WORKING PAPER 6

A Study on Organisational Development

Present

Substantive uncertainty

Intractable uncertainty threshold

Past

Present

Future

Evidence-based policymaking

Intelligence-based policymaking

Structure

Systems

Strategy

Shared values

Skills

Staff

WORKING PAPER 6

A Study on Organisational Development

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Abstract

People often do not know what is meant by 'organisational development' and yet, if they work in international development, it is very likely that they will have been involved in it. Essentially, it is a planned, organisation-wide effort to achieve strategic goals more effectively and efficiently. This report draws on current literature, good practice examples, interviews and case studies on organisational development, to distil useful frameworks and recommendations for future work. It is structured to address the different stages and components of the organisational change process.

Key Messages

- There is a wealth of information and literature available on organisational development. This paper synthesises useful frameworks and best practices for organisations looking to achieve strategic goals more effectively and efficiently.

- Organisational development is complex and requires planning. It is crucial to map the organisational context within which you are hoping to catalyse change.

- There are many models for how to manage the change process. Some of the most helpful include Kotter's Eight-Step Process; General Electric's Change Acceleration Model; McKinsey's 7-S Framework; and the European Centre for Development Policy Management approach.

- To be effective, organisational development needs to include work at both the institutional and individual level.

- There are many monitoring and evaluation techniques for organisational development, including outcome mapping, the 'most significant change' technique, and guidance and checklists developed by the World Bank Institute.

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Abbreviations and Acronyms

5Cs	Five Capabilities
CSIS	Centre for Strategic and International Studies
DFAT	Department of Foreign Affairs and Trade (Australia)
DPME	Department of Planning, Monitoring and Evaluation (South Africa)
ECDPM	European Centre for Development Policy Management
IDRC	International Development Research Centre (Canada)
KSI	Knowledge Sector Initiative
NGO	Non-government Organisation
OD	Organisational Development
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
RAPID	Research and Policy in Development
SMERU	(Formerly) Social Monitoring and Early Response Unit
TAF	The Asia Foundation
WBI	World Bank Institute

Chapter 1
Introduction

1.1 What is Organisational Development?

Organisational development (OD) is defined by practitioners and theorists in different ways, due in part to its complexity. Essentially, it is a deliberately planned, organisation-wide effort to increase an organisation's effectiveness and/or to enable an organisation to achieve its strategic goals. The concept formally emerged in the 1950s (though some theories date back to 1920) and is generally credited to psychologist Kurt Lewin.[1] It encompasses both the theory and practice of planned, systemic change in the attitudes, beliefs and behaviour of employees through long-term training programmes.[2] It is often described as action-oriented.

Typically, it starts with careful organisation-wide diagnosis of the status quo and needs. It is inherently interdisciplinary, drawing upon techniques from the behavioural sciences, predominantly sociology and psychology (including theories of learning, motivation and personality). Emerging related fields include capacity development, systems thinking, complexity thinking, clinical epidemiology and organisational learning.

There is increasing recognition that it is in fact the network of relationships, and the collaboration between organisations and individuals operating in their social, political, cultural and economic contexts, often referred to as 'institutions', that generate real change. This means recognising that OD needs to include work at both the higher 'institutional' and lower 'personal' level to be effective.[3] A useful table which provides an overview of the progression of different approaches to OD activities since the 1950s is included below (Table 1).

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1   Child, J. (2005), *Organisation Contemporary Principles and Practice*, Blackwell Publishing, p.292.

2   Cacioppe, R. and Edwards, M. (2005), *Seeking the Holy Grail of organisational development*, Leadership & organisation Development Journal 2005 26:2, 89-91.

3   Horton, D. (2002), Planning, Implementing and Evaluating Capacity Development, ISNAR Briefing Paper 50.

Table 1: Predecessors of Organisational Development

Term	Decade	Capacity-building approaches
Institution Building	1950s and 1960s	Provide public sector institutions Focus on and design individual functioning organisations Models transplanted from the North Training in Northern universities
Institutional strengthening and development	1960s and 1970s	Shift to strengthening rather than establishing Provide tools to improve performance Focus still on individual organisations and training in the North
Development management and administration	1970s	Reach target groups previously neglected Focus on improving delivery systems and public programmes to reach target groups
Human resource development	1970s and 1980s	Development is about people; emergence of people-centered development Key sectors to target are: education, health and population
New institutionalism	1980s and 1990s	Capacity building broadened to sector level (government, NGO and private) Focus on networks and external environment Attention to shaping national economic behaviour Emergence of issues of sustainability and move away from focus on projects
Capacity development	Late 1980s and 1990s	Reassessment of the notion of technical cooperation (TC) Stressed importance of local ownership and process Participatory approaches as the key Seen as 'the way to do development'
Capacity development/ knowledge networks	2000s	Increased participation in capacity building Emphasis on continuous learning and adaptation Balancing results-based management and long-term sustainability Systems approach and emerging talk of complex systems Emphasis on needs assessment/analysis Spread of ICT-based knowledge networks Increased donor coordination

Sources: As cited in Blagescu and Young (2006)

1.2 Current Organisational Development Approaches in Indonesia

Understanding OD is key to the functions of the Knowledge Sector Initiative (KSI) in Indonesia. KSI is a programme dedicated to achieving different forms of OD in the interest of helping develop quality public policies. KSI works in both the more traditional areas of OD (in its support to research organisations and advocacy institutions) and in much more nuanced and unchartered areas (in its support to government departments and intermediary institutions).

Several approaches to improve OD of research institutes in Indonesia have been applied to date. It is not a new area of inquiry for the country. Support has typically taken three forms: (i) donor support for in-country research projects (including international collaborations, funding for joint research projects between Indonesian and foreign researchers); (ii) secondment of personnel to Indonesian research institutes; and (iii) donor support for local research infrastructure.[4]

A brief outline of key issues already identified is important for the foundations of any study in this area. There are several examples of research institutes that have navigated this. The Social Monitoring and Early Response Unit (SMERU) is one such example. Established in

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4   McCarthy and Ibrahim, (2005), p.20.

1998, today the SMERU Institute ranks among Indonesia's top centres for independent policy research and analysis. An assessment by its first director identified factors accounting for its success, including its commitment to a clear vision statement that could be made operational and measured, and special attention to ensure consistent policies on recruitment, compensation and training.[5] However, without the sustained core funding it has received over the last decade, SMERU would struggle to retain its independence as a sustainable research institute. Even with financial assistance, SMERU will be unable to afford salaries if too many of their staff become qualified with PhDs. It is also unclear what relationship this core funding has had with other OD efforts internally. Although funding to date has undoubtedly assisted with financial stability, it has not necessarily afforded the level of intellectual independence that might be expected.

Few donors provide support that nurtures OD activities. The majority of 'research support' is in the form of commissioning short-term research projects or twinning arrangements with other universities. In commissioning these short-term projects, donors inevitably have their own priorities, which may not align with long-term tailored OD plans, or those of the broader policy-makers and national development goals. As a result, the best researchers are often over committed on projects and do not have the time or availability to mentor other staff or engage in meaningful organisational reforms for their institutes. To date, OD efforts have met with these realities, and in their fragmented and project-based approach have not resulted in building strong knowledge sector institutions.

Significant and flexible donor support (including core funding) coupled with the provision of technical assistance is widely viewed as fundamental to OD efforts. Yet economic, legal, political and institutional constraints on research organisations and universities in Indonesia have meant that these inputs have not led to better knowledge sector

outcomes.[6] Donors and practitioners increasingly recognise these barriers and would benefit from additional support in: (i) diagnosing which organisations to work with; (ii) enabling organisations to better self-diagnose; and (iii) navigating which interventions are most likely to achieve improved results.

OD efforts that have occurred have been disjointed, project-based and unsustainable. There have been some demonstrated measures of success,[7] but these have not been able to address the broader context of the enabling environment or the demand for research by policy-makers.[8] Ultimately, the provision of training and the acquisition of project-based skills do not equate to the 'development of organisational procedures and systems that channel human abilities' that OD involves.[9]

1.3 This Paper

This paper synthesises global literature on OD, draws upon good practice examples from select practitioners and applies it to the work of KSI. It aims to distil from the vast amount of literature (that is often very conceptual) what is most useful to partners of KSI in the sector, and to package it in an accessible way.

The report is structured to address the different stages and components of the organisational change process.

Chapter one assesses current literature and good practice examples on mapping the organisational context in which capacity development takes place. Taking into account that organisation-wide capacity changes are often unpredictable, rarely occurring in linear progression, this chapter also includes an assessment of theories on the emergence of organisational change.

Chapter two looks at undertaking OD interventions. It considers different types of interventions used to facilitate change. This

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5   Sumarto, S. (2011).

