UNIT 9   ORGANISATIONAL CHANGE FOR SUSTAINABLE DEVELOPMENT

Structure

9.1   INTRODUCTION

Change is inevitable in the history of any organisation. Organisations that do not change or keep pace with the changing environment suffer from entropy and soon become defunct. Organisations have an internal environment, but exist in an external environment. The internal environment is in terms of the task, structure, technology, social (people) and economic variables, while the external environment is in terms of the larger social, political, economic and cultural factors. To function effectively, organisations have to achieve an equilibrium within the internal variables in active interaction with each other and also with the external environment. However this equilibrium is not static but dynamic. Therefore, organisations have to modify and change to adapt themselves to the changing internal and external environment. Thus no organisation can stand still and "tread water" for very long.

Organisational changes are needed at all levels in the development cycle – grass root/community based organisations, intermediary organisations, both government and non-government, and also at policy making levels. Imbibing participatory methods in institutions to enable development of local institutions is an important first step towards changing power relations. In the organisational adjustment process, experience shows that misfits tend to leave the system and the resulting environment is more conducive to a participatory approach.

In the present unit, you will study about the need for change and process of organisational change. The capacity development to bring change is discussed at length. Further, the role of participatory approach to strengthen the organisational change is highlighted.

Objectives

After studying this unit you should be able to:

- explain as to what is change,
- discuss role and skills of change agents in organisation,
- describe the process of organisational change, implementation of change and its restraining forces,
- discuss the capacity development in organisation culture,
- appreciate the participation in organisational change, and
- discuss some of the issues and challenges in the context of participation in organisational changes.

9.2   ORGANISATION vs INSTITUTION

Before discussing about organisational change and institutional development, let us first examine the terms "organisation" and "institution".

- **What is an organization?**

An organisation is a system consisting of four interacting subsystems: structure, technology, people and task. The goals of an organisation, generally are: survival, stability, profitability, growth and service to society. From one organisation to another, the goal or goals may differ depending upon at what stage of development the organisation is.

- **What is an institution?**

Institution may be defined as a responsive, adaptive organisation which is a product of social needs and pressures. It is a part of the larger system i.e the community or the society and is a forward looking, adaptive and proactive part of the community. Esman and Blaise (1966) define Institutions 'as organisations which incorporate, foster and protect normative relationships and action patterns and perform functions and services which are valued in the environment'.

Now let us compare organisation and institution in terms of their goals, structures and functions.

- **Organisation vs. Institution**

An organisation comes into existence in order to achieve a goal or a set of goals. Since no one individual can achieve the goal or set of goals by himself, a number of individuals come together. There tends to be a division of work wherein the overall goal or objective is broken down into sub-goals and they, in turn, into activities to be performed by each of the individuals thus giving rise to differentiation in power, authority, role and responsibilities. These differentiated functions are coordinated, in terms of rationally conceived role relationships, and a normative order.

This rationally conceived hierarchisation has to be maintained over time to achieve the overall objective. Maintenance of the normative order is, therefore, an important sub-goal of the organisation. As goals have to be achieved economically and efficiently, optimum utilisation of resources such as men, material and money is yet another important sub-goal of the organisation.

While organisations aim at maintenance of internal order and efficiency in goal realisation, institutions extend beyond these goals. Institutions have the relatively more permanence than organisations. Organisations are organic, they have a birth, growth and finally, decay. Institutions are more enduring, have capacity of continuous growth, ability to cope and adapt under diverse pressures and pulls to make thrust into the future, in addition to having an impact on the society or community in which they

exist. They perform services and functions which are valued in the community or society and also play the roles of a change inducing, a change-protecting agent within the community. While all institutions basically start as organisations, it is only a few organisations that can survive, grow and adopt to achieve finally an institutional status.

SAQ 1

How does an institution differ from an organisation in its structure and objectives?

9.3 EVOLUTION OF NEED FOR ORGANISATIONAL CHANGE

For the growth and expansion of an organisation, change is inevitable. In this section, we will explain the word change and the evolution of its need, for organisational modification.

9.3.1 What is Organisational Change?

The internal and external environments can be best represented as field of forces operating within and external to the organisation. *Change* is an alteration in the existing field of forces which tends to affect the equilibrium. Modifications in the job performance, changes in rules and procedures, bringing in new technology, alterations in the organisational structure, change in leadership etc., do affect the internal equilibrium. Similarly, stiff competition from competitors, modifications in government rules and regulations, political changes, economic fluctuations etc., affect the organisations' equilibrium with the external environment.

Organisations can deal with these changes effectively by bringing about an alteration or change among these forces (internal – external) so as to reduce tension. This is possible by understanding the total array of forces operating on a particular equilibrium. Diagnosis and manipulations of the relevant forces is to be in terms of obtaining as much participation and commitment as possible from those directly and indirectly affected by the change. Finally organisational culture must be changed to reinforce and maintain the new equilibrium achieved by manipulating or modifying the forces.

9.3.2 Evolution of Need for Organisational Change

The late 1990s and the early twentieth century was an era of substantial change in institutional arrangements and organisational policies. It is an era for radical decisions. One of the important skills the development managers need is that of promoting and managing organisational change. This is true for all agencies – donors, governments, NGOs and the private sector. In donors, governments and the private sectors, organisational change appropriate to the new paradigm will be heavily constrained by other overriding political and organisational objectives. Part of the challenge will be to influence these wider organisations to change their practices insofar as they have an impact on development. Given the unbundling, which is now characteristic of public sector reform, this should not prove impossible.

