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LEARNING MATERIAL

Participatory Planning, Monitoring and Evaluation

Reading On

Understanding Design of Organisation

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INTRODUCTION

Models as Tools for Understanding Organizations

A model is a conceptual framework. It is a theory that indicates which factors (in an organization, for example) are most critical or important. It also shows how these factors are related - that is, which factors or combinations of factors cause other factors to change. In a sense then, a model is a roadmap that can be used to make sense of the terrain of organizational behaviour.

These models are critical because they guide our analysis and action. In any organizational situation, problem solving involves collection of information about the problem, interpretation of that information to determine specific problem types and causes, and development of action plans accordingly. The models that individuals use influence the kind of data they collect and the kind they ignore; they guide people's approach to analyzing or interpreting the data they have; and finally, they help people choose their courses of action.

Indeed, anyone who has been exposed to an organization already has some sort of an implicit model. People develop these roadmaps over time, building on their own experiences. These implicit models (they usually are not explicitly written down or stated) guide behaviour; they vary in quality, validity, and sophistication depending on the nature and extent of the experiences of the model builder, his or her perceptiveness, his or her ability to conceptualize and generalize from experiences, and so on.

Students of organization are, however, not solely dependent on the implicit and experience-based models that individuals develop. Since there has been extensive research and theory development on the subject of organizational behaviour over the last several decades, it is also possible to use scientifically developed explicit models for analyzing organizational behaviour and solving organizational problems.

Organization as a Social System

There is a growing consensus that a viable model of organization is to envision it as a social system. Daniel Katz and Robert L. Kahn have argued that organizations can be better understood if they are considered as dynamic and open social systems.

What is a system? Most simply, a system is a set of interrelated elements - that is, a change in one element affects other elements. The organization - a living organism - operates as a system: not a mechanical, closed system; but an interactive Open System

which does not function in isolation, but actively interacts with other relevant systems in its environment.

An **open system** is one that interacts with its environment ; it is more than just a set of interrelated elements. Rather, these elements make up a mechanism that takes input from the environment, subjects it to some form of transformation process, and produces output. As systems, organizations display a number of basic systems characteristics. Some of the most critical are:

Internal interdependence. Changes in one component or subpart of an organization frequently have repercussions for other parts ; the pieces are interconnected. Changes made in one element (for example, the skill levels of those hired to do jobs) will affect other elements (the productiveness of equipment used, the speed or quality of activities, the nature of supervision needed, and so on).

Capacity for feedback. Feed back is the information about the output that can be used to control the system. Organizations can correct errors and even change themselves because of this characteristic. If the management receives information that the quality of its services is declining, it can use this information to identify factors in the system itself that contribute to this problem. However, unlike mechanized systems, feedback information does not automatically lead to correction. Organizations have the potential to use feedback to become self-correcting systems, but they do not always realize this potential.

Equilibrium. Equilibrium is a state of balance. When an event puts the system out of balance the system reacts and move to bring itself back into balance. If one work group were suddenly to increase its performance dramatically, it would throw the system out of balance. This group would be making increasing demands on the groups that supply it with the information and other inputs it needs. Groups that work with the high-performing group's output would feel the pressure of work piling up in front of them. If some types of incentive is in effect, other groups might perceive inequity as this one group begins to earn more. Predictably, some actions would be taken by someone to put the system back into balance. Either the other groups would be changed to improve their output and thus be back in balance with the high-performing group, or (more likely) there would be pressure to get this group to modify its behaviour in line with the performance levels of the rest of the system (by removing workers, limiting supplies, and so on). The point is that somehow the system would develop energy to move back toward a state of equilibrium or balance.

Equifinality. This characteristics of open systems means that different systems configurations can lead to the same end or to the same type of input-output conversion. Thus there is no universal or "one best way" to organize.

Adaptation. For a system to survive, it must maintain a favourable balance of input or output transactions with the environment or it will run down. If an agency offers programmes for which there are fewer applications, it must adapt to new demands and develop new programmes ; otherwise, it will ultimately have to close its doors. Any system, therefore, must adapt by changing as environmental conditions change. The consequences of not adapting are evident when one-prosperous organizations decay because they fail to respond to environmental changes.

Some other characteristics of a system are that:

- it is defined by a boundary, which separates the system from its environment;
- the system boundary contains several sub-system;
- each system, in turn, operates as a sub-system within one or more larger systems;
- every system has several dimensions or components (content) which are unique and distinct; etc.

Thus, the systems theory provides a way of thinking about the organization in more comprehensive and dynamic terms.

THE ORGANISATION

Organizations are created to fulfill certain missions or purposes. However, these missions or purposes of the organization may not be understood by all concerned in the same way. There may be a statement of mission or purpose incorporated in the constitution of the organization; but the operating mission, and its perception by the management, the employees, significant populations outside the organization, and other stakeholders may spell quite a divergent pattern.

The operating mission of the organization can be understood better by viewing its 'strategy'. Once a specific strategy is formulated for accomplishing its mission, the organization has to be so designed, or redesigned, that it is not only capable of implementing that strategy, but also provides detailed mechanisms for action. If the vision indicates why ultimately the agency exists, the mission explains what changes it promotes to achieve the vision, and the strategy defines how it will use its resources to accomplish those changes, the organization design spells out the details of who, when, where, and by what activities the strategy will be carried out.

Management of organizations involves the capacity to understand the behaviour patterns of individuals, groups, and organizations, to predict what behavioural responses will be elicited by various managerial actions, and finally to use this understanding and these predictions to achieve control.

A model to understand organizations must specify the critical inputs that the system has to work with, the major outputs it must produce, the major components of transformation processes that characterize organizational functioning, and the manner in which these components fit together and interact. Effectiveness of any model depends on the quality of these "fits", or their congruence.

Inputs

Inputs are factors that, at any one point in time, make up the "givens" facing the organization. They're the material that the organization has to work with. There are several different types of inputs, each of which presents a different set of "givens" to the organization.

- A. **Environment.** All organizations exist in an 'environment'. While the environment is itself an input into the organization's functioning, it is unique as regards its scope. It is the environment from where the organizations draw their day-to-day inputs, and to which they provide their unique outputs or outcomes or by-products or services. An organization's relevant environment consists of all factors - including individuals, groups, institutions, agencies like those of the government, vendors or suppliers,

donors, other organizations pursuing similar goals or activities, events, social forces etc. - that are outside the organization, but that have a potentially powerful impact on how the organization performs. Every organization exists within the context of such wider environment, which is critical to its functioning.