6   McCarthy and Ibrahim, (2010).

7   Such as SMERU and the Centre for Strategic and International Studies (CSIS).

8   McCarthy and Ibrahim, (2005), p.21.

9   Horton et al. (2004), p.44.

includes theory and good practice examples on core funding approaches, technical assistance, communities of practice and networks.

Chapter three looks at managing the change process. Drawing on Kotter's eight principles and Rhodes' cross-cultural approaches to building organisational capacity, it covers several overarching theories and frameworks. It also includes an overview of literature on embedding experimental governance structures and building collaboration between government and academia.

Chapter four considers measuring OD. In particular, this chapter considers good practice models for outcome mapping, action learning cycles and significant change techniques.

Chapter five concludes the report with key findings and a summary of how programmes might apply this report to ongoing activities and OD.

The review focused primarily on English-language publications, with an emphasis on recent material. Sources of literature included articles, books, working papers, reviews, reports, strategic plans, documented speeches, blogs and some relevant project documentation. This was complemented by a series of interviews with KSI staff. Interviews sought to understand KSI's current exposure to OD literature and what activities this study would inform. OD specialist Rahmi Yunita, in cooperation with the authors, conducted the case studies. Several interviews were conducted with practitioners in the field. Details are in Annex F.

Chapter 2
Mapping the Organisational Context

Before working on OD activities, an essential first step is to map the organisational context in which the changes you are hoping to catalyse will occur. This means understanding factors that are going to affect your work, what approach you may be subconsciously bringing to the activities, and being able to determine an organisation's 'readiness' to work with you and develop for themselves the required innovations. This can be particularly sensitive if it is a government department that you are hoping to work with. Furthermore, it can help you distinguish between research organisations that are simply agreeing to the programme for the associated funding, and those that are genuinely interested in undertaking a programme of reform. It can help diagnose who and how many people agree with or decide upon the nature of change to come within an organisation, and it can help you identify who to work with in that organisation to lead the change process.

Understanding the organisational context also means understanding that the changes you seek will not necessarily be orderly or linear, and will often be unpredictable and 'emergent'. This first chapter assesses the literature and good practice examples collected on how to map the organisational context within which capacity development and change takes place. This includes theories on organisational readiness, frameworks by authors Kaplan, Richter and Woods, as well as complexity and a systems theory.

This chapter addresses:
- *Know which school of OD you subscribe to.*
- *Do not forget the invisible factors.*
- *Know who to place at the centre of your strategy.*
- *Understand what cultural discrepancies you are working with.*
- *Adjust as you go to changes from complex environments.*
- *Be prepared for failure.*
- *Determine whether the organisation you are planning to work with is ready.*
- *Be prepared for things to happen in fits and bursts.*
- *Know your players and the political context.*

2.1 Know Which School of OD You Subscribe to

Richter describes two main schools of thought on OD from as early as 1920. In her analysis, these schools are divided between 'clocklike' and 'cloudlike' thinking. Clocklike thinking is based on the assumption that organisational change can be planned and implemented through controlled interventions leading to clear pre-set results that are achieved. Cloudlike thinking sees organisations as complex systems with many inter-connecting links between elements within the organisation and the wider society. As a consequence, change is a chaotic process that does not follow a clear strategic path.[10] Appreciating this can help you recognise when others think differently, and navigate their assumptions. OD practitioners should be aware of which school of thought they subscribe to before engaging in activities, and be aware that not everyone will have the same assumptions.

2.2 Do Not Forget the Invisible Factors

Kaplan provides a comprehensive overview of the OD context as six interrelated elements: vision, strategy, culture, structure, skills and material resources.[11] His work emphasises that the challenge for practitioners is to recognise intangible as well as tangible elements. Many OD projects focus on providing the more visible material resources: building skills, improving organisational structures and systems. Kaplan highlights that the invisible elements can be left off the donor priority list, due to their unobservable nature. The equally important OD elements of vision, strategy and cultural values are often overlooked, as well as being harder to measure.

Kaplan also highlights the importance of the complexity of inter-connecting links between these elements and inter-connecting links with contextual influences. He makes the distinction between two schools of OD: the Northern and Southern. The Northern donor or NGO perspective is where capacity is seen as the ability to absorb donor funding, be accountable for how it is spent and manage any donor-funded projects. The Southern perspective is differentiated as southern organisations 'view[ing] themselves as important and viable "organs of civil society", players whose role is to work towards social transformation, redress, a better deal for the marginalised, poverty alleviation and towards parity with respect to the dynamics of power'.

2.3 Know Who You Place at the Centre of Your Strategy

Connected to this, Rhodes and Antoine identify an increasing shift in the focus of OD literature onto the holders of the capacity, rather than those who contribute the capacity. It has historically been easier to analyse what exercises or activities an OD advisor should deliver when working generically with different organisations wanting to improve their effectiveness. It becomes more complicated when the focus is inverted and the question shifts to understanding how to better diagnose the needs of an organisation, and how it grows as a group of individuals in its capabilities. These elements are less observable than a list of training activities to be delivered. They are more time consuming to undertake and tailored to each individual context.[12]

2.4 Understand Cultural Discrepancies You are Working With

Cultural values have an impact on several elements of OD interventions, including: the way change occurs, perceptions about whether change is needed, perceptions about leadership and ownership, perceptions about risk and uncertainty, perceptions about relationships and partnerships, and perceptions of what success looks like. Rhodes and Antoine identify eight key dimensions that should be be mapped out before an OD activity is undertaken:

1. Power distance
2. Uncertainty avoidance

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10 Ingrid Richter (2010), in: Ubels, J., Acquaye-Baddoo, N.A. and Fowler, A. (2010), pp.101-115.

11 Kaplan, A. (1999), pp.10-12.

12 Rhodes and Antoine (2013), p.4.

3. Humane orientation
4. Individualism collectivism
5. Assertiveness
6. Gender egalitarianism
7. Future orientation
8. Performance orientation

This list provides a starting point for discussions between people from different cultural contexts working on OD activities, to help determine what is important to that activity and how different their approaches are. Rhodes and Antoine recommend mapping the discrepancies across the dimensions on a spectrum (visually 'plotting' them) to help clarify different OD expectations.

knowledge and understanding of how to respond and adapt to the uncertainties and demands of a changing knowledge sector in Indonesia. This builds on the idea that the ability of organisations to manage and survive change is becoming increasingly important in an environment where competition and globalisation of markets are ever-intensifying.[13]

A systems theory is a concept that originated from biology, economics and engineering. It explores principles and laws that can be generalised across various systems. A closed systems approach considers the external environment (and an organisation's interaction with it) to be inconsequential. An open systems approach views an organisation's interaction

Figure 1: Plotting Cultural Differences

Low power distance	X	Y	High power distance
Low power distance	X	Y	High power distance
Low humane orientation	X	Y	High humane orientation
Low uncertainly avoidance	X	Y	High uncertainly avoidance
High assertiveness	X	Y	Low assertiveness
High future orientation	X	Y	Low future orientation
High performance orientation	X	Y	Low performance orientation
High gender egalitarianism	X	Y	Low gender egalitarianism

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Source: Rhodes and Antoine (2013), p.45.

2.5 Be Prepared to Adjust as You Go to Changes from Complex Environments

Systems and complexity theories are two valuable perspectives that can equip organisational leaders with the requisite

with the external environment as vital for organisational survival and success.[14] Systems

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13 Cao, G. and McHugh, M. (2005), p.475.

14 Amagoh, F. (2008).

theory considers the input-throughput-output component and interactions, both within themselves and with the external environment. This means that the elements of purpose, people, structure, techniques and information must be closely coordinated and integrated by the governance or management structures to maximise value for the organisation. To translate this to a more practical setting, Woods et al. (2010) describe internal changes as relating to organisational structures, processes and human resource requirements, whereas external changes involve government legislation, competitor movements and customer demand. Essential to this theory is insisting that any OD activities be closely linked to (and help inform) shifts occurring in the enabling environment.

Complexity is defined as the measure of heterogeneity or diversity in internal and environmental factors, such as departments, customers, suppliers, socio-politics and technology.[15] Complexity theory focuses on how parts at a micro level in a complex system affect emergent behaviour and overall outcome at the macro level. An essential feature of the complexity theory paradigm is the concept of complex adaptive systems (CAS). These are systems that absorb information from their environment and create stores of knowledge that can aid action.[16] They are helpful ways of delivering OD efforts in changing and complex environments. Essentially, if you are going into an environment where you will have to deal with change and unpredictability, then from the outset, you should try to build in flexibility to reassess your engagement strategy as you go, and not plan too many set, concrete activities in your theory of change.