It is clear that bureaucracy, in either its classic or its degraded form, cannot work well in the new paradigm. The possibility of reform is affected by contexts and culture. **In South East Asia, where the influence of the private sector is strong, the reform of bureaucracy is likely to be more repaid compared with South Asia where a public sector culture dominates even the private sector to a degree**. A strong public sector may vary considerably in its culture and functioning. The key difference is the degree to which it is rule and procedure-bound or led by purposes to which the rules are subordinate. Success in development invariably requires a degree of risk-taking (innovation, rule-breaking, etc.) which is very difficult to achieve in a rule-

bound working environment. In several Sub-Saharan African countries, the public sector has been so decimated and become so donor-dependent, that the reform of structures has become a way of life. However, the reforms introduced so far have been inadequate in the direction of development, being aimed largely at other objectives like cost cutting and retrenchment.

A rejection of the bureaucratic mode does not imply the rejection of all its features. Accountability is a critical issue, but can be assured in ways other than upward reporting and accounting. Horizontal (peer review) accountability is more important. Balancing accountability upwards and downwards, and mutual understanding between financing agencies and participating groups, communities and organisations is a challenge for organisations working in the new paradigm. Merit recruitment systems are vital, but can be achieved more effectively without the centralised, bureaucratic procedures associated with a massive public service. Criteria such as local experience, trust of local people and use of local language, which are not normally considered appropriate, may be of greater relevance.

Hierarchy, as a principle of organising, however, is rejected. Even the hierarchy implicit in contracts is often inappropriate. Contracts (public-private; donor-NGO; government-NGO; NGO-Community-based Organisation (CBO), CBO-group/community) are useful devices for clarifying and regulating inter-organisational relationships. However, the development of trust and partnership in a relational contract is usually important in rural development. Trust is mutual, and implies a lessening of hierarchy, if not a total absence of it.

Organisational change is directed at generating an interactive, outward-looking organisation, able to promote the capacity and institutional development of partners especially at the local and associational levels, as well as its own. Management needs to recognise the requirements of different organisations and avoid tendency to create mirror organisations. Organisation should value individuals in key positions giving them high levels of discretion and support. Organisation needs to generate, partcipatorily useful information about their activities: this is the key to their strategic thinking process. The latter sounds very grand, and can be very complex but may also actually be quite simple. It needs to be simple in many situations. An outward-looking organisation will seek to involve others in its functioning through, for example, participation on an Executive or Advisory Board, or through establishing an external monitoring team, or simply by participating in discussions and networking. This is important not only in renewing the ideas and energies available to the organisation, but also in explaining its functioning to others, and in seeking to work with other agencies.

9.4   THE CHANGE AGENT: ROLE AND SKILLS

The change agent, may be defined as "a professional person who influences innovation-decisions in a direction deemed desirable by a change agency" (Rogers & Shoemaker (1971). It is the manager's job to introduce and implement a change so that the desired innovation-decisions are effected in the organisation.

The change agent is generally said to fill seven roles in the change process (Rogers and Shoemaker, 1971).

1. He develops a need for change on the part of his clients. The client system is made to realise the importance and benefits of the intended change.
2. He establishes a change relationship with them. The clients feel that the change can be effectively brought about with the help and support of the change agent.
3. The change agent is able to identify the problem faced by the client after he diagnoses their problems. He may list them down. Also he is able to anticipate problems likely to be faced by the client during and after the change process and think of ways and means of minimising them.

4. The client is made to feel the need for change. The change is not thrust on him. The client understands the relevance and necessity of change and is willing and supportive of the change.
5. A blue print of action for implementing the change is prepared. The support of the client system is enlisted in translating the planned change into action process.
6. The change agent stabilises change and prevents discontinuance. Any change is moving the organisation towards a newer equilibrium from the earlier one. If the new equilibrium is not maintained, the organisation is likely to revert to the earlier equilibrium and the change effort will be a failure, however well planned and executed it may be. The client system should be made to realise the importance of this and the new patterns of behaviour have to be stabilised.
7. Achieves a terminal relationship with his clients. No change agent can continue to be associated with a change effort too long. At some time, during the change process, the client should feel confident to take over and maintain the change effort. That would be an opportune time for the change agent to terminate relations with the client system. There is no undue dependence on the change agent and the client system will carry on the activity with confidence.

Thus change agent should have specific cognitive and action skills. He should be able to analyse the situation in the context of perceiving a need for change. He should be able to conceptualise and evaluate the problems, causes etc. on an objective basis and effectively play the role of a consultant, counsellor and facilitator.

9.5 CHANGE APPROACHES

The change approaches are varied. A suitable approach is used upon the problem factors – both internal and external – to the organisation and to a certain extent on the skills possessed by the change agent. The most commonly used change approaches, as identified by Griener (1965), are:

The Decree approach: The boss decides. It is a unilateral authoritative announcement of the required behaviour or change issued by a person with formal authority.

The replacement approach: It is removing the stumbling block. Organisational personnel in significant positions who directly or indirectly resist the intended change are replaced with new people who believe in the desired change.

The structural approach: Certain desirable changes are brought in the oraganogram. Consequently the degree of responsibility and the role-set relationships of certain focal persons change and may lead to better resolution of problems.

- The data discussion approach: Relevant information concerning the change and its intended effects is presented to motivate the individuals to discuss the change efforts.
- The group decisions approach: (the democratic way). Change is in terms of participation and consensus on a predetermined course of action.
- The group problem solving approach: Identification of the problem and problem solving is through group discussion.
- The T-group approach: Interpersonal relationships are improved for better teamwork and thereby organisational effectiveness improves by lab training. The sensitivity training method aims at understanding oneself and the others.
- Emulative approach: Subordinates emulate their superiors with regard to goal setting, work activity etc.

These approaches enable the change agents to harness the social power with the organisation and effect change towards better work relationships and managerial effectiveness.

After this brief account of change approaches, let us examine the model of strategic change, relevant to the context of participatory approach.

Model of strategic change

This model of strategic change was originally developed by Pettigrew and Whipp (1991) as a means of generating insight into why some private sector organisations were better able than others to manage strategic change and improve their competitive performance. The model was based on empirical case studies.

It is a reminder that change takes place in a historical, cultural, economic and political context. The original model suggests five interrelated factors that are important in shaping performance.