Between the organization and its environment is the organization's boundary: not a physical boundary, but a perceived one where its influence and control effectively operate. What constitutes an organization's relevant environment can, thus, be determined by applying two simple criteria :

- Does the agency, individual or group in question influence the organization and its functioning in a significant way? If it does, it is relevant to the organization; otherwise not.
- Is such agency, individual or group within the control of the organization? If yes, it is a part of the organization. If not, it is in the environment, beyond its boundary.

An organization's environment has three critical feature:

- The environment makes demands on the organization. For example, it may require certain products or services at certain levels of quality or quantity.
- The environment may place constraints on organizational action. It may limit the activities in which an organization may engage. These constraints range from limitations imposed by scarce capital to prohibitions set by government regulations.
- The environment provides opportunities that the organization can explore.

To understand an organization, it is important to consider the factors in its environment and determine how those factors, singly or collectively, create demands, constraints, or opportunities.

- B. **Resources.** Any organization has a range of different assets to which it has access. These include human resources, technology, capital, information, and so on. Resources also include less tangible assets, such as goodwill and image of the organization in its constituency, a positive organizational climate, etc. Any set of resources can be shaped, deployed, or configured in different ways by an organization. The features are of primary interest.

- The relative quality of different resources to which it has access; or their value in light of the environment.
- The extent to which resources can be reshaped ; or the extent to which these resources are fixed rather than flexible in their configuration's.

C. **History.** There is growing evidence that the way organizations currently function is greatly influenced by past events. Organizational history may include patterns of past behaviour, activity, and effectiveness that can affect its current functioning. It is important to understand

- the major stages or phases of an organization's development over a period of time; and
- the current impact of past events - for example, key strategic decisions, the acts or behaviour of key leaders, the nature of past crises and the organization's responses to them, and the evolution of core values and norms of the organization.

D. **Strategy.** As an input, strategy is somewhat different from the others, because it reflects some of the factors in the organization's environment, resources, and history. It describes the stream of decisions about how the organization will configure its resources against the demands, constraints, and opportunities of its environment, within the context of its history. Strategy refers to the issue of matching the organization's resources to its environment, or making the fundamental decision of "What business are we in? Several aspects of strategy are important to identify:

- How has the organization defined its core mission, or how has the organization defined its basic purpose or function within the larger system or environment? The core mission includes decisions about what constituencies the organization will serve, and what services it will provide to those constituencies.
- How will the organization relate with other agencies working with those constituencies, offering similar services.
- The specific supporting strategies (or tactics) that the organization will employ, or is employing, to achieve its core mission.
- The specific performance objectives that have been set for the organizational output(s).

Strategy may be the most important single input for the organization. On one hand, strategic decisions implicitly determine nature of the work that the organization should be doing, or the tasks it should perform. On the other hand, strategic decisions, and particularly decisions about objectives determine the system's outputs.

In summary, there are three basic inputs - environment, resources, and history - and a fourth derivative input, strategy, which determines how the organization responds to or deals with the basic inputs.

Outputs

Outputs are what the organization produces, the way it performs, and extent to which it is effective. At the organizational level, three factors must be kept in mind while evaluating its performance :

- **Goal attainment**, or how well the organization meets its objectives;
- **Resource utilization**, or how well the organization makes use of available resources; not just whether the organization meets its goals, but whether it realizes all of its potential performance, and whether it achieves its goals by building resources or by "burning them up"; and
- **Adaptability**, or whether the organization continue to position itself in a favourable position vis-à-vis its environment, i.e., whether it is capable of changing and adapting to environmental changes.

Obviously, the functioning of groups or units (departments, divisions) or subunits within the organization contribute to these organization-level outputs. Organizational outputs are also influenced by individual behaviour ; and certain individual-level outputs (affective reactions such as satisfaction, stress or experienced quality of working life) may be desired outputs in and of themselves

Organization as a Transformation Process

Given an environment, a set of resources, and history, how does the organization adopt a strategy and implement it to produce effective performance in the organization, in the group/unit, and among individual employees ? The organization and its major component parts are the fundamental means for transforming energy and information from inputs into outputs. It helps to understand key components of the organization, and its critical dynamics that show how those components interact to perform the transformation function.

Organizational Components

Within its boundary, the organization determines its own pattern or design which helps it convert its 'inputs' into 'outputs'. Important aspects of organizational design are:

- **Technology**, which includes work methods ; level of sophistication, or otherwise, of vehicles, equipment, computers, techniques, etc.
- **Tasks** i.e. various activities contributing to the functions that individuals and groups in the organization are expected or assigned to perform.
- **Individuals or the Human resources**, who bring skills, ideas, feelings, needs and aspiration to the organization; use technology, operate structure and perform tasks individually or in groups.
- **Formal organizational structure or arrangements** created to use technology for producing outputs e.g., departments, procedures, rules, rewards, hierarchy, etc.
- **Informal organization**, constituted of organization's norms, values, processes, culture, or climate.

The first four elements constitute the relatively static aspects of an organization's design. The last one represents it's dynamic aspect. Dynamic aspects of organization design are the ways in which the static aspects interact within and among themselves. Some of these elements of organization design merit further elaboration.

A. TASKS AND ACTIVITIES

The purpose or mission can rarely be achieved directly. Organizations invariably have to take recourse to one or more. 'Primary Tasks' in-order to achieve the mission. For an NGO, these primary task(s) may be the programme(s) and activities(s) designed to solve some social or development problem(s). An initial challenge in designing the organization is to specify the tasks and activities critical to implementing its mission. In most NGOs the tasks may be broadly categorized in two : basic tasks and inherent tasks that the organization engages in, in light of its strategy.

- **Basic tasks** are those which are directly linked to the NGO's mission or objectives, i.e. organizing people, conducting group meetings, training etc.
- **Inherent tasks** are those which may not have direct bearing on the agency's mission or objectives, but are necessary for the fulfillment of basic tasks. These

are tasks like writing letters, reports and proposals, accounts-keeping and financial reporting, typing, posting etc.

For effective running of any NGO, both types of tasks need to be performed with equal vigour. In practice, however, most NGOs tend to ignore 'inherent tasks', and give overriding importance to the basic tasks. Undoubtedly, basic tasks provide greater satisfaction to the development-oriented NGO leaders and workers, but the reality is that NGOs will not be able to perform 'basic tasks' for long if they ignore 'inherent tasks'. In order to be able to achieve many things they like, NGOs and those constituting NGOs should be prepared to do certain things they may not like. The important factor in the understanding of these two types of tasks and their relationships in the context of creation of structure is the inseparable nature of the two. The organization design should be able to respond to the inseparable nature of basic and inherent tasks. Any structure tending to delink the two will not be conducive to achievement of the organization goals.