Table 2: Comparison of Assumptions when Taking Complexity into Account

Aspect	Traditional planning approaches	Complex adaptive systems
Source of direction	Often top down with inputs from partners	Depends on connections between the system agents
Objectives	Clear goals and structures	Emerging goals, plans and structures
Diversity	Values consensus	Expects tension and conflict
Role of variables	Few variables determine the outcome	Innumerable variables determine the outcomes
Focus of attention	The whole is equal to the sum of the parts	The whole is different than the sum of the parts
Sense of the structure	Hierarchical	Interconnected web
Relationships	Important and directive	Determinant and empowering
Shadow system	Try to ignore or weaken	Accept that most mental models, legitimacy and motivation for action comes out of this source
Measures of success	Efficiency and reliability are measures of value	Responsiveness to the environment is the measure of value
Paradox	Ignore or choose	Accept and work with paradox, counter-forces and tension
View on planning	Individual or system behaviour is knowable, predictable and controllable	Individual and system behaviour is unknowable, unpredictable and uncontrollable
Attitude to diversity and conflict	Drive for shared understanding and consensus	Diverse knowledge and particular viewpoints

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15 Mason, R. (2007), p.10.

16 Mason, R. (2007), p.18.

Leadership	Strategy formulator and heroic leader	Facilitative and catalytic
Nature of direction	Control and direction from the top	Self-organisation emerging from the bottom
Control	Designed up front and then imposed from the centre	Gained through adaptation and self-organisation
History	Can be engineered in the present	Path dependent
External interventions	Direct	Indirect and helps create the conditions for emergence
Vision and planning	Detailed design and prediction. Need to be explicit, clear and measurable	A few simple explicit rules and some minimum specifications, however, leading to a strategy that is complex but implicit
Point of intervention	Designed for large, integrated interventions	Where opportunities for change present themselves
Reaction to uncertainty	Try to control	Work with uncertainty
Effectiveness	Defines success as closing the gap with a preferred future	Defines success as fitting with the environment

Source: Adapted from Baser and Morgan (2008)[17]

2.6 Failures Happen so Expect Them More Often Than Not

Reports into change management efforts in 2007 indicated that as few as 10-30% of formally researched interventions were successful.[18] This is a very low rate, however authors qualify that the managers in charge of these OD interventions began with high expectations. Woods et al. (2010) explain that often a 'performance gap' is identified by stakeholders at the beginning of an OD intervention. This is where staff and managers map a desire to move from one less desired state to another. Often these performance gaps are unrealistically large. This can partially account for the low success rates.

2.7 Determine Organisational Readiness

Organisational readiness is a relatively new area of OD literature that has emerged in the last decade.[19] As its title suggests, it helps determine how ready the organisation you are planning to work with is to implement a programme of OD. Rather than a binary question of whether an organisation is ready or not, it is about 'how ready' it is along a spectrum.[20] It allows you to systematically determine to what extent the organisation has the right conditions and resources in place to support the envisaged change process. Drawing upon a variety of theories and literature from psychology, sociology, anthropology, marketing and epidemiology, the key authors have developed a checklist.[21]

This is especially relevant, not just to protect investments in research organisations that will otherwise be less effective, but also to protect politically sensitive relationships. Working with government departments to help determine their policy-making needs and areas for development is sensitive and highly political. The openness to working with a donor to determine these potentially very private and powerful needs can vary. This can mean it is even more difficult to ascertain organisational readiness, yet perhaps more important to do so.

17 Baser, H. and Morgan, P. (2008).

18 Figures range from 10% of OD undertakings being successful, quoted by Oakland, J. S. & Tanner, S. (2007), *Successful change management*, Total Quality Management, 18 (1-2), pp.1-19, or up to 30% being successful, according to Kotter International http://www.kotterinternational.com/the-8-step-process-for-leading-change/.

19 Cumming T. and Worley, C. (2009).

20 Cawsey, T., Deszca, G. and Ingols, C. (2012).

21 WBI (2012), Guide to Evaluating Capacity Development Results.

2.7.1 The Basics of Organisaţional Readiness

How ready is the organisation (whether a supply-side, intermediary or demand-side organisation) to undertake OD efforts? Does it understand why change is necessary? Readiness can be defined as 'having the right conditions and resources in place to support the change process; having a clear vision and objectives for the intended change; having the motivation and attitudes to engage with the change and make it work'.[22] In any context, OD activities are about changing the way things are currently done. A helpful way of considering readiness is as one of three sides of a triangle. One side is your context and readiness assessment, the second side contains the activities you are going to undertake (the OD intervention) and the third is how you are going to manage the change process. All of these are reinforcing and interlinked;[23] where one changes, you readjust the others. It is important that practitioners and donors approaching this work understand whether the whole system, and any or all of the elements within it, are ready. A change readiness assessment analyses the preparedness of attitudes, conditions and resources at all levels in a system.[24]

2.7.2 Aṭţiţudes

An assessment of the political economy for change can be very helpful before any OD project, including the vision of a different future and the commitment to achieving it.[25] This requires mapping whether there is a vision of change, political will, understanding who are the blockers and enablers, and whether senior management has committed to sponsoring change. It is not always obvious to members of an organisation that change is necessary (and not everyone may agree). At the organisational level, it requires understanding the political economy for change, including the culture and motivation of the organisations in the sector and associated networks. At the individual level, it assesses the attitude of key stakeholders.

2.7.3 Condiţions

An assessment of the laws, structures and systems necessary to mandate, support and manage change can be undertaken. This requires mapping the alignment of stakeholder goals to the development goal, the scope of change, and the supporting legislation/politics/strategies. At the institutional level, it requires assessing what laws, policies, structures and systems are already in place; what mandates, governance, structures and systems of individual organisations exist. At the individual level, it involves an understanding of job descriptions and conditions of service.

2.7.4 Resources

An assessment can be done of the human, physical and financial resources needed to support or facilitate change. This requires mapping what organisational tools are already in place to help plan, execute and monitor change, whether staff are appropriately skilled and whether resources will be available for the change itself.

More advanced considerations

If a programme wants to apply this beyond the three areas of attitudes, conditions and resources, there is more advanced information available. More detailed conditions for assessing organisational readiness have been detailed by Greenhalgh et al. (2004), and their framework is provided below (Figure 2). Greenhalgh et al. have looked into the conditions that impact upon an organisation's readiness to cooperate and have listed several findings. These are factors that a programme could adopt, almost as a checklist across the organisations that they plan to work with, and to assess the likely uptake of interventions being planned through its funding. The findings of Greenhalgh et al. on how OD efforts (or 'innovations' in government departments) are best taken up, include:

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22   LenCD, (2012).

23   Dichter, S., Gagnon, C. and Alexander A. (1993).

24   LenCD, (2012).

25   Bossuyt, J., Shaxon, L. and Datta, A. (2014).

- **Innovation rates will vary**: Individual people adopt different innovations and then spread them at different rates to other individuals.
- **It pays to demonstrate advantage**: OD efforts that have a clear, unambiguous advantage in either effectiveness or cost-effectiveness are more easily adopted and implemented.
- **Ensure there is a value fit**: OD innovations that are compatible with the intended adopter's values, norms and perceived needs are more readily adopted.
- **Complexity has a negative impact**: Innovations that are perceived by key players as simple to use are more easily adopted.
- **Being able to trial an innovation helps with uptake**: Innovations with which the intended users can experiment on a limited basis are adopted and assimilated more easily.
- **Being able to observe helps with uptake**: If the benefits of an innovation are visible to intended adopters, it will be adopted more easily.
- **Reinvention leads to higher adoption rates**: If potential adopters can adapt, refine or otherwise modify the innovation to suit their own needs, it will be adopted more easily.
- **Risk leads to less uptake**: If the innovation carries a high degree of uncertainty of outcome that the individual perceives as personally risky, it is less likely to be adopted.
- **Task relevance can be used to strengthen uptake**: If the OD effort is relevant to the performance of the intended user's work and if it improves task performance, it will be adopted more easily. Innovations to enhance task relevance improve the chances of successful adoption.
- **Knowledge required to use the innovation matters**: If the knowledge required for the OD effort can be codified and transferred from one context to another, it will be adopted more easily.
- **Augmentation/support helps with uptake**: If technology is supplied as an 'augmented product' the innovation is more likely to be taken up.

The literature also lists eight attributes of change agents (people you can identify within organisations or government departments) to conduct OD efforts and the adoption process. 'Change agents' are defined by Woods et al. (2010) as the people or groups who will take responsibility for the change of behaviours and existing patterns in a supportive manner. These attributes can be useful in terms of identifying actors within organisations to work on activities. The recommended attributes are:

- Understanding the longer-term meaning: the meaning of the OD activity for the intended adopter has a powerful influence on the adoption decision.
- Concerns during Early Use: successful adoption is more likely if the intended adopters have continuing access to information and are able to raise their concerns regularly.
- Concerns of Established Users: successful adoption is more likely if adequate feedback is provided to the intended adopters about the consequences of adoption.
- Homophily: the adoption of OD activities by individuals is more likely if they have similar socioeconomic, educational, professional and cultural backgrounds.
- Opinion leaders: some people have a particular influence on the beliefs and actions of their colleagues.
- Champions: the adoption of an innovation by individuals in an organisation is more likely if key individuals are willing to support the innovation in their social networks.
- Absorptive Capacity for New Knowledge: an organisation that is systematically

able to identify, capture, interpret, share, reframe and recodify new knowledge will be more conducive to undertaking OD efforts; to link it with its own existing knowledge base.