1. Environmental assessment.
2. Human resources as assets and liabilities.
3. Linking strategic and operational change.
4. Leading change.
5. Overall coherence.

It suggests that successful change is a result of the interaction between the content or what of change (objectives, purpose and goals); the process or how of change (implementation); and the organisational context of change (the internal and external environment).

The study elucidated factors associated with the achievement of a higher rate of strategic service change by health care organisations. Eight interlinked factors listed below served to differentiate the higher from the lower performers.

- Quality and coherence of local policy (analytic and process components)
- Key people leading change (especially a multidisciplinary team)
- Co-operative inter-organisational networks
- Supportive organisational culture, including the managerial subculture
- Environmental pressure, moderate, predictable and long-term
- Simplicity and clarity of goals and priorities
- Positive pattern of managerial and clinical relations
- Fit between the change agenda and the locale

There was a pattern of association between the eight factors but there were no simple cause-and-effect relationships.

This was a major piece of empirical research which added to the basic literature and have had few projects on this scale since then. It provides a diagnostic checklist which can be used to assess the likely reception of a particular intervention in a specific locale.

SAQ 2

a) Which factors influence the success of "Change"? How does a change agent contribute to the change process?

b) Examine the different approaches to change in an organisation.

9.6   THE CREATION OF CAPACITY FOR CHANGE

Organisational change is about the creation and destruction of capacity. It should be recognised that there are negative capacities – the capacity to block criticism, debate and change, delay action, deny access, restrict information, and exclude stakeholders. Change is as much about removing negative capacities as creating the positive ones.

The content may be straightforward – one simple, easily achievable goal; start easy but get difficult – an initial change which necessarily leads to others; or be difficult from the outset – with multiple goals and purposes which change as time passes. The capacity for change is variable within organizations – between departments and between individuals – as well as among organisations linked in hierarchy or network. Leaders who bring change need to understand why this is so, and develop their strategies for change in the light of this analysis. Content and context interact in a process. In the following subsections you will study about the content and context of change.

Before proceeding further, let us examine the concept of 'capacity building' or 'capacity development' in the following subsection.

9.6.1   Capacity Development

Capacity development is the process by which individuals, groups, organisations, institutions and societies increase their abilities to:

i)   perform core functions, solve problems, define and achieve objectives; and
ii)   understand and deal with their development needs in a broad context and in a sustainable manner. UNDP, 1997.

The concept of "capacity development" came into existence during the 1990s with the growing realisation that poverty and sustainable development could not be addressed through technical and economic solutions alone. Organisational theory and development management, as well as sociology, political science, and economics have influenced thinking around the term. Capacity development is generally understood to be an endogenous process through which a society changes its rules, institutions and standards of behaviour, increases its level of social capital and enhances its ability to respond, adapt and exert discipline on itself.

Thus, 'capacity development' is broad and it attempts to be all-embracive. It addresses development at different levels of society, it deals with entities of different size and scope, and with different stages of the development process. It attempts to link previously isolated approaches, such as organisational development, community development, integrated rural development and sustainable development, into the umbrella concept.

Capacity is understood as "the ability of individuals, organisations and societies to perform functions, solve problems and set and achieve their own objectives". In this sense it is about the self-organisation of a society and the will, the vision, the cohesion and the values to make progress over time.

Lavergne and Saxby (2001) identify a set of the so-called 'core capacities' which individuals, organisations or society as a whole need to possess in order to realise their human and social potential to the highest possible level. They recognise the importance of the technical skills, knowledge and human resource development, but go beyond that by addressing also intangible capacities such as managing and resolving conflicts, or building networks and relationships.

Governments, donors and NGOs have started to embrace the concept of capacity development. However, there is a tendency to emphasise different elements of the concept resulting often in conceptual and operational confusion. Let us discuss some of the overlapping concepts and approaches that lie behind the concept.

This approach sees an entity, an organisation, or a set of organisations as the key to development. It focuses on identifying and developing the elements or components of

the capacity within an organisation, such as skills, systems, leadership, etc. Building on the systems approach, most organisational development literature discusses both the internal working of an organisation, as well as its relationship with the external environment. Organisations are seen as processing systems that change both the individual and the group capacities into organisation results. This approach is closely related to the well-developed theory on organisations and organisational change. It has been valued not only for its use within the context of organisational change processes but also criticised for its limited focus.

The institutional approach

The institutional approach aims to develop the capacity to create, change, enforce, and learn from the processes and rules that govern society. It deals with more than organisations, only. The institutional approach stimulates the creation of knowledge of and access to the formal and informal "rules of the game" and puts a stress on the elements such as laws, regulations, attitudes, etc. It adopts a macro perspective and deals with the issues which underlie most development problems, such as norms, cultural values, incentive systems and beliefs. The problem with the approach is that the boundaries between 'institutional change' and 'capacity development', which put a stress on the change of a society's rules, institutions and standards of behaviour, can not always be clearly distinguished.

The system approach

The system approach provides a multidimensional idea on capacity development: society is viewed as a combination of multilevel, holistic, and interrelated systems, in which each system and part is linked to another. Thus, it approaches capacity development as intervening at multiple levels and actors, in power relationships, linkages and processes. This systemic approach is explained in Bolger (2000), which suggests four levels of capacity (the individual, organisational, network/sectoral and the enabling environment) and stresses the need to be cognizant of, and responsive to, the relationships among them. The advantages of this approach are that it is comprehensive and flexible, it emphasises linkages and recognises processes, and it uses a broad conceptual and theoretical framework. On the other hand, this makes it difficult to distinguish capacity development from general understanding of development. Working with this approach normally requires further conceptual clarification, depending on the respective capacity development interventions and change process.

