing campfire around which people gather." A campfire gathering brings images of light, energy, warmth and unity — things that are essential for a functional, effective, and happy organization.
- ***Who have come together.*** This indicates that each member is in the organization because he wants to be. He came on his own volition; shares in the mission, vision, purpose and goals; knows his job assignment and functions and, is thus likely to exert best effort.
- ***To work together.*** People are social beings and organizations are inherently social systems (HBS 2003). Be that as it may, people are in organizations mainly for work, not for socialization. Teamness is one of the basic needs of organizations especially today when organizational success is no longer a function of one person no matter how talented and driven. Particularly so with NGOs who usually operate through a lean staff who often work beyond 8-hour days or on weekends. Organizations which operate with a strong, hard-working team have a head start in organizational capacity development.
- ***To achieve the purpose, goal or end that will help realize their common vision.*** Focus is key in most life endeavors, more so in organizational life. Clarity about mission, vision, purpose and goals is a basic requirement for everyone in the organization. To function properly, they must be clear about the destination and the pit stops in the journey. This way too, they are able to find challenge in the work and satisfaction in their performance. Focusing the staff is a traditional expectation from the leader or manager. But the more progressive thinking that leadership potential and options are present at all levels, makes each member a potential leader who is capable of inspiring and keeping both self and colleagues on track.
- ***According to certain agreed roles and functions, and ways of doing things.*** The word *organization* is a derivative of the word *organize* which indicates *system, order, arrangement, coherence, structure* and other similar concepts. An organization must have certain elements that will enable it to function in a cohesive, coordinated and orderly manner. Individual roles and functions, lines of authority and coordination, accountabilities, and procedures must be clear. Otherwise, the term *organization* becomes a misnomer.

In summary, an organization is a group of individuals who have come together to achieve a shared purpose, goal or end that will lead to the realization of their common vision, each playing agreed-upon roles and functions according to agreed-upon ways of doing things using available resources.

Glimpses beyond the physical -- an organization's identity and character

Organizations -- like and because of the human beings in them -- have DNA (or *deoxyribonucleic acid*). Its DNA is what makes an organization distinct from other organizations, a unique entity with its own identity, values, traits, and purpose.

Technically, organizations may not have those wiggly power-packed molecules called genes that dish out instructions which determine how one develops and functions, the way people do. But they have characteristics of varied origins. For instance, some traits come from a foreign-based or an indigenous mother organization. Some may have been acquired from major supporters or benefactors. Some could have resulted from a confluence of events that led to its establishment.

Whatever their source or origin, these traits provide a clear and solid indication of an organization's identity or personality. They explain largely why and how an organization does things. *Private not government. Business not non-profit. Extra-miler not run-of-the-mill. Secular not religious. Funder not implementor. Singular focus -- educational, environmental, health-oriented, human rights-oriented, agricultural, political, etc. -- not multi-disciplinary or with multiple thrusts. Traditional not innovative. Autonomous not dependent. Pioneering not conventional. Radical not conservative. Dynamic not passive. Trustworthy not dubious. Reactive not proactive.* Some of these opposing traits are not mutually exclusive or distinctly one-and-not-the-other but could exist in combination.

Values form part of an organization's DNA. They embody what an organization stands for, what an organization holds dear. They provide the basis for judgments about what it considers important for success. They shape its culture and determine its priorities. If *purpose* answers the question "*What are we here for?*" and *vision* the question "*Where are we going?*", *values* answer the question "*What beliefs guide us in our journey?*"

Values are an overriding influence on the way an organization 'behaves' -- the way it designs its programs and chooses its work methods, who and how it chooses people it will involve whether as leaders, managers, technical staff or rank-and-file, partners or volunteers. Like traits, values find expression in everything an organization does.

The area of organizational values is probably more crucial for NGOs and their workers as compared to those in the corporate setting. Companies that sell products and services for profit may be equally concerned about values. But by their nature and the kind of work they do, concern and value-based practice are looked at more in the case of human service organizations. These are also more directly expected from their staff. Their programs emphasize

positive values especially to their clients. Through them, they openly declare what they believe. An incongruence between what they 'preach' and what they do becomes more readily visible.

Their activities touch on personal individual and family issues and bring NGO workers up close to clients. Their attitudes and values therefore become more transparent, especially during interactive encounters which they often employ. Thus NGO workers must consistently exhibit values that are congruent or aligned with those being espoused by their organizations. Inconsistencies or, worse, conflicts in values will convey mixed messages that could erode people's trust and confidence not only in the worker but also in the organization. To be credible, accepted and respected by clients and partners, NGO workers must behave according to mutually aligned personal and organizational values.

Values provide perspective in the best of times and the worst.

Charles Garfield
(author, speaker, scientist)

Integrity, transparency and accountability, spirituality, compassion, authenticity, openness, and other-centeredness are among the more common hallmark values of NGOs.

An organization declares its identity through various means -- presentations, speeches by their chief executives, publications, video spots, print ads, etc. But some aspects of an organization's personality and character can only be inferred from its chosen field of work, its programs and projects, its outputs, its ways of doing things, its decisions and actions, and its staff who are usually the best indicators of the otherwise hazy or ambiguous character traits of an organization.

Organizational traits and values are manifested in varying degrees, some more evidently than others. Sometimes too, an organization is unaware of some of its own traits and values, and only becomes aware of them when subjected to certain situations.

The qualities of an organization that are not markedly evident can be gleaned from the staff's reactions to situations. For instance, an organization striving to maintain normalcy after the sudden controversial departure of its Chief Executive Officer or CEO indicates a firm sense of responsibility and commitment to work and mission. An office team celebrating commendation for work done well by working even harder, shows work discipline, diligence and regard for time as a precious resource. Maintaining harmony and calmness during a labor crisis shows professionalism and people-orientedness.

Experience shapes an organization's identity just like in humans. Experience speaks loudly to people and organizations with the negative ones often as the more compelling communicators. A negative experience unlike a positive one usually makes people literally stop on their tracks to ponder -- *How did that happen? What did I/we do wrong? Why? What now?* On the other hand, a positive experience usually sends people dancing and prancing around until the euphoria

wanes and then it's back to work again without the reflecting that usually comes after a negative experience.

What one does after 'hearing' from any experience indicates what one learned. But lessons can be elusive and fleeting. Besides, the internal and external environments are teeming with countless things that can deafen or distract us. This is why an organization must be vigilant, sensitive and disciplined to process experiences and extract lessons that could aid it in shaping its identity and character. This is where properly facilitated evocative processes can help.

Stretching for growth

As a human system, an organization has the potential for growth or what is referred to as **organizational capacity**. Developing that capacity or **organization capacity development** is an organization's attempt to perform or use its skills and resources in order to achieve its mission, purpose and goals.

An organization's performance can be expressed in terms of four key indicators:

1. **Effectiveness** (the degree to which an organization achieves its objectives)
2. **Efficiency** (the degree to which it generates its products — *for NGOs, 'services' would be more generally applicable* — using a minimum of inputs)
3. **Relevance** (the degree to which the organization's objectives and activities reflect the needs and priorities of key stakeholders, *which for NGOs could be more appropriately stated as "the degree to which the organization's objectives and activities address the priorities and needs of its target clientele and other stakeholders"*)
4. **Financial sustainability** (the conditions to make an organization financially viable *or for NGOs simply "sustainable" i.e., capable of supporting its efforts from its own resources*)

There are many influences on an organization's performance, the three major ones being its own capacity or potential to perform, its external environment, and its internal environment.

Its external environment includes the administrative and legal systems that govern the organization, the political environment, and the social and cultural context in which the organization operates.

Its internal environment is composed of internal factors which make up what could be referred to as the organization's 'personality'. These factors influence cohesiveness and energy in pursuing goals. They can enhance motivation to compensate for difficulties in the external environment but can also impede the effective use of an organization's capacity and limit its performance.

To perform well, an organization needs to acquire a good grasp of these three major influences on its ability to use its skills and resources in pursuing its goals. Then it must stretch organizational muscles to optimize its strengths and overcome its weaknesses in order to achieve and excel.

Conditioning for excellence

Climate and culture which impact greatly on organizational life and are pivotal in shaping the character of an organization acquire greater significance during the change process.

Everyone wants a good work climate. A workplace that is trusting and open inspires, motivates, empowers, and nurtures. It promotes self-confidence and encourages creativity and innovation. It makes striving for excellence an exciting challenge rather than a tedious undertaking. It fosters acceptance of divergent ideas and healthy competition. As such, a positive working climate enhances productivity, individual satisfaction, and overall organizational growth.

On the other hand, a climate that is resistant to change controls, limits, and prevents people from exploring their ability to grow. It censures ideas even before these are expressed thereby discouraging creativity. It confines people to the status quo even if it is crying for a lot of change.

Like climate, organizational culture wields a strong influence on how staff behave. This is why organizations put a premium on cultivating one of the most powerful weapons for surviving in times of turbulence and thriving during less stressful times -- a *culture of excellence*.

A culture of excellence is what will help an organization muster the determination needed to pursue purpose. It is what will fuel a constant drive to beat yesterday's performance. It is what will help in maintaining focus on outcomes rather than being caught up in the minors or the non- or less essentials; as experts say, to "major in the majors."

A research conducted by Peters and Waterman in 1982 (as cited in Kettner, 2002) brought to light eight features that characterize a culture of excellence. They are the following, restated slightly to bring them closer to the realities of human service organizations:

1. ***A bias for action.*** The organization prefers *doing* to *analyzing and reporting*.
2. ***Staying close to the client.*** Learning clients' needs and wants is part and parcel of responding to them appropriately.
3. ***Autonomy and group self-determination.*** Smaller groups within the organization are used as venues for encouraging the staff to think independently and competitively.
4. ***Effectiveness through people.*** Staff made aware that their best efforts are essential and that they will share in the rewards from the organization's success, is crucial in motivating for meaningful and productive performance.
5. ***Hands-on, value-driven.*** Executives are consistently in close touch with the organization's essential thrusts and programs and thus are able to lead people effectively in giving their best.
6. ***Stick to the knitting.*** Sticking to programs the organization knows best enables an organization to maintain relevance and achieve significance.
7. ***Simple form, lean staff.*** Few administrative levels with few people at the upper levels make for smoother operations.
8. ***Simultaneous loose-tight properties.*** An organization where people are dedicated to the core values and show tolerance for staff who accept these values, promotes and deepens people's appreciation and adherence to organizational values.

The same study revealed that respect for the staff's ability to contribute positively to the achievement of goals without constant direction and supervision encourages them to perform at a higher level.

Accreditation standards can also help strengthen and motivate for excellence. They provide measures and help define performance levels that an employee must work for. Partners of CF can refer to its *Organizational Standards* materials against which partners can review their performance. They are based on the standards which CF uses to examine its own performance.

Growing a culture of excellence in an organization is a complex undertaking. For one, organizations are a conglomerate of personalities, beliefs, attitudes, competencies, and values. These elements are borne of various histories of people thus countless perceptions are at work all the time. They are also changing from situation to situation. Further compounding the matter is the existence of subcultures that also exert significant influence on people.

But such a culture is what makes organizational life stimulating, productive, satisfying and meaningful. It nurtures the organization's potential to become a professional entity as it nurtures individuals to their full potential. It is a destination that is worth the bumpy ride, a state that organizations strive to reach because they know that it can bring purpose closer to fulfillment.

Wellness issues

"Health is wealth" is an all-time favorite quotation. Media articles revolve around it, tv spots use it, teachers quote it, parents cite it. Its message is generally understood and accepted.

Even for organizations, health is a priceless possession that must be handled with more care than a new car or a family heirloom. It is so because health is essential to one's ability to function properly, something which holds true for human beings and thus also for human systems like organizations. Organizational health is key to an organization's ability and endurance to pursue its purpose. Human service organizations in particular must be fit for the long haul. This is because they respond to the needs of the disadvantaged that take time to resolve in an environment of rapid and varied change.

Stress, whatever its source, disrupts people's lives. It can come from the external environment as well as from within. It is a major factor to reckon with in the work of NGOs. Apart from the serious, urgent and deeply personal problems of their clients that bear potentially serious implications on society, NGO workers have their own personal issues to face. Keeping work and such personal concerns as family in proper perspective is thus rendered a tougher challenge for them than for those in the corporate setting. That they oftentimes need to cope with heavy workload since many NGOs operate with a lean staff and a tight budget further complicates their scenario. All these take a toll on individual and organizational health enough to jeopardize their ability to remain functional.

Another popular health-related saying that applies to organizations as it does to people is "*An ounce of prevention is a pound of cure.*" Generally, people avoid the more drastic and difficult of options especially when it comes to matters of health. One will take prolonged medication rather than undergo surgery just like an organization will opt for cost-cutting including cuts in pay to avoid retrenchment.

Check-ups are therefore as important for organizations as these are for people. They provide the venue for assessing organizational health which enables an organization to take preventive measures before it is too late.

This is why CF emphasizes self-assessment or self-study for partners. Once an organization acquires the habit of taking stock periodically, it is able to remedy impending or emerging issues before they become serious threats. Taking stock may take much effort, space and time. But organizational reflection provides an organization the time and venue to see how it is proceeding along its chosen path. It is able to check its relevance, significance, and effectiveness against mission, vision, purpose, goals, and targets. It is able to assess its adherence and faithfulness to organizational values (e.g., spirituality, integrity, professionalism, individual worth, caring and nurturing, creativity, reciprocity). In the process, it acquires a clearer image of itself and a more solid measure of its progress, insights that help it to proceed more confidently with its work.

*The will to win...
the will to achieve...
goes dry and arid without
constant renewal.*

Vince Lombardi Jr.
(sportsman, manager and
coach)

Periodic reflection is sometimes difficult with the bias toward action in daily life today. In the work setting, especially among Philippine NGOs, it is common to see an "addiction to action" which hardly leaves room for reflection. But being able to be both reflective and active is what brings people and organizations closer to excellence. **Reflective action** (Quinn, 2004) is when an organization periodically takes stock of things then eventually acts based on insights gained from reflecting. Such discipline makes an organization both mindful as well as energized in pursuing its calling.

Organizations have increasingly been paying attention to acquiring this discipline. Many Philippine NGOs are observed to factor in their reflections or check-ups amid their heavy workload. Perhaps an outflow of the Filipinos' deep spirituality, these 'check-ups' are usually capped by connecting with a higher force or being (God, Allah, Buddha, etc.). People find the comfort they badly need at a time when they are helpless, confused, and fearful -- times when organizations undergo their check-ups as interventions.

People and organizations find renewed courage from a being they believe not only higher than they but more capable as well. Encountering the real source of human capability dispels defeating thoughts and emotions. It energizes a workforce to function effectively even during trying times.

And a natural fruit of these realizations is a sense of *thankfulness* or *gratitude* which Jones (1995) considers a key element of leadership because it indicates "an open heart, a listening heart, a faith-filled heart. How could anyone be leader without faith and gratitude in a Higher Power or have a better future built on better ways?"

This is good food for thought not only for leaders and managers but for everyone in the organization because each one is called to leadership regardless of rank or position. Reflecting on this during times of individual and organizational reflections, or self-assessment, if you will, will set each one within the right perspective for the rest of the process.

An organization's DNA in perspective

True, organizations are equipped to make their DNA work for them. Still, success or effectiveness may prove to be elusive.

Somehow changing times have rendered clearly articulated mission, vision and goals; relevant and well-conceived programs; and a smoothly performing workforce insufficient. This is because as a human system, an organization has as many identities to contend with as the people who comprise it. There are the countless diverse and constantly changing attitudes and emotions, and perceptions that turn with every circumstance. Not to forget the numerous relationships, alliances, and communities with whom and within which an organization works. They all come into significant play. Fragmented, these elements will make it difficult for an organization to succeed in its capacity development effort. Successfully integrated, they meld and become an enabling force for positive change.

The need to do this gives no room for leaders and managers to let their guard down at any time. They must be tenacious in maintaining focus on goals and objectives, exercise discernment and caution in making choices, exhibit sincerity and openness, promote team spirit, and be a model for others in consistently adhering to agreed-upon processes and systems. The need for them to be tireless in sincerely connecting and communicating with people at all levels of the organization cannot be overemphasized.

To stand up to today's challenge calls on the people in organizations to maintain **trust** which an author defines as the ability to *"connect with people in their hearts and souls, not just in their heads."* Procedures and policies will not do the trick. People must know that their work matters. More importantly, they must feel trusted and welcome.

Organizations that evoke their human capacities towards good, meaningful relationships and contributions beyond self are those that succeed (Human Resources in the 21st Century, 2003). Ultimately their success rests on their ability to connect -- not only within but also with clients and other stakeholders outside.

But wherever and with whomever, the individual makes the choice and takes the option. The man in the mirror refuses to be ignored. Such is the structure inherent to all human endeavors, including those of human systems like organizations.

*You can't shake hands
with a clenched fist.*

Indira Gandhi
(first woman
Prime Minister of India)

When times get rough, and they often do, find consolation and keep the faith. Positive change is infectious, especially when its fruits begin to show. The little successes somehow find their way into the consciousness of others and then they begin to snowball.

That the pluses of positive change can often hardly be contained is what spells hope for people and organizations. This is where the courage, strength, persistence and endurance that are needed by each one for the intricate task of working on his DNA to explore and expand his capacities, can be drawn.

Sooner or later, everyone will be benefitting. And when you already are, let's hope that you will realize or remember that one little stride by someone was where it all began. And that in each one lies the beginning of yet another cycle.

20-20 VISION, 101% COMMITMENT

Knowing where to go and being dead-set to get there. These are two things that help facilitate travel or movement from anywhere by anyone.

Vision: Knowing where, knowing what

The first thing most people who are about to travel are clear about is where they want or need to go. Whether it's to the neighbors next door or to the sari-sari store down the street. Whether it's to the nearest mall or to Davao or Nagoya or Munich. Wherever it is, one knows.

The next thing a would-be traveler is likely to focus on is how one could get there – direct or non-stop, or a bit round-about with time to 'smell the flowers.' Then "*How should I go?*" and from here, the questions get tougher. *Is it safe? What will it cost? How long will it take? What should I expect? What do I need to bring? What have people said about taking this route?* And the questions will keep coming. But thank God for determination, somehow we manage to have answers to them, don't we?

Funny how determination and the excitement that comes with the prospect of travel can sometimes even make it seem that we are already half-way there when we haven't even left. A much desired destination and wanting so much to reach it are compelling. The gains we expect from the journey send our pulse racing.

Wouldn't it be great if organizations can proceed this way through a change initiative like capacity development? After all, capacity development is, in reality, a journey to growth and effectiveness.

Approaching it with childlike wonder and adult tenacity can transform the otherwise tedious process into an adventure. Once transformed, it will harness an organization's DNA towards the hoped-for positive change.

Human service organizations like NGOs are immersed in service for the disadvantaged, a service milieu that is teeming with some of life's most basic and biggest hurdles. Thus NGO workers have numerous opportunities to really make a difference. As they give to clients, they too are given something in return. NGO work equips workers for the day-to-day -- with material and financial provisions for their personal needs. Moreover, it comes with intangible but nevertheless perceptible rewards that nourish the spirit.

No wonder NGOs work the way they do.

Purpose: Knowing why

Purpose is a necessary provision for anyone's journey to change. Without it as anchor, an organization could lose its direction and stray. As its reason for being, it is fundamental in everything the organization seeks and is able to do. It provides focus and directs priority-setting, choice of strategies, and design of programs and projects. During trying times and people are tired, confused, and intimidated, purpose serves as the rallying point where the staff can find comfort and draw encouragement from one another. During exciting times as well as in periods of calm, it can propel an organization to unimaginable heights.

NGOs' fundamental purpose is to provide social services that respond to people's needs and empower them to fulfill their aspirations. Most Philippine NGOs seek to complement, supplement and augment the social services of government. Whatever form their programs and services take -- protection, maintenance, strengthening and enhancement of individual, family and community life; support and promotion of the rights of individuals to survival, protection, development and participation; etc. -- they employ means that are sensitive to community and cultural context, and gender fairness. Except for an organization that opts for a specific program thrust and target group, purpose can transcend barriers of race, color, culture, religion, or political orientation.

The purpose of most NGOs entails work that is far from simple. Thankfully, there are many interested and committed stakeholders that help out. Human service and the needs it responds to are immense and continuing that a working together with others always helps. Harnessing a working together is one reason why an organization must be able to convey its purpose in clear and simple terms. The people who must understand it come from a wide range of backgrounds, from the highly educated to those with only a few years of schooling. Clear purpose is important in ensuring focus for those within the organization and in sustaining the involvement of those outside.

Clarity of purpose is one of the very first standards emphasized in CF's *Organizational Standards* materials. The rating indicators define the different levels of clarity of purpose and direction.

*Where there is no vision,
the people perish.*

Proverbs 29:18,
King James Bible

From purpose flows an organization's *vision*. **Vision** reflects an inspiring view of the future – what to the organization the future can hold, what the organization can become and achieve within the context of its purpose and in light of its capabilities and environment. It paints the 'big picture' beyond the immediate future. The energy behind an organization's every effort, it is demanding but achievable and within the grasp of a hardworking group of people. Along with challenge, it is what hooks people to the organization and its mission and therefore should be empowering and compelling. (Spreitzer and Quinn, 2001)

An empowering vision usually results from a mountaintop episode. As such, it elicits passion that stimulates leadership behavior and encourages the staff to stretch and grow. A compelling vision gives people a reason to want to be part of the organization. It elicits the desire for a future better than the present, one that people would be happy to have right now if they could and for which they are willing to make the effort and the sacrifice to attain. Harvard Professor and change and leadership management guru John Kotter gives the basic features of vision (as cited in HBS, 2003): describes a desirable future, compelling, realistic, focused, flexible and, like purpose, easy to communicate or translatable to different levels. It is not static and has a life cycle. Thus it must be continuously updated and sharpened (Davidson, 2002).

A leader with a vision is on a mission. He must be a dealer in hope (Smeltzer, Leonard and Hynes, 2002). His contagious spirit must be felt among the crowd "until others begin to rise alongside." People in leadership positions are only leaders in name until they are able to answer the crucial question "*How do I get a vision for my organization?*" Putting vision into words is necessary to its realization but it must first be drawn out from within.

The vision statement spells out the condition an organization desires and aspires to reach within its lifetime. It articulates what it wishes to create or see as a result of its pursuit of purpose amid

external and internal realities. Sometimes referred to as an Inspirational Statement or Guiding Star, it aims to invigorate the collective force to live out its mission and achieve its goal.

“Healthy children and women achieving their full potential nurtured by caring families and living in safe and enabling communities” is what CF partner, Child and Family Service Philippines Inc. hopes to see resulting from its efforts. International Deaf Education Association or IDEA Philippines, another CF partner, works “to foster self-reliance by providing academic, vocational, physical, spiritual, and economic opportunities for deaf children, adults, and families” in its pursuit of social and economic equality, connectedness with community, and self-reliance” for the hearing-impaired in the Philippines.

Leaders establish the vision for the future and set the strategy for getting there.

John P. Kotter
(leadership and change guru,
professor, author)

A guiding vision is a basic ingredient of leadership that is needed in an era of change such as today (Bennis, 1994 as cited in Cameron and Green, 2005). Though it may be a leader’s image of a better future, it is consistent with the realities, needs and aspirations of the people it is meant for. If it is clear, inspiring and compelling, it serves as an even better guide in an organization’s pursuit of purpose.

Let us take a look at some questions that can help in evaluating vision statements and in creating new ones. Also following are some sample vision statements which can help sharpen your ability in crafting or reviewing your own organization’s vision statement.

With your organization’s vision in mind, ask these questions:

- *Is it clear?*
- *Does it fulfill a social need?*
- *Is it understood in the same way by everyone? Or is it open to being understood in disparate or downright conflicting ways?*
- *Based on realities in the environment as well as in the organization, is it realistic and attainable?*
- *Does it reflect the organization’s core values?*
- *Does it inspire and motivate, even in hard times?*
- *Can people in the organization relate to it?*
- *Does it state what the organization aspires for or wants to become?*
- *Does it project an attractive future for the organization and/or its clients/partners?*



Some sample vision statements:

"To be the leading NGO in the work among Indigenous Peoples in Mindanao."

"America will send a man to the moon by the end of the decade." President John F. Kennedy articulated this bold vision statement in his address to a joint session of the US Congress in 1961. To date, it continues to reverberate, not only for the people behind the US Space Program and the American public. Experts in the field of management and organizations often cite this as a vision statement that is bold and inspiring.

"To renew hope for those who have lost it and give hope to those who have never had it" is the vision statement of CF. It takes off from Consuelo Zobel Alger's wish and prayer which eventually found fulfilment with the setting up of the Foundation.

It is good to review an organization's vision statement periodically to determine and ensure its relevance and validity in light of the changing environment and the organization's own growth. This may be a good time to do that. How closely does your organization's vision statement come to these examples? How can it be sharpened?

If vision states what an organization wants to see itself become or to create the change in the lives of people it seeks to serve, **mission** states what it commits to do given its purpose and vision. It describes an enduring reality that reflects its values and purpose. Like vision, it is futuristic.

There is no particular order prescribed in defining vision and formulating mission. Some organizations define their vision first while others formulate their mission first. What is important is how accurately vision and mission express an organization's thinking and how clearly they are stated.

Following is a set of questions for evaluating an organization's mission statement:

- *Is it clear? Understandable to all?*
- *Does it carry out the vision?*
- *Does it define the organization? Does it set it apart from other organizations?*
- *Does it state what the organization commits to do?*
- *Does it reflect its products and services?*
- *Is it accepted by the stakeholders?*

In the case of CF, its mission statement is: *"To operate or support programs in the Philippines and Hawai'i that prevent and treat abuse, neglect and exploitation of children, women and families."*

A clearly defined **goal** is crucial for an organization to become effective and to excel because it states the desired condition which the organization seeks to realize within a specified period of time. As a translation of the organization's mission, an organization's goal must be stated in concrete, broad and measurable terms.

For example, CF's goals are: "For the strategic period 2007 - 2010, (1) to reduce the incidence of abuse, exploitation and neglect of women, and children and (2) to promote recovery and reintegration of women and children survivors of abuse, exploitation and neglect."

The following questions could help in determining how well goals are stated:

- *Is it consistent with the organizations mandate, vision, mission?*
- *Is it clear?*
- *Is it achievable and realistic?*
- *Does it state a demonstrable result?*
- *Is it measurable?*
- *Does it have a time frame?*

Objectives are specific statements of what an organization wants to accomplish within a specified period of time. In a way, they are goals stated in more manageable, achievable terms.

Objectives flow from the goal and not the other way around. Thinking of *goal* as a pizza and *objectives* its slices is a good way to remember this. The achievement of objectives results in the achievement of the goal. Sometimes due to its complexity, a goal requires two or more objectives achieved separately or jointly over a period of time.

S-M-A-R-T is a well-known device for remembering the basic characteristics of an objective. It can also be used to check how properly stated an organization's objectives are.

Simple in language and intent – it can be understood at face value.

Measurable – the statement lends itself to measurement.

Achievable – results can be reached within the lifetime of the project.

Replicable – it can be repeated in a similar situation or circumstance.

Time-bound – it indicates explicitly or implicitly when achievement can be expected.

The emphasis on simplicity, concreteness and specificity are within the context of what will help organizations keep to what they have set out to do in a way that they intended to.