2.7.5 Know What Role the Organisation Plays, Plans to Play or Should Play

Several research and advocacy organisations that produce research aiming to influence policy have a lot of overlap in their functions. Even units within government may not be 'demand' actors, but actually playing a supply or intermediary role (such as *balitbangs*). As an example, Shaxson et al. (2012) note that intermediary structural models can include organisations that sit outside government (universities and think tanks, for instance), those that are inside government (evidence, policy and strategy units) and those that exist in between (commissions and advisory councils).[26]

Identifying the function of the organisation you plan to work with is challenging. One of the most comprehensive explanations is the K-Star framework (Figure 2), which lists the activities across a spectrum from an information intermediary (providing information to others), through to translating knowledge, brokering knowledge and even to brokering innovation in a sector.[27] However, even with this explanation, Jones et al. (2012) expand on the K-Star framework below to include matchmaking functions.

The principal concepts of intermediary roles are listed as 'knowledge brokering', 'intermediary' and 'boundary workers'.[28] These influence the kind of behavioural changes to which the OD activities will be tailored. Essentially, the core set of personal brokering skills required to be an effective intermediary actor include: personal attributes, evidence gathering skills, critical appraisal skills, communication skills and

Figure 2: Knowledge Functions in Evidence-based Policy-making

Informational functions --------------- Relational functions ------------------ Systems functions

Information intermediary | Knowledge translator | Knowledge broker | Innovation broker

Enabling access to information from one or more sources | Helping people make sense of and apply information | Improving knowledge use in decision-making: fostering the co-production of knowledge | Influence the wider context to reduce transaction costs & facilitate innovation

Linear dissemination of knowledge from producer to user ------------------> *Co-production of knowledge, social learning & innovation*

Source: Shaxson (2012) Available at: www.preventionweb.net/files/workspace/33381_knowledgebrokerin-gandintermediaryco.pdf

27 Shaxson, (2012).

28 Fisher and Kunaratnam, (2007); Jones et al. (2009a); Micaels, (2006); Thompson et al. (2006); Ward et al. (2009).

26 Datta, (2013).

mediation skills. Being both embedded and cross-sectoral helps intermediaries to be proactive, not merely to respond to change.[29]

2.8 Be Prepared for OD Changes to Occur in Fits and Bursts. If Your Plans are Linear, They May Not Fit the Reality

The uncertain and emergent nature of capacity suggests that its development will rarely be linear or predictable and is therefore difficult to plan comprehensively from the outset.[30] Capacity shifts may occur directly after periods of training, or take some time to emerge after being consolidated and applied back in the workplace. They will not occur across a group of staff in an organisation at the same time. Requiring capacity to be assessed against predetermined outcomes deflects attention from the changing nature of capacity, which should be constantly re-evaluated to focus on its tangible, behavioural and attitudinal dimensions. Time and experience working in the delivery of OD activities leads practitioners to understand that a defined approach to capacity, that does not deviate, is unrealistic. It is therefore critical to include active observation and responsiveness in the process so that OD interventions can be navigated while taking changing contexts into account at every stage. Different components in the process will interact in different ways. They will differ in productivity and resilience, thus capacity development must evolve over time to fit the reality it faces.[31] This subject will be addressed further under Chapters 4 and 5 (Managing the change process and Measuring and evaluating organisational development).

2.9 Acknowledge that OD is Political and Understanding the Context is Critical

OD is described by several authors as inherently political.[32] By engaging people in activities to improve their technical capacity, ability to operate effectively and promote their work, you are influencing the political landscape in which they operate. Much of the OD literature references the importance of strong capacity building efforts, going beyond the provision of technical skills and focusing on the need to build more effective and dynamic relationships between actors. Practitioners need to be aware of what types of power are in play, where they are located and how they are applied.[33]

OD interventions often go wrong simply because the context is not well understood.[34] To combat this, it is important to take the time to complete more nuanced planning of OD interventions, which then focus on developing systems that can adapt to changing and complex environments.

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29 Campbell, (2011); Brinkerhoff and Goldsmith, (1992); Johnson and Wilson, (1999).
30 Datta, A., Shaxson, L. and Pellini, A. (2012).

31 Folke et al. (2002).
32 Datta A., Shaxson L. and Pellini A. (2012).
33 Fowler and Ubels, (2010).
34 Woodhill, (2010).

Chapter 3
Undertaking Organisational Development Interventions

This chapter considers what types of OD interventions can be undertaken, and some of their interplay and merits. It is widely recognised that capacity is a multi-faceted phenomenon. It is based on different capabilities that interact to shape the overall ability of an organisation to operate more effectively. Capabilities can vary enormously within and between types of organisations.[35] Generalisations should be made with great care, placing most trust in those who have experience working with an institution already. Of the generalisations that can be made, authors state that to invest in effective OD, practitioners need to promote ownership and responsibility of OD strategies. Doing this requires delivering long-term and flexible support; considering different funding modalities; assessing recipients' readiness to learn or change; and encouraging high levels of rigour.[36]

This chapter addresses theory and good practice examples on OD interventions. This includes core funding approaches, technical assistance, communities of practice, networks, and how this support can be delivered. The theories and literature considered include Ubels, Datta, McCray, Watson and Jakob, and what it is about particular innovations that facilitate their diffusion. It also draws on the pre-selection considerations that programmes may like to consider in their work. Question addressed in this chapter include:

- *What are the different types of OD activities?*
- *Should you apply one type of OD activity or several?*
- *How should core funding be delivered?*
- *How many staff should be involved in OD activities?*
- *How can you integrate a group of organisations undertaking similar OD activities?*
- *How do you ensure that OD activities have a real knowledge-to-policy focus?*
- *How do you ensure that OD activities diffuse effectively across the organisation?*
- *How do you select the best organisations to work with?*

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35   Fowler and Ubels, (2010).

36   Datta A., Shaxson L. and Pellini A. (2012).

3.1 What are the Different Types of OD Activities?

Datta et al. (2012) list a variety of activities that any OD approach can draw upon. These include: core funding, technical assistance (on topics like research methods, advocacy training, writing skills, management activities and IT literacy), mentoring, twinning arrangements with other institutions, scholarships, fellowships and participation in knowledge exchange forums.[37] However, there is no exhaustive list of OD activities, given the range of organisations and their range of individual needs.

The Asia Foundation produced a very helpful category system for OD activities. It divided them into: (i) technical capacity (to assist organisations with their core function, for think tanks this was production of research); (ii) advocacy capacity (their ability to communicate and translate their research to key stakeholders); and (iii) organisational capacity (the administrative and corporate systems that enable an organisation to function more effectively, such as human resources).

3.2 Should You Apply One Type of OD Activity or Several?

Ubels advocates using mixed-method approaches for OD efforts. He identifies a move away from strict control-oriented planning and monitoring, towards nuanced plans. In 2010, he suggested choosing approaches that are making a difference in similar contexts; to adopt forms of support that do not apply a single method rigidly but rather seek to combine different approaches as required for effective local change; and to promote longer or periodic engagements to support concrete change and application in a responsive manner.

Datta and Rodriquez find that donors usually instigate a mix of intervention activities. Typical mixes include:[38]

- Core funding managed by the grantee to support whole-of-organisation activities.
- Technical assistance.

- Grants for specific projects.
- Programme funding for a specific set of projects over the medium to long term.
- Mentoring for individual and team facilitation.
- Knowledge exchange forums.
- Collaborative work between national and international entities.
- Scholarships and fellowships for individuals.

3.3 How Should Core Funding be Delivered?

A summary of the literature on core funding suggests that it needs to be long term, systematic yet flexible, and rooted in local ownership. This is no easy task and these elements need to be broken down into more useful detail. The majority of core funding is broken down into three tiers of support: (i) sustainability funding; (ii) development funding; and (iii) seed funding – incubating and supporting of new ideas. The first tier refers to funds that partially underwrite the grantee's payroll, administrative, technical and other core expenses. This is essentially general budget support that helps a research organisation to operate.[39] Development funding refers to the funds spent on developing the capacity of employees and improvements in the supply organisations' research infrastructure or methodological improvement. Buldioski states that beyond issue-related competencies, 'diligent donors will also include support for building or improving think tanks' communication capacity, management practices, and governance'.[40]

The third tier refers to funding that is directly spent on policy research. Sometimes this can serve as match-funding (where other donors require supply organisations to make a contribution), though largely it is used for supporting pieces of research or carrying out activities that the organisation believes are important but would otherwise go unfunded. These are usually ideas that are more cutting

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37   Datta et al. (2012).