The participatory process approach

Unlike the other approaches, which focus on a specific entity for capacity development, this approach stresses the means used to achieve development goals. This approach is based on the view of people-centred, non-hierarchical development that calls for capacity development which is participatory and empowering, and in which ownership is a central element. The use of foreign models should be abstained and attempts should be made to identify and use local expertise, to work from the grassroots and to develop a domestic model. The approach embraces change and learning through participatory processes – primarily at the individual level as core values. The risk is that not sufficient consideration is given to quantitative and qualitative changes brought about by capacity development. The participatory process approach may overlap with the organisational, institutional and systems approaches.

9.6.2 Content of Change

There are many types of change most involve sets of interrelated changes. A deep change in attitude and professional ideology as well as in organisational structures and procedures is required. We will examine this with a well known example of Oxfam (Box 9.1).

Box 9.1: Incorporating gender issues in organisational change

> Conceptually, integrating gender issues into development work is not very complicated as knowledge about gender differences and their significance has been widely available for some time. However, it has proved to be a slow process, even within a reputedly progressive organisation like Oxfam. Oxfam is recognised as a leading agency in the introduction of gender issues into its own work, as well as in the wider development debate. Its Gender and Development Unit (now Team) was formed in the mid-1980s to derive a process of organisational change. A review of work in 1994 on gender issues in 30 countries where Oxfam operates, claimed many successes, including increased women's participation in Oxfam projects, strengthened women's organisations, and better awareness of gender issues among partner organisations. There were also many lessons learnt from a decade of experience: training staff and getting issues understood by Oxfam staff and partners takes time; the issues challenge people personally, and working through these challenges also takes time. There are powerful religious and cultural forces arrayed against change in unequal gender relationships. And as a result the profile of research and advocacy on issues like women's rights, legal status, and violence against women needs to be raised if there is to be any effect. Men and women need to be involved in, rather than excluded from, each other's projects if changes are to be achieved. Gender awareness project management procedures are needed. Women were also excluded from debate by the widespread use of English as the only language.
>
> Problems identified by Oxfam staff included
>
> - a failure to influence men, and the resistance of some male staff;
> - lack of time to carry out the time-consuming work that gender issues require, because workload in other areas are heavy;
> - difficulty of translating concepts developed in the headquarters to different contexts around the world; and
> - the repeated failure of women's income generating projects (a key strategy) to improve women's status or access to decision-making and resources (Wallace, 1994).

9.6.3 Contexts of Change

Some strategies are to be applied to restructure the organisational set up of the government and NGOs. These are discussed as below.

- **Government and Public Sector**

Critical capacities for government in rural development include a capacity for self-restructuring, and transitional change; a capacity for public education and information, to foster self-regulation; a capacity to abandon the search for control over detail, but to orchestrate consensus behind purposes; a capacity to evaluate together with stakeholders; a capacity to value individuals who are central to networks rather than looking at them as a threat; and finally, and most problematically for government, a capacity to allow dissension political campaigning, and the emergence of countervailing interests.

But governments have critical incapacities; they are inflexible with respect to staffing and financial management; the pace of work is often too slow due to low productivity and low motivation; unmotivated staff are overly concerned with their own survival and perks; hierarchy and concentration of decision at the top make devolved management impossible; central ministries retain control at all costs. These fundamental incapacities mean that change in government has to be structural as well as cultural. There are some crucial decisions, which have to be taken at ministerial level. The devolution of development functions to local government is one approach, but the same incapacities can be created there. Delegation to specialist autonomous

bodies is another approach, much tried in the era of integrated development, but which may gain a new lease of life in the new paradigm, where fieldworkers are highly prized and experienced staff. They may be organised in small autonomous, collegiate bodies, reporting to a devolved government. Each autonomous body may have a small secretariat, but not the armies of office and fieldworkers typical of development project. If additional manpower is required they will have to be hired on contract, preferably with local backgrounds as well as relevant skills. Work may be done through partnership with local associations or NGOs.

The management of organisational change involves various capacities – the capacity to retrench, redeploy and destroy large parts of the public sector. Destruction and retrenchment may sound very negative, but public sector organisations have become so overburdened with the wrong kind of staff and the wrong sort of culture that in many cases retraining, redeployment and restructuring will only bring substantial benefits if accompanied by considerable retrenchment and destruction. This applies particularly to central ministries and centralised organisations based in capital cities. Only a very small percentage should remain in those locations: senior policy-makers, policy analysts, information system managers, and legislative experts. These types of change would affect ministries of agriculture, departments of primary and preventive health, departments of primary and secondary education, rural industry departments, and so on.

The capacity to retrench is complemented by a capacity to develop rolling relational (trust-based) contracts with other agencies or individuals, or even within the organisation. Performance of these contracts then needs to be monitored by both or all parties. However the contract culture needs to be tempered with commitment and a long-term perspective on the development of capacity at a local level. In the rural areas of the most developing countries, there is no private sector that waits to take contracts from the development agencies: contracts inevitably take on the characteristics of partnerships in this situation.

Radical restructuring would offer early retirement to civil servants, with benefits, especially those without appropriate skills; offer experienced workers responsible field postings with allowances to compensate for hardship, and scholarships for their children: create a framework in which they retire to their villages (early) and work for development organisations in their villages, perhaps competitively; privatise and regulate those services which can be, for example, veterinary, where demand is strong; move in a phased manner towards creating autonomous bodies for extension and research, and service provision (schools, hospitals, clinics, water supply systems), giving networking responsibilities to these decentralised bodies; and create links of accountability to local democratic bodies, as well as direct client groups.

- **NGOs**

The call for NGOs in recent years has been to 'scale up'– spread and grow in order to have a wider impact. This may be done through lobbying and advocacy, or by growing organisationally, unbundling, becoming properly rooted in society, working with partners in networks, avoiding the errors of past organisational empire-building strategies.