Important components of the task describe the basic work flows and functions, with careful attention to the characteristics of those work flows - for example :

- The knowledge or skills demanded by the work;
- The kinds of rewards provided by the work ;
- The degree of uncertainty associated with the work, including such factors as interdependence, routineness, etc.; and
- The specific constraints on performance demands inherent in the work, such as critical time demands, cost constraints, and so on.

Tasks vary in some important aspects. Some of the dimensions on which tasks vary are:

Outcomes	Certain	_____	Uncertain
Skills	Simple	_____	Complex
Definition	Clear	_____	Ambiguous task

If a task is certain, simple and clear, then a rigidly specified structure may ensure its implementation. On the other hand, if the task is uncertain, complex and ambiguous, then a more flexible structure may be needed. Thus different types of tasks may necessitate different types of organizing.

Since it is assumed that a primary reason for the organization's existence is to perform its tasks consistent with its strategy, the task is the starting point for

understanding in organization. Assessment of the adequacy of other components depends to a large degree on an understanding of the nature of the tasks to be performed.

B. INDIVIDUALS OR THE HUMAN RESOURCE

These are the persons who perform organizational tasks - both basic and inherent. In NGOs, the human resources are often highly committed to the agency mission and willing to work long hours in difficult circumstances in the service of visions for a better future.

Lately, many NGOs have found that effective implementation of their missions requires upgrading the technical capacities of their human resources. Agencies that believe that long-term changes will require influencing government policies, for example, may find that they need competency for technical analysis, or for proposing policy alternatives, that is not available from the existing staff. This issue has, sometimes, been posed as a tension between voluntarism and professionalism; as if there were an inevitable contradiction between commitment to visions, and high levels of professional training and competence. In fact, it is both possible and necessary for the development sector to find ways of utilizing the resources of like-minded professionals as well as of increasing capacities of committed volunteers; rather than act as if it can only have one or the other. The most critical aspects to consider, in order to understand human resource, include:

- The nature of individual knowledge and skills;
- The different needs or preferences that individuals have;
- The perceptions or expectancies that they develop; and
- Other background factors (such as demographics) that may potentially influence individual behaviour.

C. FORMAL ORGANIZATIONAL STRUCTURE OR ARRANGEMENTS

These include the range of structures, processes, methods, procedures, and so forth that are explicitly and formally developed to get individuals to perform tasks consistent with organizational strategy. Formal arrangements include roles, hierarchies, departmental divisions, rules, and formally-defined systems and procedures that guide behaviour. The issue of structure has been a sensitive one in the development sector, due to some politico-historical reasons. In recent years a sense of acceptance of structure as a necessary evil has emerged, which needs to be further refined.

Developed NGOs, which are based on social commitment and are mission-driven need to develop a realistic attitude towards the issue of structure. Like anything else, the structure should also serve the mission; and it needs to be seen as a effective mechanism for mission accomplishment . For this purpose, it is essential to consciously evolve structures coherent with the organization's mission and objectives, instead of borrowing or adopting the designs visible in the wider environment.

A realistic assessment of some of the influence which necessitate evolution of structure in an organization is needed.

- The first influence comes from the compulsion of interaction with the wider environment, statutory and non-statutory. If an agency chooses a definite form of organization, available for the development work, it binds itself to the requirements of a particular statute. The forms, often used by the development organizations, are the Society or the Trust ; both require some kind of defined structures like 'Governing Body or Board of Trustees', 'Chief Functionary or Managing Trustee', etc. Even if agencies are able to minimize the influence of such statutory regulation in their day-to-day functioning through informal adaptation, conventions and norms, the fact remains that the seeds of structure are sown by the very incorporation of the organization.
- Apart from statutory requirements, the practices and culture of most of the constituencies that NGOs have to relate to, within the broader environment, tend to recognize one chief functionary alone, since that suits them best. Even the sections of society that NGOs work with have some conceptions of organized functioning, and they project those on the NGOs. So, another strong influence on the agency's structure comes from the requirements and perceptions of the wider environment they relate with.
- In practice, when development entrepreneurs enter the space of action, they enter in a group of three to five persons with strong interpersonal rapport. At this stage, even the thought of creating a structure sounds obnoxious to them. Yet, even at that stage, in the interest of the group, these persons agree on one person to represent them to the external constituencies. They also accept creation of the statutory structure because of the legal recognition that it brings them. But they do not get unduly affected by these structures at this stage, and try to overcome the impact of that structure through interpersonal understanding, mutually accepted norms, and informal culture within the group.

The broad term, organizational arrangements, encompasses a number of different factors:

- **ORGANIZATION DESIGN.** It is the way jobs are grouped together into units, the internal structure of those units, and the coordination and control mechanisms used to link those units.
- **JOB DESIGN.** This means the way individual jobs are constructed within the overall context of organizational design.
- **WORK ENVIRONMENT.** It includes a number of factors that characterize the immediate environment in which work is performed, such as the physical working conditions, the available work resources, and so on.
- **HUMAN RESOURCE MANAGEMENT SYSTEMS.** These include the organization's formal systems for attracting, placing, developing, and evaluating human resources.

Together, these factors create the set of formal organizational arrangements - that is, they are explicitly designed and specified, usually in writing.

D. INFORMAL ORGANIZATION

Besides the formal organizational arrangements that exist in any organization, another set of arrangements tends to develop or emerge over a period of time. These arrangements are usually implicit and unwritten, but they have considerable influence on individual, group, and the organizational behaviour. For lack of a better expression, such arrangements are frequently referred to as the informal organization, to include the different structures, processes, and arrangements that emerge. These arrangements complement, or compete with, the formal organizational arrangements. Sometimes, these informal forces may emerge as reactions to the formal structure, to protect individuals from it. They may therefore either aid or hinder the organization's performance.

Several aspects of the informal organization have a particularly critical effect on behaviour. These are:

- The behaviour of leaders.
- The patterns of relationships that develop both within and between groups.
- The different types of informal working arrangements, including norms, procedures, methods, etc. that develop.

- The various communication and influence patterns that combine to create the informal organization design.

Organizational Processes. As the organization begins to function, it develops its own unique processes. Processes in an organizational sense, as contrasted with the technological sense, are its styles of functioning. The nature of these processes is almost wholly determined by the static design and the external environment of the organization. Some examples of these processes are:

- **Decision-making.** Who are involved in decision-making, to what extent and how?
- **Communication.** Whether it is one-way, two-way or multi-dimensional; oral or written; formal or informal?
- **Allocation of Resources.** How it is done? - on the basis of power, or status, or task demands, or personal whims? What are the consequent feelings of those who get the "lion's share", and of those who do not.
- **Leadership.** How is it achieved? What kind? - autocratic, democratic?
- **Conflict Management.** How are conflicts handled - by open discussion, by arbitration, by ignoring conflict? etc.