Some examples of objectives:

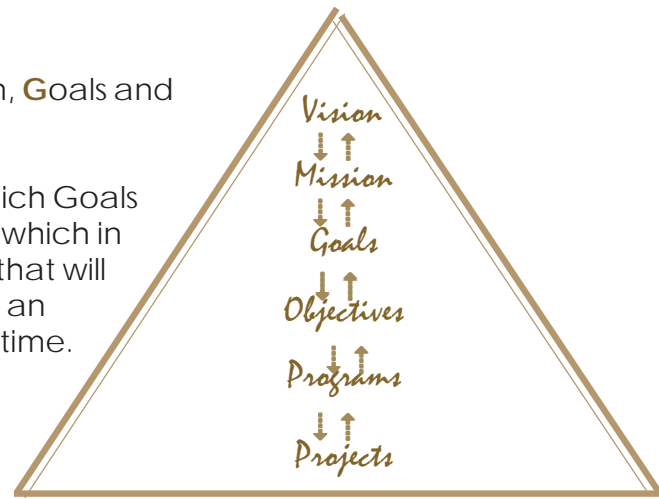
- *"To construct a shelter for 100 streetchildren by June"*
- *"To establish a career counseling program for 5,000 vocational course graduates by end of 2011."*

“V-M-G-O”

In summary, the causal relationship of **V**ision, **M**ission, **G**oals and **O**bjectives are best represented as a pyramid.

Vision influences Mission and commitments from which Goals emanate. Goals are in turn the basis for Objectives which in turn determine the right Programs and the Projects that will comprise them. Together they will accomplish what an organization sets out to within a specified period of time.

Vision is at the peak of the pyramid. It is concretely expressed by the Projects on the ground.



Clearly articulated and written vision, mission, goals and objectives are reference points for looking at an organization’s intent and commitment. They have a unique and overriding role in enabling people in the organization to move consistently and in unison along a specified direction towards a common end. Their absence or ambiguity is likely to result in confusion on the part of the staff as well as the public which could adversely affect the organization’s public identity.

Here are indicators of a high level capacity of organizational purpose and commitment in terms of mission, vision and goals crafted by Venture Philanthropy Partners. *It would be interesting to assess how your own organization figures against them.*

Mission	Clearly expressed reason for an organization’s existence describing an enduring reality that reflects its values and purpose; broadly held within the organization and frequently referred to
Vision: <i>Clarity</i>	Clear, specific, and compelling understanding of what the organization aspires to become or to achieve; broadly held within the organization and consistently used to direct actions and set priorities
Vision: <i>Boldness</i>	Reflects an inspiring view of the future; is demanding, achievable
Overarching goals	Clear, bold set of (up to three) goals by which an organization aims to achieve that translated vision, specified by concrete measure/s of success for each criterion, and by well-defined time frames for attaining goals; broadly known within the organization and consistently used to direct actions and set priorities

The means and the measures

Commitment is the state of being bound emotionally or intellectually to a course of action or to another person or persons. This is what drives people and organizations to achieve goals in spite of difficulties. It is what keeps NGOs working they way they do.

Because NGOs are, by design, helping organizations, their purpose, and consequently their vision and mission, are closely interlinked with the welfare or well-being of disadvantaged individuals and communities. Their commitment finds expression in various services that address these people's welfare needs. It is said that the four most common forms of commitment among Philippine NGOs are:

1. **Service delivery:** The provision of services like child welfare, vocational training for out-of-school youth, shelter for unwed mothers, health, education, to name some.
2. **Advocacy:** The active pursuit of a particular agenda through significant use of information, education, communication materials and media, and lobbying for legislation, e.g., health, land reform, environmental protection, welfare of indigenous peoples, peace and development, fair trade, and animal welfare. Sometimes referred to as "parliament of the streets," it is one gauge of an organization's sensitivity to issues affecting communities.
3. **Coordination and partnership:** Working toward a common purpose with other groups through alliances, sharing of common platforms, pooling of resources and avoidance of duplication or conflict in activities.
4. **Networking:** Membership in a group of like-minded organizations for mutual support, strategic alliances, and coordination.

*Coming together
is a beginning,
and staying together
is progress, but only when
teams sweat together
do they find success.*

John Maxwell
(author, speaker, pastor)

The communities which NGOs seek to serve help shape an organization's program of services. This is made possible through participatory processes and activities commonly employed by NGOs. Through them, the organization conveys its VMGO and explains its programs and place in the community. Ideally all concerned agencies and individuals are involved in the process. Together they assess and validate the needs, craft the appropriate plans and formulate the needed policies.

In partnerships, it is important to validate compatibility of partners' respective "expressions of commitment." For instance, a CF partner must review CF's criteria for service delivery (as shown next page) to see how compatible these are with their own.

1. *The organization serves a defined community, and has a defined purpose and an attainable program of services geared towards social development.*
 - *Its primary purpose is to provide services that enable its defined community to meet its needs and fulfill its aspirations.*
 - *Its services are designed to respond to human needs including protection, maintenance, strengthening and enhancement of individual, family and community life; and uphold the rights of individuals to survival, protection, development and participation.*
 - *Its program and service delivery are sensitive and adapted to community and cultural contexts, and gender fairness, and were based on consultations and research on participants' learning from their experiences in its programs.*
 - *Its services transcend the barriers of race, color, culture, religion, political orientation/ beliefs, national origin, sex, age, civil status, or disability.*
 - *It has a clear rationale for its choice of a specific target group, offers services which meet the needs of the target group without excluding persons who need and can use the services.*
2. *It facilitates the empowerment of program participants.*
3. *The community served helps shape the organization's program of services.*
4. *The organization responds to the issues affecting the program participants and the community, and advocates with them for the needed changes.*

Today, the services or manifestations of commitment of social development organizations are more consciously and deliberately grounded on the idea that individuals and communities *can*, even if they have less than most or none at all. Empowerment of people is thus a basic principle that guides such organizations. Gone are the days when social development was mainly a dishing out of palliatives. Prevailing today are more enduring assistance designed to cultivate people's potentials. Consequently, organizations put a premium on efforts to help target communities (1) understand their social situations and issues better, (2) articulate their own vision, and (3) appreciate the rationale for the services offered them. They also provide opportunities for these communities to gain skills in active and appropriate participation in decision making, particularly in the planning, implementation, and evaluation of the programs and activities specifically intended for them.

Checking on the "EQ" or empowering quotient of programs at the outset and in the end assessing how effective they were, are musts for any organization.

Program outcomes show the depth of an organization's commitment. They tell whether inputs were effective. As such they help measure effectiveness. *What are their own perceptions of the degree of change achieved? What about the level of empowerment they adopted? How*

satisfactory are the knowledge and skills shared/gained? Did the overall effort affirm the positive aspects of their culture? Ideally, dissecting outcomes is done with the participation of everyone involved in achieving them.

CF's Organizational Standards materials spell out indicators partner organizations can use to assess themselves in terms of program outcomes and how these were used to achieve purpose.

The importance of a periodic assessment in enhancing an organization's effectiveness cannot be overemphasized. The information it generates about the means and measures employed enables an organization to respond more appropriately to clients' needs. It must thus be part of an organization's blueprint for capacity development. The Organizational Purpose and Commitments Assessment Sheet (Annex 1) on page 152 is a tool for this task.

Strengthening purpose and commitment

Effectiveness stems largely from an organization's clarity of purpose and commitment. An organization must therefore exert all practicable means within its capacity in this respect.

A **visioning workshop** is where a review of the organization's purpose, vision, mission, goals and objectives using the sets of criteria previously discussed, is made. It is best that an organization's key stakeholders, board, officers and staff participate in this activity. An in-house facilitator or an external facilitator or consultant is sometimes tapped to run it .

A **strategic planning workshop** with help from an experienced facilitator or resource person may also be conducted. Its output is a Strategic Plan with the following basic elements:

- External environment analysis
- Internal environment diagnosis
- Listing of external opportunities and threats
- Listing of organizational strengths and weaknesses
- Strategies for the Strengths, Weakneses, Opportunities and Threats (SWOT) identified
- Strategic options
- Formulation (or restatement) of VMGO
- Strategies
- Programs and projects
- Key staff
- Funding and other resources needed

Unless follow-up activities are conducted, plans that look good on paper will have no concrete results. A simple but useful device is the Stop-Start-Continue Chart (Annex 2) on page 154. This chart will help the staff pin down and document specific practices and behaviors which proved helpful and should therefore be reinforced and sustained as well as those which must be eliminated because they have gotten in the way of vision, mission, goal and objectives.

Periodic monitoring is imperative so that the organization can keep track of its progress. Through monitoring, the need to realign plans can be detected after which the appropriate decision and actions can be taken.

The roles and inputs of stakeholders are significant in the work of NGOs which is multifaceted, has numerous and sometimes complex requirements, and plagued by constraints of various kinds. An organization must therefore acquire clearer and more specific knowledge about its stakeholders and their expectations, their interest in the organization's programs and concerns, their potential and actual contribution, their capacity for resource mobilization and involvement as well as the impact of their decision on the organization.

A stakeholder analysis will generate information which can help the organization in maximizing its stakeholders' roles and inputs in achieving organizational purpose. Such an analysis could be facilitated with the use of the Stakeholder Analysis Matrix (Annex 3) on page 155.

A review of an organization's strategic plan is another activity that will yield quality information that can help determine the progress of the organization in pursuing its purpose and commitments. It is worth taking note however that strategic planning documents are usually written in technical language understandable only to the highly educated or program-oriented people. This could be a problem to human service organizations that usually work with rural and urban poor communities that need to fully understand the things that will impact on them. So as not to complicate and hamper the participative processes which such a review entails, it is important that at the outset, the strategic elements are stated in simple, concrete terms that anyone can understand. Otherwise, the organization's effort to engage their stakeholders, primarily their target clients, with what they are trying to do will be limited or jeopardized.

The key strategic elements which need to be communicated are:

- Mission
- Objectives which show how mission will be achieved
- Activities and programs that are linked to objectives and that show what makes the organization special or different from others
- Objective measures of performance: how you assess whether you are achieving your mission and objectives,
- System of governance and accountability.

An organization seeking to attract support needs to have prepared short, clear, and persuasive statements on each of these elements.

Organizational health is a fundamental issue for organizations because it is central to an organization's ability to function and achieve goals and objectives. **Health monitoring** or assessing organizational health must be in the growth agenda of an organization. An organization must check its own efforts against set goals and objectives in order to determine how far it has gone in terms of realizing its purpose. Monitoring will also yield information that an organization needs to strengthen its commitment to purpose. Such information can be gathered from key officers and staff as well as from external stakeholders.

These processes and venues for strengthening an organization's purpose and commitment can only be adjudged effective and useful however, if the following three things are made part of them or done as a result of them:

- (a) proper documentation of outputs, agreements;
- (b) validation of outputs and agreements through memos, meetings, etc.; and
- (c) determination of what the organization is committed to do as a result.

*Your vision will become
clear only when you look
into your heart. Those who
look outside, dream.
Those who look inside,
awaken.*

Carl Gustav Jung
(founder of psychology)

In the end, we all want an organization that is true to its identity and its commitments. And as a part of it, we are in a position to make it so.

Let us be reminded again that we matter in the journey no matter where we are in the organization. And that it all begins with us. Individually, we too are in it for our own individual growth and purpose as responsible, caring members of society.

Let us awaken. And then dream.

4 NAVIGATING THAT WORKS

An organization is like a vessel on a journey. How it is navigated largely determines what the journey will be like and whether or not it will reach its destination. A navigator who knows the organization's destination and can lead or show the way is therefore absolutely necessary.

Navigating an NGO is not easy and can't be done on autopilot. The life issues of people that an NGO responds to defy flight plans or trip schedules. Besides NGOs themselves have their own life issues that can seriously impede their journey. Travelling with just enough fuel or even less, traffic to get at grants or donors' money that has gotten so bad that programs are jeopardized — these are only a few of the challenges in navigating or running an NGO.

But travel we must — our reason for being, remember? So let's take a closer look to see what navigating an NGO really takes.

Three concepts take center stage when looking at how organizations are run. **Leadership**, **governance** and **administration** all imply navigating roles, functions and processes. If properly exercised and applied, these roles, functions and processes can get an organization going, not just anywhere, but in the right direction.

Leadership is the capacity to "go before or with to show the way," "directing or have a principal part in." Governance is "exercise of authority," "a method or system of government or management." Administration is "the management of any office, business, or organization." (Dictionary.com)

Let us examine these definitions within the realm of present-day NGO work.

Traditional leadership conjures images of top-down authority and control, unilateral (and sometimes unchallenged) decision-making, and direct, conscious influence attempts. It is confined to the top and therefore disempowering. This leadership style began to fall short as demands upon organizations increased and became more complex. More and more organizations needed to adapt and innovate in order to stay relevant and effective.

Leadership in the 21st century is also not only about managing change but producing change too, not simply about planning but about converting *vision* to *action*. It is essentially creating and maintaining a climate of hope within an organization, giving direction, making things happen, building teams, and inspiring others by example and word. Its key concern is to discover new directions and new ways of doing things. Its primary function is to provide the conditions that will give people the freedom to be responsible and self-controlled.

More and more, the call is to “grow great groups” (Bennis, 2000). It requires leadership that views people development as a critical factor in successfully undertaking (1) efficient delivery of existing services and (2) creation of new services responding to emerging needs of clients. Such leadership style promotes an empowering organizational climate characterized by a healthy exchange of ideas and creativity. Being anchored on the thinking that it is possible to lead other than when one has power over others, it encourages the practice of leadership across levels rather than mainly or solely at the top. As Owen (1999) states it, “Leadership is liberation: being out of control, and loving it.” It is a form of service in the workplace where the leader meets the needs of the people in his or her team.

Leadership is a practical art that one learns on the job. And the best way is by allowing those around -- bosses, colleagues and subordinates -- to do the teaching. To be effective, a leader must have mastery of people skills, a nurturing nature, the capability to unleash potential, and a knack for good administration. For no matter how gifted or committed, an individual leader can no longer achieve success for his organization on his own (Bennis, 2000).

Governance and **administration** are intricately connected, somewhat like two sides of a coin.

They refer to a system of ensuring that the organization is moving forward or progressing towards its purpose and goal, through the proper use of its human, financial and material resources. Jointly they make up an aspect of organization upon which how and whether an organization achieves its purpose, vision, mission and goal, and delivers on its commitments, largely depend.

The three main qualities or attributes of good governance and administration are:

- **Transparency and accountability**
Full disclosure with justified and reasonable exceptions and taking responsibility for decisions and actions; implies the presence of mutual trust in the environment
- **Predictability or consistency**
Adherence to agreed-upon regimens or patterns and therefore dependable and verifiable in advance
- **Self-correctiveness**
Ability to reflect on one's way of doing things and openness to modify or change it to become more effective

Governance: what's it all about, who's responsible?

Governance is a set of responsibilities and practices exercised to (a) provide strategic direction, (b) ensure achievement of objectives, (c) ascertain appropriate management of risks, and (d) verify responsible use of the organization's resources.

Ultimately accountable for good governance and administration in an organization is its governing body whose composition, structure, size and functions are spelled out in the organization's By-laws.

The governing body exercises its leadership functions and roles to guide the staff in behaving according to established norms institutionalized by an organization's code of ethics. It is referred to in several ways — executive committee, board of governors, board of directors, trustee body, leadership body, board of trustees, etc. which we will use interchangeably in this material. But whichever way it is called, its purpose is always the same — *to ensure that the organization serves the interests of its beneficiaries, clients and service users as well as it can.*

For many organizations including CF, the board is mainly responsible for (1) formulating policies which are appropriate to the organization's delivery of services; (2) administration and personnel; and (3) external relations including vying for grants and contracting services. Its key concerns are the organization's funding, location, staffing and capacity to carry out its programs. It also has oversight functions on the management and administrative affairs of the organization, the responsibility for which is delegated to the organization's chief executive. It works through a committee to deliberate, review and evaluate fiscal issues and procedures. It also ensures the

organization's compliance with applicable regulations and laws, and handles grievances that the community may raise against it.

The governing body works closest with the chief executive of the organization which position is commonly called Executive Director (ED). The ED's accountability insofar as the Board is concerned is to help it fulfill its governance function by providing support to its operations and administration. This entails mainly (1) informing and advising the Board on overarching organizational issues, developments and related matters, and (2) interfacing between the Board and the staff. The ED works mainly with the Chair and as policies and procedures dictate, with the Board en banc.

This interrelationship between the Board and the ED is crucial because it determines how attuned the Board is to the policy and related needs of the organization. The way it responds could spell success or failure in not only in operations but also in its bid for sustainability.

The governing body's key functions are (1) planning and direction setting (which entails the conduct of planning sessions, setting the organization's V-M-G-O), (2) administration (including staffing and selection of the Executive Officer), (3) financial management, (4) community and public relations, (5) advocacy, (6) resource mobilization, and (7) recruitment, development and termination.

These functions show the adaptation that the role of governing bodies of nonprofits took over time. Moving from being mainly policy-setting (and management for implementation) to one that also encompasses certain inputs in management and administration is responsive to prevailing conditions. It is change wrought by learnings about human dynamics in development work as well as the expansion and deepening that the work took. It is congruent specifically with the values of *participation* and *teamwork* that are of paramount importance in social development.

How leadership and governance intersect is interestingly and concisely explained by this excerpt from the December 2009 Conference of the Asia-Pacific Researchers in Organization Studies, *Integrating Leadership and Governance in Complex, Emergent and Uncertain Environments*. While it is made within the corporate context, it nevertheless has a generic application to organizations, including NGOs or non-profits. "Corporate governance provides a structure for the relationships among organizational core stakeholders (e.g. shareholders, boards and managers), leadership provides the motivation and impetus to make corporate governance effective towards achieving the organization's purpose and goals (Davis, 2006). In this respect, good leadership can 'energise' governance, while good governance can serve to sustain leadership." (From <http://www.apros.org/?tag=apros-13>)

How can boards perform better and enhance organizational capacity?

The effectiveness of a governing body cannot be legislated. Trustees have the choice of taking the path of least resistance and coasting along, or of engaging in the difficult but more rewarding involvement of contributing meaningfully to the organization. A healthy, dynamic relationship with management and staff can help propel an organization's governing body into giving real added value to the organization.

The board plays a specifically crucial role in an organization's effort to enhance capacity. But when does one say that an NGO board possesses high-level capacity? From Venture Philanthropy Partners, here are indicators that boards of organizations can strive for:

Board composition and commitment	Membership with broad variety of fields of and commitment practice and expertise, and drawn from the full spectrum of constituencies (nonprofit, academia, corporate government, etc.); includes functional and program content-related expertise, as well as high-profile names; high willingness and proven track record of investing in learning about the organization and addressing its issues; outstanding commitment to the organization's success, mission and vision; meet in person regularly, good attendance, frequent meetings of focused subcommittees
Board involvement and support	Provide strong direction, support, and accountability to programmatic leadership and engaged as a strategic resource; communication between board and leadership reflects mutual respect, appreciation for roles and responsibilities, shared commitment and valuing of collective wisdom
Board governance	Legal board, advisory board and managers work well together from clear roles; board fully understands and fulfills fiduciary duties; size of board set for maximum effectiveness with rigorous nomination process; board actively defines performance targets and holds CEO/ED fully accountable; board empowered and prepared to hire or fire CEO/ED if necessary; board periodically evaluated
Organizational design	Roles and responsibilities of all organizational entities (e.g., headquarters, regional and local entities) are formalized, clear and complement each other; organization chart is complete and reflects current reality
Interfunctional coordination	Constant and seamless integration between different programs and organizational units with few coordination issues; relationships are dictated by organizational needs (not hierarchy or politics)
Individual job design	All roles have associated positions; each one has clearly defined core roles which must be achieved and an area of discretion where they can show initiative and try to make a difference; core roles are defined in terms of end-products and services rather than activities; individuals have the ability to define their own activities and are empowered to continuously reexamine their jobs

Partnership and alliances development and nurturing	Built, leveraged and maintained strong, high-impact, relationships with variety of relevant parties (local, state, and federal government entities as well as for-profit, other nonprofit, and community agencies); relationships deeply anchored in stable, long-term, mutually beneficial collaboration
Local community presence and involvement	Organization widely known within larger community, and perceived as actively engaged with and extremely responsive to it; many members of the larger community (including many prominent members) actively and constructively involved in organization (e.g., board, fund-raising)
Public relations and marketing	Organization fully aware of power of PR/marketing activities, and continually and actively engages in them; broad pool on nonprofit PR/marketing expertise and experience within organization or efficient use made of external, sustainable, highly qualified resources
Influencing of policy-making	Organization pro-actively and reactively influences policy-making, in a highly effective manner, on state and national levels; always ready for and often called on to participate in substantive policy discussion and at times initiates discussions
Management of legal and liability matters	Well-developed, effective, and efficient internal legal infrastructure for day-to-day legal work; additional access to general and specialized external expertise to cover peaks and extraordinary cases; continuous legal risk management and regular adjustment of insurance

Taylor, Chait and Holland (1999) proposes the following four key actions that nonprofit or NGO boards could take to strengthen their work with management on both policy and implementation.

1. *Find out what matters to the organization.* The board gets the chief executive to give it the big picture, gets to know the key stakeholders better, consults experts and decides on what needs to be measured.
2. *Act on what matters.* Rather than ask whether an issue is one of policy or implementation, it asks whether it is important or unimportant, central or peripheral.
3. *Organize around what matters.* The board allows substance to dictate structure, i.e., work groups, task forces, committees, etc. are formed and exist according to the strategic priorities of the organization. "Tissue paper" task forces (use and discard) help to drive work "toward real-time results, multiply leadership opportunities and prevent longtime members from dominating standing committees."
4. *Focus meetings on what matters.* The board begins with the question "What is the purpose of this meeting?" and organizes around it: the needed focus, how do we proceed (format), how much time do we need (duration). Based on the four common responses, the board could proceed accordingly as follows:

- (a) *"We need more background to make a decision."* A discussion led by a moderator can elicit different views, questions, and alternatives.
- (b) *"We don't know what to do about a current problem."* Discussions in small groups can revolve around the explicit question/s at hand; small groups provide a more comfortable setting for free and open discussions.
- (c) *"We face a crisis."* A review of the organization's purpose can lead into discussions of the key issues; at the end of the meeting, members take responsibility for individual tasks to address the crisis.
- (d) *"We need to deal with sensitive governance issues."* Executive sessions without the chief executive are appropriate for more candid discussions about sensitive issues and differences of opinion among trustees.

In addition, Nadler et al (2006) underscores the need for the board to "step back and take stock of its performance." Such reflection is undertaken not only when a new CEO or chairperson comes on board but as a part of an institutionalized periodic assessment process. To be truly more than a mechanical undertaking, the focus must be on the right issues and dealt with through healthy, candid discussions. The results as well as the dynamics together make the process an input to the organization's culture of excellence and an impetus to better performance.

The checklist from *Capacity Building for Local NGOs*, Catholic Institute for International Relations or CIIR/International Cooperation for Development or ICD (starting below) is a tool for such an assessment.

Checklist: SUCCESS Factors for Governing Bodies

1. Their trustees represent the interests of stakeholders and carefully monitor the actions of senior executives to promote and protect those interests.
2. They link the organization to influential external stakeholders, thereby promoting the organization's mission while calling attention to important concerns in society.
3. They are composed of highly qualified trustees.
4. They exercise independent and objective thinking in appraising the actions of senior executives and in introducing strategic change.
5. They pay special attention to their own composition to ensure an appropriate mix of internal and external trustees, and the inclusion of minority representatives.

6. They have a well-developed structure: that is, they are organized into appropriate committees to perform specialized tasks (e.g., to review the work of the Executive Director and to audit the organization's financial transactions).
7. They meet frequently to discuss progress in achieving Organizational goals and to provide counsel to executives.
8. They assess the Executive Director's performance at least once a year to provide guidance on leadership style.
9. They conduct strategic reviews to determine the fit between the organization's strategy and the needs of its environment.
10. They formulate and follow the ethical codes that govern the behavior of the organization's executives and employees.
11. They help the organization look to the future by challenging trustees to clarify their visions for the organization and fit it with the needs of society.

HAVING THE RIGHT PEOPLE

The behavior, attitude, roles and expectations of the governing body have likewise evolved with the times. Traditionally governing bodies were generally passive and unproductive, gathering periodically to rubber stamp proposals from the CEO. Their individual members were either

meddlesome or disinterested. The 1990s witnessed a marked change. Members of governing bodies, motivated by their CEOs, shook off their lethargy and began contributing meaningfully in improving organizational governance and overall performance.

Organization doesn't really accomplish anything... Endeavors succeed or fail because of the people involved. Only by attracting the best people will you accomplish great deeds.

Colin Powell
(statesman,
retired four-Star general)

Who are they? What to look for, precautions

Identifying the right people and getting them into an Organization's Board is a crucial and delicate task. It requires a meticulous process of data-gathering, validation and cross-validation, consultations and negotiations.

An organization must be clear about the basic qualities board members must have based on what it requires from its governing body. It should use these qualities as guide in selecting people for its board.

"An ideal board is composed of the right people using the right processes to do the right work in an environment shaped by the right culture." (Nadler, Behan and Nadler, 2006) Its composition,

structure, size and functions are spelled out in the organization's By-laws. For organizations in the Philippines, these form part of the organization's incorporation documents which are filed with the Securities and Exchange Commission.

To effectively carry out their functions, it is important for board members to know and understand the needs of the organization's client communities. They must also have the ability to speak on their behalf when needed.

Moreover they must know and understand relevant developments or she matches the organization's requirements of the members of its governing body. Issues and issues in the organization's internal and external environments. Individual board members may be helped in this regard through orientations, meetings and consultations. Beforehand though, it is important to assess an individual's capacity in these areas. This is the ultimate basis for deciding on whether or not he or she matches the organization's requirements of the members of its governing body.

CF like other organizations, considers people right for its board if they (1) can contribute relevant knowledge, experience, and skills to the Foundation's purpose, (2) are able and willing to share time and effort, (3) share the Foundation's belief in its mandate and is committed to it, (4) possess leadership skills, and (5) have good rapport with the Executive Board.

But credentials in terms of knowledge and skills do not suffice to make an individual right for an organization's governing body. The person's values are crucial. The values of an individual with no visceral feel for the organization may be inconsistent with those of the organization. These values can be implanted in the organization since the ability to influence is inherent to positions of authority like board membership. Conflicting values are not only impediments to effectiveness. They can also seriously harm the organization's reputation and public image.

*In the past,
a leader was a boss.
Today's leaders must be
partners with their
people...they no longer can
lead solely based
on positional power.*

Ken Blanchard
(management expert and author)

Generally, an organization looks for an individual with leadership potential, integrity, and credibility; is compassionate; is committed to the success and can promote the interests of the organization. These are not readily evident but effort must be made to validate them since they are crucial and could impact greatly on the organization. An individual with these characteristics will be an asset to any organization.

Capacity Building for Local NGOs (Catholic Institute for International Relations or CIIR and International Cooperation for Development or ICD) provides the following pointers when selecting members for an organization's governing body:

- Look at what an individual could bring into the organization to achieve its goals. Consider an individual who is experienced and skilled in a relevant field, willing and prepared to help in actively running the organization.
- This must be balanced though with the individual's inclination and willingness to actually give time to the organization and the fulfillment of its mission. Often we have people in mind who are highly skilled in the appropriate field, highly respected, and sincerely interested to help out. But precisely because of their credentials and qualities, these people are usually involved in a number of causes and organizations at the same time. This means that your organization will be in for a lot of competition for this person's time in the event that he or she becomes a member of your organization's governing body. The best skilled and the most committed are only of value if they actually involve themselves in the affairs of your organization.