38   Datta, A. & Rodriquez, D. (2013).

39   Buldioski, G. (2013), p.11, In Hind, J. (2013).

40   Buldioski, G. (2013), p.11.

edge (perhaps not yet attractive to other donors or the general market for research), are helping develop their expertise in a new area, or that the grantee prefers to pilot carefully or design further before scaling up.

3.3.1 Donor-Related Factors

There are a number of key donor-related factors that are used to determine the success of core and institutional grants. Authors claim that success is more likely when a donor is able to:[41]

- Critically assess when to apply a light-touch management style (with more mature supply organisations) or a hands-on approach (with supply organisations that need advice as well as funding).
- Determine if the support is allowing a supply organisation to be sustainable or subsidised. For example, the Think Tank Fund has found its work has allowed several donors to 'free ride' on its core funding support. This occurs particularly when donors do not pay overheads or administrative expenses, but only the direct costs of the research.[42]
- Detect whether grantees are genuinely concerned with and work towards improving themselves through OD, or are simply seeking funding.
- Encourage more mature supply-side organisations to seek a diversity of funding streams, for longer-term flexibility and sustainability.[43]

3.3.2 Engaged Grant Making

Core funding works well when administered in a way that is supportive and facilitative, with relationships of trust that can be time-consuming to develop but may benefit long-term projects.[44] This approach includes funding allocations that are self-determined by the recipients through a method known as 'engaged grant making'.[45]

3.3.3 Critical Friend Concept

Provision of core funding is through a relationship with a 'critical friend' who, as well as funding, provides advice and understands the context, pressures, goals and aspirations.

'A trusted person who asks provocative questions, provides data to be examined through another lens, and offers critiques of a person's work as a friend. A critical friend takes the time to fully understand the context of the work presented and the outcomes that the person or group is working toward. The friend is an advocate for the success of that work.'[46]

The role of a critical friend encompasses match making and brokering with other organisations.[47] This will occur particularly as these supply organisations are matched with intermediary and demand activities under broader work.

3.3.4 Setting Activities Pursued Through Core Funding

Several authors have commented that results in OD efforts through core funding are a delicate balance of donors knowing when to direct activities and when to allow organisations to self-determine.[48] Most agree that activities are more effective and demonstrate better results when the donors are able to step back and allow organisations to lead the selection of activities, within reasonable development priorities. Their knowledge of the context, what has worked in the past (or has not worked) and collective imagination (where a community of practice can be established) leads to better results.[49]

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41   Buldioski, G. (2013), p.12.

42   www.onthinktanks.org/2012/11/30/capacity-building-for-think-tanks-advice-from-goran-buldioski/

43   Jakob, L. (2014).

44   Unwin, J. (2005).

45   Sciortino, R. (2010).

46   Costa, A. and Kallick, B. (1993), pp.49-51 (quote, p.50).

47   Kember, D., Tak-Shing, H., Bick-Har, L., Lee, A., Ng, S., Yan, L. and Yum, C.K. (1997), pp.463-481.

48   McCray, J. (2011).

49   Watson, D. (2006).

3.3.5 Diversity of Funders

Many research organisations rely heavily on one or two major donors for their funding. Where it is possible to diversify funding sources, several authors state that this can be beneficial to research organisations. Bennett et al. (2012), McGann (2009) and Struyk (2002) encourage the pursuit of private and philanthropic sectors. Diversification of funding enables recipient organisations to adapt to changing donor trends over time, thus helping to better manage their risk and develop new fundraising skills.[50] It can also allow them more independence in their activities and research agenda as they balance a portfolio of funders, rather than being responsive to just one.[51] However, it has been noted that while the availability of funding is important, often it is not the only determining factor. In some cases it is 'the constraints imposed by the weak institutional capacity and lack of critical mass of most institutions'.[52] This is where the diagnostic and follow-up work of the enabling environment to free up funding and regulatory constraints will be so important for the supply component.

3.3.6 Sustained Funding Over the Long Term

Most authors agree that the project-based, short-term funding provided by many aid agencies actually undermines the OD efforts of most research organisations.[53] Any funding should be provided for the longer term (authors vary, but most recommend more than two years), with strategic planning that reflects this timeframe to enable any longstanding and cohesive OD efforts to take shape within an organisation.[54] The nature of OD efforts, which goes to the heart of how an organisation operates, conducts research, networks with external organisations and builds its reputation, are all medium- to long-term undertakings. The OD literature also recommends that repeated engagement between communities of practice to self-diagnose and prescribe their OD efforts can lead to more successful OD programmes.[55] This requires longer-term support to allow research organisations the time to improve their ability to do this, and to form a real community of practice built on trust and open engagement (which is unlikely to occur in a brief one-year project timeframe). The need to experiment over time, monitor their own progress, report back and self-assess are all medium- to longer-term undertakings.[56]

3.4 How Many Staff Should be Involved in OD Efforts?

As well as an external environment that is conducive to change, authors like Horton (2002) emphasise the importance of having senior managers who provide leadership for institutional change, along with a critical mass of staff members involved in, and committed to, the change process. The best way to achieve this is through comprehensive and unrushed initial diagnosis of the organisation that is well socialised throughout the research organisation. This helps align the majority of staff as they understand what is happening and why. Furthermore, when done well, the creation of communities of practice can help reinforce staff commitment to OD activities.

3.5 How Can You Integrate a Group of Organisations Undertaking Similar OD Activities?

Etienne Wenger and Jean Lave coined the term 'community of practice' in the 1990s to describe 'a group of people who share a concern,

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50 Jakob, L. (2014).

51 These recommendations need to be considered in the Indonesian context and the relatively low level of available philanthropic funds for research. A staggered approach to pursuing this option may be wise, once KSI has had the opportunity to develop this through enabling environment activities and not overstretch research organisations' activities (detracting from their ability to deliver high quality research and conduct other OD activities under the programme). Perhaps it would be best in the second or third stage of the KSI programme.

52 Block, M.A.G. and Mills, A. (2003), p.19.

53 Nakabugo, M. et al. (2010), pp.89-98.

54 Mendizabal et al. (2011); Lim et al. (2001); Shaxson et al. (2012).

55 Lim, W., Nishio, A. and Otoo, S. (2001).

56 Andrews, M., Pritchett, L. and Woolcock, M. (2012).

a set of problems or a passion about a topic, and who deepen their knowledge and expertise by interacting on an ongoing basis'.[57] They are a useful way of bringing together organisations undertaking OD activities to learn from one another.

Communities of practice are characterised by mutual learning, shared practice and the joint exploration of ideas. They are distinct from other kinds of groups, such as project teams or working groups, in that they are self-selecting, often voluntary and have fluid goals around learning rather than management objectives. Those members involved will adopt new ideas and spread new knowledge with a focus on implementation, rather than just theory. They often embrace an ongoing cycle of learning and doing together. Because communities of practice are characterised as a 'community', they are seen to create trusted relationships for the exchange and practice of ideas. At their best, communities of practice are naturally self-incentivising.[58]

Communities of practice come in a variety of shapes and sizes for different purposes and functions. Some of the differences include membership composition (homogenous versus diverse), formality (structured and formal versus unstructured and informal), dispersion (distributed versus centralised), location (within organisations or across organisations) and focus (broad and far-reaching versus closely defined).[59] Size and membership is not constrained by geography (thanks to the internet and online platforms), but rather by the amount of time that people can devote to them. Given that the cost of entry into online communities is now very low, many people can join more than one community of practice (and are sometimes members of four or five online communities). This can detract from their ability to meaningfully contribute.

Hearn and White state that the key is to foster rather than try to control communities of practice. Given that the focus of a community of practice is on learning, not fulfilling set tasks, they will thrive when members find them valuable and are motivated to participate. Objectives and goals, if helpful, can be set by the members and should remain fluid, with the focus on group learning that can have a real impact on their work, rather than simply fulfilling tasks. Controlling communities of practice can often stifle them, whereas they need support and resources. Managing one should include helping members to secure dedicated time in their schedules, a room in which to meet, technology support and a simple 'thank you' for their contributions. It is important to help them move their ideas into wider practice and to give them feedback and challenges that might be stimulating.

3.6 How Do You Ensure that OD Activities Diffuse Effectively Across the Organisation?

When implementing OD activities it can be hard to know what impacts upon their likely diffusion, or spread, into the organisation. There is a spectrum of activities that are best described as falling between 'letting it happen' and 'making it happen'. Knowing where to fall on this spectrum is complicated. Greenhalgh et al. (2004) analysed this in great detail. There are four approaches to facilitate the diffusion of the implementation of OD activities within an organisation: first, the passive spread; second, dissemination in the form of active and planned efforts to persuade target groups to adopt an innovation; third, implementation, the active and planned efforts that are made to mainstream an innovation within a particular organisation; and finally, sustainability, the process of making a certain innovation into a routine until it reaches obsolescence. The final approach must be taken carefully, as a sustained innovation can mean that an organisation is not willing to undertake additional innovations. Greenhalgh et al. undertook a comprehensive meta-narrative review to analyse each stage of this process in a number of case studies. They found that there

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57 Hearn, S. and White, N. (2009).