Organizational Culture. Over a period of time, depending upon nature of the processes, and the patterns they weave, organizations develop their own unique "culture". If the culture is a strong and distinct one, as in the armed forces, or the Vatican Church, it is exuded by the people in the organization, and provides appropriate thrust to the organization. Where it doesn't, there may be lack of clarity with regard to values and approaches that are respected in the organization, the behaviours that are rewarded and those that are not, the likely stances of the management on various issues, etc. Culture includes shared values, norms, beliefs and expectations, and implicit aspirations and understandings that shape and give meaning to relationships and behaviours within the agency. In the development sector, many NGOs rely heavily on the informal organization for their effectiveness.

Many people come to work with NGOs because they share a vision of "the reality to be" and a commitment to their mission. They bring with them commitments to core values and beliefs of the NGO, or they learn them shortly after coming. This shared set of beliefs helps to define both - activities appropriate to the mission, and actions that are consistent with the larger vision of society ; and, thus, informally guides many actions of the NGO staff.

Particularly in new and small organizations it is common for informal understandings and cultural expectations to be the most important influence on staff behaviour. It may not be necessary to have formal or written rules and procedures when all the members have participated in formulating the informal norms and expectations. It becomes a problem, however, when NGOs organized around informal cultures grow rapidly or have to bring in newcomers who do not understand the informal culture. One important influence that shapes an organization, and may merit special attention, is leadership:

LEADERSHIP. In the development sector, leadership plays a major role in shaping organizations, their culture and processes, and the behaviours of the organizational members. Many voluntary organizations take their visions, missions, and strategies directly from the commitments of their founders, and rely on the analysis and plans put forth implicitly in decisions of the founders.

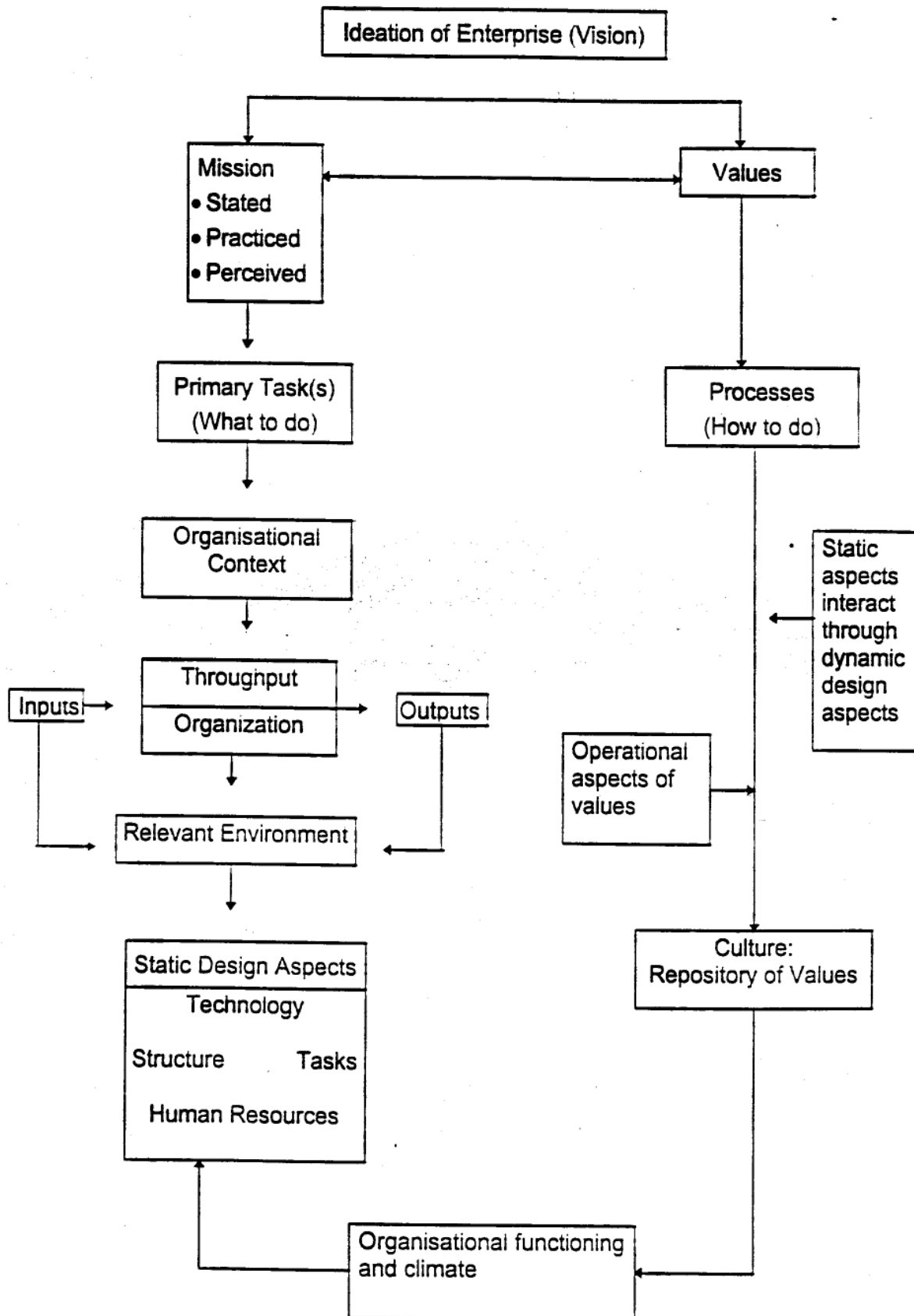
This reliance on leaders means that NGOs can respond quickly to external and internal changes, because they need only await decisions by their leaders before they can act. On the other hand, dependence on leaders may often lead to long delays in important decisions, if leaders are overburdened or their attention is elsewhere.

More generally, dependence on a single leader or founder can present problems when the founder is ready to move on. If the agency dependence on the founder has hampered the development of second-line leadership, there may be no one available to take over the founder's leadership role. All too often good NGOs have collapsed, or spent many years rebuilding, after the departure of the founder leader because they relied too heavily and too long on the leadership of a single person.

Five important elements of the organization's static and dynamic design are : tasks and programmes of activity, formal structure, informal organization, human resources, and leadership. At any given point in time, these elements may have developed to a greater or lesser degree. In the development sector, for example, organizations often have strong leadership and highly committed human resources, but less elaborate formal structures. These elements together determine the tasks of the NGO staff, and coordinate the activity of different roles and functions. The different elements tend to interact with each other, and the manner in which different elements fit with each other, they can have a powerful impact on how the agency achieves its mission.

The whole organization, in its various aspects, may be depicted schematically as on the next page.