"Individuals should NOT be selected and appointed solely for their status or position in the community."

- The field of selection may include beneficiaries or clients provided that arrangements are made to avoid conflicts of interest. When something from which the person might gain personal and direct benefits is put to a vote is one instance of conflict of interest.

That NGOs have increasingly brought representatives of the communities they serve into their governing bodies speaks of greater effort at acknowledging the views and feelings of their constituents. Involving them in decision-making at the highest level also gives a stronger guarantee of the appropriateness of programs. These also clearly manifest an organization's development perspective.

- At the outset and without discouraging or offending them, it is important to make potential members aware of the seriousness of their **duties** and **responsibilities**, and the **commitment** and **time** required. Be as specific as possible, also stating whether presence is required monthly, weekly, etc.
- Make sure also that the individual considers whether or not your organization is suitable for him or her. A match from both perspectives helps ensure a meaningful symbiotic relationship between an organization and its board members.

Try your hand at it with the Exercise on Selecting Trustees (Annex 4) on page 156. This practice will be helpful when the real time for selecting individuals for your organization's governing body comes.

It does not make sense for an organization to scrimp on diligence and caution or to rush in composing its governing body. The board is where an organization's ultimate directions and major decisions emanate. An organization must identify candidates with care and attention to nuances. It must be doubly careful as when it is recruiting and hiring people for less critical and more peripheral positions.

Process of governance and administration

Policies or guidelines and sanctions are fundamental in the process of governance and administration. To be effective, directing and managing the organization must be done according to policies and their corresponding guidelines. Policies and guidelines are like a ship captain's manual that spells out what should and shouldn't be done and why. As governance and administration tools, policies and guidelines are meant to facilitate decision-making and make selected activities routine. Their punitive component is a mechanism for ensuring discipline and fairness.

Specifically, policies (1) establish organizational norms, (2) provide a standard in decision-making, (3) provide a reference point in settling conflicts in opinion, priorities, etc. and (4) routinize certain organizational decisions, procedures and processes thereby reducing uncertainty, indecision, and promoting swift and quality decisions as well as time-efficiency.

The process of establishing policies is usually a participative one especially among NGOs. The governing body, senior management, and staff engage in interactive sessions where decision points calling for an appropriate policy are identified, ways of eliminating pertinent conflicts or overlaps conceived, and the appropriate policy statements and implementing guidelines crafted. Sometimes, the board delegates the drafting and initial consultations to the staff, after which it reviews the drafts and then decides on them for finalization.

Policies are not unchanging nor cast in stone. Needs change and this sometimes call for adjustments in policies. Formulation and revision of policies are done at certain periods to meet specific needs. Policies and their implementation are also reviewed from time to time to ensure relevance and effectiveness.

To be useful, policies have to have certain components. As shown in the sample policy that follows, these components are (1) the Policy Statement (states the policy in broad terms), (2) Implementing Procedures (state how the policy will be carried out), (3) sanctions or alternatives (describe the accountability or punitive measures in case of violation or exceptions to the policy; they enhance the effectiveness of policies). A fourth one which is optional is the individual or entity responsible for its implementation.

Sample policy:

Policy Statement: The organization shall give priority to indigenous peoples.

Guidelines and Procedures: In the pursuit of this policy:

- Programs will be planned and evaluated according to their impact on indigenous peoples.
 - 90% of the budget will be channeled to such programs
- Projects that do not meet these criteria but are deemed to advance the vision of the organization will be subject to Board approval.

A policy is considered good if it has these characteristics:

- Does not violate any law of the land or canon (principles) of the organization — it is legal;
- Answers a specific decision-making activity;
- Is simple and unequivocal;
- Is implementable or doable;
- Is useful and acceptable; and
- Can be modified as time and circumstance warrant.

Administration

Administration which can be viewed as the flipside of governance involves the process of organizing people and resources efficiently so as to direct activities towards common goals and objectives. It aims at a well-coordinated functioning entity of various parts. Established policies, procedures, and management principles are the organization's tools in carrying out this all important function.

It entails making sure that

- Policies and operational procedures are available to guide everyone in the organization;
- Lines of accountability and authority are clear;
- Delegation of authority and responsibility are compliant with guidelines;
- Written operational procedures for effective service delivery and protection of program participants' rights are available;
- Communication and collaboration are consistent and sustained through various measures and mechanisms;

- The governing body is kept abreast of all matters concerning the organization particularly those concerning its services, operations, finances, and its external relations;
- Processes and organizational structure (permanent or ad hoc) for the active participation of personnel in the review, modification, and developments of policies and procedures are available;
- New staff are oriented on organizational vision, mission, goal, policies and procedures;
- Operating procedures regarding volunteer involvement and participation are clear;
- The executive officer or program administrator oversees the development, coordination, and administration of services with the needed mechanism to ensure meaningful participation of personnel in planning, coordination and evaluation.

With administration as the manner by which an organization manages its state of affairs, we see how closely linked it is to leadership and governance. How these three are allowed to operate in a coordinated fashion determines that organization's effectiveness in achieving goals and objectives.

Strengthening an organization's governance and administration system

Each person in the organization has something at stake and therefore should take responsibility to help develop an effective governance and administration system for it. One way of making this happen is through the conduct of periodic reviews to see how the organization is coping with the governance and administrative requirements of its operations.

An instrument like the Governance and Administration in Organizations Assessment Sheet (Annex 5) on page 157 will help ensure that all aspects of governance and administration that need to be considered are taken into account.

The wider the participation in the assessment, the richer information from varying perspectives will be generated. To maximize the process, it is important is that those who will participate are clear about the process as well as the context and reason for doing it. There must also be proper documentation to ensure accurate and comprehensive use of the data generated.

Other activities that can be undertaken to help further strengthen your organization's governance and administration system are:

- A review of the organization's system to enhance the organization's capability in detecting and addressing problems; determining the appropriate composition, size and adequacy of the board; assessing board members' interest, political will and ability in policy formulation.

- A policy formulation or board development workshop with the help of a competent external facilitator or resource person.
- Preparation of a Board Development Plan identifying general and specific needs of each member, intervention needed, target date for achievement, person responsible, and proof of completion.
- Preparation of qualifications and representation criteria, and job description for each member of the overning body.
- Follow-ups to determine progress in the above.

In all of these, valid and accurate information is crucial. The qualifications of individuals and data from recruitment and development procedures are basic among these. Such information could be gathered through interviews with the board members and review of the pertinent files of the organization. As partners of CF, it would be good to revisit CF's own criteria for governance and administration in its publication *Guidelines for Organizational Capacity Building and Social Service Delivery*.

The navigating function in organizations are multifaceted and interrelated. The ship's captain may know the way. But the vessel must be in tip-top shape. Moreover, the crew must not only be clear about the destination and fit for the journey. They must also be able to undertake individual tasks and functions in a synchronized manner. Otherwise, the vessel may run aground or get lost at sea with everyone in it.

As a fitting ender to this chapter, let us derive some lessons that could prove useful to navigators of organizations from what to many may be a most unlikely teacher.

Learning from wolves

Scholars and experts in leadership and management have shown an increasing interest in *wolves*. This is because people who have been studying wolves have discovered that these wild carnivorous animals known for their distinctive howl, for moving in packs, and for being the great ancestor of man's best friend, have a lot to teach humans, especially those in organizations.

Wolves are extremely loyal and cooperative. They are experts in focusing their energies toward the activities that will lead to the accomplishment of their goals. They are masters of planning. They do not run aimlessly around their intended victims. When the time to attack comes, each one knows exactly what he is supposed to do and what the pack expects of him. They are in constant communication with each other as they implement what to us today would be a strategic plan. They abide fiercely to their social structures. (Towery, 2000)

"What is best for the pack?" is the constant concern that shapes a wolf's attitude. Clearly this is in marked contrast to humans who will sabotage their organizations or even their families just to get what they want.

The Wolf Credo:

Respect the elders.

Teach the young.

Cooperate with the pack.

Play when you can.

Hunt when you must.

Rest in between.

Share your affections.

Voice your feelings.

Leave your mark.

Del Goetz

Among wolves, teamwork, loyalty and communication are the norm rather than the exception. The wolf pack knows who it is. Those in the pack exist for each other. "Training, preparation, planning, communication and a preference for action" are what contribute to the wolf's success in achieving goals. The cohesion, teamwork and training of the pack determine whether they live or die.

Apparently, wolves see deeper than we do.

Let us pray for the wisdom that has not eluded them, that we too may be firmly focused on purpose. Moreover, that we may have a deep sense of responsibility and accountability, a genuine concern for team above self, and the discernment and energy to act at the appointed time. For those of us whose prayer will be answered, navigating our human organizations could be the adventure of a lifetime, or perhaps a delightful walk in the park.

5 VISION WALKS THE GROUND

Vision, “an idealized view of what the future can be,” is not meant to stay floating in the minds of people. Nor to merely grace an organization’s homepage or organizational brochure.

A vision is good afloat when it helps set direction, encourages, and inspires. But when one comes down to it, the best thing that can happen to a vision is to disintegrate into the minds of people and ‘live itself out of the job’ as an intangible or abstract thing. Its ultimate usefulness is not in floating above their heads but in ‘walking’ in the lives of people.

Programs and projects are the vision-carriers. They are visions on the ground. They fulfill not only the vision but also the mission and commitment of an organization. It is through them that goals and objectives are accomplished. With so much they can do, an organization must exert every effort to manage them well. That’s working smarter to survive in the 21st century.

*It is not rare for people to use the terms **program** and **project** interchangeably. But though the focus of this section is on projects, it would be good to review how programs and projects differ from each other and how they intersect.*

The vision-carriers

A **program** is a body of concepts, policies and guidelines for a project or a set of several projects. It describes a basic idea or what is known as a “*program concept*” -- the nature of the program

(e.g., health, community organization), its contribution to the attainment of an organization's goal and objectives, the strategies that will be used, the activities that will be conducted, the people who will be benefitted, the people who will do the work, and the resources needed.

A program presents an organization's thrust. It is the unifying theme of two or more projects, indicating their coherence. It shows the various dimensions of an area of concern and the relationships across them. When made up of multiple projects, it is also a veritable menu of different strategies for addressing an area of concern.

An organization may have one or several programs and therefore one or several thrusts. They may not necessarily be of equal stature, with one regarded as the main or focal thrust for a particular period in the life of an organization. The overarching theme that unites these programs and thrusts points to the mission of the organization. An organization may shift thrusts as it deems fit based on developments in its internal and/or external environment, but ideally its thrusts are always congruent to its mission.

On the other hand, a *project* is the operationalization of a program or an aspect of it. It is a comprehensive, detailed and planned attempt to accomplish specific objectives through a unique set of tasks and the proper use of resources the major of which are people, materials, equipment, facilities, funds, and time. It has a definite beginning and end or timeframe (which is not always the case for programs). In other words, a project is a set of multiple tasks/activities, each of which has performance, cost, time and scope requirements (Lewis, 2002). The tasks in a

project are interrelated, interdependent, and logically and chronologically set, i.e., non-repetitive and need to be implemented according to a specified sequence.

*First comes thought,
then organization of that
thought into ideas and plans,
then transformation of those
plans into reality.*

Napoleon Hill
(journalist,
personal success author)

An organization may have a *community organization program* with one or several *projects* under it that are *community organization* in nature.

Programs and projects are not only closely linked, they are also conceptualized in very similar ways. They differ slightly in terms of management with projects requiring more attention to details: targets, milestones, staffing, resource acquisition and allocation, scheduling, monitoring, etc.

To facilitate our understanding of programs and projects within the context of an organization's V-M-G-O, let us revisit the pyramid on page 42.

An organization's V-M-G are the key determinants of that organization's programs and projects. In this sense, V-M-G rationalize the latter. They guide the organization in conceptualizing or selecting the programs and projects that are calculated to accomplish its goals and fulfill its purpose. This way too, they enable the organization to focus on what is truly essential and allocate resources appropriately.

There are countless project ideas and projects in social development that directly serve clients. The more common are in the areas of education, health, child protection, community organization, enterprise development and income generation. There are also integrated area development projects. Institution or capability building projects provide enabling strategies for entities that discharge the service or run the projects. Because of their realities however, NGOs sometimes implement projects that are not directly or clearly aligned to their V-M-G such as income generating projects, short-term emergency relief assistance projects, and goodwill projects. In such instance, the NGO concerned must make the following explicit to all concerned -- (1) the decision on the project was arrived at through standard procedures rather than unilaterally by one or a few of its officers, (2) the project is recognized as such, i.e., not directly flowing from its V-M-G, (3) the reasons for doing it, and (4) all stakeholders are adequately and properly informed.

Be that as it may, organizations must not lose sight of its primary purpose and must avoid dissipating its resources by engaging in peripheral endeavors. Exceptions must be of extraordinary importance to warrant doing them. This is where an organization's capacity for free and objective exchange of ideas, and participative decision-making is tested.

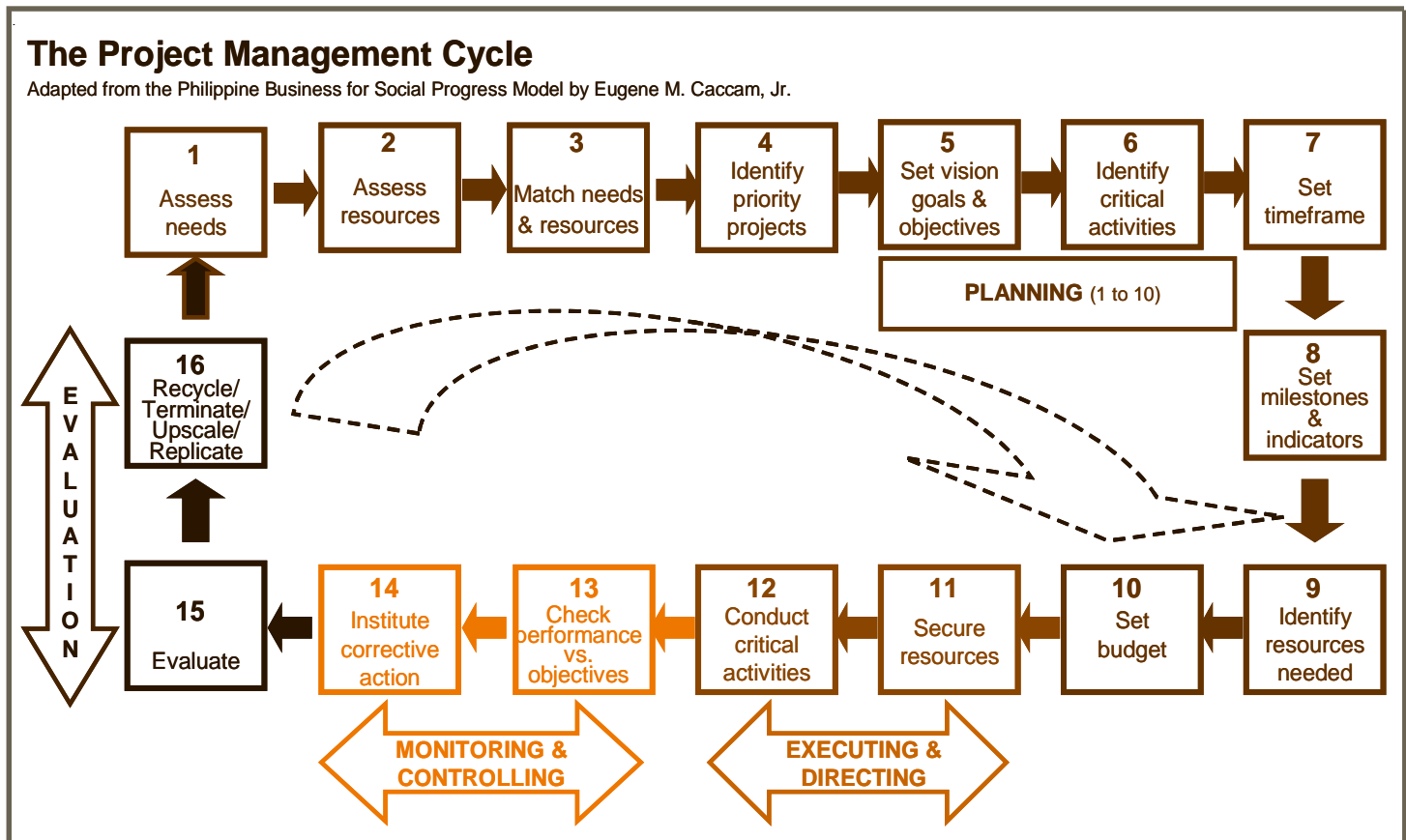
"Birthing" and rearing projects

Ideally, projects result from a purposeful participative process. This is the planning phase of what is known as the project management cycle. It is participated in by a group of people who are one in pursuing a common purpose. With the group's leader as enabler, the group harnesses its logic and creativity and arrives at a project that addresses that purpose.

The project management cycle is essentially about *"planning the work and then working the plan."* Project management is about coordinating the work of people. It is facilitating the planning, scheduling and controlling of the activities or tasks that will achieve objectives. More concretely, it is about developing a blueprint for responding to a need and then implementing that blueprint to fill the need. It is therefore needs-based, with the need/s of a certain sector or a community at its core. And because life is fraught with unpredictability, clear statements of assumptions must be part of the blueprint.

But there is more to achieving goals than formulating a project. As the project management cycle shows, monitoring the progress of implementation and then evaluating a project are crucial parts of the project management process. Through these activities, information are gathered not merely for purposes of reporting. More importantly, they are “recycled” – analyzed, validated and employed — in the 2nd round of the project management cycle. Here an organization decides whether to plan and replicate the project in another area and/or for another community, or implement a new project all together.

Let us take a closer look at the Project Management Cycle and see how the four management phases link up. What does each entail, specifically in the case of social development projects?



Organizations in social development like NGOs cannot do without planning. An organization's planning skill strengthens its ability to address concerns to accomplish its purpose at the present time and pursue the same in the future. It is in planning that an organization determines its priorities and uses them to come up with appropriate projects.

Everyone has some sense of planning, with some having more of it than others. *The housewife knows what time she should start cooking because her husband will be off to the docks before daybreak and what time to do the laundry. The farmer knows how much grain he needs and when, how much of the harvest to set aside for the family and how much to sell at the local market. A consultant knows which files to present in a particular meeting and which ones to set aside for some subsequent meeting. Even a thief mulls over where and what time to stake out prospective victims to ensure success.* Wittingly or unwittingly, planning is played out in most if not all human activity.

It has often been said that Filipinos are good in **planning** but lousy in implementation. That we have the knack for beautifully and neatly putting down concepts, strategies, and measures on paper but fail in making them do what they were meant to in the end.

Whether such observation is true or not, it underscores that the planning and the project blueprint it yields must translate into *action*. And for this to happen, that blueprint must first of all be doable. Then it must be followed through using the right implementation, monitoring and evaluating skills, processes, and tools. *The vision has to descend and settle on the ground before it can start walking. For it to do so, it must have the proper gear.*

Proper planning is mostly about details. An intellectual activity, its output must be as comprehensive, specific, and clear as possible. As the first phase of the project management cycle, it largely determines how the rest of the cycle will go.

As an agent of social development, an NGO must look carefully at the process, the information and the participation factors in planning. How it employs these factors in the planning stage and the blueprint or plan that will result will mirror its identity, inclination, interest and intent as an organization. The picture it will paint could enhance and confirm its identity as a genuinely committed social development entity. Or it could raise doubts about it, lower its credibility and influence, and turn away rather than attract partnership with others in its work. *Are the atmosphere and the mechanics geared to an open, productive exchange of views? Is the body of information being dealt with essential, valid and adequate – consistent with purpose, mission and goals, represent all the sectors concerned, up to date, etc.? Are the sectors concerned given a voice?*

Everyone knows about a kind of plan or two. A wedding plan, a lesson plan, a game plan, etc. — they have the same basic elements, though perhaps labeled differently. A *plan* is what results from planning.

It is a guide for undertaking something to achieve something. For it to be useful, a plan, especially the kind we need to know about, has to encompass a number of things, all of them essential.

What is it,
What will it do,
For whom,
How will it be done,
When,
Where,
By whom,
With whom,
What are needed to make it happen, and
Why.

The more comprehensive, clear, and updated the answers to these questions are, the greater chance that project implementation will proceed smoothly.

Planning involves the conceptualization and development of a program or project idea – laying it down in logical and chronological order, and consolidating them into a document:

- What is it and why (nature, rationale for conceiving the project, what needs it will respond to or what problems it will solve)
- What will it do (change aimed for)
- For whom (beneficiaries)
- How will it be done (strategy/methodology and management)
- When (timing, schedule, timeframe)
- Where (project location or site)
- By whom (who's responsible and accountable)
- With whom (partners, collaborators, supporters)
- With what (human, material and financial resources)
- What will be done to ensure it works and could be sustainable (monitoring and evaluation; indicators and milestones)

Aside from these basic project data, assumptions, forecasts, contingencies and alternatives for eventualities, and estimates are also important because a project involves uncertainties. In the process of planning for projects, possible risks surface and ideas for avoiding or mitigating them must be studied. Adherence to gender equity, concern for the environment and similar other

concerns should also be ensured. Mechanisms to check and ensure cost efficiency and cost effectiveness must be provided. Conditions for institutionalization must be set.

All these should be written down because there could also be deviations in the general rule and people other than those involved in the planning might have to implement the plan. Especially in this case, a clear roadmap is indispensable.

The planning phase of project management that should result in a written plan usually takes seven basic steps:

1. *Establishing the baseline data.*
This entails a Needs or Situation Analysis.
2. *Determining long and short term goals and objectives.*
This includes determining priorities, i.e., which need among several the organization should address and which resources will be mobilized. Criteria for prioritizing projects include: urgency of the need, availability of resources, readiness or willingness of community, cost efficiency, effect and impact, alignment with government priorities, risk management, ease of monitoring, and peace and order situation in the communities being considered as project sites.
3. *Determining the benefits for program participants who use the services.*
4. *Setting appropriate indicators and performance levels.*
5. *Establishing systems and procedures for measuring and documenting the progress of each goal and objective.*
6. *Allocating the budget and other resources.*
7. *Drafting an implementation strategy and a timetable for each of the steps.*

Vision starts walking the ground

A toddler's taking his first steps is a momentous occasion for family and friends. The air is filled with squeals, applause and other ways adults have of egging on the toddler to take another step. Meanwhile, the little person seems oblivious, intent on his new discovery — the rhythmic motion of his appendages -- and consequently busy exploring where it could lead him.

The initial steps in implementing a project should be as memorable and exciting for an organization as a child's first steps. After much time and effort to arrive at a neatly packaged plan, the time has come to see how good and workable it really is in accomplishing its objectives. Stakeholders watch closely as they do their part. If they will be as excited as the toddler's significant others and as intense and committed as the toddler, success in implementation, no matter how complicated, will follow.

Implementing is 'working' out the concepts, processes, steps, schedules and measurements laid out in the plan. The organization takes its vision through its initial steps on the ground, then walking it with added skill, and finally gaining ground in achieving objectives.

Implementation could also be the most stressful phase of project management. Tasks must be properly executed. Schedules must be met. It is a time for getting people working together towards a unified purpose even as they proceed with their individual inputs. Initial results are expected. It is when assumptions are validated and when failure could occur and adversely affect the lives of communities, not just the organization's operations. It is when countless things could go wrong, and they often do.

These and other occurrences underscore that a well-developed plan is not reason enough for an organization to sit back and relax. Well, maybe for a while, but only to muster enough strength to be up and about again to get the project going.

Good as it may be, a well-thought out plan will however not guarantee success in implementing the project but only increase its probability. There is still no replacement for commitment to purpose, clarity of vision, competence, and perseverance. And only the people in organizations can work these out. The *man in the mirror* still determines if it will be a breakthrough or a breakdown, not only on a personal level but also organizationally and especially during the change process. When conditions vary and plans are altered, it is the human beings comprising the organization who do the coping.

Coping with change triggered by changes in either or both the external and internal environments is what stretches organizational muscles. Organizations are not static entities but human systems that are constantly evolving. The transformation happening inside them presents a challenge. During project implementation, the challenge to stretch becomes more complicated because individual personal issues which cannot be ignored or set aside are part of the scenario.

It is under such conditions that the need to lead rather than to merely manage and the need to work with passion rather than to merely comply or finish an assignment come to fore. Oftentimes crisis does strange things to people. *An autocratic leader or manager begins to employ more participative approaches. Bosses who practiced communication by merely talking, and not by talking and listening begin to ask questions and actually wait and listen to the answers. A solo operator begins to reach out to his colleagues, finally seeing the value and the need for teamwork.*

People have the option and the power to meet crisis as blessings in disguise, and put them to good use for themselves and for their organizations. Under normal circumstances, such positive ways of coping could take time to develop. Implementation time which demands a lot is usually the best time, and the gains are usually more enduring too.

Pacing for greater effectiveness

Effective management of projects entails more than management skills. The skill to learn how to think evaluatively is equally important. This mind-set enables a person to detect new possibilities beyond tangible results. This is especially true for organizations that also look at projects as learning avenues for itself and the other people involved.

Pit stops are important in any race or journey. They provide the much-needed breather when one can think through how she's done so far, how travelling the remaining distance can be made better, and how reaching the finish line can be assured.

Such are the benefits that can be gained from **monitoring** and **evaluation** which are often taken in tandem because they are so closely linked. They do not bring the project to a halt. Rather, they provide the periodic pause for meaningful reflection that can fuel the journey for the rest of the distance.

Monitoring is assessing while the project is on going while evaluation is assessing at a point in time, often after the fact. Monitoring looks out for indicators that what was planned was achieved. The process also points out deviations from the plan. Evaluation looks at the worth, or value or quality of the project. In both processes, data and information play a crucial role. Data from monitoring is employed to reinforce or realign succeeding phases and activities in a project. Data from evaluation is processed as a basis for deciding on possible replication or the development of an entirely new project.

Monitoring is measuring the progress of the project based on objectives as it is being implemented. It compares performance against plans. It is done primarily to detect deviations and to institute corrective measures that will keep the project on track and the organization focused on priorities for achieving goals and objectives. It may be done formally through monitoring sessions and visits that usually follow a pre-determined frequency and schedule, e.g., monthly, quarterly, and semi-annually. It could also be informal in nature such as spot checks and incidental spontaneous and sometimes unannounced discussions. Whether formal or informal, it is done throughout the project's life.

*Your best teacher is
your last mistake.*

Ralph Nader
(lawyer, author,
political activist,)

Evaluation is similar to monitoring but is broader in scope. It is also done more formally.

It looks at the project in its totality in terms of effectiveness — whether objectives were achieved or not, and what the facilitating and hindering factors in the process were. It addresses cost efficiency — whether the project could have achieved the same results at a lesser cost.

It helps the organization in deciding whether to modify, continue, replicate or abandon the project. It also surfaces lessons that the organization can employ in planning future endeavors. Data may largely come from results of monitoring, although more elaborate measurement tools, methods, and processes are used.