58 Wenger, E. (1998).

59 Hearn, S. and White, N. (2009).

were a number of different conceptual and theoretical bases for the spread of innovation (Figure 3 below).

adoption. Second, innovations are more readily adopted if they are compatible with the intended organisation's values, norms and needs. Third,

Figure 3: Diffusion of OD Activities

"Let it happen" ←——————— *"Help it happen"* ———————→ *"Make it happen"*

Defining Features

| Unpredictable, unprogrammed, uncertain, emergent, adaptive, self-organizing | Negotiated, influenced, enabled | Scientific, orderly, planned, regulated, programmed, systems "properly managed" |

Assumed Mechanism

| Natural, emergent | Social | Technical | Managerial |

Metaplan for Spread

| Emergence, adaption | Knowledge construction, making sense | Diffusion | Negotiation | Knowledge transfer | Dissemination cascading | Re-engineering |

Source: Greenhalgh, T., Glenn, R. and Bate, P. (2004)

Essentially, the approach you take depends upon the type of activity you are implementing and how straightforward it is, in combination with how it fits with that organisation's values and how malleable it is. This builds upon the work of determining organisational readiness in Chapter 1. Each organisation and every individual adopt different innovations and spread them at varying rates. As such it is difficult and complex to formulate a unifying conceptual model for the diffusion of innovations in OD. However, there are a number of key features that lead to successful innovations. First, innovations that have a clear, unambiguous advantage either in their effectiveness or cost-effectiveness are easier to adopt and implement. However, it must be noted that relative advantage, while making it easier to facilitate implementation, does not guarantee widespread

innovations that are believed to play a key role through perceived complexity and with which intended users can experiment are adopted and assimilated more easily. Other important characteristics of successful innovations are whether their benefits are recognised, if they can be modified by potential adopters, if they carry a low degree of uncertainty and risk, if the knowledge required to implement them can be transferred from one context to another and if they are relevant to the performance of the intended user's work.

By synthesising their theoretical and empirical findings, Greenhalgh et al. (2004) have formulated a conceptual model for considering the determinants of diffusion, dissemination and implementation of innovations (Figure 4 below).

Figure 4: Conceptual Model for Diffusion, Dissemination and Implementation Innovations

SYSTEM ANTECEDENTS FOR INNOVATION

Structure
- Size/maturity
- Formalization
- Differentiation
- Decentralization
- Slack resources

Absorptive capacity for new knowledge
- Preexisting knowledge/skills base
- Ability to find, interpret, recodify, and integrate new knowledge
- Enablement of knowledge sharing via inernal and external networks

Receptive context for change
- Leadership and vision
- Good managerial relations
- Risk-tasking climate
- Clear goals and priorities
- High-quality data capture

THE INNOVATION
- Relative advantage
- Compatibility
- Low complexity
- Trialability
- Observability
- Potential for reinvention
- Fuzzy boundaries
- Risk
- Task issues
- Nature of knowledge required (tacit/explicit)
- Technical support

COMMUNICATION AND INFLUENCE

DIFFUSION
(informal, unplanned)
- Social networks
- Homophily
- Peer opinion
- Marketing
- Expert opinion
- Champions
- Boundary spanners
- Change agents

DISSEMINATION
(formal, planned)

OUTER CONTEXT
- Sociopolitical climate
- Incentives and mandates
- Interorganizational norm-setting and networks
- Environmental stability

Resource System

The Innovation

Knowledge purveyors

Diffusion

Dissemination

Change Agency

LINKAGE

LINKAGE

Outer context

User system
- System antecedents
- System readiness
- Adoption/assimilation
- Implementation
- Consequences

SYSTEM READINESS FOR INNOVATION
- Tension for change
- Innovation-system fit
- Power balances (supporters v. opponents)
- Assessment of implications
- Dedicated time/resources'
- Monitoring and feedback

ADOPTER
- Needs
- Motivation
- Values and goals
- Skills
- Learning style
- Social networks

ASSIMILATION
- Complex, nonlinear process
- "Soft periphery" elements

IMPLEMENTATION PROCESS
- Decision making devolved to frontline teams
- Hands-on approach by leaders and managers
- Human resource issues, especially training
- Dedicated resources
- Internal communication
- External collaboration
- Reinvention/development
- Feedback on progress

LINKAGE

Design stage
- Shared meanings and mission
- Effective knowledge transfer
- User Involvement in specification
- Capture of user-led innovation

Implementation stage
- Communication and information
- User orientation
- Product augmentation, e.g. technical help
- Project management support

Source: Greenhalgh, T., Glenn, R. and Bate, P. (2004) available at: www.ncbi.nlm.nih.gov/pmc/articles/PMC2690184/figure/fig03/

3.7 How do You Select the Best Organisations To Work With?

When faced with a shortlisted set of organisations, there are some pre-selection considerations available in the literature that may be considered. In 2009, McGann provided an extensive review of best practice principles for pre-grant assessment for strengthening policy research institutes.[60] This was based on consultations with 16 private and public donors, and 17 think tank networks. In his report, McGann recommends that donors consider several selection criteria during pre-grant assessments of research institutions.

These criteria include:
- The institute's understanding of the terms and purpose of the grant.
- The degree of transparency in governance structures.
- The degree of transparency in financial operations and records.
- Evidence that the institute's director has a proven track record as a manager, policy research scholar and builder of policy networks.
- The institute's financial viability and history of grant management.
- Evidence of capacity to conduct and communicate research that is rigorous and relevant.
- Demonstrating a critical mass of research and administrative staff.
- Evidence of ability to identify and select

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60   McGann, J. G. (2009).

policy research projects with high impact.

- Evidence of ability to generate additional domestic financial support.
- Programmatic relevance of institution to the core capacity needs of the state or region.
- Demonstrating a strategic plan for both organisation and programme development.
- Ability to network with others organisations.
- Ability to submit a realistic estimated budget that does not request coverage of administrative costs totalling more than 50% of the organisation's total administrative budget.

This chapter has presented some of the most relevant guidance from the existing literature on key questions. It should have gone some way towards answering the questions of what kinds of OD activities to consider, whether to apply several activities in a mixed-model approach, considerations for core funding, staff involvement, linking organisations with one another to improve cross-activity learning, diffusion of activities and selection of organisations.

Chapter 4
Managing the
Change Process

There is an expansive amount of literature on how to manage an OD activity and the change process that an organisation is going through. This literature provides a multitude of related but distinct frameworks that focus on different factors in OD transformations. Distilling what you need to take from this literature can be complicated and these frameworks frequently overlap. In order to provide guidance on best practice recommendations, this study reviewed eight frameworks and/or models. The list of models considered in this chapter are: 1) Kotter's Eight-Step Process; 2) General Electric's Change Acceleration Model; 3) McKinsey's 7-S Framework; 4) The amalgamated approach that the Institute for Government takes to combine these; and 5) The European Centre for Development Policy Management (ECDPM) Approach.

This chapter addresses how to manage the change process across five key models. It explains three models from the private sector, one approach in tying these together, one model from the development sector and then some tailored management considerations from Matthews (2015) on knowledge-to-policy OD management specifically, and donor-partner dynamics.

Questions addressed in this chapter:
- *What models do the private sector use?*
- *How can you create a comprehensive approach?*
- *What models have been created for and used in international development activities?*
- *What specific 'knowledge-to-policy' considerations are there?*
- *What donor-partner dynamics should you be aware of?*

4.1 What Models do the Private Sector Use?

There are three models for conducting an effective change management process from the private sector that are particularly helpful. These are well regarded and generally considered best practice models.

4.1.1 Kotter's Eight-Step Process

Renowned organisational change expert, Dr J. Kotter, introduced his eight-step model in his 1995 publication 'Leading Change'.