UNDERSTANDING ORGANISATIONS



Organizations can therefore be thought of as a set of components - the technology or methods of work, the tasks and activities, the individuals or human resource, the formal and informal organizational arrangements. In any system, however, the critical question is not only what the components are, but also what the nature of their interaction is. What are the dynamics of the relationships among the components? The concept of congruence or fit is relevant to much of these questions.

The Concept of Congruence

A relative degree of congruence, consistency, or "fit" usually exists between each pair of inputs in a functioning organization. The congruence between two components is defined as "the degree to which the needs, demands, goals, objectives, and/or structures of one component are consistent with the needs, demands, goals, objectives, and/or structures of another component".

Congruence, therefore, is a measure of how well pairs of components fit together. Consider, for example, two components the task and the individual. At the simplest level, the task presents some demands on individuals who would perform it. i.e., skill and knowledge demands. At the same time, the set of individuals available to do the tasks have certain characteristics: their levels of skill and knowledge. Obviously, if the individual's knowledge and skill match the knowledge and skill demanded by the task, performance will be more effective.

Obviously, too, the individual-task congruence relationship encompasses more factors than just knowledge and skill. Similarly, each congruence relationship has its own specific characteristics. Some critical elements of congruence relationships are :

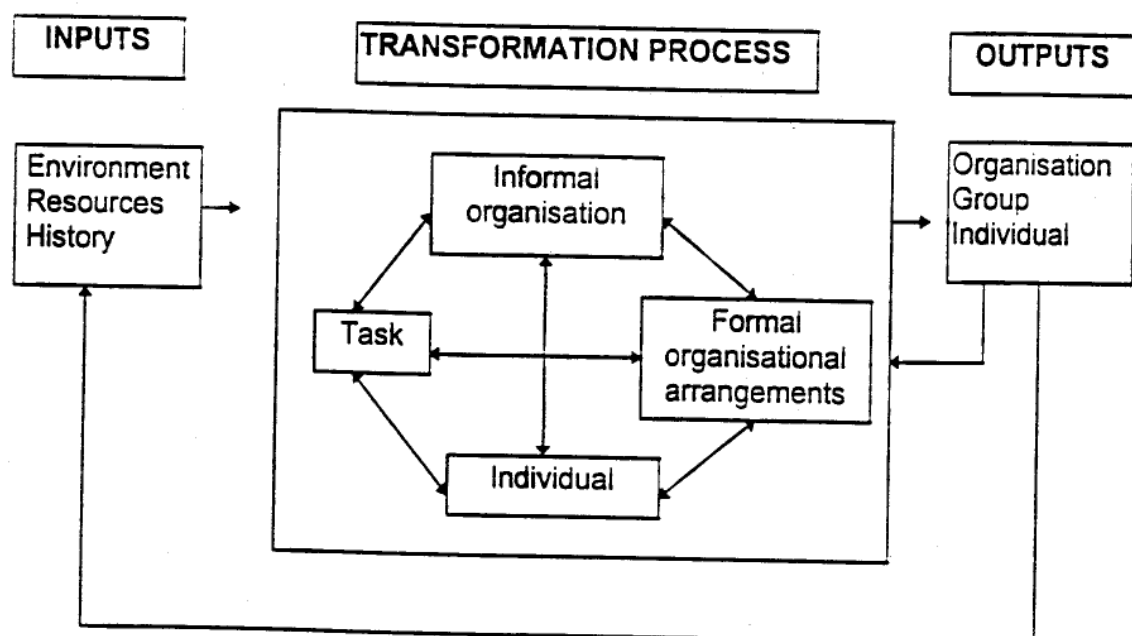
Components	Issue in Congruence
Individual: Formal organization	How are individual needs met by the organizational arrangements? Do individuals hold accurate, or distorted, perceptions of organizational structures? Is there a convergence of individual and organizational goals?
Individual: Task	How are individual needs met by the tasks? Do individuals have skills and abilities to meet task demands?
Individual: Informal organization	How are individual needs met by the informal organization? How does the informal organization make use of individual resources consistent with informal goals?
Task: Formal	Are organizational arrangements adequate to meet the demands of the task? Do organizational arrangements motivate behaviours consistent

organization	with task demands?
Task: Informal Organization	Does the informal organization structure facilitate task performance or not? Does it hinder or help the meeting of task demands?
Formal organization: Informal organization:	Are the goals, rewards, and structures of the informal organization consistent with those of the formal organization?

The Congruence Hypothesis. The whole organization displays a relatively high or low degree of system congruence in the same way that each pair of components has a high or low degree of congruence. The basic hypothesis is: "Other things being equal, the greater the total degree of congruence or fit between the various components, the more effective will be the organization - effectiveness being defined as the degree to which actual organization outputs at individual, group, and organizational levels are similar to expected outputs, as specified by strategy".

This hypothesis sees the organization becoming most effective when its pieces fit together. If strategy is included, this view expands to encompass the fit between the organization and its larger environment - that is, an organization is most effective when its strategy is consistent with its environment. Therefore, the question is not how to find the "one best way" of managing, but how to find effective combinations of components that will lead to congruent fits among them.

The Congruence Model



The Congruence model provides a general organizing framework.

Other, more specific "sub-models" to define high and low congruence may be needed for deeper understanding. Examples of such sub-models include :

- **Job Design**. The job characteristics model to assess and explain the fit between individuals and tasks as well as the fit between individuals and organizational arrangements.
- **Expectancy Theory**. Expectancy theory of motivation to explain the fit between individuals and the other three components.
- **Information Processing Model**. Information processing model of organizational design to explain the task-formal organization and task-informal organization fits.
- **Organizational Climate Model**. Organizational climate model to explain the fit between the informal organization and the other components.

These models and theories are listed as illustrations of how more specific models can be used in the context of a general model. Obviously, those mentioned above are just a sampling of possible tools that could be used.

In summary, then, the above describes a general approach for understanding organizations. The organization is seen as a system or transformation process that takes inputs and transforms them into outputs. The critical dynamic is the fit or congruence among the components.

Types of NGO

David Korten studied several NGOs, and developed a typology. A simplified description of the characteristics of three types - the 'Relief' NGO, the 'Community Development' NGO, and the 'Sustainable Development' NGO - is given below:

Type of NGO	Relief	Community Development	Sustainable Development
Problem	Shortage	Local inertia	Institutional and policy constraints
Time Frame	Immediate	Project life	Long-term. indefinite
Target Population	Individual of family	Village or neighbourhood	Family, village, region and nation
Chief Actors	NGO	NGO plus community	Community, families and NGO
Management	Logistics	Project	Strategic orientation

Orientation	management	management	
Development Education	Crisis management ("Give a man a fish")	Self-help ("Teach a man to fish")	Self-help and the future (Ensure the man can buy a new fishing rod when old one breaks.)