Consuelo Foundation lists nine items in *Guidelines for Organizational Capacity Building and Social Service Delivery* that can tell an organization if it has sufficiently covered the monitoring and evaluation of its operations. The key points are that the organization

- Systematically monitors the implementation of the various elements of its plans;
- Responds appropriately and in due time to information generated in the monitoring;
- Periodically reviews its mission and mandate, goals and objectives, strategies, strengths and weaknesses, persisting issues, level of participation of the beneficiaries of projects, and outcomes, as well as its services and how these are discharged;
- Reviews its administrative procedures annually;
- Makes evaluation results available to all concerned;
- Employs mechanisms for maintaining the confidentiality of information and protecting the privacy of people; and
- Properly tackles evaluation-related problems.

The matter of quality

Excellence is an art won by training and habituation... We are what we repeatedly do. Excellence, then, is not an act, but a habit.

Aristotle
(philosopher, teacher)

“*Excellence*” is a goal that all organizations must strive for. It is a value many of them uphold. Taken from the root word “*excellere*” which means “to surpass, to rise,” it implies several things — a position being sought, an originating point, effort, inspiration, motivation and persistence. Some experts say that one’s competition in the matter of excellence is others as well as one’s self. It is doing extremely well, much better than one did before, and also surpassing another in some respect or area.

The *New York Times Company* provides a list of key factors that encompass measures for excellence within the context of NGOs. The

company assesses participating organizations in its 2010 Nonprofit Excellence Awards using its Seven Areas of Nonprofit Excellence ([http://www.npccny.org/info/7AreasofNonprofitExcellence\(2010\).pdf](http://www.npccny.org/info/7AreasofNonprofitExcellence(2010).pdf)).

- Overall management focus on results
- Governance structure that moves organization forward
- Strong, transparent and accountable financial management
- Inclusive, diverse and responsive organizational practices
- Enlightened use of human resources and technology
- Regular and effective communications
- Effective, ethical fundraising and resource development

The Awards program involves the staff, board, volunteers and other stakeholders of the competing organizations in the selection.

Because one of the most tangible manifestations of excellence are its projects, an organization must sustain project outcomes and performance that is superior. CF partners will find it helpful to refer to the Foundation's quality assurance indicators for services and processes. Found in its *Guidelines for Organizational Capacity Building and Social Service Delivery*, the indicators are supportive of the key factors of excellence forwarded by the *New York Times Company*. They spell out in specific terms items and aspects of operation that are indicative of an organization's value for excellence.

In summary these are:

- Clearly defined guidelines that help the organization guarantee the quality of its services in terms of timeliness and appropriateness, staff performance and progress of clients;
- Quality that is assessed against predetermined information and benchmarks;
- Properly handled Information — from gathering to storing and retrieving according to schedule to using it as input to improving service; and
- An open interactive climate that promotes a healthy exchange of ideas across all levels of staff and management/leadership, program participants, community residents and volunteers.

Programs and projects are significant in an organization's relevance and effectiveness. It is therefore useful to review how things are in your organization against the indicators of high level capacity in this area which were formulated by Venture Philanthropy Partners. Apart from measuring progress, they can be used to guide an organization in eliciting best effort from all concerned.

Overall strategy	Organization has clear, coherent medium to long-term strategy that is both actionable and linked to overall mission, vision, and overarching goals; strategy is broadly known and consistently helps drive day-to-day behavior at all levels of organization
Goals/performance targets	Limited set of quantified, genuinely demanding performance targets in all areas; targets are tightly linked to aspirations and strategy, output/outcome-focused (i.e., results of doing things right, as opposed to inputs, things to do right), have annual milestones, and are long-term nature; staff consistently adopts targets and works diligently achieve them
Program relevance and integration	All programs and services well defined and fully aligned with mission and goals; program offering are clearly linked to one another and to overall strategy; synergies across programs are captured
Program growth and replication	Frequent assessment of possibility of scaling up existing programs and when judged appropriate, action always taken; efficiently and effectively able to grow existing programs to meet needs of potential service recipients in local area or other geographies
New program development	Continual assessment of gaps in ability of existing programs to meet recipient needs and adjustment always made; ability and tendency efficiently and effectively to create new, truly innovative programs to the needs of potential service recipients in local area or other geographies; continuous pipeline of new ideas
Performance measurement	Well-developed comprehensive, integrated system (e.g., balanced scoreboard) used for measuring organization's performance and progress on continual basis, including social, financial, and organizational impact of program and activities; small number of clear, measurable, and meaningful key performance indicators; social impact measured based on longitudinal studies with control groups, and performed or supervised by third-party experts
Performance analysis and benchmarking	Comprehensive internal and external program adjustment part of the culture and used by staff in target-setting and daily operations; high awareness on how all activities rate against internal and external best-in-class benchmarks; systematic practice of making adjustments and improvements on basis of benchmarking
Monitoring of landscape	Extensive knowledge of players and alternative models in program area; refined ability and systematic tendency to adapt behavior based on understanding
Strategic planning	Ability to develop and refine concrete, realistic and detailed strategic plan; critical mass of internal expertise in strategic planning, or efficient use of external, sustainable, highly qualified resources; strategic plan used extensively to guide management decisions

Operational planning	Organization develops and refines concrete, realistic, and detailed operational plan; has critical mass of internal expertise on operational planning, or efficiently uses external, sustainable, highly qualified resources; operational planning exercise carried out regularly; operational plan tightly linked to strategic planning activities and systematically used to direct operations
Use and development of organizational processes	Robust, lean, and well-designed set of processes (e.g., decision making, planning, reviews) in place in all areas to ensure effective and efficient functioning of organization; processes are widely known, used and accepted, and are key to ensuring full impact of organization; continual monitoring and assessment of processes, and systematic improvement made
Planning systems	Regular planning complemented by ad hoc planning when needed; clear, formal systems for data collection in all relevant areas; data used systematically to support planning effort and improve it
Knowledge management	Well designed, user-friendly, comprehensive systems to capture, document, and disseminate knowledge internally in all relevant areas; all staff is aware of systems; knowledgeable in their use, and make frequent use of them

With these indicators, your organization will be better able to make a more focused effort at capacity development within the context of its programs and projects.

To kick off the process of enhancing your organization's project management capacity, check its current capacity using the Assessment Sheet, Assessing the Project Management System (Annex 6) on page 158.

*Twenty years from now you
will be more disappointed by
the things you didn't do than
by the ones you did do.
So throw off the bowlines.
Sail away from the safe
harbor. Catch the trade winds
in your sails.
Explore. Dream. Discover.*

Mark Twain
(author and humorist)

Projects are an organization's offering to individuals and communities. They manifest the giving spirit of an organization and its regard for social development not only as a program thrust but as a tangible helping hand for those in need. Doing well in them is what will eventually help change people's lives.

The beauty of it is that as you and your organization help change others' lives for the better, your own lives are enhanced in the process. And as your organization's vision walks the ground, walking alongside is your own vision of the person of substance you wish and were meant to be.

Make the most of it – don't just walk for health as wellness gurus advise. More importantly, walk for meaning and substance. Sooner or later, you will see your organization keeping pace, and the individuals and communities you serve not far behind.

6 THE RIGHT HUMAN FACTOR

Organizations are human systems. How good or bad an organization is can only be attributed to the humans that comprise it.

This centrality of the role of people in organizations underscores the need for continuing, determined effort to develop, manage and lead an organization's human resource. In an era of change, the bottom line for carrying these out is to empower.

The tasks involved are tough and complex as well as urgent and necessary for both the individual and his organization to survive and grow. This is the unique challenge in caring for an organization's human resource.

"HR" or human resource pertains to the people who perform the various functions that will enable an organization to realize its purpose and accomplish its mission. Their positions are generally classified this way:

- Managerial: mainly for policy and decision-making, project execution according to or as approved by the governing body
- Supervisory: mainly for overseeing activities, providing support and guidelines to technical staff, and linking the staff with management
- Technical: for implementation of program, project or institutional activities
- Administrative: mainly for providing logistic support to managerial, supervisory and technical activities to facilitate, if not substantially contribute, to the achievement of tasks

They can be permanent, regular, contractual or casual. They may be line (those with a direct responsibility for achieving targets in the main business activity of the organization) or staff (those which accomplish the primary objectives in support of line functions to achieve targets). Their relationship with one another – which may be vertical or horizontal — is reflected in the organizational chart or structure.

The organization may also require external expertise and engage consultants or professional contractors, for special activities or assignments. The organization has a contractor-contractee arrangement and no employer-employee relationship with them. Such an arrangement is limited to a specific activity or assignment.

Volunteers are another category of human resource which organizations especially human service organizations tap from time to time. The working relationship between volunteers and organizations is not normally covered by any formal agreement. As one author said, volunteers do not need contracts but covenants based on shared commitment to ideas, issues, values, goals and management processes.

This is what makes them different from partners which operate under a negotiated relationship covered by a contract that spells out expectations, roles and accountabilities.

For a time, the label “personnel” was used for human resource. “Personnel” referred mainly to hiring and firing of staff. But the increasing understanding of human behavior in organizations gave rise to the label “HR.”

There is a long-running debate as to whether “**HRM**” or human resource management or “**HRD**” or human resource development is the more appropriate label. For our purposes, we will go by “**HRDM**” or human resource development and management which is more encompassing. It is appropriate since we are concerned with both the management (e.g., recruitment and staffing, performance issues, compensation and reward, personnel policies and records) as well as the development (e.g., training, career development) of the people in organizations.

The placement or positioning of HRDM in organizations also varies, especially with the installation and institutionalization of Organizational Development in many organizations.

As the demand on people and organizations grew in complexity, HRDM also grew into the sizeable operational chunk that it is today. From its traditional key results areas of hiring and firing, it now has four basic functions — (1) recruitment, (2) training and development, (3) performance and rewards management, and (4) employee relations.

But whatever the label and placement, it is a people function that deals with the people in an organization as a vital resource in its pursuit of purpose and fulfilment of mission.

The domain of HRDM ensures that the organization has adequate number of skilled, motivated, and committed staff. It deals with everything that has to do with the people that do the work of the organization. Thus it comes with numerous types of challenges because people are far from simple. In the workplace, they are exposed to factors, conditions and circumstances that give rise to work-related complications. Outside of it, they are also affected by more personal concerns which likewise impinge on the way they perform their tasks and functions.

Human beings bring a lot into an organization's pursuit of purpose. But a lapse on their part also comes with tremendous repercussions.

When a machine breaks down and production stops, it could run again by simply replacing a screw or cleaning the motor or perhaps, more seriously, overhauling it. If it is beyond repair, a new one could be acquired to replace it.

But people problems in an operational situation take so much more to correct. When an employee falters, the project is disrupted or the organization is required to shift gears. An expectant community is left hanging, other stakeholders are upset, the organization's self-esteem is shaken, its public image tainted. Even if the erring individual is replaced immediately, the consequences of the error usually require a lot of human calisthenics over a period of time. Moreover, in the realm of when human dynamics, complete resolution is never guaranteed.

Such are the things that HRDM functions or services have to contend with.

Before we look at the four HRDM functions in greater detail, let us first deal with the all-important perspective against which they should be studied.

Empowering to survive and thrive

Efficiency and effectiveness no longer suffice in the 21st century. An organization must become an empowered entity composed of empowered individuals. Empowerment is basic especially for one that operates in the milieu of social development which preaches empowerment through its programs and services.

Empowerment as a change process comes from within. It cannot be mandated nor forced nor can it come from programs. (Spreitzer and Quinn, 2001) It can only come about for a willing or inclined individual or organization and under the right conditions.

So what is empowerment really about? What does it entail? What are some of the things that an organization can do to grow into an empowered entity?

The section that follows deals with the four dimensions of genuine empowerment. Spreitzer and Quinn (2001) concretely defined empowerment in the work setting. They underscored the fundamental personal beliefs of individual employees about their role as well as the conditions that will promote these beliefs and which must be established and reinforced if organizational empowerment is to be achieved.

- 1. Self determination:** An individual sees himself as having the freedom and the discretion to choose how he will do his work. *“Self-determination is the foundation of a leadership mindset.” It encourages an individual to take the initiative when he sees something that can be improved on. A sense of self-determination is driven by the individual’s perception that his involvement in the organization is volitional and intentional rather than forced or coerced. When an individual is allowed to make decisions, he becomes responsible for his choices.*
- 2. Meaning:** Individuals care about their work and consider it important. *Meaning can come from the activities or from their results. It gives an individual a sense of personal connection with her organization. This helps to motivate her to use her skills to the utmost. This is what will drive her to deliver the kind of performance that can unleash her full potential and move her organization from effectiveness to significance.*
- 3. Competence:** Individuals are confident about their abilities and no outside force can prevent them from attaining the required level of performance. *Technical competence builds a person’s confidence. A person’s belief in his capability to provide the requirements of his present job will build his capacity and courage to meet future challenges. “A sense of personal mastery” that is maximized in a trusting and supportive environment can translate into organizational performance that is ripe for excellence.*
- 4. Impact:** Individuals make a difference in the system in which they operate. *Impact in brief is people having input into strategic, administrative and operating decisions. It is the degree to which a person influences her surroundings and to which her organization listens to her ideas. It is actively contributing to an organization’s pushing boundaries to achieve purpose.*

The development of all four dimensions must be promoted. Otherwise, it will only reinforce the autonomy that comes with self-determination at the expense of the other three dimensions. True empowerment is one where each of the four dimensions is only a part of the equation.

The empowerment of an individual is a consequence of the individual’s fundamental personal beliefs about his role in relation to his organization. The empowerment of an organization is a consequence of the degree of empowerment that staff are able to manifest in their work.



Empowerment is not only about equipping people. It is also promoting attitudes and a mindset conducive to making informed choices. It demands mainly the appropriate kind of leading and managing that will set the conditions for unleashing human potential from the organization. It is about building courage to think outside of the box. It is expressing commitment to one's purpose without reservation. It is exhibiting the disciplines of dedication, practice, hard work and persistence (Spreitzer and Quinn, 2001).

It is a process of change, specifically of growth which, in an organization, is a shared responsibility among the individuals in it. As a formal structure, an organization pursues its purpose through individuals possessing aligned purpose and commitment. Individual human beings for their part, are imbued with a capacity to grow and contribute to society, and do so with the organization as partner and venue.

The organization and the individual need each other in the journey to growth. One without the other is likely to fall short of realizing that shared vision and fulfilling that shared mission. They can

and do share the needed provisions for the journey too — potential, a keen understanding of the roles and functions that should keep them moving forward, mutual trust, mutual encouragement and guidance, and the spirit to be one in their pursuit.

The greatest good we can do for others is not just to share our riches with them, but to reveal theirs.

Zig Ziglar
(motivational author
and speaker)

Empowering is no mean task. It requires addressing individual needs as well as looking over the entire process. Someone has to have the big picture in mind at all times. The organization must be able to maintain focus and direction to be able to orchestrate movement towards the agreed-upon goal.

A key feature of an empowered organization is leadership behaviour at all levels. Creating and sustaining an empowered organization is not a job for one person or one department. Formal leaders must promote empowerment not simply by delegating power but by sharing it responsibly and trusting others to do their part. The guy in the next cubicle is as responsible for the change process as the boss down the hall.

Empowerment in organizations does not occur in a vacuum. Nor does an organization stop operations to take a shot at becoming empowered. Organizations need efficiency to meet targets in the workplace. That calls for continuously eliciting the best performance from people. For the individual, the performance of his duties is the platform where his process of empowerment occurs.

Empowerment and promoting leadership behaviour at all levels does not mean that the role of **manager** is diminished. Managers are responsible for ensuring that the conditions that will encourage people to give their best to their jobs are present. They are key in the setting up and

maintenance of a work setting that is conducive to individual empowerment — where technical and related competencies are in the right positions, where appropriate resources are in place, where there is open and dynamic communication that enables the organization to arrive at solutions to problems, and where people are aware and feel that they are trusted and valued. In essence, managing is facilitating for greater effectiveness (Mintzberg, 2004).

An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.

Jack Welch
(management expert, author,
former CEO
of General Electric)

The success of any program or project rests a great deal on the quality and commitment of the staff involved. This is what makes HRDM a vital input in any organization. But for it to live up to its vital role dictates that the four basic HRDM functions or services are performed appropriately and at the right time. Failure in these could mean loss of competent, capable and committed staff who deliver the organization's services to its clients.

CF's *Guidelines for Organizational Capacity Building and Social Service Delivery* devotes a whole section to HRDM – from recruitment to personnel administration to performance appraisal. The basic concepts that follow are consistent with the details contained in the section referred to.

Traditionally, HRDM is the turf of an HR unit or department depending on the size, sophistication, and capacity of an organization. It is not common though to find organizations where a one- or two-member HR team takes care of all HRDM functions. A number of Consuelo Foundation partners belong to this category. The ideal set-up is where HRDM works closely with managers and other selected staff in the performance of HRDM functions. Certain aspects of these functions are shared between the HRDM unit and those that work in programs and/or administration.

In a way, the four basic HRDM services -- recruitment, training and development, performance and rewards management, and employee relations -- follow the chronology of an employee's history in the organization.

Let us examine each of these HRDM services and review certain critical concepts that apply.

Getting the right people

Equipping the organization with the right people is a key results area and one of the four basic functions or services of HRDM. It is through recruitment that positions needed by the organization to accomplish its tasks are filled up. The number and specifications of these positions proceed from the organization's vision, mission, goals, and objectives, and the programs and projects identified.

They are formulated in a participative manner where HRDM plays a major part. Once the positions and their specifications are available, HRDM embarks on the recruitment or staffing process. This is a task that has not diminished in importance and complexity in spite of the inverse proportion of the number of people needing jobs and the number of available positions, or in light of computerization.

Preparations

The critical point in recruitment is matching an individual with a job or a position.

Strategic recruitment looks at the qualifications of an applicant against the talent or competence indicated in the job specification or description.

The more thorough an organization is in the matter preparations, the more facilitative and comprehensive the process will be. The following items must be available and made clear before starting the actual recruitment for a position:

- A personnel manual that spells out policies and clear-cut guidelines for hiring, maintaining, rewarding, disciplining, and terminating staff — personnel administration, working conditions, code of conduct and sanctions, handling of grievances, compensation and benefits, insurance protection, training and development opportunities, and exit processes for those leaving the organization
- Clear job description or terms of reference – title, general description, key functions, tasks and duties, location of assignment, reporting and supervision requirements, salary grade or level, etc.
- Core competencies needed, desirable traits, educational background
- Standards of productivity and performance for the position
- Career path open to the position
- Selection tools and instruments including basis for interpretation of results
- Organizational SOPs pertinent to the position
- Salary and benefits
- Person/Unit-in-charge of recruitment
- Deadline for applications

Letting others know

NGOs usually spread information about vacancies by word of mouth within their circle of partners in social development. Some also employ a more public approach like advertising, especially for

key positions. They do this using various formats and media. Foremost of these are national publications and the internet (including the NGO's own website, the websites of its partner NGOs, and of professional head-hunters); notices in office and campus bulletin boards; and flyers distributed during conferences, meetings and other gatherings or randomly.

Some organizations have a policy or a standing practice to prioritize incumbent staff over outsiders for available positions. Some organizations consider volunteers as a sector from which prospective staff could be identified. Both these options are advantageous because they ensure that candidates are sufficiently familiar with the organization, its work, its systems, and its people.

The downside is that it limits the possibility of finding someone with a "fresh" or an entirely different perspective that could prove useful to the organization. This must however be approached with caution even if today's challenge to cope with a rapidly changing environment requires creativity and innovation. The terms of the position will provide the necessary basis for assessing the risks involved and the organization's inclination to take them.

However, regardless of the means which an organization uses to generate candidates for a position, the important thing is that the organization is clear about its expectations and communicates these clearly.

To be able to do proper matching of person to position, an organization must have a detailed specification of the requirements of the job on the one hand and enough background information on the individual candidate as basis for determining fit on the other. A solid and comprehensive job description and terms of reference cannot be taken for granted.

Moreover, the organization must administer the recruitment and selection process properly, applying its criteria fairly across all candidates for a position.

In search of the right competencies, value, traits, EQ

Competencies are usually the first to be given attention.

The expectations from a particular position or job indicate the skills that will enable an individual to respond to these expectations. The skills will in turn point to the preparation one needs to make and the experiences that a person must possess to make her an appropriate candidate for the job. Major considerations here include the person's education, previous employment if any, and interests.

In its *Guidelines for Organizational Capacity Building and Social Service Delivery*, CF specifies the qualifications for standard positions in NGOs like executive officer or program administrator,



personnel assigned administrative and/or supervisory responsibility, direct service providers (professional or paraprofessional) and fiscal officer or business manager or other staff responsible for maintaining the organization's financial system. While these provide organizations with the basic qualifications for such positions, additional qualifications which an organization may consider important for its own purposes could be included. Recruitment must look beyond competencies; other factors must be determined and analyzed.

*Hiring people is an art,
not a science, and
resumes can't tell you
whether someone will fit
into a company's culture.*

Howard Schultz
(entrepreneur,
Starbucks CEO)

Since empowerment is a key concern and multitasking is customary in organizations like Philippine NGOs, it is important to look for certain traits at this early stage. Among them are emotional stability, openness to learning, versatility, conscientiousness, leadership potential, decisiveness, and candidness. A balance among these will be ideal.

An NGO could be more flexible when it comes to the level of competence a new person may be bringing into the organization. But it must be firm and more cautious when it comes to the person's values and traits.

Competence issues can be addressed through mentoring, practice, training and other ways of equipping. But issues related to values and traits are more delicate as well as more difficult and take longer to handle. A conflict in values brings with it the risk of infecting others in the organization with values inconsistent with those of the organization. This will not only complicate the ongoing change process but day-to-day operations as well. It could also erode the organization's culture and climate. Its public image and goodwill with constituents and other stakeholders could also be undermined. These are serious and long-lasting adverse consequences for which there is no guarantee of complete reversal. There is a high cost to pay for such developments.

Searchers beware! and what they can do

One rule of thumb in recruitment is: ***Distinguish the genuine from the fake.*** A person who needs and wants a job will put his best foot forward. Assessing the person's fit vs. the position based on one or two meetings has its limitations. This is where a recruitment officer's gift in "reading" people comes into play. A person's demeanor, mannerisms, and body language can be very revealing to one who is gifted with the ability to "read" them.

Equally important is to interview applicants not only to draw out new information from them but to also validate and confirm previously shared information.

Perceptiveness, sensitivity, and intuition are extremely important for a recruitment officer to have. *One CF partner considers intuition of real value in selecting the right person for a position. The competent people in place are proof of his high batting average in this regard and that intuition matters.*

Intuition is more than just a feeling and, as many scientists now believe, is the result of the brain's piecing together information and experiences to come to different and less obvious solutions and conclusions. Its role in strategic decision making in the workplace particularly in the area of recruitment, has been getting more and more attention from management experts and scholars. Some say that decisions must be based on cold hard facts. But evidence that intuition should not be dismissed that easily is increasing. Some management experts state further that there is some degree of intuition used in *every* high level and complex business decision. (Dane and Pratt, 2007) And Albert Einstein concurs: "The only real valuable thing is intuition."

Rather than get entangled in the debate though, the best way is to listen to what our intuition is telling us about a person and to validate and substantiate it with facts as much as we can. Probe, probe, probe is the best approach to take. Experts agree that formulas and formal procedures no longer suffice. There are also no more hard and fast rules. Thus HRDM must have the confidence to trust its gut feelings. But it must do so wisely and with care, using intuition as a starting point then probing further into its validity. This can be done not only in the recruitment process but also in the day-to-day discharge of other HRDM as well as other work-related functions.

One can read about the nature and dynamics of intuition from many sources. Engaging in exercises will also help sharpen one's intuition because "Intuition is like a muscle; it gets better as you train it." Listening to one's gut feelings has value in the workplace.

Keeping the right people and enabling them to stay right for the job

Once the right person is in place, the next key HRDM objective is to keep the right person in place and performing the right tasks according to the organization's performance standards.

Training and development in tandem encompass various inputs that are designed to enhance performance and productivity. The important thing in this regard though is determining the actual source or hindrance to effective performance to be able to prescribe the right intervention.

Adequately informed

An environment where information flows freely is empowering. Cultivating that kind of environment starts with using information to empower the individuals in the workforce. This is also crucial in developing leadership behaviour among the staff.

To be effective, an employee needs to be clear about the context of his work in the organization. This phase starts off with proper orientation (a) to the organization as a whole; its vision, mission, goals, services, policies and operational procedures; structure, lines of accountability and authority; its work – programs and projects, clientele, partners, donors, supporters, etc.; the people around; code of ethics including respect for confidentiality; and (b) to the job itself.

It should not be misconstrued that information-giving in this regard is a one time thing. What's important is to provide sufficient information at the start but to also keep the employee informed of changes and developments in the process. He especially needs to know those that will impact on him as an individual employee and on his input to the organization's work.

Appropriately skilled, substantially fit

On the job, an individual must be helped consistently to be able to give her best to the organization. Assistance can come in the form of training and other developmental inputs. To be effective, a person's skills are the main focus of such assistance. However her values, traits, attitudes and mindset must also be part of the analysis since these play an important part in enabling a person meet performance standards. Likewise, the organization's compensation and rewards system as well as the working conditions should be given attention. A person's work performance is subject to all of these internal and external factors. Thus they all have to be given appropriate consideration when analyzing an employee's performance, especially as basis for helping that employee to perform better.

This is where the Performance Management System (PMS) of an organization comes into play. The PMS is an organized way of providing interventions specific to the performance needs of the people in the organization. It is a means to boost employee performance and consequently the organization's achievement of desired program outcomes.

The four basic benefits it offers employees are (a) a clear understanding of job expectations, (b) regular feedback on performance, (c) advice and steps for improving performance, and (d) rewards for good performance.

A good PMS is ideally worked on jointly by HRDM, line managers, and the staff. It should ensure that the following critical elements are available:

- **Updated job descriptions.** Job descriptions are only as good as they are clear, accurate and current, especially during times of organizational change when new responsibilities and shifts in employees' workloads are likely.
- **Performance measures and standards.** Performance standards describe levels of performance as signposts in assessing how an employee does her work. Through the use of both objective and subjective methods, skills as well as attitudes are reviewed in terms of adherence to or deviation from job expectations.
- **Evaluator training.** The PMS makes provisions for managers with poor communication or interpersonal skills. The lack of managers' ability to connect with people in the organization is often the cause of the breakdown in an organization's performance management program. The system lines up training and other activities for managers that will help them to communicate effectively, and to also conduct fair, nonjudgmental and consistent appraisals.
- **Guidelines for improvement.** Ideally, an organization would have basic policies for coping with weaknesses and poor performance of staff. Apart from the possible interventions that can be made, it is also important to include in the guidelines when improvement can be expected and the action steps that can be taken in cases of low or no improvement.
- **Employee input.** It is important to solicit and study suggestions for an organization's PMS from staff. Employees' perceptions and ideas must be made part of a system meant for them.
- **Compensation and rewards.** Compensation and rewards are among the most effective ways of sustaining good performance. They keep the staff's morale high, generate loyalty and foster additional improvement. Some experts caution against linking performance evaluation and compensation too closely though as they can be unfair to staff who don't or can't overachieve. However the rule of thumb is to consistently reward employees for their hard work regardless of how and when.

Evaluating performance

Fit between skills and task requirements are basic in ensuring the quality of performance. So is a system for rewards, promotion, or sanctions and disciplinary action. A well-developed performance evaluation system will ensure that such reinforcements and/or corrective measures are properly administered.