Table 3: Kotter's Eight-Step Process

	Common Causes of Failure	Steps to Successful Transformation	Sub-Steps to Successful Transformation
1	Allowing too much complacency	Establishing a sense of urgency	• Examining market and competitive realities • Identifying and discussing crises, potential crises, or major opportunities
2	Failing to create a powerful guiding coalition	Forming a powerful guiding coalition	• Assembling a group with enough power to lead the change effort • Encouraging the group to work together as a team
3	Underestimating the power of vision	Creating a vision	• Creating a vision to help direct the change effort • Developing strategies for achieving that vision
4	Under-communicating the vision	Communicating the vision	• Using every vehicle possible to communicate the new vision and strategies • Teaching new behaviours by the example of the guiding coalition
5	Permitting obstacles to block the new vision	Empowering others to act on the vision	• Getting rid of obstacles to change • Changing systems or structures that seriously undermine the vision • Encouraging risk-taking and non-traditional ideas, activities and actions
6	Failing to create short term wins	Planning for and creating short-term wins	• Planning for visible performance improvements • Creating those improvements • Recognising and rewarding employees involved in the improvements
7	Declaring victory too soon	Consolidating improvements and producing more change	• Using increased credibility to change systems, structures and policies that don't fit the vision • Hiring, promoting and developing employees who can implement the vision • Reinvigorating the process with new projects, themes and change agents
8	Neglecting to anchor changes in the corporate culture	Institutionalising new approaches	• Reinvigorating the process with new projects, themes and change agents • Articulating the connections between the new behaviours and corporate success • Developing the means to ensure leadership development and succession

Source: Institute for Government's adaptation of Kotter's Eight-Step Process.

This publication was based on nearly 15 years of research by Kotter, which found that more than 70% of all major organisational transformation efforts fail. According to Kotter, the reason for these failures was that organisations do not take a consistent, holistic approach to changing themselves, nor do they engage their workforces effectively. Kotter thus developed his Eight-Step Process and then founded a firm of experts, Kotter International, to implement the approach across a diverse range of organisations.[61]

Kotter's Eight-Step Process was created through reviewing more than 100 organisations of various sizes and functions. Kotter was trying to develop a model that would overcome the shortcomings of previous OD efforts. It is not a detailed account of step-by-step activities but it

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61   http://www.kotterinternational.com/the-8-step-process-for-leading-change/

is a useful overarching framework. Kotter breaks down the OD process into a set of progressive phases. His key messages are that OD is a slow and careful undertaking, with a series of sequential activities that build upon each other. A mistake or shortcoming in one phase will unhinge the momentum of the broader OD process.

Kotter's Eight-Step Process is summarized as: (a) establishing a sense of urgency; (b) creating a guiding coalition; (c) developing a vision and strategy; (d) communicating the change vision; (e) empowering employees for broad-based action; (f) generating short-term wins; (g) consolidating gains and producing more change; and (h) anchoring new approaches in the culture.

4.1.2 General Electric's Change Acceleration Process

General Electric developed a change acceleration process which focuses on the leader's critical role in creating urgency for change, communicating the vision, leading change, measuring progress along several dimensions, and institutionalising change.[62]

Figure 5: General Electric's Change Acceleration Process

Change Acceleration Process (CAP) ™

- Leading Change
- Creating a Shared Need
- Shaping a Vision
- Mobilizing Commitment
- Making Change Last
- Monitoring Progress
- Current State
- Transition State
- Future State
- Changing Systems and Structures

Source: General Electric Healthcare Case Study at the European Lean IT Summit 2012. Available at: www.slideshare.net/InstitutLeanFrance/ ge-healthcare-case-study-at-the-european-lean-it-summit

Institutionalising the change involves changes in the organisational design and creating an appropriate fit of systems and structures to enable change. This differs from Kotter's approach in that each phase is viewed as an element of a checklist (so though it offers few new insights, it is useful in providing a consistent and accessible structure). These steps are summarized as: (a) leader behaviour, (b) creating a shared vision, (c) shaping a vision, (d) mobilising commitments, (e) making change last, (f) monitoring progress, and (g) changing systems and structures.

There are clear similarities in the themes across these models. Where they differ is that each model gives different weighting to the importance of other required tasks. Kotter's model focuses on communication to staff members to ensure broad-based ownership and participation in OD activities. The General Electric model is less focussed on communication, and instead emphasises a strong leadership role. By contrast, Kotter stresses the need to build a powerful guiding coalition to encourage teamwork. The General Electric model gives greater attention to changing systems and structures, whereas Kotter argues that such changes are a component of any effort to consolidate improvements and to produce more results. Each provides valuable insights into the change process. Kotter summarises best practices gained from extensive research of more than 100 firms, whereas the General Electric model focuses on the need for consistency and structure as change is managed, and provides a detailed step-by-step methodology.
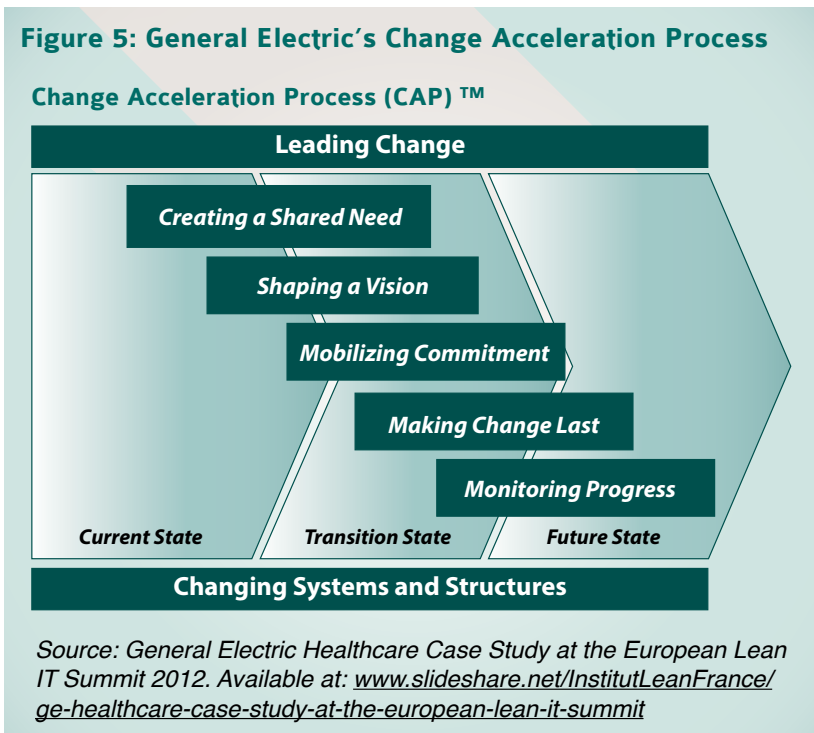
4.1.3 McKinsey's 7-S Framework

Well known in the private sector is McKinsey & Company (McKinsey), a global management consulting firm that serves businesses, governments, non-governmental organisations and not-for-profits. McKinsey works with clients to

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62 Hamel, G. and Zanini, M. (2014).

help improve their performance and realise their most important goals, much of which can be described as OD.

McKinsey developed the 7-S Framework in the 1980s in response to queries from clients (including CEOs from Philips and IBM) about how to evolve and change against a backdrop of competing demand for changing technology products, globalisation and increasing need for mergers and acquisitions.[63] The framework is composed of three hard elements (strategy, structure and systems) and four soft elements (shared values, style, staff and skills). These overlap somewhat with Kaplan's observable and unobservable elements of OD context analysis (Chapter 2). They can be seen to operate and interact in Figure 6 below.

leading OD activities to identify what needs to be realigned to improve performance, or to maintain motivation during organisational change.

Whatever the type of OD activity, whether restructuring, new processes, new systems, change of leadership, or other, the model can be used to understand how organisational elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration.

The 7-S Framework helps to analyse a current situation (Point A), a proposed future situation (Point B) and to identify gaps and inconsistencies between them. It is then a question of adjusting the elements of the 7-S Framework to ensure that the organisation

Figure 6: McKinsey's 7-S Framework

Overview of McKinsey's 7-s framework

Legend — Soft elements / Hard elements
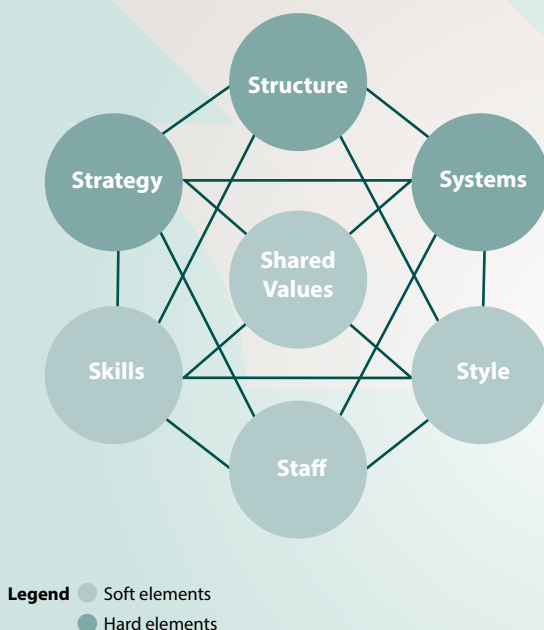
Strategy: Actions a company plans in response to or anticipation of changes in its external environment.