SOME ISSUES

Compatibility among organizing elements

Ideally the different elements in an organization - technology, tasks and activities, formal structure and arrangements, informal organization, and human resources - work together and support one another. The implementation of programme activities, for example, is facilitated by formal structures that divide and coordinate work, by informal expectations and understandings, and by appropriate energies and skills among the human resources of the agency. When the elements of organization work together, the agency can effectively implement strategies towards realization of its mission.

Often, however, there is tension among organizing elements. In the NGOs, for example, there may be tension between expectations of the informal culture and demands of the formal structure, especially when the agency has a formal structure imposed by external regulations, or adopted without a process that leads to widespread internal acceptance. When informal and formal systems come in conflict, a great deal of talent, energy and time may be spent unproductively.

It is especially important to carefully consider advantages and disadvantages of different organizing elements. NGOs cannot afford to reject tools for organizing, as some have rejected formal hierarchy, without carefully examining how they might be adapted and used to achieve NGO missions. NGOs have enough problems even if they do not give up useful ideas without testing them.

Size and informal organization

Many NGOs start as small organizations of 5 to 10 persons, that organize themselves largely through informal interaction, and division of labour that requires everyone to do a little bit of everything. As a result, all members have an overview of the challenges confronting the NGO, and decisions are made with widespread participation.

When these NGOs are successful, the demand for their work expands ; and they may want to add new services, or extend their services to larger areas. In either case, the size of the NGO grows. When the NGO grows, it invariably experiences difficulty in dividing and coordinating work, for at least two reasons :

- The variety of work presses for more explicit specialization and division of work. Each member may type his/her own correspondence when the volume is three letters a week, but it becomes a big drain on time when

everyone has fifteen letters a week and poor typing skills. It may be better use of resources to hire a secretary to type the letters and free other basic staff to carry out basic tasks. So, the NGO's growth may encourage more specialization for better use of human and other resources.

- As the number of people in an organization grows, the difficulty of making decisions in a participatory process, that includes everyone, increases rapidly. Decisions that can be made easily in a group of six become more difficult in a group of ten and close to impossible in a group of twenty. The sheer volume of relationships to be managed in decision-making in a large group makes participatory decision-making difficult. In addition, everyone may not have access to the same amount of relevant information, and information differences further complicate participatory decision-making in large agencies.

In short, with growth, there is inevitable pressure for more formal organizational mechanisms to guide activity, quite independent of the wishes of the NGO leaders or members.

Hierarchy, Participation, and Equality

Evolving task-roles, as well as statutory requirements, gradually but inevitably, begin to define a hierarchy of authority and responsibility in organizations. Different people, occupying different roles and therefore discharging different functions, may be seen at different layers in the hierarchy : it is not a hierarchy of persons, but a hierarchy of roles, authority, and responsibility. If the director of an NGO has to ensure day-to-day management of the organization, in accordance with the policies laid down by the governing body, then he must possess, and exercise, the necessary authority. Without commensurate authority, it is unfair to hold any role-occupant accountable. Yet, when such a functionary exercises requisite authority, in discharge of allocated responsibility, it is construed as denying participation, and acting superior.

Participation in decision-making is a major issue in many NGOs. Members want to participate in the decisions that affect them and to which they can offer relevant inputs. In small agencies, this often means that all staff participate in all important decisions. In larger agencies, however, staff-wide participation in all important decisions can consume vast amounts of time and energy, and produce low-quality decisions at the end.

It may help to identify different types of decisions in NGOs in order to distinguish appropriate kinds of participation. Decisions can be divided into three broad categories : strategic decisions that govern overall use of resources to accomplish

the mission; administrative decisions that set internal policies and practices; and operational decisions that guide programme activities and priorities.

It is also possible to distinguish forms of participation. Information sharing allows participants to comment on proposed alternatives; consultation asks for inputs in defining problems and identifying alternatives; group decisions ask participants to join in the actual choice of alternatives.

Individual positioning in the organization also affects the extent of participation. Individuals in leadership roles are ordinarily responsible for strategic decisions. While they may want others to provide informational or consultative inputs, participation in the form of group decisions on such issues remains confined to the NGO leadership; since they are the ones who carry accountability for strategy, and have access to relevant information in the normal course.

Administrative and operational decisions have greater impact on most staff, and require their informational inputs. Functional supervisors might carry decision responsibilities for administering their areas, with appropriate input from senior leaders and from area staff. Accordingly, they often play major roles in operational decisions.

The net implication is that participation in decision-making should be decided on two major considerations: the demands of the tasks at hand; and the general value that an NGO places on 'participation'. Where the general value on participation takes precedence over the requirements of tasks, the NGO should understand that effectiveness may be sacrificed in order to preserve widespread participation in decisions.

Participation is not a unidimensional, simple matter. It must be addressed in concrete terms as to who should participate, in what manner, around what issues, for what reason, and with what accountability. Participation has been seen as a vehicle to build commitment and sustain motivation of members of an organization. Therefore, participation has to be so structured that different members of the organization participate in issues relevant to their roles and responsibilities. Unstructured, undefined, free-for-all participation can lead to anarchy and chaos, and become the very anti-thesis of organization: ultimately hurting commitment as well as motivation.

Given the inevitability of hierarchy, the question for NGOs is: how to reduce the negative and alienating consequences of hierarchy in an organization. Consultation, informality, easy access to relevant information, on-going orientation, dialogue, reflection etc. may be suggested as some mechanisms to create a more open, informal, and collegial culture. A well-defined, clearly articulated and broadly

accepted hierarchy is much more functional and effective than a pretention that there is no hierarchy while in reality one exists. This also helps in developing realistic expectations among organization members, and clarifying the multiple roles and responsibilities that different members carry. Questions about hierarchy and participation are usually raised in an organization at a time when mutual trust and confidence begins to falter. Experience shows that participation cannot compensate for lack of trust or faith. Even otherwise, participation and hierarchy are not mutually exclusive. Both can, and do, exist in varying degrees in different organizations.

In this context, it may also help to understand the relevance of a value on "equality". For this purpose, the bases of inequality in an organization need to be examined. All work organizations, NGOs included, exist in a larger socio-economic, cultural and political environment: and they cannot totally isolate themselves from the inequalities existing in the society at large. Besides, members of any organization are unequal on a variety of dimensions: their commitment to the organization's vision, purposes, and ideology; their relative competence, experience, or formal qualifications for the allocated tasks; their skills - conceptual, human, and technical; their capacity to undertake and discharge responsibility; etc.