Helping an individual employee to perform better does not only involve enhancing her skills that match the needs of the job. Facilitating factors such as positive work attitudes and working conditions must be promoted and put in place to enhance effectiveness and heighten work satisfaction. It's a holistic undertaking that looks at the individual employee as well as the environment in which she works. The assessment and evaluative components of the system provide the indicators.

Evaluation of performance is done by the supervisor with the active participation of the staff concerned. An instrument which is also usually developed in a participative manner is used. Results are discussed and documentation filed centrally by the HRDM department. The corresponding adjustments or rewards, if warranted, are then provided.

However clear rationale for doing, and appropriate instruments and tools available do not necessarily make for an effective performance evaluation. What is crucial is how it is carried out.

An evaluative activity always comes with stress. But more so when as personal a matter as one's work performance is on the table. The overriding organizational climate is crucial but at the time of the actual evaluation, what matters most is the relationship between supervisor and supervisee. A healthy, open interaction that is characterized by mutual respect, mutual trust, and sincerity within the context of a helping relationship is facilitating, making even negative feedback easier to accept and appreciate.

Evaluation usually has more precise measures for an individual's ability to use skills. But there are other things that come into play in an individual's performance which also require attention.

EQ

HRDM is not only concerned with the skills an employee has. An individual's EQ or emotional quotient is an equally potent factor in the workplace as much as his skill and IQ or intelligence quotient.

EQ refers to the social and emotional abilities that enable an individual to cope with the demands of daily life (Porter, 2002). A high EQ is indicative of self-confidence, self-awareness, and the ability to navigate through trying emotional times. It is associated with one's ability to succeed in the workplace as well as in personal relationships. A high EQ makes a person more inclined to becoming genuinely empowered. More and more organizations are thus administering EQ tests to applicants and staff.

Values

Being substantially fit in the workplace does not only refer to effective application of skills but also to possessing and exhibiting values that are consistent with those espoused by the organization. Compared to business and public entities, values are of special significance for non profit service organization whose identity and mission are value-based (Vidal, Valls and Grabulosa, 2008).

Values are a person's concepts or ideas of what to him is important and gives him a sense of meaning and worth. They are inextricably linked with beliefs and are a consequence of one's underlying beliefs. Values can come from various sources – family, friends, colleagues, teachers, etc.; because they are experienced repeatedly, they are reinforced over time. They are also often confused with such things as morals, ethics, emotions, and principles.

Each of us brings to our job, whatever it is, our lifetime of experience and our values.

Sandra Day O'Connor
(jurist, first female member
of the US Supreme Court)

A wide range of values and associated beliefs affect behavior including work performance. Values guide how people behave and think. They are constantly operational – in thinking, evaluating, deciding, communicating, planning, serving, counting or aspiring. They provide focus and a sense of direction. Because of their tremendous influence, they are crucial in helping an employee do better in the workplace. They can help pinpoint the source of weak performance and the appropriate intervention.

The different values at work within the organization comprise a complex social system known as organizational culture.

Working conditions

Performing according to standards also depends on the physical set-up or conditions where work is performed. They can affect the actual performance as well as the outputs. The organization must maintain a working environment which is conducive to efficient and effective performance.

As stated in CF's *Guidelines for Organizational Capacity Building and Social Service Delivery*, there are certain basic considerations insofar as the physical workplace is concerned.

Premises must be safe, clean, and structurally sound. Facilities must fit the requirements of the work. They must be compliant with government building codes and other standards. For Philippine NGOs,



these are issued by the Department of Labor and Employment (DOLE), the Department of Health (DOH) and, in the case of shelters and facilities for child-oriented activities, the Department of Social Welfare and Development (DSWD). They should be so designed so as not to alienate program participants from their culture.

The organization must also have a plan for dealing with emergencies and life threatening situations such as fire, health/medical, and natural disasters. Staff must be properly oriented with this plan. Safety drills (fire and accident prevention, first aid, etc.) must be conducted periodically.

Enhancing work performance through training and development inputs

While formal evaluation is done according to a schedule, training and development entail continuing activities such as – (a) performance monitoring and assessment, specifically assessing the competency level of an individual against the requirements of the job; (b) determining how further enhancement can be carried out, and planning and executing or arranging for whatever intervention is appropriate; or identifying and correcting any deviation; and (c) providing inputs like coaching, mentoring, and counseling that may be needed.

A properly conducted and analyzed training needs assessment should be the basis in planning for the development needs of staff. This HRDM function acquires extraordinary significance especially when an organization is undergoing change. A shift in direction or a new project may require new competencies or a much higher degree of competence in the same skill.

Through the HRDM, the organization plans and provides training and development inputs designed to upgrade employees' knowledge and skills, as well as deepen their positive values and attitudes.

Training may be formal, classroom type, or on-the-job. Content areas are dictated by the needs identified and could include technical skills enhancement, knowledge, attitude and skills development related to the special needs of program participants, management development, project management, leadership, advocacy, and communications. Training could be done in-house, with possible assistance from external trainers/facilitators/resource persons.

External training programs or courses may also be resorted to for which the HRDM person or unit determines the training opportunity appropriate for a particular staff.

While in practice most organizations keep the training function with HRDM, the role of line-managers must not be overlooked. After all, training is done to improve staff performance. Thus, close cooperation between the line manager who directly supervises work and HRDM is necessary.

I hated every minute of training, but I said, "Don't quit. Suffer now and live the rest of your life as a champion."

Muhammad Ali
(champion boxer)

With the propensity of organizations for formal training, caution must be exercised in assessing weak or incorrect performance. Sending a staff to training has often been the automatic response when some deviation in performance is detected. But not all such cases can be responded to through training. The wrong equipment may be at fault. Or the staff concerned could be under stress due to personal problems which may be adversely affecting her accuracy with numbers if she is doing accounting work, or his dexterity with an equipment if his work entails using one.

This brings to fore the importance of being thorough when analyzing staff performance. There are numerous factors as those described previously – external as well as internal – that impact on an individual's functioning at work. A correct analysis is the only way one could prescribe or provide the right intervention.

Systems

A people-oriented, results-driven system is what will facilitate an organization's response to the myriad human needs within. In turn this is what will give an organization, especially one in social development, the moral ground, capability and energy needed to respond to the human needs outside which are at the core of its purpose and vision.

Apart from people and their performance, HRDM is also responsible for the mechanisms and procedures needed to ensure that appropriate competencies are in the right places, working conditions are safe and conducive to efficiency and effectiveness, compensation is commensurate to the job and fair across positions and levels, and good performance is rewarded.

Performance and rewards management

Compensation is viewed by some as the great leveler in organizations. It is therefore important to ensure that wages are commensurate to the requirements of a position. It must also consider the person's track record and professional preparation. To ensure equity, it must also be reviewed against all other positions in the organization. Otherwise, compensation could become a demotivating factor since staff somehow get wind of the salaries of colleagues notwithstanding the strict confidentiality on the matter.

For organizations like NGOs which subsist on limited resources, the matter of compensation and rewards is a perennial challenge. Often the issue is desiring to uphold the value of fairness and equity but not having the resources to do so.

This is where the creativity of the unit or person in-charge of HRDM comes in. Here are some anecdotes related to compensation and rewards from the experiences of CF partners which other organizations can learn from.

The incoming HRDM practitioner of a CF partner was surprised to discover that the 15-year old NGO had no formal salary structure. That explained why positions with highly different requirements and qualifications had very little difference in pay. She knew that the NGO was in no position to approach the problem as some companies would, i.e., commission a consultant to make a study and draft salary structure.

She thus did her own simple but useful research with help from “friendly” NGOs with similar operations. With the comparative analysis this allowed, she drafted a salary structure which she then submitted to the chief executive who then elevated it to the Board. In due time, the salary structure was installed. A more equitable compensation system is now in place in this partner NGO, thanks to the initiative and creativity of its HRDM manager. It helped that the chief executive then was keen on professionalizing staff and systems and that the HRDM manager had good rapport with him.

We also came across innovations that worked for two CF partners in addressing the need for rewarding good performance within the organizations’ financial limitations.

One CF partner replaced its annual general increase or bonus with merit increases to deserving staff. This strengthened the organization’s recognition and reinforcement of positive performance by staff. It also served to motivate staff to do better. Moreover the system enabled the organization to make more judicious use of its resources.

Another CF partner instituted the use of non-monetary rewards for good performance. Group outings, groceries and supplies took the place of increase in pay which the organization could not afford. The group outings were planned around a modest budget while the groceries and supplies were a small portion drawn from those donated to the institution.

Both partners showed the value they put on staff performance and how rewards, no matter how simple, can motivate the staff to work harder and perform better. These also show that a little creativity and resourcefulness can actually help NGOs get around the issue of limited resources.

Employee relations

This HRDM function concerns preventing and resolving problems of individuals arising from and affecting work situations. It involves maintaining positive and healthy employer-employee relationship that can contribute to satisfactory performance, motivation and morale.

It entails helping employees understand management's goals, policies, decisions and actions. It is also providing employees with information that will help them correct poor performance and misconduct as well as cope with personal issues that affect them at work. It is also clarifying applicable regulations and legislation to employees.

It employs various methodologies mainly for advice-giving to supervisors on how to correct poor performance and employee misconduct, and instituting discipline and regulatory and other actions. Largely dependent on the dissemination of information, this function points to the importance of skills in communication and other interpersonal methodologies for the HRDM Unit or Manager.

A key issue in this regard is conflict.

Conflict is healthy competition gone bad (Educational Training Unit, retrieved from <http://www.etu.org.za>). It can occur between two or more individuals, between two or more units, or within a unit. It is highly potent in bringing the worst in people. It can escalate and infect those around the parties concerned, a development in the workplace which must be addressed expeditiously but with careful thought and planning. Otherwise, performance not only of the parties involved but also of the others around them can be adversely affected.

There are various causes of conflict in organizations -- difference in attitudes, values and perception; disagreements about goals, priorities and even work style; ambiguity in roles and responsibilities; poor or no communication; lack of teamwork; to name some. Disputes are usually over "who has the right" But whatever the cause, there is no room for hedging or hesitating to detect the presence of it, to determine the right approach, and to act.

Once conflict exists, options in terms of action and approach which are most applicable to NGOs are conciliation, negotiation, mediation and arbitration. But management would be wise to review the common causes of conflict and ensure that they are addressed even before conflict occurs. Prevention will simplify matters, avoidance will exacerbate them.

How fit is your organization's HRDM

An organization must do periodic check-ups of its HRDM program. This is important if it is to consistently stay in control of the effects of the various changes which are occurring on its human resource. If undetected and left unaddressed, many of these effects can have serious and lasting repercussions not only on individual performance but on the overall performance of the organization.

Being a function that is focused on an organization's most crucial resource, HRDM must be approached with care and sufficient depth. A tool such as the Human Resources Management Assessment Sheet (Annex 7) on page 159 could help.

Supporting data can be drawn through interviews (with the HRDM department, officers, staff, supervisors and all or a sampling of other employees) and review of records and documentation on file (HRDM plans, policies, career development plans, salary scales, table of benefits, etc.). From there, the organization could proceed to study its weaknesses and then formulate a plan that will help it overcome these weaknesses.

Crafting the plan that is meant to strengthen it can be guided by the following indicators of high level performance in HRDM which were formulated by Venture Philanthropy Partners:

Human resources planning	Organization is able to develop and refine concrete, realistic, and detailed HR plan; has critical mass of internal expertise in HR planning (via trained, dedicated HR manager), or efficiently uses external sustainable, highly qualified resources; HR planning exercise carried out regularly; HR plan tightly linked to strategic planning activities and systematically used to direct HR activities
Staffing levels	Positions within and peripheral to organization (e.g., staff, volunteers, board, senior management) are all fully staffed (no vacancies); no turnover or attendance problems
Passion and vision	Contagiously energetic and highly committed; lives the organization's vision; compellingly articulates path to achieving vision that enables others to see where they are going
Impact orientation	Guides organization to succeed simultaneously in dual mission of social impact and optimal financial efficiency; constantly seeks and finds new opportunities to improve impact; anticipates possible problems; has sense of urgency about upcoming challenges; communicates compelling need for change that creates drive; aligns entire organization to support change effort
People and organizational	Constantly establishing successful, win-win leadership/effectiveness relationships with others, both within and outside the organization; delivers consistent, positive and reinforcing messages to motivate people; able to let others make decisions and take charge; finds or creates special opportunities to promote people's development

Personal and interpersonal	Is viewed as outstanding “people person”; uses diversity of communication styles, including exceptional charisma, to inspire others and achieve impact; continually self-aware, actively works to better oneself; outstanding track record of learning and personal development
Analytical and strategic	Has keen and exceptional ability to thinking synthesize complexity; makes informed decisions in ambiguous, uncertain situations; develops strategic alternatives and identifies associated rewards, risks and actions to lower risks
Financial judgment	Has exceptional financial judgment; has keen, almost intuitive sense for financial implications of decisions
Experience and standing	Highly experienced in nonprofit .management; many distinctive capabilities from other field(s) (e.g., for-profit, academia); exceptional evidence of social entrepreneur-like qualities; possesses a comprehensive and deep understanding of the sector; recognized nationally as a leader/shaper in particular sector
Management team and staff (dependence on CEO/executive director)	Reliance but not dependence on CEO/executive director; smooth transition to new leader could be expected; fund-raising and operations likely to continue without major problems; senior management team can fill in during transition time; several members of management team could potentially take on CEO/ED role
Senior management team	Team highly experienced in nonprofit or for-profit management; drawn from full spectrum of constituencies (nonprofit, academia, corporate, government, etc.); outstanding capabilities and track record from other fields; outstanding track record of learning and personal development; contagiously energetic and committed
Staff	Staff drawn from extraordinarily diverse backgrounds and experiences, and bring broad range of skills; most staff are highly capable in multiple roles, committed both to mission/strategy and continuous learning; most are eager and able to take on special projects and collaborate across divisional lines; staff are frequent source of ideas and momentum for improvement and innovation
Volunteers	Extremely capable set of individuals, bring complementary skills to organization; reliable loyal, highly committed to organization’s success and to “make things happen”; often go beyond call of duty; able to work in a way that serves organization well, including ability to work easily with wide range of staff and play core roles without supervision; volunteers managed very well and significantly contribute to overall success of organization
Human resources management: recruiting, development, and retention	Well-planned process to recruit, develop, and retain key managers; CEO/executive director takes active interest in managerial development; individually tailored development plans for brightest stars; relevant and regular internal and external training, job rotation, coaching/feedback, and consistent performance appraisal are institutionalized; proven willingness to ensure high-quality job occupancy; well-connected to potential sources of new talent

Human resources management: general staff recruiting, development, and retention	Management actively interested in well-thought-out and development, targeted development plans for key employees/positions; frequent, relevant training, job rotation, coaching/feedback, and consistent performance appraisal institutionalized; proven willingness to ensure high-quality job occupancy; continuous, proactive initiatives to identify new talent
Human resources management	Well-designed, clear, and well-accepted incentive system; includes competitive salary (partly performance-based), attractive career development options, opportunities for leadership and entrepreneurship; system effective in motivating staff to overdeliver in their job
Physical infrastructure	Physical infrastructure well-tailored to buildings and office space organization's current and anticipated future needs; well-designed and thought out to enhance organization's efficiency and effectiveness (e.g., especially favorable locations for clients and employees, plentiful team office space encourages teamwork, layout increases critical interactions among staff)
Technological infrastructure: telephone/fax	Sophisticated and reliable telephone and fax telephone/fax facilities accessible by all staff (in office and at frontline), includes around-the-clock, individual voice mail; supplemented by additional facilities (e.g., pagers, cellphones) for selected staff; effective and essential in increasing staff effectiveness and efficiency
Technological infrastructure: computers, applications, network, and emails	State-of-the-art, fully networked computing computers, applications, hardware with comprehensive range of up-network, and e-mail to-date software applications; all staff has individual computer access and e-mail; accessible by frontline program deliverers as well as entire staff; used regularly by staff; effective and essential in increasing staff efficiency
Performance as shared value	All employees are systematically hired, rewarded and promoted for their collective contribution to social, financial and organizational impact; day-to-day process and decision making are embedded in comprehensive performance thinking; performance is constantly referred to

Overseeing the empowering of human resource

We have dealt with some ways of helping the organization have the best empowered human resource possible (development) and the conditions most conducive to unleashing human potential that will enable the organization to achieve its purpose.

HRDM is a broad and multifaceted area that entails constant grappling with numerous and evolving professional as well as personal issues of an organization's human resource. It is a key input in the process of empowering which is non-negotiable especially for NGOs at this time. In order to succeed, HRDM must have meaningful involvement from everyone regardless of position

or rank. The unified responsive vigilance of an organization in keeping the crew in shape and the vessel in good working condition, is directly proportionate to its ability to succeed in attaining its purpose and goals.

*Man cannot discover
new oceans unless
he has the courage
to lose sight of the shore.*

Andre Gide
(novelist, 1947 Nobel Prize
for literature)

Hopefully we have a clearer discernment of our potential contribution in making HRDM a truly enabling factor in the life of our organizations.

Each of us is a unit that HRDM seeks to serve. For it to succeed, we need to take responsibility for our part. Learning our own personal lessons of empowerment is where we should start, because it is also there that our organization's empowering begins.

1 MORE THAN MAKING ENDS MEET

For many, finance is among the most intimidating of organizational functions. Its demand on attention to details, timeliness and accuracy is high.

It works mainly with funds which enables an organization to carry out its work. Unless funds are available, no work can be accomplished, no staff can be hired, no equipment or supplies can be purchased, no space can be rented. The repercussions of not handling it well are immense.

For NGOs like CF's partners, it comes with a special challenge. Some partner organizations have to make do with staff with little or no academic and/or professional preparation for finance work.

Financial management – its role in organizations

Financial management encompasses the two core processes of resource management and finance operations. It entails (1) *planning*, (2) *directing*, (3) *monitoring*, (4) *organizing*, and (5) *controlling* of the *monetary resources* of an *organization*. It involves the selection, financing, and stewardship of an organization's assets. It is about looking after the financial health of an organization. In the reality of NGOs in the Philippines, this requires strategic management of scarce resources and various risks. (Mc Lean, 2003)

Its key concern is that the funds of the organization are not only available but that they are also optimized. Funds are earmarked for defined needs of defined clients or beneficiaries and they must be used as such. It must therefore ensure that there are adequate appropriate control mechanisms and that these are adhered to, and that checks and balance mechanisms are in place.

Service delivery at the least cost is a major concern for NGOs since many of them are dependent on external sources of funds. However, their mission to address human needs require interventions that take much time and effort. It is challenging to synchronize some reporting and other requirements of these external sources with project operations.

Strategic financial management cannot be boxed. It cuts across from top to bottom even if there is a specific unit or a person that oversees the function. The way an organization handles its finances is an important consideration for its prospective supporters.

There are issues that have plagued Philippine NGOs in terms of the way they manage their fiscal resources. Foremost among these is their heavy project orientation at the expense of finance and administration. The gap between projects and finance has also increased over time. Most NGOs' long-term goals are accompanied by short-term financial plans. Some standards also do not fit. More often than not, viability is the focus and sustainability is left behind. An already heavy responsibility, these issues plus the increasing costs of operating projects and the scarcity of funds with which many NGOs operate make financial management a delicate and an even more exacting task.

The essential features of a good financial management program are:

- Stewardship
- Accountability
- Transparency
- Integrity
- Viability
- Compliance to accounting standards
- Consistency
- Integrated and synchronized

Stewardship, accountability and transparency – hallmark values in financial management

The ability of an organization to stand scrutiny is heavily linked to its ability to manage its finances well. Financial management is usually congruent with how an organization values stewardship, accountability and transparency.

Stewardship is honest and responsible care and management of resources, and their use according to predetermined objectives. *Accountability* is a concept in ethics and governance that indicates responsibility and answerability. *Transparency* is characterized by openness, disclosure. Combined, these three values are indicative of the underlying principles, the systems subscribed to, and the prevailing financial management practices of an organization.

An organization must account for the funds entrusted to it by its supporters, whether this is a foreign-based mother organization or an external donor or grantor. It must also demonstrate integrity in the way it manages its fiscal resources and congruence with generally accepted accounting principles or GAAP, audit and other independent reviews.

A financial management manual that embodies the organization's policies, procedures, accounting and reporting system, and internal controls is a basic tool. But how the various day to day tasks and functions of financial management are carried out is what tells the real story.

Budget and other basic financial management tools and processes

Budget describes the amount of money that an organization plans to make available and spend for a specific purpose within a given period. It is the financial expression of an organization's plan, covering all costs — from overhead costs to administrative, project and audit costs. Hence it is prepared hand-in-hand with the organizational plan. As such, it is a basic document in financial management which an organization cannot do without. It is a management tool for both planning and control.

Preparing a budget entails having a good grasp of the requirements of an organization's activities, the current levels of costs of the requirements of these activities, and a reasonable allowance for increase in these costs. This underscores the need for accurate, current information and the involvement of those who are directly implementing the activities.

A well-crafted budget will provide the standards by which the flow of money for projects and for operations can be monitored and assessed. It also helps determine if money is used appropriately and ensures that money is available for future requirements. The budget can show variances between projected costs against actual costs of activities. It is therefore a useful control mechanism especially at this stage. At the end of the project, the budget also serves as a good evaluation tool that shows the ultimate effectiveness of that project.

Partner organizations should refer to two basic documents: (1) the financial management standards of the Philippine Council for NGO Accreditation (PCNC) and (2) the *Accounting Guide for Non-Profits* which was prepared by the Asia Pacific Philanthropy Consortium and submitted for approval as the universal system for non-profits to the International Accounting Standards. They will be helpful in determining how comprehensive an organization's financial management system is and how consistent it is with sound financial and accounting practices.

CF's Guidelines for Organizational Capacity Building and Social Service Delivery provides concrete indicators which partners should consider in terms of proper financial management. It

presents the steps in the planning and development of fiscal resources: what needs to be done, who the responsible parties are, and what elements must be in place. It also suggests the timing for these activities.

Financial management is generally operationalized with the use of the following documents and procedures/practices which are adopted and institutionalized for routine use.

1. Books of Accounts
 - a. Ledger
 - b. General Journal
 - c. Cash Receipts
 - d. Cash Disbursement
2. Registration of Books of Accounts with the Bureau of Internal Revenue or BIR
3. Issuance of receipts for all transactions
4. Maintenance of a bank account
5. Cash disbursements supported by vouchers
6. Internal controls
7. Separation of functions
 - a. The approving officer for disbursements is different from the bookkeeper and cash custodian
 - b. The bookkeeper is separate and distinct from the cash custodian
8. There are disclosure mechanisms for fund-raising activities
9. An annual audit is made by an independent Certified Public Accountant or CPA, registered with the Securities and Exchange Commission (SEC), BIR, Professional Regulation Commission (PRC) and accredited by the Board of Accountancy if in public practice starting Dec. 31, 2002
10. There are reporting and monitoring mechanisms
 - a. Income and Expense Statement
 - b. Statement of Assets and Liabilities
 - c. Profit and Loss statement
 - d. Balance Sheet
 - e. Financial Report
 - f. Financial Statement
11. Internal Audit
12. External Audit and Audited Financial Statement

Organization musts comply with the financial reporting requirements of donors which usually include provisions pertaining to realignment of funds, use of property control stickers, and similar matters.

Accounting a key function in financial management

They four key functions of accounting are (1) recording, (2) classifying, (3) summarizing and (4) interpreting. Keeping a **systematic** record, and **accurate** reporting and **analysis of financial transactions** are determinants of how efficient and effective an organization is in terms of financial management.

The *accountant* is the person in charge. Ideally, this individual has the academic preparation and professional experience in the field. As such he knows the *generally accepted accounting principles* and ensures that pertinent in-house practices and procedures are consistent with them.

,,, competency in mathematics, both in numerical manipulations and in understanding its conceptual foundations, enhances a person's ability to handle the more ambiguous and qualitative relationships that dominate our day-to-day financial decision-making.

Alan Greenspan
(economist, chaired the
US Federal Reserve for 9 years)

Bookkeeping which is part of the accounting service is crucial in providing the needed information for report preparation including the year-end financial statements. For financial data to be useful and handy, it must be accurate, chronologically sequenced, complete with source documents, recorded or journalized as original entries, posted in ledgers, and summarized.

Especially for non profits, Padilla (2009) emphasizes *fund accounting* which flows from the concepts of accountability and stewardship. It is a system of recording and reporting appropriate to NGOs specifically those that operate projects under various funding arrangements and which are subject to different terms and restrictions of the various funding sources. It is used principally by nonprofit and governmental organizations that are legally bound to use certain funds or assets only for specified purposes.

In fund accounting, separate records are kept for assets donated to an organization which are restricted by donors or by law to certain specified use.

Various funds under various terms and conditions are grouped based on their intent and purpose as well as the restrictions set by donors and management.

The financial statements which concretely indicate the financial health of an organization, usually follow this separate accountability. Thus, separate statements are prepared for each fund.

Sustainability

Sustainability has been a nagging concern especially perhaps for NGOs that exist on grants and donations. It is a reality that grants and donations carry certain restrictions that can affect how an organization carries out its work. Sustainability, even if only to some degree, will provide an organization greater freedom to pursue its purpose in way it considers best for it.

Financial sustainability refers to the ability of an organization to generate enough funds to sustain its operations, i.e., accomplish its tasks, implement its projects, and achieve its goals and objectives thereby fulfilling its vision, mission and commitments. An organization is considered financially sustainable if it is able to operate long-term without disruption. It is a goal for most if not all NGOs.

The following documents can provide useful indicators of an organization's efforts at sustainability:

1. Budget
2. Plans for internally-generated funds
3. Diverse sources of funds
4. Sufficient funds to maintain current operations

Financial sustainability is a core issue in financial management as it is in resource generation. An organization may succeed in generating enough funds but the ultimate value of these funds will depend largely on how these are managed. Upon it rests an organization's ability to pursue its purpose and mission for as long as it needs and wants to.

This chapter on financial management underscores the importance of managing the financial resources that an organization is able to generate through various ways. The chapter *Aiming For More to Do More* deals with the ways by which an organization can generate funds.

With the forces that are at work and which continue to exert pressure on NGOs, sustainability may be a long time coming. Nevertheless, organizations must always have sustainability in its agenda so that whenever practicable, its plans and projects are geared to achieving it as an end. Those responsible for the organization's financial management have a crucial role to play in helping bring this about. A unified vision on sustainability from all sectors of the organization is significant in bringing an otherwise distant and hard-to-achieve possibility closer to reality.

Analysis, a core competency in financial management

Analysis and interpretation of data and figures are key functions under financial management. The action steps an organization takes are largely determined by what financial figures mean. The quality of the decisions an organization makes requires the ability to sort out relevant information such as culling out relationships among hard financial figures.

Numbers could categorically show how an organization is performing. But usually, they can only acquire real usefulness and meaning when they are compared. Financial analysis is used to compare past and current performance which also gives an indication of an organization's potential for the future.

Another important aspect to analyze especially when an organization is considering new ways of generating resources, is its resource base. This will provide important indices for deciding on how it could position itself to generate more resources. While such a review is ideally participated in by all concerned, the unit or person in charge of financial management is responsible for helping colleagues understand facts and figures pertaining to the organization's sources of funds. This unit or person should also have firsthand knowledge of how these sources of funds have been behaving and have been dealing with the organization. *Are releases on time? Are requirements reasonable?*

Everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted.