The empowerment of local organisations, CBOs, and associations does not require the long-term presence of a sustainable southern or northern NGO; success in developing the capacities of grassroots organisations and their associations would enable intermediary NGOs (or government departments charged with capacity-building) to disappear, or at the least to change the role, or move on. As a contribution to the development of civil society, NGOs are often a positive development, but they may be male and elite dominated, and highly opportunistic and career oriented in a situation where careers are hard to come by, and where northern NGOs provide much needed opportunities.

The intermediary NGO is an unsatisfactory and temporary form of organisation, a creature of the aid industry. They are much more significant, because they are rooted and sustainable, organisations which find their *raison d'eter* in the political economy, and not as semi-outsiders. The real capacity building of southern NGOs is their transformation into rooted organisations. There are few role models of NGOs e.g. Grameen Bank and Bancosol which have become commercial, poverty-oriented banks.

In NGOs, the process of organisational change has been characterised by fission, with new NGOs being set up by discontented staff from the established NGOs. Such staff could exercise greater imagination as they build their new organisation, exploring the scope for rooting the new organisations as sustainable institutions bound to a local membership or client group. There will always be a role for service agencies – agencies which provide services to membership organizations – but the priority today is to build the membership base organisations just as much as, if not more than, the service agencies.

Changing from an organisation which provides services to one which builds memberships into the process of provision involves continually identifying demand, adapting identified demand, involving members in decision-making on a regular basis and generating at least some resources internally (i.e. within the membership); the skills of building democratic broad-based organisations managing common properties and providing services. New attitudes are required to shape membership opinion, and also be disciplined by it. Skills of consensus-building and managing when consensus is absent will be at a premium.

SAQ 3

Discuss the underlying processes of capacity development.

9.7 ROLE OF LEADERSHIP AND INNOVATION IN ORGANISATIONAL CULTURE

To bring a change in the organisational culture, leadership and innovation are very important parameters as these create motivation (extrinsic leading to intrinsic) among people.

9.7.1 Leadership

Leadership is at the heart of planned organisational change. This field is dominated by the 'Excellence' tradition, which suggests that decentralised, project-based organisations, which give central place to the roles of individuals within the organisation, succeed. This tradition is strongest in the American private sector, but has influenced thinking about management across a wide spectrum of organisations, including those involved in rural development. Leadership is supposed to substitute for rules, quotas and targets. Leaders can be trained to be competent across a wide variety of competencies to play different roles. Here is one prescription for the 'master manager'. He or she should be able to play the following roles:

i) **The director role**

- Taking the initiative
- Setting the goal
- Effective delegation

ii) **The producer role**

- Personal productivity and motivation
- Time and stress management

iii) **The co-coordinator role**

- Planning
- Organising
- Controlling

iv) **The monitor role**

- Writing effectively
- Reducing information overload

v) **The mentor role**

- Understanding oneself and others
- Effective inter-personal communication
- Developing subordinates

vi) **The facilitator's role**

- Team building
- Participative decision-making
- Conflict managements

vii) **The innovator role**

- Creative thinking
- Living with and managing change

viii) **The broker role**

- Creating and maintaining a power base
- Effective negotiation and influencing skills
- Effective oral presentation

These roles tend to focus on the internal environment of change, whereas change may have much more to do with the interactions between leaders or innovators and the external environment. Since rural development organisations rarely have much autonomy they will need to pay considerable attention to changing the external environment if organisational change is to last.

Leadership is not only about possessing competencies but also an interactive process. Followers have to be led, willingly, but usually with incentives and sanctions and some support from both the narrow organisational and the wider culture as a result. Effective innovators are rare and should be cherished.

9.7.2 Innovators and Organisational Culture

The role of the innovator is one of the most compelling, and yet least understood, of the eight leadership roles as listed in the above subsection. Innovators need to be driven by wider objectives, and supported by conviction based on reality that what they are doing is right and feasible. In practice, innovators are often threatening to others, and come under a lot of pressure to work at a more widely accepted pace and in less demanding style. However, there are different cultural styles, which will be appropriate. Whereas the innovator in a western organisation will often be quite ruthless in pushing through new ideas, an innovator in a more paternalistic culture will need to combine innovation with a caring, family work orientation. This is an uneasy combination and much more difficult to balance. Without it, the innovator loses legitimacy. In either case, support from top management or headquarters organisations is vital.

Innovations may be encouraged or discouraged by factors in the internal and external environments of the organisation. These are:

- the degree to which interest groups identify with that vision, and
- the degree to which the vision is achievable within given financial and human resource frameworks.

Linked to the development of a shared vision is the evolution of a leadership cadre committed to change. Pressures from the environment – financial crisis, or pressures to proceed in a certain way – can speed up or slow down the change process. The process of change can also exert an influence: for example, simplicity and clarity of goals will help widespread understanding, and understanding is perhaps the first step to commitment.

Organisational culture is often an inherently conservative force in the face of necessary change. This is the reason for the emphasis on developing organisational cultures, which enable learning, adaptation and innovation as a matter of course. In rural development, change is now pervasive. Adapting to pervasive change should be easier for organisations that are newly established compared with agencies with stronger cultures of their own. Many rural development organisations are new, and have less formalised divisions of labour and procedures of operation, where cultures are better established. It is likely that structures, procedures and attitudes will need change. Resistance to change has several sources:

- The preference of staff (and other stakeholders) for stability and predictability. This is probably greatest in economics where uncertainties are also great.
- The cost of change: accountants' cost-conscious views often stand against proponents of change.
- Long-term external agreements and contracts may be seen to restrict, or complicate the process of change.
- Groups perceive change as a threat to their positions and power. Since rural development involves power sharing, this is a critical dimension.

The stronger is the culture of organisation that opposes change, it is more likely that it will be imposed on individuals. This is why changing the culture through training and other activities, which facilitate individual growth, may facilitate the change. Involving key players in creating the process of change – bringing out their latent creativity insofar as possible – helps spread the sense of ownership of the change. Getting the material incentives (pay, security, workload) right helps to break resistance. These would include factors, which enable employees to meet social expectations for example – assistance to family members, provided this can be done without compromising organisational objectives.