To equate, or pretend to equate, two persons who are unequal on a variety of dimensions, then becomes an ethical question. Elsewhere, 'equality' has been interpreted in terms of fairness of treatment; which approach commends equity, not equality. Equity implies equality under certain conditions, and equality among unequals is seen as inequitable. The issue of human dignity, of developing a stake in the organization, of promoting consultation and participation in decision-making is much broader than mere debate on equality.

Misguided interpretation of 'equality' has become a source of continuous struggle and tension in several NGOs. There can be a general agreement on making genuine conscious and continuous attempts to reduce the bases of inequality within an NGO, but not on overlooking real inequalities, or by pretending that everybody is equal.

Changing organizations

Reorganizing to deal with changing circumstances is common for many NGOs. It may be particularly important and common for the NGOs, since they are committed to promoting social changes and must alter the very circumstances in which they operate.

Some changes emerge from learning at the operational level. As staff members find that tasks can be accomplished better by redefining roles or renegotiating expectations, or using different approaches, they may introduce changes that alter

operations without any change at the level of strategy or mission. Changes in tasks or human resources will, however, require alterations in structure and culture and vice versa, if the fit among them, necessary for effectiveness, is to be preserved.

Other organizational changes are driven by changes in strategy, or even in the NGO mission. All too often NGOs adopt new missions or strategies, and neglect the consequential organizational changes needed for their implementation.

In changing organizations, the fit among mission, strategy, and organization needs continuous review and rearticulation. As external circumstances change and as organizational capacities evolve, NGOs need to reevaluate the ways they organize and use their resources. Since resources will probably always be in short supply in the voluntary sector, NGOs need to be as productive as possible in using them to carry out NGO missions and strategies.

Ideology, Purpose and Operational Strategy

All NGOs exist for a certain specific purpose, and believe in a particular ideology. The ideology essentially means a unique formulation of why the world is the way it is and how it can be changed. At a broad level, there is considerable consensus and agreement among NGO leaders about the overall purpose for existence of NGOs, and the ideology on which they function. This ideology, invariably reflects in statements like 'social transformation', 'socio-economic upliftment of the poor', 'collective empowerment of the poor and the oppressed', 'organization of and the struggles by the poor themselves', 'peoples' own leadership', etc. However, deeper analysis has revealed considerable differences in understanding and perception within organizations in operationalizing these broad purposes and statements of ideology. For example, in one organization, 'socio-economic transformation and collective empowerment of the poor' was being attempted through a large scale social forestry programme, supported by funds from Government of India and a bilateral donor agency, on lands leased in the name of the NGO. Within the organization, there was a group of individuals who strongly believed that this was total betrayal of the very statement of ideology, and that in fact the ideology implied conscientization, education and organization of the poor, and not undertaking such a programme. If, however, the poor themselves wanted and were capable of undertaking a social forestry programme in their own name, then the NGO could provide them assistance as needed. Major conflicts arose out of these differences in understanding of the operational strategy derived from the same statement of ideology, and almost led to crisis, tension and parting of ways.

Therefore, an important aspect of effective management of NGOs is a simultaneous articulation of the organizational ideology, a set of purposes, and an elaborate operational strategy consistent with the purposes and the ideology. Such an

articulation can promote shared understanding of these critical parameters within the organization as well as outside it.

Multiple Constituencies and Multiple Relationships

There is often a remarkable range of constituencies that an NGO has to relate to. The beneficiaries constitute a main segment: and most NGOs pay a fair amount of attention to the quality of relationship they build with this constituency.

The second important segment that NGOs have to relate with is the one comprising of regulatory agencies: the government and its various functionaries e.g., Registrars of Societies, Charity Commissioners, Labour Commissioners, Income-Tax Authorities, Ministry of Home Affairs, and a host of other agencies. By and large, the tendency is to shy away from these functionaries - to wish that such a relationship did not exist, or was not needed. Very little attention has been paid and very little effort has been made to define the nature and quality of relationship that an NGO should have with this constituency.

A third major constituency, to which NGOs relate, is the donors and resource-providers, both national and foreign. Donors are not a homogenous group, and represent considerable diversity within themselves. As they are critical as regards the necessary financial resources needed for what NGOs must do in order to accomplish their purpose: historically, most NGOs have paid considerable attention to this relationship. This relationship has been somewhat unequal, with most NGOs finding themselves more powerless vis-à-vis the donors.

Then there are the other organized social and political movements: trade unions, political parties, youth organizations, student movements etc. Most NGOs have shied away from relating to these, have wished that there were no need to relate to them, and their general response has been one of withdrawal and distancing. Where they have related, the posture of NGOs to these movements has been of mid of severe hostility. This has, of course, not articulating their position vis-à-vis NGOs.

And finally, there are the other like-minded, similar organizations within the state, country or region. Historically, NGOs have related to each other with tentativeness and apprehension. There have been varying degrees of competitiveness isolation, solidarity and camaraderie across voluntary organizations.

To be productive, NGOs need to define, build and maintain balanced relationships with their multiple constituencies, on an on-going basis. As it happens, most NGOs seem to define themselves exclusively or largely in relation to the local people among whom they work; and it is that relationship that they cherish most, and pay

greatest attention to. There appears a need to recognize the multiple constituencies with which an NGO must relate for optimum organizational effectiveness, and to define a set of principles by which each of these relationships will be conducted. Obviously, these principles can not be identical across constituencies. For example, the principle of mutual trust, equality and solidarity that NGOs normally observe to build their relationship with the local people, may not be functional in relating with all regulatory agencies.

Leadership and Change

By and large, all NGOs are founded by one person, or a small team of persons who provide charismatic leadership in initially defining its vision and mission. In many cases, this person becomes the 'god-father', whose vision and style deeply influence the organization. Experience suggests that most NGOs suffer from a neglect in development of a second line of leadership; and many organizations have faced serious crises when the founder charismatic leader is no longer as effective or as active. In some cases, earnest efforts to decentralize responsibility and delegate authority, or to institutionalize a system of collective leadership after the charismatic leader, have paid rich dividends towards establishing continuity and maintaining vitality within the organization. Instances of drastic changes in leadership are also known where an outside person unconnected with the history of an NGO and not familiar with its mission, people and styles was brought in. Such drafting from outside is reported to have led to considerable tension and strife within the organization. Therefore, deliberate planned efforts are needed to institutionalize a system towards developing colleagues to undertake increasingly higher levels of responsibility.

A related issue concerns an increasing trend among the leadership to spend time, attention, and energy on managing and administering assets, funds, and properties of the NGO, as opposed to its vision and direction; or developing its programmes and people. While management of assets, funds and property can be delegated, and others can acquire the requisite skills; the leader's charisma is best used in aid of the vision and mission, which, are not easy to comprehend.