Albert Einstein
(physicist, philosopher)

Helping your organization measure up to a high level capacity in financial management

The Financial Management in Organizations Assessment Sheet (Annex 8) on page 160 is a good jump-off point in helping an organization do a better job of financial management. The standards next page from Venture Philanthropy Partners can be used for measuring an organization's status in financial management and determining the goals it can achieve in this regard.

Funding model

Highly diversified funding across multiple source types, organization insulated from potential market instabilities (e.g., fully developed endowment) and/or has developed sustainable revenue-generating activities; other non-profits try to imitate organizations fund-raising activities and strategies

Fund-raising	Highly developed internal fund-raising skills and expertise in all funding source types to cover all regular needs; access to external expertise for additional extraordinary needs
Revenue generation	Significant internal revenue-generation; experienced and skilled in areas such as cause-related marketing, fee-for-services and retailing; revenue-generating activities support, but don't distract from focus on creating social impact
Financial planning/ budgeting	Very solid financial plans, continuously updated; budget integrated into full operations; as strategic tool, it develops from process that incorporates and reflects organizational needs and objectives; well-understood divisional (program or geographical) budgets within overall central budget; performance-to-budget closely and regularly monitored
Financial operations management	Robust systems and controls in place governing all financial operations and their integration with budgeting, decision making, and organizational objectives/strategic goals; cash flow actively managed

How an organization figures against these indicators will imply how much capacity it has in financial management and resource generation. This will also help point out possible areas for improvement.

One of these could be in developing a manual of policies and procedures or updating an existing one. Or in improving your organization's preparation of its books of accounts and accounting forms.

These corrective measures may require the help of an external finance analyst or some other type of specialist in financial management.

As a general rule, it is important to get feedback from all staff and consider these in improving systems. Not to forget that it helps to do such an assessment periodically.

But all these tools and systems will only be truly useful to the extent that the people involved are willing to reach out to one another. The need for such reaching out between finance people and programs people is legendary. A fitting ender to this chapter is an interesting experience of a CF partner that underscores this point.

Constant disagreements and liquidations going back and forth were what mostly comprised communication between the people in accounting and those in programs in this organization. Nothing new and really quite typical in organizations.

What brought this to a head for the accountant was when she saw the cost of a pig among the expenses in the program officer's expense report for her most recent monitoring trip. The accountant was surprised as she was not aware of any backyard agri livelihood project in the area for which such an expense would be logical. She found the PO's explanation that it was a necessary expense and that the monitoring team had no choice, hard to believe.

Still unhappy about the matter, uncomfortable and a bit suspicious, she explored her joining the team on its next trip to the area with the Executive Director. Upon getting the approval, she discussed the matter with the PO, emphasizing her desire to be more familiar with the activities in the field in order to be of better support to the team.

During the visit, she confirmed how remote and truly lacking in facilities the project site was. Indeed purchasing a pig was the most cost-effective way of keeping the staff fed and able to carry out their monitoring tasks during their stay. The community was one of those where even basic necessities were unavailable. The closest town was several hours away and transportation came far between.

Henceforth there was real open communication between two parties that spoke different languages -- numbers for one and program concepts and realities for the other. The working relationship between the accountant and the project team became a real partnership.

And that's how Miss Piggy triggered the forging of a more open and productive collaboration and peace in one organization.

Understanding the actual work situation, particularly in the case of NGO work, is important especially in the case of the accounting staff. A real appreciation of the prevailing conditions is needed for real data-based decision making.

But in the final analysis, financial management is an area that is as much about *transactions* as it is about *transformation*. Otherwise it fails against two hallmarks of organizational significance: *stewardship* and *accountability*.

AIMING FOR MORE TO DO MORE

NGOs seek non-monetary, non-material profit. Their services which aim primarily for the improvement in human conditions of disadvantaged people are costly -- food and livelihood security, protection from abuse, environmental protection, health education, population and development. Not only do the communities that have need for these services inaccessible in more ways than one. They also usually face deep-seated issues that require special expertise and working through over time.

But NGOs DO profit in the loose sense of the word. The profit NGOs make is intangible and usually takes longer in coming. It also does not accrue to the NGOs directly. It does not also come in a form that can readily and concretely support programs and projects like the profit a company makes which can be plowed back to capitalize its own operations.

While non-monetary and non-material, the profit NGOs make is by no means minor. They enhance individual lives which eventually well up to benefit society as a whole. The changed lives of people for an NGO are what income from sales of its products or services is for a business organization.

The long-prevailing situation of NGOs has been characterized by operations that are run on very tight budgets and through short-term projects responding to issues that require longer-term engagements. NGOs have however persisted and persevered with funds barely enough for operations and projects, and even holding on to self-sufficiency or financial sustainability as a goal.

Many Philippine NGOs have managed to keep at it with resources coming mainly from grants and donations. These traditional sources have enabled non-profits to continue its service to society even if they come with certain restrictions. But economic trends on the one hand and the growth of human needs and the rise in prices on the other do not a good combination make. NGO's funding prospects from these traditional financial streams have grown increasingly dim. NGOs do good work, some of it work that somehow no one else bothered to undertake. So how can an organization cope under these pressing circumstances and still pursue its mission to help empower people into living better lives? How can NGOs be helped in order that their good work could continue?

You can't keep a good man down as they say. Similarly, it would be hard to keep a good organization down. But we must be realists and see what can keep a good organization stay the course. And stay the course effectively, meaningfully and with integrity. Consuelo Foundation's *Guidelines for Organizational Capacity Building and Social Service Delivery* emphasizes the need of an organization to keep within the bounds of what's decent, respectable and proper in generating resources, as well as in properly documenting and using proceeds of resource generation activities.

Resource generation is that aspect of organizational development that seeks to ensure an organization the availability of resources it needs to fulfill its purpose and to achieve its intermediate program goals. It is producing or building resources, such as fund raising for operations, capital build-up or sustainability of operations. It pertains to all the resources that an organization needs to be effective — supplies, materials, funds, services, equipment, even real property like land and buildings. As resource generation helps an organization address current needs, it also builds its capacity to achieve its long-term goal of sustainability or self-sufficiency.

It is closely linked with resource mobilization which deals with coordinating, assembling or preparing resources for use in achieving objectives.

As Per Stenbeck of Greenpeace Sweden stated in a fundraising conference in India, "... fundraising is about money; but it is much more than that. It is about learning to communicate effectively with the public, developing a network of enthusiastic supporters for your cause, and building a strong and successful organization which is able to face the future with confidence."

It is a major and urgent concern for organizations today. Many NGOs used to be so immersed in the nitty-gritty of projects that resource generation was forgotten or sidelined, and taken note of only when the crunch is felt. With the need to supplement traditional sources of funding and the growing need for financial sustainability, resource generation has evolved into a distinct function. Most organizations perceive it as a strategy that must be addressed seriously and urgently as much as running programs and projects. It is after all what will strengthen an organization's capacity to do its work well with less external restrictions as well as to continue its work in the long run.

But while the need to try new ways of tapping new sources of resources is urgent, NGOs must approach it with caution. This is especially true because resource generation involves employing market-based funding approaches.

There are risks inherent in engaging in commercial activities for anyone, including business corporations. That it brings greater risks for NGOs is an understatement.

The foremost of these risks is that of drawing a social development organization away from its original social mission. And such risk increases as an NGO becomes successful in its resource generation activities. There is also the risk brought about by a market approach being far different from what an NGO does. It is an entirely different ballgame that requires a different set of competencies and an entirely different mind-set.

Unless other options can be identified though, many NGOs cannot totally do away with a commercial approach in generating resources. What's important is for an NGO to be clear about its parameters in employing such an approach and, more importantly, to be consistently aware of its purpose and mission to serve.

*...fundraising is not
about money but about
urgent needs
that must be met.*

Guy Stringer
(chair emeritus of Oxfam,
soldier, businessman)

Deceiving ourselves is a human flaw. It is easy to rationalize that our actions are "for the higher good." But are we really within the right perspective? Are we keeping the things we do in the proper context? Are we "just after resources" to continue operating period? Or are we after resources in order to continue existing in order to pursue our purpose for a higher good?

The first precautionary step for an NGO is the careful formulation of its resource generation plan within the context of genuine development. This is where the most important risk is addressed and safeguards taken.

This is also where a review of an organization's articles of incorporation is crucial. *Are there any pertinent provisions? What are these? What do they say? Are there any restrictions indicated?* An organization that does not have a good resource generation plan could end up having resources and projects that are not aligned with its V-M-G-O. It continues to exist but not within the context of its purpose. It continues to operate but without meaning because it has abandoned its reason for being in favor of resources for any kind of project. It has become an organization that only exists for the job, and no longer for the noble considerations that make NGOs distinct in a highly mercenary environment. When this happens, the organization must amend its entire mandate and by-laws. Otherwise it will be engaging in fraud.

Resource generation encompasses several key tasks which must all be undertaken within the context of an organization's *original* purpose and mission:

- Determining the kind and volume of resources needed,
 - Deciding on the appropriate approach/es to take,
 - Looking into laws, guidelines from government and other authorized entities that are pertinent to its preferred approach and fund-raising in general,
 - Identifying potential donors of the resources needed,
 - Knowing the requirements and preferences of potential donors,
 - Proper orientation and coordination of the people who will be involved,
 - Improving organizational image and credibility,
 - Communicating and appealing to prospective donors using appropriate channels and tools,
 - Proper documentation, acknowledgment, and safekeeping of donations,
 - Following up on pledges,
 - Proper documentation of results and outcomes,
 - Proper reporting on the use of donations, i.e., including adherence to legal, government restrictions, and
 - Maintaining relationship with donors
- (Legal agreements may be called for at various stages.)

The bigger NGOs have a unit devoted solely to this function. In most cases, however, it is carried out in a collaborative fashion by the governing body, top management and/or the operating units.

Diversification, the way to go

At the rate things are going, an organization must generate resources more aggressively and creatively, or prepare for the final curtain call. Non-profits must begin to think like business corporations without losing its identity and losing sight of its reason for being, its compassionate purpose and mission.

The tack that is proving effective for many business corporations today also portends positive results for NGOs. **Diversification** is a major approach in generating resources in the 21st century. It is extending one's 'business' activities into disparate fields. It is simply not putting all of one's eggs in one basket, as the age-old warning states. Diversifying brings with it a promise of greater financial security which is the only way an organization could survive in these times of upward spiraling costs and needs, and downward spiraling resources. This does not imply however that an NGO will totally do away with vying for grants and donations. Or that it will rush into a new way of generating funds. But it shouldn't tarry or drag its feet either.

In diversifying, an organization must ensure that everything fits – **alignment to mission, within its core competencies, appropriate mix of strategies and right timing**. These are the hallmark features that an organization's diversification program must have. (Viravaidja, M. and Hayssen, J., 2001)

Alignment to mission. Diversification will help increase an NGO's financial security. But this must be done without sacrificing its purpose and mission.

Within its core competencies. Diversification is also best made within an organization's core competencies. An NGO's area of expertise mainly determines the parameters within which it should diversify. Diversifying is a risk in itself. An area of competency where the organization has tested and proven itself will lessen the level of difficulty and the degree of anxiety that usually come with entry into a new 'business.' An organization's adeptness and familiarity with a needed skill will also facilitate implementation. Its track record in the area should likewise facilitate 'marketing.' Moreover, it will provide the safety net that will help minimize implementation jitters and disequilibrium that usually accompany shifting of gears.

Appropriate mix of strategies and right timing. The combination of strategies for generating resources also depends on the capacity of an NGO to employ all the strategies well. Otherwise it may be better for it to concentrate on just one strategy at a time, or to plot them along a timeline that shows the factors that can come into play like the requirements of core activities and staff inputs.

The three general categories of resource generation with which an organization can diversify its efforts are **(1) grants and donations, (2) cost recovery, and (3) commercial ventures**.

NGOs with money to spare can also consider investing or endowments as means of generating funds for the organization. This requires a highly specialized knowledge for which an organization can tap external help or a more active involvement from board members who may have the knowledge and the skill to engage in such financial enhancement endeavors.

But let us focus on the three general categories which are more commonly appropriate to NGOs. What does each entail? What must one watch out for?

About vying for grants and appealing for donations

Grants and donations are monies from interested third parties that support NGO endeavors as a way of doing good for personal satisfaction. They have been the mainstay of NGO funding. They are largely responsible for perpetuating the existence of many organizations and enhancing their effectiveness.

While it is good that they have enabled NGOs to continue with their programs and projects, they have also promoted some degree of complacency on the part of organizations. Some NGOs have also been led to do projects within the priorities of funders even if these are merely peripheral or have nothing to do whatsoever with their own mission.

Even if an organization manages to do grant projects that are truly aligned to its mission though, grant funds will not be available forever. Funders change priorities in terms of content area as well as preferred project targets or sites. One of the markedly difficult times for grant programs in Asia for instance was when the big grant organizations decided to redirect their focus to Africa. This left programs in Asia and other parts of the world that are just as in need of help to scrounge for whatever left-over resources were available. An organization also has no guarantee that it will continue to have what it takes to keep on vying for and succeeding in getting traditional grants. The very real appeal of greener pastures could cause NGOs to lose the most skilled and knowledgeable among its most valuable assets – its staff.

The major risks in relying on grants and donations such as these underscore the wisdom in tapping other means of acquiring the resources an organization needs in order to continue its work. Having other sources will not only mean greater chances of surviving. It will also mean freedom to respond directly and appropriately to the communities' needs in line with one's mission and purpose.

An organization must also diversify its philanthropic base. The market is large and could be a source of various types of donations; it is also highly segmented.

- The four types of donors from whom cash donations can be solicited are: **(1) wealthy individuals who can donate substantial amounts of money, (2) middle income earners who are more inclined to moderate but regular amounts like membership fees, (3) the general public through collection boxes in strategic locations and businesses, and (4) surfers or people who often use the internet.**
- Volunteer service can come from academic or professional groups like medical interns providing free medical check-ups, retirees with various skills providing free consultancies, and other concerned individuals helping out in administration and fund-raising.
- Corporate donors can be approached for supplies, commodities, and other GIK or gift-in-kind some of which they produce.
- Community groups and associations as well as expatriate communities can be the source of one-time cash donations generated through charity events.

Market segmentation will help sharpen an organization's approach and appeal for support.

Organizations must also exercise caution in determining who it will approach. This is especially crucial when it comes to grant-making entities and corporate sponsors. Just as grant-making organizations do background checks of its applicants, NGOs must undertake its own background checks of potential grantors and donors.

It is important to know as much about the prospective grantor or donor as possible — its identity, values and inclinations because anything questionable or negative about it can taint the donee/grantee's own public image and the project being supported. Vying for grant funds and mounting a fund-raising campaign are also tedious and require much in terms of staff inputs. It is better for an NGO to know the organization it is approaching well enough and early enough in order to avoid wasting staff time and effort.

How does a grant-giving organization operate? What are its usual terms for grant programs? What or who capitalizes a corporate sponsor? What is its reputation and public image? Which organizations has it supported or is supporting? What program area does it usually support? What are its thrusts? Are there any recent changes in this aspect? How restrictive or open is it to organizations applying for its resources? This is a starting list of questions that can help an organization determine if a prospective donor or grantor is the right one to approach.

The increasing interest and inclination in corporate social responsibility and cause-related marketing among business corporations boost the prospects of NGOs for various resources. And it is precisely because of this that NGOs must be more discriminating. True, beggars can't be choosers, but this is where an NGO's value for integrity is put to a test.

And this holds true not only in vying for grants and donations but in any resource generation strategy an NGO may choose to employ.

Cost recovery

Apart from grants and donations, an organization could also conceptualize various ways by which it could recover some of its costs. This will minimize an organization's financial outlay for projects without diminution of project activities and functions.

Under this category, an NGO can obtain funds from beneficiaries who value their participation in projects. This approach is however more feasible only among beneficiaries who have some capacity to pay for goods and services, whether payment is made in cash or kind. A social

marketing scheme in reproductive health charged for contraceptives lower than the commercial price. Micro-credit programs have members taking on the tasks of recording and reporting which are crucial in the operations of these programs. Mothers of children in a feeding program take turns in cooking -- a "gift of labor" as a Sri Lankan rural development movement calls it. The mothers also donate selected ingredients indicated in the meal plan, perhaps from their own backyard. An organization ties up with another NGO working in the area who will implement some of the activities.

Charity sees the need, not the cause.

Chinese proverb

The downside of cost recovery for NGOs is the risk of excluding sectors which are most in need because they do not have the capacity to pay. It would be good if an NGO can find alternative ways of subsidizing those sectors. The need to earn resources to subsidize its core activities which are usually not financially viable is one of the things that makes running an NGO more difficult than managing business companies whose bottom line is to increase their ROI or return on investments.

Commercial ventures

Many NGOs are entrepreneurial and generally possess the skills in doing business. These are a clear advantage for embarking on commercial ventures that will generate the financial resources an organization needs.

The more popular types of commercial ventures among NGOs are:

1. ***"Selling" their program services to paying clients.*** An organization sets up a for-profit clinic in a middle-income community to help pay for its free clinic in an urban poor area.
2. ***"Selling" support services within their competencies to private clients.*** An organization conducts training courses for other organizations. Another NGO produces promotional materials for other NGOs and business corporations that need them for their activities.
3. ***Marketing the products of program beneficiaries.*** An organization links up with traders for the sale of handicrafts produced by program participants in one of its project sites. Another NGO sets up a soya milk project in a school campus with an outlet where soya milk can be purchased by the students and outside customers.
4. ***Maximizing its assets and facilities.*** An organization charges other organizations a nominal fee for the use of its audio-visual equipment, for instance, its LCD projector. Another NGO

asks school and civic groups like the Boys Scouts for a nominal 'donation' for the use of its tents which it acquired from a foreign donor. Another CF partner rents out part of its facilities.

5. ***Operating a for-profit venture, the income of which is committed to support the organization's social development program.*** A CF partner runs a restaurant where program beneficiaries are employed. Monetary profit is plowed back to the partner's social development programs; livelihood provided the beneficiaries build their capacity for self-reliance and other life skills.

Going into any of these types or any other commercial venture requires some business sense and skills on the part of the organization. Likewise certain basic knowledge of the specific business approach, service or product involved. An organization must make sure that it is inclined, prepared, and equipped for such activities before embarking on any of them.

Basic considerations in generating resources

Make sure that your 'product' is saleable. Resource generation is basically a selling job regardless of the approach one takes. The basic product of an NGO is itself, its programs and projects included.

Even if only for its own sake, an NGO must always strive to be at the top of its game. But it must have a deeper consciousness about this when it decides to go into resource generation more aggressively. One may have all social marketing elements in place, but can its programs and projects stand close examination? Can it stand by all the information in its organizational brochure, website, and other public information materials?

An NGO invariably undergoes scrutiny — its identity, history, track record, leadership, membership, etc. Prospective grantors, individual donors, corporate sponsors, or partners will want to know about these things before they part with their resources or even only to decide to be associated with an NGO. While some of them will only do a cursory review, others will prefer a more in-depth investigation. It is only when these entities and individuals are satisfied with what they find out about the NGO will they extend their support. In the Philippines, the not-so-recent controversy surrounding bogus foundations continue to plague the resource generation attempts of legitimate non-profits. Protecting an organization's character cannot be overemphasized. Integrity and good work are still the key selling points for any NGO.

Know it well to sell it well. What is it about your organization that you want supported? Some marketing campaigns are generic while some are specific like appeals for monthly sponsorship of children, support for feeding programs, subsidy for shelters, or sponsorship of a community event.

Some donors prefer to know exactly where their contribution will go. For more specific campaigns or appeals, an NGO must be prepared to be transparent about the details of the project as well as how the donations will flow (breakdown, duration, etc.). But in both generic and specific campaigns, it is important to state the implications of not being able to respond to the need of both the intended beneficiary as well as to society as a whole.

See to it that your resource generation activity is aligned to your organization's purpose and mission. Be vigilant in maintaining the right focus; do not be tempted by the promise of resources at the expense of organizational purpose.

Know your organization's stand and leeway on resource generation, as well as the laws and guidelines pertaining to fundraising, engaging in business by NGOs, and other related issues. First of all, what does your incorporation documents say about your organization engaging in resource generation? What requirements and restrictions apply to the kind of resource generation activity or approach which your organization is considering to employ?

Make sure that your stakeholders have a good appreciation of the resource generation strategies your organization has chosen to undertake. Commercialization can undermine an organization's role in the community. An NGO could also run afoul of public values. It could also be misunderstood unless its rationale for engaging in commercial undertakings is understood within the context of its concern to continue being of service according to the terms of its identity and purpose.

Know your markets. It is basic in any human interaction to know who one is dealing with. In accessing funds, whether from grant-making institutions, individual donors, partners or 'customers,' an organization's success rests largely on how well it knows its potential market. Such knowledge is crucial in deciding on pursuing that market and determining how to do so. *What social issues or concerns have they been known to have supported, who among them is likely to be most inclined to what you want supported, where are they, what are their giving habits, what are their preferences?* The profile of an organization's potential market/s dictates the details of its social marketing plan to a large extent.

Some local donors still have the misconception that foreign funding equals stability. Such donors make generating funds domestically difficult for organizations that are funded from abroad. In terms of pursuing foreign funding, organizations, especially those in social development, must watch out that they do not become politically vulnerable. Or that they are unnecessarily dragged into issues being faced by their would-be donors. These are only some of the reasons

why full knowledge of who one approaches for funds is fundamental in social marketing particularly in the case of social development or human service organizations.

Formulate the appropriate appeal. The more one knows its market, the better able it will be in determining how best to approach it. Packaging one's appeal matters a lot especially when one enters an open market. An NGO can find help in finding out what worked best for other organizations in reaching out to certain sectors. *What is the best way of communicating your need to your market viz a viz what would work best with them in terms of tone and language? What good will supporting your organization do to them?*

Use the right strategies and channels. Deciding on the best means of reaching your market could mean balancing potential effectiveness and cost. *What will it entail in terms of cost and expertise? Does your organization have the capacity to use these channels, what are the implications in terms of returns? Even if it does, what will it do to your organization's public image?* Expensive marketing strategies may be effective but could turn off donors who will wonder at the apparent contradiction of an organization's capacity to employ such strategies and its need to solicit funds.

Make sure that the way you carry out your resource generation program – strategies; sectors to be approached; campaign messages or appeals; collection and retrieval of donations; and documentation, acknowledgment and use of donations — is consistent with your organization's values and code of ethics.

There is no substitute for a good resource generation plan. It must be comprehensive and detailed. It must be based on facts and figures that are pertinent, accurate and current. Ideally its development must involve everyone who will have a part in its implementation. As it will likely include marketing strategies, external experts may be tapped. Thorough pre-implementation orientation of all concerned must be an integral part. It is also fundamental that an organization realizes that long-term flexible grants are better than short-term or restricted grants, and proceed with that in mind.

Competence in project development and proposal writing which NGOs generally have, is the basic tool in accessing grants. But requirements and format which vary across grant-making institutions and donors must be considered carefully and adhered to.

Remember that any effort at resource generation especially in these times requires a leap of faith. NGOs must first believe that if they wean themselves from traditional funding, support of some other kind will be possible, and that they will be able to mobilize the resources they need to do the work they think needs doing.

Use the funds raised according to what you committed to your donors. An organization must be faithful to its commitment to donors, sponsors and partners. It is also in this aspect where transparency is most crucial. While an organization may successfully employ expensive social marketing strategies, its fulfillment of the original intended use of the proceeds could be jeopardized by its desire to recover expenses from the proceeds. This could tarnish its overall organizational integrity which in turn will erode people's trust and make future attempts at generating public support and raising funds more difficult.

*Marketing is not an event, but a process....
It has a beginning,
a middle, but never
an end, for it is
a process.*

Jay Conrad Levinson
(author, marketing and
advertising guru)

Keep donors informed. Don't disappear from their radar screen after receiving their donation. The least an organization owes a donor is to acknowledge his contribution. But there is nothing like keeping in touch with one's supporters. Simple reports or letters can keep them abreast of developments in the organization, or better yet about the progress of the projects or activities that their contributions helped fund. Best of all is when donors get to connect with the actual beneficiaries of their contributions. But keeping in touch goes beyond accessing future contributions from a donor. A positive word on how an organization is performing is good for an organization in many ways and at all times. It could bring in new donors, but its more lasting and significant positive consequence is building the organization's public image by word of mouth.

And even in the case of employing a one-time fundraiser, it is important to keep in mind that social development and cause-related marketing are essentially about building relationships, not just with clients but also with donors, sponsors and partners. At best, the process goes on even after the targeted assistance has been achieved.

Link donors with program or project beneficiaries, but give them the final option because some prefer anonymity. Some organizations host get-togethers among donors/sponsors and the communities and individuals they helped. Some NGOs ask the beneficiaries of their scholarship programs to write thank you letters to their sponsors, send them news on school events they participated in, etc. A sponsor opting to eventually help a beneficiary directly without going through an NGO still contributes to the achievement of the social mission of that NGO. It may have lost some brownie points but its having served as bridge between donor and beneficiary is still an input to its mission.

Make sure that the quality of the products and services you sell are within or much higher than the acceptable standards. Being in business and succeeding in it means engaging in competition. Many an NGO's marketing attempts fail because the products they sell cannot compete in the open market. For instance, handicrafts must undergo strict quality checks, if possible, against international standards. There are domestic as well as foreign organizations

whose mission is the marketing of products of development programs. But for these organizations to accept a product, its quality must be at par or even better than other products of other NGOs, local and foreign. In the case of some of these products, it is also important that first of all, they are identified and then designed according to trends in the applicable field or line, whether this be fashion, houseware, etc.

When engaging in cause-related marketing, be discriminating, and think and behave as an equal partner with the corporate sponsor. This is a good way of avoiding the risks that come with cause-related marketing, such as being involved with a company whose business practices are questionable, with inferior products and services, into superficial campaigns or false advertising, and in unproductive short-term relationships.

How is your organization doing in the area of resource generation?

Resource generation for NGOs points to the need to go more public. The need for preparation cannot be overstated. This is because going public for an NGO means opening up its programs and operations to scrutiny beyond the usual most NGOs may have been used to. Thus it is necessary as well as a good opportunity for the organization to clean house or tidy up. To succeed, an organization must prepare with caution and due diligence. A wrong move or even a mere misinformation in as public an enterprise as social marketing could cause tremendous harm to the organization.

It helps for an organization to review how it is proceeding in this functional area. Focusing on the following questions is a way of taking a deep and hard look at its resource generation activities.

- *What activities are in place, if any?*
- *Who are involved – the board, leaders and managers, staff?*
- *How have these activities been implemented?*
- *What inputs have been provided?*
- *How?*
- *With what results?*
- *Have activities, inputs and outcomes been properly documented?*
- *Are they part of the organization's database?*
- *How have these activities and tasks figured against the core activities and tasks of the organization?*
- *Based on the initial results, is it worth continuing or replicating?*
- *Overall, what improvements on the original plan need to be made? Why and what outcomes can be expected?*

This is only a starting list of questions. It could lead into other related issues an organization must confront if it is bent on seriously pursuing its resource generation objectives.

Just like for all of the other functional areas, it is an inward look vis-a-vis what is prevailing in the external environment that is the necessary starting point.

But the key point for a social development organization's embarking into resource generation and social marketing is really its consistent awareness of the context and rationale for its doing so -- the needs of the disadvantaged are aching for answers.

