Greater than the “Sum of the parts”?

- Paper 1 -

Getting in shape? How to make a large international NGO be more than the sum of its parts?

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Overview of the “Sum of the parts” research series

This paper is the first in a series of research papers that offer reflections and perspectives on the question: Are large international non-governmental organisations (iNGOs) delivering a contribution that is greater than the sum of their parts? In other words, are the economies of scale and scope achieved by an iNGO greater than the implied additional costs of management, coordination, alignment and integration? If in doubt, what is a pragmatic way forward to ensure that iNGOs in fact do deliver such a contribution? And how can these iNGOs maximise the additional value created by being a large global organisation?

This series of papers explores these key questions from five different, though complementary, perspectives. They are intended to provide food for thought, to provide some lenses through which to dissect some of the more important issues; and to offer some suggestions and introduce some potential ideas. However, the authors fully appreciate that each iNGO has its own history, context and direction, which will make the right recommendations different for each situation.

Outline of the five papers

This, the first paper, “Getting in Shape”, looks at the question from the perspective of organisational models, structure, power and decision-making, as well as management process. How can these large organisations operate in a synergistic, cohesive way, and ultimately in a manner that ensures the whole is indeed greater than the sum of the parts?

The second paper, “The core competence of an international NGO”, takes a step back and explores what iNGOs are really good at and what they need to be good at to have the impact they desire.

The third paper in the series is titled “Evolving structures of international NGOs: Is there a right answer?” This paper looks specifically at the issue of structure, and reviews structural options and variants in the context of evolving thinking on this topic over the past century. It reflects on the wisdom emerging from efforts to improve the effectiveness of organisations in the private sector over the past few decades. It looks at the particular complications of international NGOs today, and examines some structural options and variants that might be considered in the future.

In the fourth paper, “Reinventing the international NGO through new technology possibilities”, we explore the possibilities that modern technology provides in rethinking and potentially reinventing the role and contribution of international NGOs, as well as how they work. Can we challenge some of the conventional wisdom around economies of scale and scope, and ways of operating for maximum effect?

The final paper in the series is titled “Strategic planning for international development and relief agencies—reflections and perspectives”. It is intended to help iNGOs get the most out of a strategic planning process and avoid some common pitfalls. The success factors and approach are based on extensive experience of strategic reviews in the private sector as well as hands-on experience doing major strategic reviews for a number of large international development and relief agencies.
Abstract

Paper 1: Getting in shape

This paper is written for senior executives, CEOs, chairs and active board members of large international NGOs (iNGOs) who are concerned about the added value created by the international functions and structures. The paper has, at its core, two simple ideas. The first is that it should indeed be possible for large international NGOs to make a contribution that is far greater than the sum of its parts. That is the good news. The bad news is that there are considerable blockages and challenges to be overcome, that it may take relentless focus, determination and humility over a long period of time to become a truly excellent high-performing international organisation.

This paper seeks to diagnose the context, major issues and challenges. In our analysis, we explore the match of different organisational models with different contexts, paying attention to the tension between the pressures for local responsiveness on the one hand with the benefits of global coordination and integration on the other. We explore degrees of integration for international NGOs across their entire organisation, as well as the location of decision making at different levels. Based on a review of a number of well-known iNGOs, we investigate the shapes and characteristics of the organisational models in the sector, and compare these with equivalent shapes observed in large, established, mature global organisations in the private sector.

Can the whole be more than the sum of its parts? Having reviewed the shapes, structures and important challenges, we have identified twelve important requirements that we believe can help large international NGOs have an impact that is greater than the sum of the parts. A number of these speak directly to the need to move on from what we refer to as the ‘relational’, ‘line of sight’ or ‘command and control’ management approach. The journey towards a more professional, transparent and objective management approach is a unifying theme across many of the requirements.

These requirements are structured into three groupings or themes. The first of these is the theme of programmatic legitimacy, which at its core, means that all programmes that are supported by an agency, either at a local, national or international level, follow a clear and aligned view of good development practice. We draw attention to four aspects of programmatic legitimacy, namely; quality local programmes, alignment around a ‘theory of change’, ruthless clarity and alignment on organisational core competencies and finally capacity, contribution and impact at an international/global level.

The second theme relates to operational maturity, which is centered on the management and enabling processes as well as management capacity and behaviours. Under this theme, we draw attention to the importance of the mindset of “dual citizenship”, the need for selective alignment of essential enabling processes as well as the importance of a single, integrated planning and accountability framework across the entire organization.

The final theme relates to credible leadership and governance. We draw attention to the need for a single, integrated global leadership team, the logic for adopting some form of matrix management approach, though one that is aligned with management and process maturity. We refer to the benefits of a distributed/virtual headquarters. We look in some depth to the challenge of workable regions and put forward the merits of smaller, strategic mini-regions with interlinked contexts and programmes. Finally we make some comments on the issue of ‘North - South’ power balance.
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