9.8   IMPLEMENTATION PROCESS: STAGES

Any change has to be gradual and drawn over time in sequential phases and cannot be hurried upon. Swift action poses problems of being pressed too far and too fast, and those who implement may complain of work overload, stress etc. However, this does not mean that change should be slow. There are certain phases and situations where swift action is perhaps necessary but it should be balanced against the cost of appearing to jump the process and causing stress or work overload.

There seem to be certain stages in the implementation process in terms of the attitudes and behaviours of the implementors. The first is *Honeymoon period*, where the necessity of change is felt and the change plan is considered desirable and there is zeal and enthusiasm among people for the change effort.

As the change plan gets implemented, the implementor gets to know the real demands made upon him and his work, reactions of others with whom he has to interact and

comments and criticism from those who do not tolerate deviation from their habitual work patterns. This is the *reconsideration stage*. Negative forces gather around and the implementor has to deal with them before they gain momentum and stall the change. Faith in the change effort is essential for the implementor to withstand these negative forces.

Persuasion is the third stage where the implementor has to win over the confidence of the others. This is possible in terms of persuasive communication, focusing on the attractive aspects of change, building up expectations about the likely problems to be encountered and how they can be overcome, and developing resistance to negative forces by inoculating against them.

The fourth stage is ensuring more **commitment** to change. Behaviour in the direction of intended change effort has to be positively reinforced. Those involved in the change activity have to be clear that gains or benefits are not immediate but delayed. While negative forces crop up early, employees should have the patience to wait for the desired results. It is also necessary to monitor the change effort at each of the stages by setting up a time table for evaluation and taking corrective action whenever required.

The change effort that is implemented has to be consolidated, otherwise the advantages of change may be vitiated. When a change is to be introduced, the unit or the organisation has to be tuned to it. Once the change is introduced it has to be frozen or consolidated, failing which the organisation may revert back to the pre-change equilibrium. However, before the beginning of freezing or consolidation process, it has to be checked whether change has realised its original purpose or has caused any negative consequences.

9.9 PARTICIPATION IN ORGANISATIONAL CHANGES: CHALLENGES AND MAINSTREAMING

In the above section, we have discussed the implementation process of a change; it is obvious that generally people are resistant to change because it is felt by the employees of organisation that they were not a part of this entire process or they were not taken into confidence. Therefore, participation of the people is very important for a successful expansion process. But the major constraint lies in the difficulty of designing and implementing the programmes encompassing a larger number of people in such a way as to permit their respective voices to be heard, listened to and acted upon.

9.9.1 Downstreaming Participation

The introduction of participation is not just a matter of holding a couple of PRA exercises to re-confirm pre-existing programme designs or to be able to say that people have 'participated'. To take from the private sector, it is about putting the client first rather than prioritising the interests of the delivery system. Priority should be given throughout the project cycle to the clients' needs and to establishing their views in order to provide a high quality development programme.

Downstreaming participation within an organisation requires that participation is not seen as something to be practised at the project or programme level but rather as a central principle informing the internal management practices of the organisation. It is important for development agencies to think carefully about matching working methods, procedures and the style of management to the overall objectives of a specific programme or, if appropriate, to the country programme objectives. It is often the mismatch of these factors which undermines institutional attempts to improve levels of participation.

Any agency committed to participation has to ensure a consistency in their way of working. The organisational culture is unlikely to be conducive to participation in the programme if the internal tradition is one of hierarchy and a lack of participation by staff in the office routine. It is often difficult to change large official institutions which traditionally have been wedded to strict hierarchy and where the senior staff have not been required to discuss policies and decisions with other staff. In all walks of life this form of organisational structure is being challenged; from the commercial sector to public service the advantages of a more consultative, participatory style of management seems to pay dividends in terms of greater commitment and ownership of all staff to decisions made, and through drawing upon a much wider body of experience.

Can we really expect an agency which is still run like an old-fashioned bureaucracy to really inspire an interest in participation? Most organisations have found that there is a serious organisational challenge they must confront when they have tried to change the programme work without looking at their own practices. Official agencies are realising the importance of greater transparency and a participatory form of management.

Box 9.2: Downstreaming participation

Participation in Management: Some Ideas of Good Practice.

1. Regular office meetings.
2. Improve transparency.
3. To feed in ideas and experiences.
4. Ensure that staff who will have to manage or implement a programme contribute to the design process.
5. Where necessary train staff in the skill and confidence building techniques process.

Internal Bureaucratic and Administrative Procedures should:

- Assist, not constrain, the participatory process;
- Be relatively flexible to allow for participation to be able to effect and design and implement programme;
- Try to avoid long lead times during which many factors may have changed considerably casting doubt on the value of the original design;
- Permit participation at different points in the programme process; and
- Highlight the contributions of the different stakeholders and make it clear where priorities have been placed in light of these.

9.9.2 Upstreaming Participation

One of the major comparative advantages of the UN system is its ability to develop policy dialogue based on micro-interventions. Participatory approaches provide further ability to listen and to learn from people and to translate this into macro policy dialogue with government and others, including multilateral agencies. UNDP refers to this as 'upstreaming':

'Participation should not be defined or confined to simply operating at the grassroots level (with or without the involvement of NGOs and CBOs). This aspect is significant within the context of UNDP's efforts to focus its interventions at the upstream or policy level'.

Indeed, it is often this upstreaming which provides the justification for UNDP to become involved directly in programmes involving Civil Society Organisations (CSOs). The additional benefit of being able to influence policy justifies the extra costs for large agencies engaged directly in grass roots development. This ability to provide a bridge between the micro-and macro has also been stressed by several parts

of UNDP including the UNV which specifically recognises the advantages of being able to place UNV specialists, DDS Field workers, National UNVs and others at the grass roots and to use their experience to inform policy decisions. Furthermore, some of the recent PRA exercises have sought to provide direct feedback to policy makers through using participating villagers as facilitators in sessions with government officials. In Central Asia, the results of PRA exercises supported by UNDP and UNV were fed back to the government officials and led to the local NGOs being incorporated into the national poverty forum because of the quality of the information gleaned through the programme from those rural communities undergoing rapid transition.