It becomes purely a matter of business for an organization who fails in this.

9 MINDING THE STORE

One of the most underrated functional areas in organizations is administration — even if a minor “admin” slip can easily disrupt or totally bring operations to a halt.

Minding the store is just as crucial as capitalizing the store or promoting it for greater marketability. Such is **General Administration**. It is by no means minor when an organization is trying to grow itself into an empowered organization.

General administration is that area of management that ensures that operations are carried out with utmost efficiency and at the least cost. This entails ensuring that all logistic and administrative support for all organizational undertakings is available in the appropriate quantity and in tip-top condition.

It is now much more than the traditional ‘admin’ support of filing and typing, or in contemporary times, encoding. At its core are overseeing and managing a number of things: supplies, equipment, vehicle, office space and material, safety of staff and clients; and, in the field, office or work space, accommodations, transport and related provisions. These functions must be discharged properly, consistently and efficiently in order to ensure smooth and uninterrupted operations. It also encompasses the critical responsibility of safeguarding the organization’s physical assets, e.g., building, land, and equipment.

Part of the mandate of general administration is to see to it that the organization’s resources are maximized and that there are no wastages or leakages that can increase cost. As such, it is a critical function of *stewardship* (or the responsible management of resources), a value many

organizations espouse. It is also a concrete input to organizational sustainability, an area of extreme importance to human service organizations.

The key areas in General Administration are administrative practices, procedures and preferences of an organization. They guide management and staff in properly managing, handling, and accessing the resources they need to do their work well.

These are usually embodied in and communicated through what is commonly referred to as an Administrative Manual. It is a basic tool for orienting new employees as well as a ready reference for managers and staff alike. A copy is either provided each staff or several copies made available to them at all times to ensure a smoothly running organization,

An organization's Administrative Manual covers the following:

1. **General office operations** are made up of policies that guide work flow processes, including physical arrangements to ensure occupational safety as well as care of facilities and equipment. It is also sometimes referred to as Housekeeping Policies (not to be confused with HRD or Program policies).
2. **Procurement** spells out procedures for getting supplies and equipment needed for operations -- bidding procedures, frequency, bulk.
3. **Storage** refers to location and organization (centralized vs. decentralized) of resources including information and promotional materials developed by the various units for specific purposes, and in-kind donations. It includes clear-cut restrictions governing the use, storage, distribution and disposal, accountability, inventory, and other matters concerning these resources.
4. **Supply and requisition** lays out procedures for accessing resources, approval chain and signatories, acknowledgement, accountability, and related issues and functions.
5. **Physical plant/facilities** refer to maintenance procedures and schemes.

Checking on status

Just like any of the other functional areas, general administration must undergo its own periodic check-up. In fact it is one of the OD components for which constant check-ups are vital. Levels of supplies especially those that are used directly in projects and particularly projects implemented away from the organizational base must be monitored. Timely replenishment is crucial in the smooth implementation of activities.

General administration must also be prepared with procedures and supplies especially during emergency operations which many NGOs undertake. It is in connection with emergency response when lapses in administrative functions could mean as serious a consequence as loss of lives.

General administration must coordinate closely with an organization's emergency response team if it has one, or with the staff assigned the tasks. Coordination must not only be during the actual emergency operations but in conducting drills and streamlining procedures that will ensure that the organization is able to respond adequately and appropriately to emergencies.

Everyone can help the organization enhance its administrative system and procedures. A core group from administration and other units could be formed to work together on these. The rest of the parties should be involved though and brought into the process at the appropriate time. They can help review the core group's output and determine when it is ready to be finalized and institutionalized.

The work of the core group could start with reviewing administrative or general housekeeping policies. (*The General Administration Assessment Sheet, Annex 9, on page 161 can be used for this purpose.*) In the absence of these policies, the core group should proceed to draft them, making sure that they spell out the system, discuss the procedures clearly, and provide the needed guidelines.

General administration is a key support area in all types of organization, regardless of mission, goals and program thrust. It deserves as much attention and reflection as the other functional areas of organization.

Smooth operations under normal conditions as well as during times of extraordinary pressure are indicative of a tightly running admin function.

10 BRIDGING WITH PURPOSE

In most if not all successful human endeavors, one is bound to find clear, meaningful communication among the key factors if not THE factor that made the difference.

But this being so, one wonders why communication is also a common cause of problems for mankind. Not just between nations with different cultures and systems, or colleagues with different values, but even between and among people who have known each other for all, if not a great part of their lives — parents and children, siblings, life-long friends or long-time partners.

What renders this issue valid yet perplexing is the fact that communication is probably the only thing apart from breathing that humans start doing even before leaving their mothers' womb. That makes it then the 2nd most practiced skill for every human being. In fact, some practice it almost non-stop (surely, you know of at least one such case).

Why then do we continue to see marriages breaking up, neighborhood squabbles, labor cases, war and the like owing to failure to communicate? Why does communication seem to be an exception to the generally accepted saying "practice makes perfect?"

For now, we will leave these questions to the countless scholars and experts who have been mulling over them for so long. Instead, let us review the whats, whys and wherefores surrounding communication in the workplace. Perhaps by doing so, we can "see" how we can engage in communication with more positive, more effective outcomes. We will then be better equipped with the skill to be the bridges we are meant to be in our personal pursuits as much as in our work, crossing over turbulent waters during good times and bad.

The practice of communication in the workplace

It always helps to start with definitions.

An integrated definition of **communication** based on several definitions in Dictionary.com is: *the act or process of imparting or interchanging thoughts, opinions, or information by speech, writing, or signs.*

A more “technical” definition describes the basic dynamics in communication and spells out the main elements of the process: one wherein a **sender** conveys a **message** to an intended **receiver** with the use of a **channel**, with the aim of having the message understood in the way he or she meant it and the hope of receiving in return a **feedback** (or **response** or **reaction**). This familiar **S-M-C-R-F model of communication** is to many of us theoretical and best left in the classroom or the session hall. But it certainly helps to pin down the basics of this very important and pervasive human activity.

Even more technical definition and within the context of organizational life, *communication* is “*the essential process*” (Smeltzer, Leonard and Hynes, 2002) through which the *key management functions* of *planning, leading, organizing* and *controlling* are discharged. *Essential* here flows from several basic concepts which we have been underscoring: (1) an organization is a human system that is made up of individuals of diverse in origin, characteristics, inclinations, and aspirations; (2) it operates in several environments of constant change; (3) to survive and thrive in such environments, the rule is to “work smarter,” starting with making the complex clear (Jensen, 2000); (4) to succeed in pursuing its calling and professional excellence, it must be empowered as much as it is empowering.

Nothing moves without communication. It is “the most common activity in business” (Wong, Connor and Murfett, 2006). Linking people for a shared purpose is the basic role that communication plays in organizations. In a change environment, this role becomes even more magnified.

Just as humans communicate while still in the womb, a lot of communicating occurs long before that purpose and vision are “institutionalized” or an organization is incorporated and acquires a formal identity. In this sense, communication is part of the process of birthing an organization. The lead person in an organization has a purpose and vision to share. He needs others to understand and appreciate it so that they could join him in the journey. He must be able to communicate these clearly. It is through communication that an organization’s identity takes shape. *Remember those seemingly endless brainstorming sessions aimed at establishing an organization?*

When everything is on the table and it’s time to take a vote, communication is still the main tool used. As the incorporation process ensues, communication becomes more formal and written.

It also begins to involve more in the process such as the appropriate agencies tasked with matters related to formally confirming and recognizing a legal identity.

Once the organization becomes a legal entity, its sphere of communication expands further. Information is sent out in various forms and through various channels to introduce the organization to the public, to its future stakeholders, etc.: its purpose and mandate, vision and mission, goals and programs shared; the people behind its creation identified.

Henceforth, the day to day journey of an organization is made up of communication incidents and episodes. They are formal or informal, written or oral, verbal or non-verbal. The process involves the leader and the managers, the leader and the staff, the Board and the leader, the Board and the managers, the Board and the staff, the unit heads and their staff, the staff in general. The organization also interacts increasingly with its various stakeholders on the homefront and abroad — potential clients, partners, supporters and sponsors, agency heads, local officials, and so on.

Communication is a tool for everyone in the organization. Leaders lead through it. Managers communicate to plan, organize, and control. Staff communicate to serve, consult, coordinate, and learn.

*If you just communicate,
you can get by. But if you
skillfully communicate,
you can work miracles.*

Jim Rohn
(entrepreneur, author,
motivational speaker)

It is an overall major strategy employed all over the organization to pursue purpose, unite the workforce, connect with stakeholders, become empowered, earn public trust, and become sustainable.

Clearly communication is so central a process in the workplace. In actuality, it is a basic ingredient and tool for empowerment that organizations must take hold of. Effective use of it is the order of the times when *relational* activities and skills are indispensable in any bid for empowerment and excellence, individual or organizational. It is especially so in the case of those in social development whose chosen mandate is self-empowerment as well as helping others to become empowered.

The process and the forces at play

The S-M-C-R-F model is theoretical but grounded in what's real and concrete. That it is also simple is one reason it has become a classic of sorts to students and experts in communication. However its "simplicity" however ends with the linear relationship of the basic elements of the communication process which is used. Because once applied, myriad complications set in, thanks to the countless variations, nuances and effects that surround and occur within the process.

Operationally, the “simple” process becomes complex because of its main players, specifically the sender and the receiver. Hardly occurring in a vacuum, several environments, each constantly evolving, are in attendance. The countless forces in these environments subliminally impinge on the process occurring between the two main players. In the organizational environment, these forces are usually more overt, concrete and discernible.

To illustrate, two individuals in an organization communicating or trying to, involves at least six environments. The myriad factors in each of the six influence how the sender conveys his message, how the intended receiver understands the message, how the receiver responds to what she thinks the message means, how the sender responds to what the receiver said about what she thinks the message meant, and so on and so forth.

These environments and the usual factors that comprise them are as follows:

- Five internal environments:
 - the sender's and the receiver's *life histories, their values, their habits, their aptitudes, their capabilities, their personal concerns, their work-related issues, etc.*;
 - the two immediate internal organizational environments of the sender's and the receiver's: *their bosses and their bosses' expectations, their pending assignment/s, their next task/s, their assistant/s, their performance viz the organization's standards, etc.*; and
 - **the** overall internal organizational environment: *the change process being undertaken, the new directive from the board, the appeal of the CEO for sobriety, the impending structural changes, the new grant project set for launching, the impending successful completion of a three-year program, a new accounting requirement, travel restrictions, the resignation of the IT specialist, next week's performance appraisal, etc.*; and
- The organization's external environment: *the concerns and anxieties of the community served whether these are anxieties over a project that is winding up or excitement over a new project, pertinent government ruling and public opinion on the work of the organization, possible change in thrust and attitude of institutional and individual donors, possible additional requirements from a partner organization, possible competition from another NGO or government that could jeopardize the organization's work, fluctuations in foreign exchange in the case of organizations funded mainly from abroad, etc.*

This starting list of factors within the various environments indicate why communication breakdown often occurs. Their number and non-static nature also help explain why effective communication is not as simple as the S-M-C-R-F model may initially show. We need to understand these variables because it is in our nature to get distracted (Wong et al, 2003).

Communication, even to one's self, hardly exists in isolation, nor only in and for the moment. We all have a lifetime of experiences that influence how we behave as senders or receivers of a message. We have concerns that often mess up the way we perceive and hear and understand. We are also at our own individual levels of competence that determine how we compose, transmit, receive and analyze messages. And that competence is not limited only to the way we speak or write but also in the way we think and feel. Nor is it just thoughts and feelings about the message but also thoughts and feelings about the other party involved, about ourselves and about our environments.

And yet, complicated as it may be, there is no avoiding communication. Nor is there sense in doing so even if we could. In spite of its attendant complications, we cannot be cowed into NOT communicating because we are afraid to fumble or fail. We are social creatures and interaction is part of our DNA. Perhaps some of us engage in communication more than others. Nevertheless, we **COMMUNICATE**. At home we interact with family in joy or in sorrow, for love, for laughter, or for strength. At work, we reach out and connect with others to get our tasks done.

Congruence, compatibility, mutuality and sharing determine effectiveness in achieving purpose and mission in organizations. And the most accessible and convenient way of connecting for purpose and mission is by communicating.

There is always the possibility of fumbling especially in an environment that is in constant flux. But effective communication can be learned. It just takes time – for practice and reflection. We must not allow ourselves to be swept away by today's propensity for quick fixes at the expense of the good old-fashioned practice of "savoring the moment" known to bring unspeakable joy. We can learn to appreciate communication as a human transaction that can propel an organization to unimaginable heights or lead it to an untimely demise. Let us start by looking at the way we communicate that we may learn how we can be better able to enrich others and be enriched along the way.

Questions like these could help: *How much communicating do we do? With whom, when and under what circumstances? How do we actually do it? How much of a sender are we in the process viz a viz being a receiver? Are the appropriate data a part of it? Do we validate the messages that we receive with the source? Do we validate how our messages are received? What do we do after validating? Do we ever reflect on how we do it as a matter of habit? If so, under what circumstances? How often?*

Some though would view reflecting on these questions unnecessary or a waste of time. Some may see use in answering them but nevertheless find doing so cumbersome and thus opt for a less than an in-depth look at the issues they raise. In whichever category one may belong though, it will help to first remember or realize three things about communication as an all-familiar but oft-taken-for-granted process: (1) how delicate communication is, (2) how serious its repercussions can be, and (3) how potentially powerful it is in pursuing our work and building our organizations.

Perhaps it is because we are constantly engaged in communicating that we rarely analyze how we do it. Except in training activities or when something goes wrong, that is. In these occasions, we get a glimpse of how we are as communicators. We also see more clearly the power of a word, an inflection, a symbol, a gesture, a moment of silence even, in building relationships or breaking them. Each of these has the potential to strengthen our bridge to others or to send it tumbling down.

Good communication – its multidimensional role in organizations amid constant and speedy change

Good communication allows people to share common ground and unites purpose. First of all, a leader must have communication skills in order to undertake one of his most crucial roles – that of vision-bearer. Unless he is able to translate and communicate vision, to the human resources in the organization first, he cannot excite them and encourage them to join him in the journey. The most effective leaders and managers are those who communicate well. They may not have all the answers, but they listen to the questions and respond with what they know, honest and candid about what they don't (Human Resources in the 21st Century, 2003).

But it is important that everyone, not just the leaders, *communicate well and relentlessly* (HBS, 2003). Regardless of position, staff who excel are usually good communicators.

People who communicate well can:

- Enhance performance by increasing productivity through smooth work flow.
- Make better decisions by processing more information.
- Work better with people because she can understand them better.
- Interact more effectively and productively with stakeholders.
- Boost personal image as well as that of his organization.
- Promote themselves more clearly and effectively.

When is communication effective

Wong, Connor and Murfett(2006) lists down six features of communication that works:

- ***Practical and task-focused.*** It gets things done and efficiently. Relevant instructions, queries and information help in this respect, whether these are exchanged face-to-face or via telephone, email, memos and reports.

- ***Precise and specific.*** Over and above pleasantries exchanged in the workplace, communication must involve information that is relevant and specific.
- ***Clear and concise.*** Short and simple messages are easier to understand. Complex work-related matters though may require lengthier communications. Brevity and conciseness have stood the test of time and circumstance. One must consistently strive for them.
- ***Factual, accurate and honest.*** Messages that are concrete are not only easier to understand, but also easier to believe and to trust. The best way of handling facts is to relate them as they are. This does not only minimize misinterpretation, it also saves time.
- ***Persuasive.*** If one's communication is all of the foregoing, people will respond. This holds true with whatever format is used – whether a memo, an email, a brochure, a video presentation, etc.
- ***Promotes goodwill.*** People will want to deal with you if the way you communicate is all of these.

As communicators, our intended receiver or audience must be our foremost concern. It is this element in the process that guides us in clarifying, formulating and transmitting our message. After all, we want our message understood the way we mean it, not by anybody else but by our intended audience.

Satisfying stakeholders' expectations and interests is largely dependent on how you communicate with them. This is where a stakeholder's analysis becomes real handy for organizations. Simply put, such an analysis answers the question, "*How well do we know our stakeholders so that we can really reach them with our message?*" This is within the context of stakeholder management, an important area of concern for an organization, not only with regard to communication but in relation to all other aspects of work.

Stakeholders will have varying expectations. Their interest in the work you do also vary. They will not only vary across categories of stakeholders but also across individuals belonging to the same category of stakeholders. For instance your clients will have their own concerns and interests as your donors would. So will your partners as perhaps opposed to the general public. In addition, while they may share certain categorical expectations and interests related to your organization's work, individuals within a stakeholder category could have unique personal interests related to your work. Client A will have a specific take to your message different from Client B, likewise Partner A as opposed to Partner B.

This fact underscores the importance of knowing as much as one can about the intended audience. Your approach will depend on categories of stakeholders as much as individual

stakeholders within the same category. *Do you know where they are coming from with the questions they are raising? What about their un verbalized questions? Have you clearly communicated your goals and objectives, the meaning of your work, what you hope to achieve?* There is no substitute for really knowing your stakeholders in ensuring effective communication with them. Nor is there a substitute in planning how to approach and engage them in the communication process to meet your communication objective using what you know about them. Tall order perhaps, but definitely strategic.

Here are some other reminders we can take note of.

- ***Do your best.*** Good communication takes effort. But it is a reward in itself – it helps you get things done and gives you personal satisfaction. It enables you to be of help to others. When this becomes evident in the workplace, more tangible rewards are likely to follow.
- ***Try to understand the variables that can make it difficult for others to understand your message.*** As mentioned earlier, the various internal and external environments that are operating impact heavily on how our message gets across. The more we know and understand these environments, the better we can work around them.
- ***Establish a reputation as a clear and efficient communicator.*** People will be ‘all ears’ even before you utter the first word or even before they see the subject of your email.
- ***Know the rules, know yourself and seek to know the other players, especially your primary intended receiver.*** Understanding the dynamics of the communication process is a starting point. Reflect on your communication style and pin down what makes you effective and what your weaknesses are as a communicator. In written communication, edit but don’t overdo it as to sound contrived or grammatically sound but boring and uninteresting. Knowing your receiver well is basic. Know what works best with him – language, tone, approach. What you send is not necessarily the same as what is received because we each interpret words and other symbols differently based on our values, experiences, preoccupation at the moment, etc. Timing is also a key consideration.
- ***Communicate to relate with others.*** Communication is a matter of relationships and connections and exchanges. Its aim is to arrive at a common meaning – the message understood as the intended meaning of the sender. Keeping our messages simple, clear and concise is important, at work or anywhere. But it must have the context that will matter in how it is interpreted. Context is a dynamic and all pervasive factor that can make or break your attempt to communicate.

Relationships are jeopardized instead of strengthened. Resources are wasted instead of maximized. Focus on the task at hand is lost and attention is diverted to nagging issues. An incident involving mainly two people can affect others around them. Time is wasted.

Surely, if such are the consequences that can come from failure to communicate in an organization, effective communication must be addressed urgently.

At this point, let us take a look at what has become the prevailing way we communicate with others nowadays.

Email -- electronic mail or easy mail?

Email is the fastest growing communication medium worldwide for personal and business purposes (Wong, Connor and Murfett, 2006). It is probably the most popular form of communication in organizations today. Email responds to the special challenge that comes with communication in the workplace. Being quite new, guidelines are still evolving. It would therefore be worth the space to take up some basic things related to email to help us use it more effectively and optimally in our work.

This section on “netiquette” or network etiquette is based largely on Wong, Connor and Murfett (2006).

The same basic communication principles apply to emails – know your message, know your receiver, package your message in a way that your intended receiver will find it easy to understand it in the way that you meant it.

- ***Remember that you are communicating to a human being, not to a computer.*** The electronic media has effectively responded to our need for speed. But one must not succumb to the tendency to minimize human connection that it brings (Pearce, 2003). Long hours of work on correspondence can result in emails devoid of human sensibilities normally found in other forms of communication particularly face-to-face communication. Thus we have emails that are cold, curt and sometimes lacking the courtesy that opens rather than blocks the communication process.
- ***Respect other people’s time.*** Make sure that the time needed to read your email is worth it.
- ***Be careful with the tone you use.*** Email isn’t always informal. Being informal at the wrong time will work against you.
- ***Use another form and channel for lengthy and more detailed communications.*** Email is most suitable for non-sensitive and short messages.

Other more “technical” matters:

1. ***Avoid using too many capital letters.*** It can make the reader feel like he is being shouted at.
2. ***Don't write anything you wouldn't say in public.*** Your email can be forwarded to anyone, deliberately or accidentally. Avoid embarrassing situations for yourself and for others.
3. ***Let your reader know who you are.*** Type your name out of consideration for your receiver/s. This is especially true for those whose email addresses are other than their own names.
4. ***Avoid using SMS language in official email.*** Using SMS contractions is becoming quite common among Filipinos. There is no place for such in business communication.
5. ***Emoticons have no place in business email.*** They can distract, annoy and project lack of respect.
6. ***Use “Cc” and “Bcc” wisely.*** Determine who should get copies of your email.
7. ***Use more specific but short subject lines.*** General ones defeat the purpose of the subject line.
8. ***Reply promptly even to just acknowledge an email.***
9. ***Exercise discretion in using the “read receipt” feature.*** Some recipients may not take to this positively so it is best to use it sparingly.
10. ***Avoid using different colors or different styles for your text unless extremely necessary as when you wish to emphasize a point.***
11. ***Acquire the habit of pausing before you hit “send.”*** This is good practice -- give yourself time to go over what you wrote and edit or revise if needed.

Unleash your power to communicate effectively.

Apart from its extraordinary power, communicating can actually be such an interesting and enjoyable human activity. Unfortunately, we sometimes fail to handle the undergirding human and other factors at play in the process and therefore also fail to communicate.

Wherever communication occurs and for whatever reason it does, it is the people who are engaging in it that determine its course. Some of us are careless, others simply preoccupied or just in a hurry. One thing that could perhaps help us to remember in order to engage in the process in a better way is to communicate *with* rather than to communicate *to*. That communication is a relational transaction. And except when talking to one's self, it always takes at least two to get it going. This being the case, communicating within the context of respect and concern for the other makes a huge difference. We need not pour through history books to prove this. We only need to reflect on our own experiences with family and friends.

If we truly care for others, we will persevere to improve the way we communicate.

*Communication works
for those who work at it.*

John Powell
(composer, conductor,
film scorer)

Let us examine our personal communication 'habits' as senders and receivers in the process. Then let us invite our colleagues to an organizational check-up focused on this process that is so central in our daily lives.

Good communication will enable and empower us to be solid bridges that span across to others within and outside of our organizations. It is something we cannot do without if we are to connect with others for a purpose, as we were created to.

11 MAKING DATA WORK FOR YOU

What is information and what about it matters to organizations?

It is general knowledge that we are currently in the Information Age. Transfer of information is faster, we also have greater and freer accessibility to it. The seemingly unstoppable change that characterize this period of our lives is largely due to these developments.

Information is a source of change as much as it is an offshoot of change. And one kind of trouble or another await people and organizations that do not handle it well. However those who do succeed and thrive.

Data and information are crucial in the life and growth of a human system. Organizations must therefore handle them well.

This chapter is meant to reacquaint us with information and some ways we could maximize it as a basic ingredient for personal and organizational growth and effectiveness.

In Lucas, Jr., 2000, **information** is described as “some tangible or intangible entity that reduces uncertainty about some state or event.” Bierly III, Kessler, and Christensen (2000) further describes it as “data that has been processed into a form that is meaningful to the recipient and is of perceived value in current or prospective decisions.” The two descriptions together clearly

indicate the tremendous power of information. Raw data, first processed and then interpreted, consequently influence decisions made and actions taken. Information helps set the path an individual or an organization takes.

Due to its ubiquitous nature, there is nowhere one can go without encountering information in one form or another. It is basic to all human endeavors -- in school or in the office, at work or at play, in the city or in the village, everywhere.

But the availability and accessibility of information is only half the story. Available, accessible information acquires value only when it helps people and organizations achieve meaning in their lives. Its availability and accessibility are not the central issue. *Our* choosing to make use of it is. Information is worthless until we choose to use it, and use it meaningfully. A warning on a medicine bottle is just a string of words whose meaning, when ignored or misunderstood, can bring something as serious as death. The same is true of a traffic sign or a parent's advice. An organization's performance statistics is very much like them. They only really matter when their *whys* and *wherefores* are studied and then used to guide future performance. Unheeded, they too could pose a serious threat to the organization's performance, or worse, its survival.

It is how we regard information and how we use it that spell the difference. It is when we give it life that information matters. And if information, or the lack of it or the less than proper regard for it can cause problems under normal circumstances, how much more during times of innumerable changes?

An organization which is serious in its quest for empowerment and growth cannot afford to be lax in its handling of information. It must strive hard to acquire the information it needs, to store it in a way that people can readily access it, and to maximize it in order to grow, to excel and to become empowered. Otherwise it will miss out on the tremendous benefits that can result from the proper handling of information.

The better we understand the nature and handling of information, the better equipped we can be. This is especially true for organizations that need to maintain their relevance and ensure their effectiveness in a highly-threatened and threatening environment as we have today. These are the NGOs which are engaged in work that is far from simple or easy. Their survival and significance are dependent on their ability to help the disadvantaged become empowered in meeting their own needs. It is work that is highly dependent on the quality and timeliness of information and information sharing that is candid and constant.

An organization's history begins to write itself the moment a group of like-minded individuals come together to chart out their path towards the purpose they share. For an organization therefore, information starts to accumulate even before it is formally incorporated. Even at this stage when the organization has yet to become a legal entity and therefore technically nonexistent, the resulting information is crucial. This is because the ideas, feelings, aspirations and assumptions

articulated at this point largely determine the rest of the journey. Documented information in the shaping of the organization's identity and reason for being is something an organization will keep going back to in the course of its journey. It is what will help keep it focused and on track, and not just to have its "vital statistics" handy for press announcements at its launching, for its consequent appeal to donors, or for reports.

Thus an organization has volumes of information at a very young age. As it matures, it continues to accumulate even more information and to generate it as well. But the high volume of information is not necessarily good per se. How often do we hear people in organizations say, "*Oh, we have that data but we first need to locate it.*" Or "*Oh, we have this data but not that one which we really need.*" Some information are more useful for decision making than others. And different types of decisions require different types of information. For instance, operational decisions often require historical information while strategic decisions require more predictive and long-range information.

Information and communications technology unlocks the value of time, allowing and enabling multi-tasking, multi-channels, multi-this and multi-that.

Li Ka Shing
(businessman, wealthiest
in East Asia)

The intent of this chapter is not to breed hoarders of information. Hoarding is easy. It is simply picking up any data one takes a fancy to, filing it, using it every now and then, and, for many, forgetting about it most of the time. Sooner or later, one realizes she has a filing cabinet full of old, unused data. Or a soft folder in his computer so huge it affects the equipment's smooth performance.

Unfortunately, data does not rot and smell over time as to send off signals that it is time to discard them. They also do not have the capability to approach their close of kin and form an analysis of sorts that could prove useful. Rather, they are at the mercy of the humans who took them, often with good intent, but alas, sometimes merely keep them filed. It is only people who can transform a bunch of dead files into nuggets of wisdom that can alter an organization's course.