Organizational change as it affects NGOs, and the manner in which the leadership copes or fails to cope with these changes, is another important issue. Most organizations start small with a small band of committed team; who basically focus on building support with the people, understanding their problems, their conscientization, and organization-building. Many local people become animators and field organizers and also provide leadership to peoples' groups. Over a period of time, on suggestion of the local people, the NGO begins to evolve certain programmes. These programmes imply new tasks for the organizations: which require new knowledge and skills and.. therefore, specially trained professionals.

These new people, with their new skills, and work on the new tasks, create pressure on the organization's cultures to change. These pressures in the life of an NGO generate a variety of conflicting issues, practices, problems and concerns. Thus changes bring with them seeds of conflict, which seems like a common phenomena in the NGOs.

Conflict Management

Based on the foregoing, it becomes clear that management of organizations, NGOs included, is in a sense continuous management of ongoing conflicts. These conflicts emanate from a variety of sources and are of a variety of types. Three broad categories of conflicts may be more relevant to NGOs:

- those arising out of the differences between ideology, and the formal structure as contained in the formal constitution of the organization or as practiced by its leadership. These conflicts arise in situations where (a) there is a change of leadership; or (b) where the practice of the organizations has moved ahead of what is written in the constitution; or practice has not kept pace with it. This is the type of conflict which also becomes accentuated in the event of pressures from regulatory environment. It is in these situations where the ideology, the operational strategy, and programmes seem to disalign from each other, and form the underlying philosophy for which they were created. If, during this period, there is a change of leadership, or new people are inducted in key positions of responsibility, the conflict gets sharpened.
- those arising out of the change process mentioned above where new tasks, new skills, new people, new cultures enter in response to new needs; and previous tasks, previous skills, previous people are still needed and functioning in the organization, but not exclusively or in the same priority. This leads to creation of multiple cultures within the organization, multiple sets of people, multiple aspirations, conflicting pressures between old staff and new staff, between local animators and professionally trained people, between low stipend paid part-time workers and high salary full-time professionals. It is here that the need to evolve systems, procedures and formal institutionalized mechanisms becomes imperative in order to manage and regulate these conflicts. Sheer reliance on the personality of a charismatic leader can not prevent these conflicts from having serious ramifications for the organization.
- those concerning the multiple sets of principles needed to operate NGO relationships with its multiple constituencies, and their impact on the management of NGOs' internal affairs. This is where conflicts between participation and hierarchy, task orientation vs. people orientation, centralization vs. decentralization, delegation vs. control, etc. get expressed. This is also the

arena where the debate on equality-inequality, fairness-unfairness gets generated. These types of conflict can be eased through clear articulation, and firm demonstration, of the perspectives and principles of managing relationships.

Differentiation and Integration

The central process in creating an organization is the division of work, and the subsequent integration of separate, specialized efforts into a product or service that the organization seeks to produce as its output. Careful division of work, by creating different intermediary is perhaps essential to achieve efficiency. Yet, the very process of deploying people to different work, and distinct technologies, leads to their developing different outlooks, values and commitments. In some cases, these differences lead to misperceptions, poor communication, and conflict - all detrimental to effective coordination and integration. In this process, one may also see the roots and the nature of interdepartmental conflict.

Although division of work sets up conditions that can easily lead to conflict and a lack of cooperation, this is not a foregone conclusion. In fact, it is essential for the success of an organization that this does not happen. Successful organizations are known to achieve both a good division of work and successful integration of effort.

When different departments are set up; and their members are committed to their respective subgoals, become skilled in the technologies of their departments, and become motivated to make their units successful - conflict often develops. It usually appears in one or more of the following ways:

- Members of the different departments begin resisting each other's ideas, suggestions, or requests.
- This leads the people, who are meeting resistance, to check out on the resisting departments to find out promptly what they are or are not doing.
- To aid in this, the department encountering resistance often proposes to higher management a system of rules, reports, or procedures to limit the other department's freedom of action.
- In an attempt to maintain as much freedom of action as possible, the department initially resisting the other evades the rules and procedures whenever it can and conceals as much information as it can.
- Both parties start to develop systems of personal contact with other whom, they feel, are likely to help them in their struggle. For example members of one department may make friends with secretaries of another department to get

Organizations are complex social systems composed of multiple subsystems and levels. Analysis of organizations may focus on different subsystems or levels, and their interactions; or different aspects of system functioning within a single subsystem or level; or on both.

Levels of Organization Analysis. Organizational behaviour may be analyzed from the perspective of several basic units of analysis:

- **Person.** Analysis may focus on internal aspects of individuals as explanations of behaviour. Psychological explanations are focused at this level.
- **Group.** A group of individuals may be the center of analytic attention. This level includes interpersonal relations among individuals.
- **Organization.** The organization as a whole may be the focus of analysis. This focus includes intergroup relations between levels and departments.
- **Environment.** The external context of the organization may be the primary concern. This level includes inter-organizational relations and larger economic, political, or social forces that influence the organization.

Aspects of Social System Organization. Different perspectives on organization analysis yield different insights into behaviour:

- **Goals/Leadership.** Analysis may focus on system goals or leading parts. Groups and organizations may have both explicit and implicit goals, formal and informal leaders.
- **Formal Structure.** Analysis may focus on the formal division of labour, the hierarchy of authority, the formal procedures, role definitions, and reward systems that influence system behaviour.
- **Informal Culture.** Behaviour is also constrained and made meaningful by informally determined norms, values, theories, and beliefs that emerge from the interactions of system members.
- **Technology and Physical Arrangements.** The technology by which inputs (raw materials, information, people) are converted to outputs influences behaviour, and the physical settings establish constraints and pressures that further shape activity.

- **Interaction and Activity.** The actual behaviour of system elements is at once shaped and constrained by other aspects; and over time, influences those aspects in turn.

The Combination of Levels and Aspects. Organization analysis typically emphasize some aspects and levels more than others. Several general guidelines are worth remembering.

- Analysis at one level may be enhanced by attention to influence that come from one level higher and one level lower (e.g. understanding organizations is greatly aided by attention to group and environment levels of analysis).
- A focus on one aspect (e.g., structure) can be enhanced by attention to other aspects (e.g., culture, technology, goals) that interact and reinforce or undermine its effects on behaviour.
- Over time, levels and aspects interact with each other in ways that positively or negatively influence efforts to solve problems. Positive influence is more likely if those effects have been foreseen and planned for.
- It is helpful to look at combinations of levels and aspects in diagnosing organizations and planning problem solving interventions.

The 'levels' and 'aspects' can be seen in juxtaposition through a matrix such as the one depicted below :

	Person	Group	Organization	Environment
Goals / Leadership				
Formal Structure				
Informal Structure				
Technology / Physical Arrangements				
Interaction / Activity				

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