Box 9.3: Institutional development in central Asia

In collaboration with INTRAC, UNDP has supported a Poverty Alleviation Programme in Central Asia which seeks to directly support the introduction of participatory development at the grass roots with rural people who have undergone a rapid process of economic transition due to the move away from collective farms and towards a market economy. The programme has placed UNVs in rural areas to work with emerging CBOs and local NGOs using micro-credit, PRAs and other interventions. These programmes act as demonstration/pilot programmes which can be used to inform and influence new national level NGOs about options in poverty alleviation and participatory approaches. These programmes are also used to inform government officials about new ways of working and provide a direct feedback from community groups into the policy discussions of the new government.

Through upstreaming participation there is an increased democratisation of relationships between government and the civil society organisations.

In recent years, the UNDP has been able to facilitate the exchange of views between stakeholders from the State to CSOs through the means of the major international conferences. Each major conference Rio and the environment, Copenhagen and social development, Beijing and Women, Istanbul and habitat, Cairo and population, has provided in-country opportunities for dialogue between different social groups and institutional interests. The UNDP has a comparative advantage in being able to provide the forum, targeted resources and technical support to preparatory conferences, and follow up action and monitoring of their outcomes and action plans. These events provide not only an opportunity to discuss policy related to the specific set of interests but also to strengthen the democratic processes through national level dialogue between different stakeholders.

Box 9.4: Linking macro-policy to micro interventions

1. The UNDP is well placed to assist local communication and co-operation between different development actors: e.g. government officials, NGOs, CBOs and other CSOs.
2. Learning from micro-interventions can be used to provide high quality information for higher level policy discussions.
3. Community group representatives can act as facilitators with development workers, e.g. feed back results from PRA; hosting development workers in their communities.
4. Direct evidence of the impact of policy change can be fed through to planners, e.g. effect of price changes, structural adjustment programmes etc.
5. Bringing both primary and secondary stakeholders together for: needs, assessments, programme design, monitoring and evaluation.
6. Facilitating co-operative exchange of experiences within countries as well as across regions, South-South and more.

9.9.3 Issues of Mainstreaming

Let us now discuss some of the common issues that need to be addressed when establishing participation as a key principle in the procedures, policies and practices of an institution.

i) **Quantity or quality:** There has been a rather sterile debate around participation which centres on the arguments as to whether participatory approaches are good for getting high quality information and feed back from clients yet not so good at obtaining a quantity of information in large scale programmes. Some agencies have tried to resolve this by arguing for a limited number of people within a programme to enjoy full participation or for organising a pilot programme with a high degree of participation.

ii) **Sampling:** It is argued that if groups of foresters, for example, share common views, then it is only necessary to talk to a few groups to get an idea about their views rather than spend a lot of time and money talking to all of the foresters. The counter argument is that participation is not just about data collection, yet this is an important purpose but not the only one. Indeed if data collection is the only objective, then sampling may make sense. However, participation goes well beyond this and the processes involved have far more objectives including a whole ideology of improved communication between service delivery and clients. Therefore all clients should feel ownership of a programme. For example, if the aim of the programme is about improved use of forest products, a sample of PRAs in two villages may provide all the information required, but will not bring into the programme the other communities. Furthermore, it will not explain to them the aims of the programme, nor allow communities to explore their present uses of forest products and their own feelings about options for the future.

iii) **Going to scale:** It has also been argued that participation is only a process which could be promoted at the level of small scale NGO programmes, but could not be managed or was not relevant for large national scale programmes. This has clearly been shown to be false. We now have many examples of larger scale programmes encompassing high degrees of participation. The Bangladesh UNDP office, for example, incorporated participatory exercises from a large number of communities into the Bangladesh Human Development Report. Large international NGOs such as ACTIONAID have repeated participatory methods in many of the villages.

Not all types of programmes will call for the same levels of participation. For example, the supply of capital equipment for a state railway will probably hardly justify participation; whereas road building might require some levels of consultation on the route to be taken but, once a decision is made to go ahead, it may not include communities if the building work is carried out by a contractor and maintenance is the responsibility of the Highways Department. On the other hand, a feeder road which assumes community maintenance will require far greater participation of local people, and their views to be heard and acted upon before they can be expected to assume any responsibility. Other types of programmes, such as community based forestry, also require high levels of participation by communities if a sustainable system is to be established which could survive and prosper after the end of project funding.

iv) **Allowing time:** It is often argued that participation takes time. Indeed, time must be allowed if we are to be honest about participation and this may delay project implementation. However, if we compare participatory to non-participatory programmes, analysis reveals the very long lead times created by the bureaucratic machinery. Also, studies by the World Bank and others show that while there are extra costs in time and staff input demanded by programmes which are participatory and that disbursement is initially slow, it picks up speed later. This should argue for a programming which assumes low levels of disbursement in the early stages of a programme but higher levels later on. This may also avoid the common situation of high levels of initial disbursement in

many traditional programmes, as the easy inputs are purchased (capital items, accommodation) and low disbursement later because of the inappropriate design, low take up and interest by the target population and less commitment by those having to execute the programme.

v) **Need to reinvigorate:** Participation like any other element of development, can easily become over institutionalised. It can become a part of the bureaucratic routine, something to be done to meet the criteria needed to get a programme through. Development organisations need to be aware of this problem and take action to avoid it by rejecting the over-formalisation of participation, keeping an open mind to new methods, changing our approach, allowing experimentation and permutations of methods. Sometimes it is necessary to re-invent organisations and approaches in order to introduce dynamism and excitement. There are ways that organisational change can be costly and damaging, but managed well, they can bring new life to our work and reinvigorate programmes.