Data and information are crucial in every aspect of organization. But the real worth of a management information system or MIS is not measured by the volume of data processed. Its real measure is the extent and ease with which an organization is able to access the information it needs to achieve its purpose (Kettner, 2002). It is up to an organization to handle its collection of information, collecting, classifying and managing data in a way that facilitates rather than complicates its work. *This chapter aims to help us reflect on how responsibly we have been doing these. As we proceed, we will see what responsible and meaningful handling of so important a tool as information entails.*

What kind of information? Why bother?

The bottom line need of organizations for information is in decision-making.

This concerns two main things: (1) having the right information -- *how valid, how comprehensive, how useful* and (2) proper storage for ease of use -- *how organized, how accessible, how efficient*. Once these two things are properly taken care of, an organization is assured of (1) data that is clear, up-to-date, and reliable; and (2) information that readily responds to its operational needs of the moment as well as to its making strategic decisions with more lasting consequence.

The first thing to determine is what information we need. Clarity about what we want and need will enable us to get at the right information. And that brings us back to organizational purpose and mission which help us determine what information to us is:

- **Essential.**
How vital is it to our achieving purpose and goals? Can we become an empowered organization without it, i.e., are we capable of quality decisions without it?
- **Supportive.**
Will it help enhance the way we do things?
- **Nice to know.**
Can we do without it and still accomplish our mission and goals?
- **Downright unnecessary.**
Does it add up to something that will strengthen us for the journey? Or is it merely excess baggage with no add-on value for the organization?

Information that responds to an organization's needs basically pertains to those that will facilitate the various aspects of its operations. They comprise the main ingredient in implementing activities as well as in monitoring progress and evaluating performance.

An organization's core set of information pertains to its **programs and services**: clients served, services provided – volume, type, the programs with which they are served, outcomes. They establish performance indicators and provide a measure of progress within the context of goals and objectives. *Who are the people we ought to reach? What are their needs that we must address? With what kind of services? How do we deliver them? How often? How did we use our resources? How did we respond to shortfalls? How successful have we been? What helped us succeed? What do we do next?* There will be countless other questions that will provide the cue on what information is important and will be useful to an organization in its pursuit of purpose and its attempt to accomplish its mission and goal.

Also important is an organization's **human resource information**. This pertains to a complete personnel file on each staff – demographics, date of employment, performance evaluation data, training and staff development, career development, and other relevant information.

A third set of data an organization must have is its **financial information**. This will encompass all funding received, accounting and bookkeeping information on expenditures, payroll, etc.

Specialized sets of information may also be needed. For instance, data on a major special project like a fund-raising campaign, infrastructure, and undertakings of similar nature and magnitude. These include the profile of clients and other program participants, specifics of project inputs and program outcomes, governance and administration-related information, profile of personnel and corresponding compensation and rewards histories, and status and flow of fiscal and other resources.

The value of information starts with the quality of data at hand.

- ***Is it clear?*** One must understand it to be able to assess or analyze and use it.
- ***Is it relevant? How relevant?*** One must see its context to be able to use it appropriately.
- ***Is it up-to-date and therefore useful as basis for decision-making today?*** One must be sure that it is current and the latest, and that no new information supersedes it.
- ***Is it valid – where is it from?*** One must be discriminating in gathering, storing and using data. Its source must be reliable and therefore the information that can be derived from it valid.

Information is only useful when it is true, clear and easy to understand, relevant, current or up-to-date, sufficient, and within easy access. This is true in all aspects of management, whether it be in planning, implementing, monitoring or evaluating. *How can one use information that he does not understand? Why use information you are not sure of? How does one use information that she understands but cannot access?*

But to be useful, information must be handled responsibly.

Organizing information

An organization cannot do away with organizing its data if it is to use them efficiently and effectively. This is where the need for a system comes to fore.

A management information system (MIS) is a system or process that concerns itself with information as an essential ingredient in arriving at decisions that will further the effectiveness of

an organization. It is vital to an organization's ability to come up with wise, timely, reasonable and practical decisions. This is because data are facts and figures that only acquire real value when they can readily aid in decision making. More and more, the direction organizations are taking in terms of information use is what Laudon and Laudon (1991, as cited in Reference for Business.com) calls Knowledge Management. This refers to the expanded concept of MIS where all levels within the organization have access to its database and system for decision making.

But unless it (information) is organized, and available to the right people in a format for decision-making, it is a burden, not a benefit.

William Pollard
(management expert, author)

To be a useful management tool, an MIS cannot exist in isolation. It must be within the context of the organization (Lucas Jr., 2000). MIS helps an organization in deciding on the allocation of its inputs, including human and economic resources, and in planning, organizing, directing, and controlling them for the purpose of producing the services that clients need. To be efficient, it must have a clearly defined framework that spells out policies, guidelines, standards, and procedures that should be followed in its development, maintenance, and use throughout the organization.

MIS is used as a support providing managers a competitive advantage. In human service organizations, the system helps streamline and enhance service delivery. This is true of all the other systems of management, from strategic systems to administration. Effective planning, problem-solving, decision-making are hampered and their quality sacrificed unless there is enough, accurate and valid information within an organization's context that is readily accessible. An organized built-in system that will supply an organization's information needs is a must.

Regardless of the technology applied, an organization's MIS usually follows the functional structure and lines of the organization. It also flows from the kind of data an organization needs. The more typical management information systems across organizations are the following:

Accounting management information system: All accounting reports are shared by all levels of accounting managers.

Financial management information system: The financial management information system provides financial information to all financial managers within an organization including the chief financial officer. The chief financial officer analyzes historical and current financial activity, projects future financial needs, and monitors and control the use of funds over time using the information developed by the unit or person in charge of MIS.

Project management information system: For NGOs in social development, projects form the core of their business or service. Data on services provided -- quality and quantity of service, reach, profile of recipients, mode of delivery, effects and outcomes, are the main points.

Human resources management information system: Human resources management information systems are concerned with activities related to workers, managers, and other individuals employed by the organization. Thus it plays a valuable role in ensuring organizational success. Activities performed by the human resources management information system includes workforce analysis and planning, hiring, training, and job assignments.

In modern business enterprises, an MIS consists of computer resources, procedures and people. It may be either manual or computerized but ideally and especially in an era of rapid changes, an electronic system would be best because it makes information readily available.

An effective MIS must have the following:

1. Data base or the set of information that is kept by the organization. This is the subject of planning and decision-making, and it covers areas as to what information to keep, the means of processing of data, the users of the information, the sources and the storage system.
2. Data retrieval system or how data can be accessed and by whom
3. Data sharing system or how information is to be shared and with whom.

Computer and information technology — which refers to all forms of technology applied in all aspects of handling data or information, has made it possible for us to access and share information in real time. This enables us to respond more readily to program and operational needs, which feature is specifically important for social development organizations whose concerns are generally urgent. Technology has reached even small organizations which can be helped in strengthening skill in the effective use of information and information technologies.

It is not rare however to come across an organization with a state-of-the-art information system that is not maximally used nor properly updated. But again the human beings for whose use such a system is intended are key. Information technology or a system like MIS is only as good as the way it is made use of to serve an organization's needs.

Periodic check-up

An organization's MIS must be part of what undergoes the periodic organizational check-ups. An organization with a more or less complete MIS would have at least one person who is in constant touch with both the data in the system and the users of the data. It is the users of the data who will themselves help determine the efficiency and effectiveness of the system.

The volume and speed of information make it imperative for an organization to review its information needs and the way it has been handling information. Such a review must be ongoing and must be the accountability of all users of the MIS. The quality of data inputted in an organization's MIS must likewise be assessed periodically in order to ensure validity and appropriateness. This review is necessary to keep an existing system relevant and useful. An appropriate, well-thought out and well-maintained system is what will render information truly responsive to an organization's needs, particularly in decision making.

Such a system which is within the capability of organizations to develop and maintain is what will enable it to make the most use of information as an empowering factor for itself and the internal and external communities it serves. The basic steps for doing this are as follows:

1. Find out what your organization's MIS plan is like, if it has any, by interviewing officers, unit heads, department heads and staff.
2. Probe how data (management, financial, project, HRD, administration) is generated and kept.
3. Help identify the problems and consequences of these problems in using the organization's MIS in planning, problem-solving and decision-making activities
4. Give and generate suggestions on how the current MIS can be improved to make it truly serviceable to the needs of your organization.

Organizations as caregivers of information

An organization has several options to become more responsible in its handling of information. These options can range from manual to the highly advanced. They depend on the size and expanse of the organization's operations on the one hand and on available resources on the other. But they all depend on an organization's inclination towards better handling of information.

An organization can have a fulltime and fully-staffed MIS unit. This ideal set-up though may not be feasible for many NGOs which operate on limited resources. For some, MIS is a crucial support. But when discussing funds, it almost always only comes after programs and other considerations.

An organization can also have an on-call arrangement with an external MIS expert. Oftentimes, the ideal person is the one who helped develop the organization's MIS. This individual would have a good grasp of the organization's operations and requirements, not to mention utmost familiarity with the system. This can be the most practical and cost-effective mode under the circumstances most NGOs are in.

Unfortunately for some NGOs, the only option is far from ideal. MIS is a mere adjunct to the main responsibilities of a unit or a person. In such a scenario, there is the risk that MIS will only be provided the attention and time left over from those required by the main responsibilities of that person or Unit. Close monitoring, supervision and periodic check-ups are especially needed in such cases to ensure that MIS-related action and response are appropriate, sufficient and timely.

Whichever option is selected, each one in the organization must do his part in ensuring that the organization has data that is valid, current and complete. For its part, management must consistently emphasize the value of information in achieving purpose for all levels and aspects of work. It must also see to it that the organization's database and system are periodically calibrated to its blueprint for achieving relevance, meaning and excellence. Skills in collecting, organizing and interpreting data must be constantly upgraded. Practice to acquire greater adeptness must be institutionalized. Active use of data must be encouraged. These are where an organization's solid basis for empowerment lies.

An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success.

Stephen Covey
(management expert,
professor, author)

And since empowerment must be everybody's business, each individual regardless of rank, must take to one of its basic tools -- information -- with utmost diligence and care. Otherwise it will have real difficulty in becoming empowered.

It only takes one oarsman missing his rhythm to sink the ship. But a single determined oarsman keeping to the rhythm, can keep the ship afloat and moving in the right direction. This is the kind of persistence and eye on purpose that is needed to reach the right shore.



LAST PIT STOP -- for now*

If you have reached this point, you know for sure that INSIDE JOB is really not a manual on how to steal your family heirlooms or how to rob your organization, or anything as sinister or criminal as the phrase more commonly connotes.

Before proceeding though, let's end the way we started — with a definition of the title of this brief ender.

The online Encyclopedia (<http://en.wikipedia.org>) defines and describes “pit stop” as the place “where a racing vehicle stops in the pits during a race for refueling, new tires, repairs, mechanical adjustments, a driver change, or any combination of the above.” It is where a team expertly and in lightning-quick action works on the machine to ensure that each part is working the way it should. The aim is for both the driver and his vehicle to reach the finish line in tip-top shape, preferably before anybody else does. What these few seconds at a pit stop mean in determining how the driver and the car will fare in the remainder of the race!

Pit stops have increasingly acquired acceptance and popularity outside of the race circuit, mainly among people and human systems like organizations who have come to liken their journey in life to a race. More and more have found these “respites” of real value in achieving organizational effectiveness amid confusing and trying times, in a manner that preserves the integrity as well as the sanity of the people involved.

* A note from LDP, with sincerest thanks for the opportunity

For most individuals and organizations today, a pit stop is an organized regimen of precise, well-thought out steps executed by a knowledgeable, trained, and committed team of individuals who are as focused as they are impassioned to have their organization win the race. They are daring, courageous, persevering, and cool. They are driven by their vision and mission just as they drive themselves towards realizing them. At each pit stop and with the rest in the team, they muster even more of these inner resources.

inside job is a pit stop tool. Take it and get the best out of it. Where it falls short, access the links to other materials that are intended to provide help. Change comes with stress because it invariably comes with some form of extrication — from the usual, the familiar, the comfortable. This is perhaps why we often skirt around the need to engage in it. But riding change is the only way we can bring ourselves and our organizations to a different level which we all aspire for. And it is always good to have tools such as this.

One does not have to look far in planning on getting the most from a pit stop. It is really quite close. Within each one of us is our own resolve, our own commitment, our own take on our vision and goal. Collectively, these are what will determine how our organization will fare for the rest of our shared journey.

Life for individuals as well as for organizations is very much like the sea. It will ebb and flow on its own accord, ordained by a power higher than anyone of us. Thankfully, we were created, designed and equipped not just to drift along but to challenge, as well as to conquer, time and tide.

Understanding the value of pit stops and knowing how to make full use of them are part of our equipping. These and the knowledge that we have the resources within us and actually setting them free should see us through the journey.

Let us not wait for a sinking or a near-drowning experience to see wisdom in taking swimming lessons and staying fit for the race as individuals and as organizations. Let us plunge in. And using our individual capacities and honing our new-found skills, let us propel our organizations toward the positive outcomes we desire for our communities.

In time, we will see others doing their own inside job, including the disadvantaged we set out to assist. Their transformation into a positive productive force in their own spheres will prove that we were right in choosing to undertake our individual inside job. And that its concomitant difficulty and pain and time and discomfort were well worth every bit.



- Accountability** A concept in ethics and governance that indicates responsibility and answerability
- Action learning** A process in which a group of people come together, more or less regularly, to help each other learn from experience. Participants typically come from different organizations or situations, and each of them is involved in different activities.
- Adaptive capacities** The capacities needed for an organization to learn and change in response to changing circumstances
- Capability** The ability of individuals and organizations to perform effectively, efficiently, and in a sustainable manner
- Capacity** The potential of individuals and organizations to perform, i.e., to successfully apply skills and resources to accomplish goals and satisfy expectations
- Capacity development** An ongoing process by which individuals, groups, organizations, and societies increase their abilities to perform core functions, solve problems, define and achieve objectives, and understand and deal with their development needs in a broad context and sustainable manner
- Commitment** A pledge or obligation to carry out some action or policy or to give support to a policy or person

Communication	A process where a sender imparts an idea, thought, or feeling to an intended receiver, using a channel or means, with the aim of achieving common understanding
Effectiveness	The extent to which desired objectives are achieved; the extent to which an organization achieves its mission and objectives
Efficiency	The extent to which results are achieved with minimum use of resources; the degree to which an organization generates its services using a minimum of inputs
Evaluation	Systematic investigation of the worth, value, merit or quality of an object; assessment of the operation or the outcomes of a program or policy; an assessment at a point in time, often after the fact
Excellence	The state or quality of excelling; an important value to achieve in any organization
External operating environment	The external environment in which the organization carries out its activities
Financial management	Encompasses the two core processes of resource management and finance operations; entails (1) <u>planning</u> , (2) <u>directing</u> , (3) <u>monitoring</u> , (4) <u>organizing</u> , and (5) controlling of the monetary <u>resources</u> of an <u>organization</u> .
Financial resources	The funding available to the organization to carry out its activities
Financial statement	A written report which quantitatively shows the financial health of a company; includes an income statement and a balance sheet, and often also a cashflow statement
Financial sustainability	The state of an organization being financially stable, i.e., it has the ability to support its projects on its own
Fund accounting	A system of accounting wherein separate records are kept for assets donated to an organization which are restricted by donors or by law to certain specified purposes or use
General administration	Area of management that ensures that operations are carried out with utmost efficiency and at the least cost
Goals	The highest-level objective of an organization, program, or project
Human capacities	The knowledge, skills and attitudes of the members of an organization

Human resource development and management Organizational function that encompasses recruitment of, management of, and providing direction for the people who work in the organization; deals with issues related to compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training

Impact Any effect -- anticipated or unanticipated, positive or negative -- arising from a development intervention; in some cases 'impact' refers to the long-term effects of an intervention on broad development goals (See also 'Output' and 'Outcome')

Indicator Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor

Internal environment Factors within an organization that comprise the organization's personality and which influence the direction of the organization, its cohesiveness and the energy it displays in pursuing its goals

Leadership The capacity to assess and interpret needs and opportunities outside the organization, to establish direction, to influence and align others towards a common aim, to motivate and commit them to action, and to make them responsible for their actions

Management Planning, organizing, commanding, coordinating, and controlling to get the work done by the best means available; enabling by creating conditions under which the work will be done and done well

Monitoring Continuous systematic observation and checking on activities and their results to ensure that activities are proceeding according to plan, to record how inputs are used, and to warn of deviations

Objective An expression of an effect that a program is expected to achieve if completed successfully and according to plan; often viewed as a hierarchy, beginning with strategic goals, purposes, and activities

Organization A formal human system or structure established to pursue a specific purpose

Organizational capacities The organization's potential to perform its ability to effectively define and realize goals in a relevant and sustainable manner; resources, knowledge and procedures employed by an organization (staffing, infrastructure, technology, financial resources; strategic leadership; program and process management; networks and linkages with other organizations and groups)

Organizational capacity development An ongoing process by which an organization increases its ability to formulate and achieve relevant objectives

- Organizational change** Alteration or variation in the character or performance of an organization. Such changes lie along a continuum from incremental change to fundamental, large-scale change or transformational change (fundamental or large-scale change refers to lasting change in the character of an organization that significantly alters its performance)
- Organizational culture** A pattern of shared basic assumptions that an organization develops as it solves its problems of external adaptation and internal integration
- Organizational development** The process through which an organization develops the internal capacity to be the most effective it can be in its mission work and to sustain itself over the long term
- Organizational performance** The ability of an organization to meet its goals and achieve its mission; measures: effectiveness, efficiency, relevance and financial sustainability
- Organizational values** What an organization regards highly and holds as its ideal; ethical standards that guide how work is done; can include such things as fairness, respect, commitment, spirituality, and integrity
- Outcome** An immediate effect or short-term consequence of an action (See also 'Output' and 'Impact')
- Output** The direct results of an intervention, a 'deliverable' for which management is responsible
- Partner** The individual and/or organization with which one collaborates to achieve mutually agreed upon objectives
- Partnership** A negotiated relationship that exists between two or more entities that have voluntarily entered into a legal or moral contract
- Planning** The process through which goals and objectives are set, partners identified, inputs determined, activities specified and scheduled, and monitoring and evaluation mechanisms defined, so that expected outputs and outcomes might be achieved in a timely manner
- Program management** Production and delivery of services to clients or target groups
- Resources** Things that are traditionally thought of as 'hard' capacities such as infrastructure, technology, finances, and staffing
- Resource generation** An aspect of organizational development that seeks to ensure an organization the availability of resources it needs to fulfill its purpose and to achieve its intermediate program goals.
- Resource mobilization** Deals with coordinating, assembling or preparing resources for use in achieving objectives

- Relevance** The degree to which an organization's objectives and activities reflect the necessities and priorities of key stakeholders
- Result** The output, outcome, or impact (intended or unintended, positive and/or negative) of a development intervention
- Stakeholders** Any group within or outside an organization that has a direct or indirect stake in the organization's performance or its evaluation; those who conduct, participate in, fund, or manage a program, or whose decisions may affect the program or the evaluation
- Stewardship** Honest and responsible care and management of resources, and their use according to predetermined objectives
- Strategic management** Development and implementation of effective strategies to set and achieve an organization's objectives; involves five sets of tasks, (a) developing a strategic vision and mission, (b) setting objectives, (c) crafting a strategy, (d) implementing the strategy, and (e) evaluating performance and initiating corrective adjustment
- Strategic planning** A process by which a future vision is developed for an organization, taking into account its political and legal circumstances, its strengths and weaknesses, and the threats and opportunities facing it; articulates the organization's sense of mission and maps out future directions to be taken, given the organization's current state and resources
- Strategy** A planned course of action undertaken with the aim of achieving the goals and objectives of an organization; the overall strategy of an organization is often known as organizational strategy, but strategy may also be developed for any aspect of an organization's activities, as, for example, environmental strategy or marketing strategy
- Sustainability** The ability of an organization to secure and manage sufficient resources to enable it to fulfill its mission effectively and consistently over time without excessive dependence on a single funding
- Transparency** A value characterized by openness, disclosure



Annex 1

Organizational Purposes and Commitments

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle 1: The organization has a legal mandate to operate, a clear statement of its Vision, Mission, Goals, and Objectives approved, accepted and similarly understood by the board, officers and staff.

Principle 2: The organization has a written vision for the community understood, accepted and can be clearly expressed by the latter.

A. Organizational Purpose and Legal Mandate

The organization has a set of constitution and by-laws. 1 2 3 4

The organization has Articles of Incorporation. 1 2 3 4

B. Vision, Mission, Goals and Objectives

The organization has a written set of Vision, Mission, Goals and Objectives. 1 2 3 4

The officers and staff can explain the meaning of the organization's VMGO. 1 2 3 4

There is a clear agreement among everybody in the organization about what the VMGO means. 1 2 3 4

The organization has a policy or system of reviewing its VMGO regularly. 1 2 3 4

C. Vision for the Community and Community Empowerment

The organization has a written vision for the community developed together with it and approved by it. 1 2 3 4

The organization has a policy and system for regular consultations with the community. 1 2 3 4

The organization involves the community in the planning, implementation and evaluation of community projects. 1 2 3 4

D. Advocacy

The organization involves the community in the planning, implementation and evaluation of community projects.

1 2 3 4

E. Networking and Relationship with Other Organizations

The organization is a member of a network.

1 2 3 4

The organization partners with other NGOs or LGUs, or other civil society organizations.

1 2 3 4

Rating System Legend:

- 1 Existing, operative, consistently implemented; updated or adjusted in accord with changing conditions and environment
- 2 Existing, operative but needs improvement; has evidence of effort for improvement
- 3 Evident in designs or plans but not operative; or implementation is sporadic, inconsistent, cursory
- 4 None at all; or low priority

Annex 2***Stop-Start-Continue Guide Sheet***

Stop	Start	Continue
What should we stop doing?	What should we start doing?	What should we continue doing?

Annex 3

Sample Stakeholder-Analysis Matrix

Sample Stakeholder-Analysis Matrix
from Accounting Guide for Non-Profits
of the Asia Pacific Philanthropy Consortium, 2006

Classify individual stakeholders according to interest and involvement in the organization by listing down their names in the appropriate box.

High Interest	High Involvement
Low Interest	Low Involvement

Annex 4

Exercise: Selecting Trustees

STEP 1: ASSESS EXISTING TRUSTEE SKILLS

- List the current skills and experience that are represented on the existing governing body. Include skills such as fundraising, book-keeping, or management skills.
- An individual's experience of working for another organization is valuable. So too is the experience of someone who has been in the same position as the beneficiaries, clients or service users of the organization OR who is a client or user and thus fully understands the needs of this group.

STEP 2: IDENTIFY GAPS IN SKILLS AND EXPERIENCE

- Assess what skills are lacking on the governing body. Draw up a list of the gaps.
- Make a list of the skills sought in a new trustee. Some of these skills may be **essential** whereas others may be **desirable**.
- Some organizations draw up a job description for prospective trustees just as they do when employing new staff.

STEP 3: LOOK FOR BALANCE AND DIVERSITY

- Consider the current balance of the governing body.
- It can be very useful to have a group of individuals who are diverse in terms of age, sex, race or ethnicity, background and skills.
- If the organization has an equal opportunities policy or a diversity policy, it should apply to the trustees as well as to staff.

Annex 5

Governance and Administration in Organizations

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle: The organization has a voluntary governing body responsible for setting its directions, policies, programs, and ensuring accountability to its stakeholders.

The organization has a Board of Trustees that operates according to government regulations to its constitution and by-laws	1	2	3	4
Board members have specified tenures and are elected appointed according	1	2	3	4
Board of Trustees has written qualifications, roles and responsibilities, and sanctions	1	2	3	4
The Board has a Code of Conduct for its officers and members	1	2	3	4
The Board is functioning according to the organization's policies and community representation	1	2	3	4
The organization has a policy on board composition according to gender	1	2	3	4

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Annex 6

Assessing the Project Management System

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle 1: Programs and projects are rationalized by the organization's vision, mission and goals.

Principle 2: Programs and projects have clear goals, objectives, strategies, scheme of implementation, staff and budget, and evaluation mechanisms.

Principle 3: The organization has a system of reporting to donors.

The organization's programs are demonstrably in accordance with its Vision, Mission, Goals, and Objectives.	1	2	3	4
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Programs have a clear conceptual framework, mandate, goals, objectives, strategies, policies, evaluation system and budget.	1	2	3	4
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The organization has a project management system.	1	2	3	4
---	---	---	---	---

The organization's projects are clearly aligned with its programs.	1	2	3	4
--	---	---	---	---

Projects have clear descriptions, goals, objectives, targets, implementation scheme, critical activities, personnel, measurements and indicators, partnership mechanisms, and budget	1	2	3	4
--	---	---	---	---

Staff are aware of and do their work according to program and project guidelines.	1	2	3	4
---	---	---	---	---

The donor has policies on and implements a donor reporting system.	1	2	3	4
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Annex 7

Human Resources Management

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle: The organization ensures adequacy and capability of staff to implement its programs and projects.

The organization has a manual on personnel policies, including selection and hiring, qualifications, benefits, working conditions, rewards and recognitions code of conduct and sanctions, handling of grievances, and termination/separation.	1	2	3	4
Personnel are regularly appraised of their performance by means of a Performance.	1	2	3	4
Appraisal system that is regularly reviewed.	1	2	3	4
Salaries and benefits, working conditions comply with government regulations.	1	2	3	4
The organization has a staff training and development program.	1	2	3	4
The organization has a health and occupational safety program.	1	2	3	4

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- 4 None at all; or low priority

Annex 8

Financial Management in Organizations

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle 1: The organization maintains an auditable system of accounting of its funds.

Principle 2: The organization exercises prudent treasurership of funds.

The organization has an accounting system which follows generally accepted accounting principles and practices (policies, books of accounts, receipts, separation of functions, reports).	1	2	3	4
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Books of accounts are regularly audited.	1	2	3	4
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The organization maintains separate accounts for operations, capital formation, and projects.	1	2	3	4
---	---	---	---	---

The project complies with donor requirements on the use of donor funds.	1	2	3	4
---	---	---	---	---

The organization has at least an annual budget and/or financial plan.	1	2	3	4
---	---	---	---	---

The organization has a financial plan to fulfill its VMGO and commitments.	1	2	3	4
--	---	---	---	---

The organization abides by fund accounting principles and procedures.	1	2	3	4
---	---	---	---	---

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- 1 Existing, operative, consistently implemented; updated or adjusted in accord with changing conditions and environment
- 2 Existing, operative but needs improvement; has evidence of effort for improvement
- 3 Evident in designs or plans but not operative; or implementation is sporadic, inconsistent, cursory
- 4 None at all; or low priority

Annex 9

General Administration

Assessment Sheet (Based on *Effective Capacity Building in Nonprofit Organizations*, Venture Philanthropy Partners, McKinsey & Company)

Principle 1: The organization has an administrative system to promote its efficiency.

The organization has administrative policies that are clearly communicated to officers and staff.	1	2	3	4
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The organization has sufficient facilities, equipment and other logistics to support its work. .	1	2	3	4
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Rating System Legend:

- 1 Existing, operative, consistently implemented; updated or adjusted in accord with changing conditions and environment
- 2 Existing, operative but needs improvement; has evidence of effort for improvement
- 3 Evident in designs or plans but not operative; or implementation is sporadic, inconsistent, cursory
- 4 None at all; or low priority



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and the clients we jointly serve