The following table (Table 9.1) shows the kind of organisational change brought about by using a participatory approach in one NGO, National Development Foundation.

Table 9.1: Institutional changes – national development foundation

From	To
• Infrastructure output priority	• People and their participation + capacities as an output priority
• Emphasis on project implementation	• Emphasis on going 'beyond projects'
• Implementation guidelines top-down	• Implementation guidelines developed and agreed with farmer organisations
• Implementation managed by field officers	• Implementation managed by Farmer organisation facilitated by field officers
• Planning and monitoring controlled by field offices and head office	• Joint planning and monitoring – farmer organisations and NDF
• Participation induced	• Participation spontaneous
• Information collected through socio-economic surveys/questionnaires	• Information generated and analysed by farmer organisations facilitated by field officers/villagers
• NDF owner of information collected	• Information shared with Farmer organization – participatory analysis remains with them
• Funding chanelled through field officers	• Funding directed to farmer organisations accounts
• NDF reporting to each donor separately	• Consolidated reporting common to all
• Progress review separately by donors	• Joint progress review and reflection combined with field visits
• Donor-recipient relations	• Partnerships characterised by open dialogue

SAQ 4

What are the main issues and challenges in participatory approach of organisational change?

9.10 CASE STUDIES OF ORGANISATIONAL CHANGE

We will briefly examine three cases of rapid and significant organisational change. The Phillipines National Irrigation Administration (NIA) is perhaps the best-known and only well-documented case. The approaches employed there have been used in Bangladesh also with some success. Organisational change in the public sector in India has proved much more problematic.NGOs by contrast, if they are not heavily donor dependent, should present a much more conducive organisational environment for change. Some reflections on the recent experience of Plan-Nepal confirm this.

Case study 1

NIA changed from a classic infrastructure development government department to a semi-autonomous, self-financing servant of the farming community over a period of fifteen years. The key change introduced in the development of small and medium scale irrigation was a substantial and participatory planning phase in which the farmers who were likely to be benefitted from a NIA investment collectively sorted out their differences and agreed on a plan of action; this was facilitated by a cadre of NIA workers, the Community Organisers. Accommodating this cadre and painstaking preparatory work it performs, was the major change adopted by NIA. A key supportive change was that NIA raised more and more of its own revenue from the farmers it serves. Even more critical was the formation and persistence of a group of key leaders and supporters of organisational change, both inside and outside the NIA over a long period.

Case study 2

Our second case study, the Watershed Management Directorate (WMD), Uttar Pradesh in India presents a different image. Funded by the European Union and Government of India, and changed with reducing erosion and raising incomes in the Himalayan foothills, this organisation attempted to develop a participatory, gender – sensitive approach, making use of Participatory Rural Appraisal (PRA). It has been partially successful in a short period of time. Significant changes in the behaviour of front-line staff with villagers were recorded. The principle of village-level identification and negotiation of priorities was accepted. Village women were involved to a greater degree than in any previous governmental development effort. However, there were obstacles in the process of radical change. The government's strong culture of target orientation and achievement eroded the space, which was available early on for participatory planning: pressure to spend money escalated after the establishment phase. This pressure came largely from the State Finance Ministry and other state-level officials, and was not always resisted by senior project personnel, who are of course assessed by the degree to which targets are achieved. The target culture was reinforced by the common understanding that aid money would be lost if not spent. Retrospectively, the original project plan was also at fault. This gave indicative physical and financial targets, which were quite incompatible with the slow initial rhythms of a participatory approach. These were of course seized on by officers anxious to have targets to fulfill.

Case Study 3

Radical change was achieved in Plan-Nepal, through a combination of changes in personnel, the drawing-up of a country strategic plan, and the opening of the organisation to outside influences. Plan-Nepal was a very conservative NGO, like its international parent; providing services to the families and communities of sponsored children in a reactive and dependency-creating way. The appointment of two women to senior posts, and a regional director from outside the organisation, paved the way for a significant move towards a more thoughtful, participatory and gender-sensitive approach. The geographical and topical focus of the agency's work has changed significantly, with a new willingness to work in poor, remote areas and to confront

difficult social issues like child prostitution. Again the use of PRA has significantly changed the project-level operations. Nevertheless, with its incredibly successful child sponsorship financial treadmill, which has supported unprecedented organisational growth during the last decade, there are pressures to spend money in Plan-Nepal too: these will undoubtedly limit the freedom of Plan-Nepal staff to retain the quality of their new approaches.

9.11   SUMMARY

Let us summarise what you have studied so far:

• Organisation is a system consisting of four interacting subsystems i.e. structure, technology, people and task whereas institution is a part of the larger system i.e. community or society.

• Organisations have to modify and change to adapt to the changing internal and external environment.

• Change in an organisation is brought about by a professional consultant outside the organisation or by manager within; change agent should be competent enough to lead and motivate the organisation as leadership and motivation have strong role in organisational culture.

• Change has to be brought in content as Oxfam introduced gender mainstreaming in organisation as well as in the context of government, public sector and NGOs.

• Capacity development addresses development at different levels of society. It can be created in the context of organisation, institution and system.

• Participation of people in organisational change and institutional building is very important but it poses many challenges as upstreaming and downstreaming. The prime issue is mainstreaming the participation.

• To bring a change in the public sector is comparatively difficult as compared to an NGO; in a public sector, internal and external environments are not completely distinct.

• Organisational change is a vital aspect of the wider shift to the new paradigm, an aspect that urgently needs research, documentation and public debate.

9.12   TERMINAL QUESTIONS

1.   Think of a change which may have been introduced in your organisation. How was it implemented? Did the implementation process follow some of the ideas mentioned in the Unit?

2.   Examine the ways and means of building up supportive forces for change implementation.

3.   Why is change more successful in organisational set up of NGO as compared to the private sector?

4.   Search and find out some of the organisations which have incorporated gender issues in their set up.

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