Structure: The way the organization is structured and who reports to whom. Basis for specialization and co-ordination influenced primarily by strategy and by organization size and diversity.

Systems: The daily activities and procedures that staff members engage in to get the job done, including IT and other management systems.

Shared Values: Guiding concepts, fundamental ideas around which a business is built — must be simple, usually stated at abstract level, have great meaning inside the organization even though outsiders may not see or understand the.

Style: The culture of the organization made up of the organisational culture (the dominant values and beliefs, and norms, which develop over time and become relatively enduring features of organizational life), together with the management style (more a matter of what managers do than what they say).

Staff: People/human resource management, including the processes used to develop managers, socialization processes, ways of shaping basic values of management cadre, ways of introducing new recruits to the company, ways of helping to manage the careers of employees.

Skills: The actual skills and competencies of the employees working for the company.

Source: Institute for Government's adaptation of McKinsey's 7-S Framework

The framework is based on the premise that for an organisation to perform well these seven elements should be aligned and mutually reinforcing. The model helps staff or management

works effectively towards the desired endpoint.

McKinsey also provides some checklists to help explore the situation in terms of the 7-S Framework. These should be applied first to determine the status quo (Point A) situation, and

63   Aghina, W., De Smet, A. and Heywood, S. (2014).

then repeated for the desired endpoint situation (Point B). These can be found in Annex D.

4.2 How Can You Create a Comprehensive Approach?

In its approach to Transforming Whitehall Departments, the Institute for Government assessed both Kotter's and McKinsey's approaches and came up with 'an amalgam of public-private literature' it could use for its work on OD activities with UK Government departments.[64]

The work by the Institute for Government is extremely relevant, as it shows how an organisation can create a methodology for transformation by using existing literature and frameworks and fitting them to their own needs. The Institute's work with several departments on transformation has led to the development of real-time evaluation methodology. This methodology encompasses five distinct steps: a) Change Literature - a review of organisational change literature which identified Kotter's *Leading Change* (1996) as a meaningful work for evaluating change, and then triangulation of Kotter's framework against other relevant literature; b) Diagnostic tool - adopting a diagnostic tool (in this case McKinsey's 7-S Framework) in order to understand the organisational factors affecting the ability of an organisation to achieve Kotter's eight steps; c) Consideration of the fundamental differences between the public and private sectors, which will act as a filter on the combination of Kotter's steps and the 7-S Framework; d) Departmental Context - an overview and consideration of the organisational and political factors specific to the context, to provide an additional filter; e) Departmental Evaluation - Identify the department/organisation's key areas of focus for the specific evaluation in consultation with members of the department, through interviews, focus groups and surveys.

The table below shows Kotter's and McKinsey's frameworks used to assess the importance at each stage of each factor to the achievement of a successful outcome at that stage, on the basis of a generic application. The Institute for Government has essentially dissected each step of Kotter's process and assessed what skills, style, staff, systems, strategy, structure and shared values are required to help make the change. This can help organisations identify which aspects are most

Figure 7: Summary Table of Generic Transformation Assessment Using the Kotter and McKinsey Frameworks

Kotter's 8 Steps to Transformation

McKinsey 7's Framework	1 Urgency	2 Coalition	3 Vision	4 Communication	5 Empower	6 Quick Wins	7 Consolidate	8 Institutionalise
Skills	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓
Style	✓✓	✓✓	✓✓	✓✓	✓✓✓		✓✓	✓✓
Staff				✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Systems	✓		✓✓	✓	✓✓	✓✓	✓✓	✓✓✓
Strategy	✓		✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓
Structure		✓✓✓	✓✓	✓✓	✓✓		✓✓	✓✓
Shared Values	✓✓	✓✓	✓	✓✓✓	✓		✓✓	✓✓

Legend	✓✓✓ Critical	✓✓ Important	✓ Nice to Have

Source: Institute for Government (2011) Evaluation Methodology for Whitehall transformation. Available at: www.institute-forgovernment.org.uk/sites/default/files/publications/evaluation_methodology_for_whitehall_transformation_.pdf

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64 Page, J. et al. (2012).

important in how they approach the task, and where to put their efforts and resources. This has been applied in several Whitehall Departments by the Institute for Government.

4.3 What Models Have Been Created For and Used in International Development Activities?

There is one model worth mentioning that has been created for and used in development - the ECDPM approach. This was created by practitioners with extensive experience working in developing countries, and the kinds of pressures associated with such environments (including enabling environments that are less conducive to supporting change in the sector than the environments in which IBM and Philips operated). There is some overlap with the above models, which should reassure staff that the elements are common sense and any one model can be applied in their work.
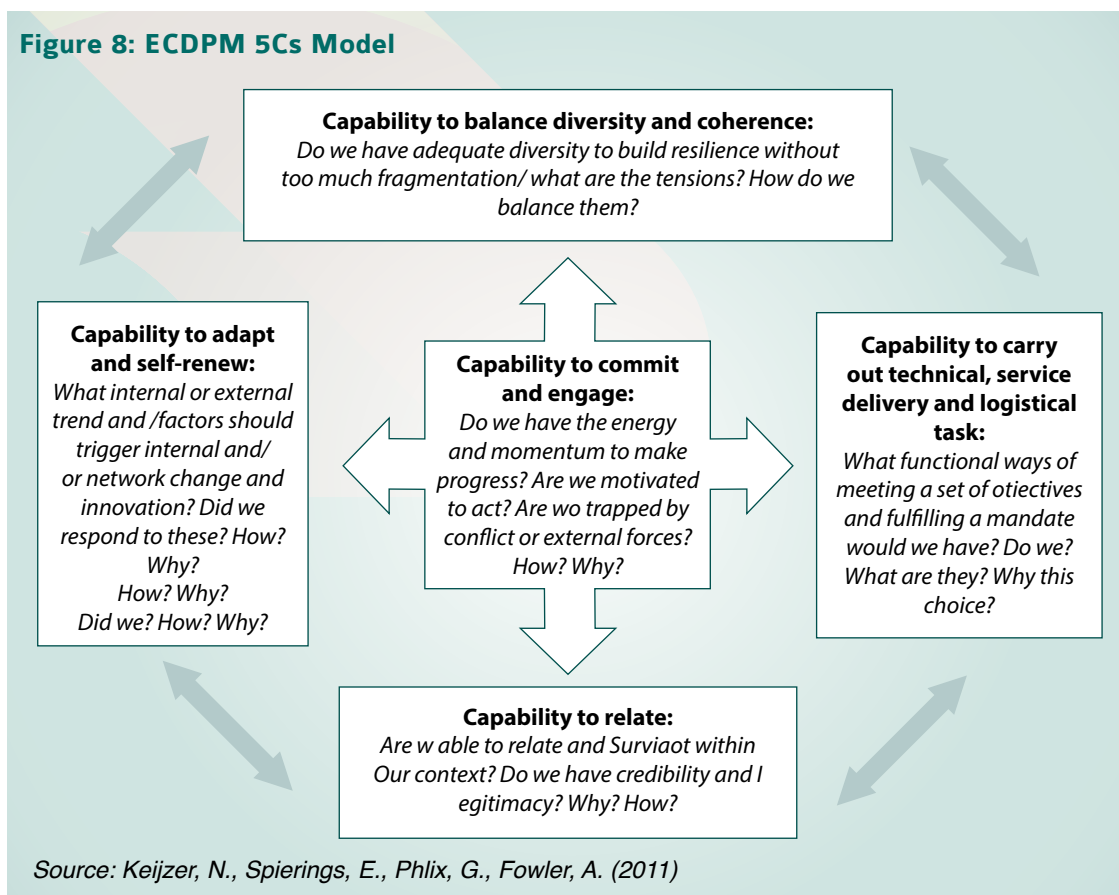
4.3.1 ECDPM Approach

In 2008, ECDPM completed a major five-year international research project into capacity development activities in developing-country contexts. Though a capacity development programme in name, the 5Cs model treats capacity as a strong OD function, defining capacity as 'the overall ability of an organisation or system to create value for others'.[65]

4.4 What Specific 'Knowledge-To-Policy' Considerations are There in the Literature for How to Manage a Change Process?

Public policy researcher and consultant Matthews has worked extensively with organisations that could be classified as being intermediary organisations and supply organisations with a specific knowledge-to-policy focus. His writing on the topic explores ways of developing experimental governance methods in a way that supports OD activities in

Figure 8: ECDPM 5Cs Model

Capability to balance diversity and coherence:
Do we have adequate diversity to build resilience without too much fragmentation/ what are the tensions? How do we balance them?

Capability to adapt and self-renew:
What internal or external trend and /factors should trigger internal and/ or network change and innovation? Did we respond to these? How? Why? How? Why? Did we? How? Why?

Capability to commit and engage:
Do we have the energy and momentum to make progress? Are we motivated to act? Are wo trapped by conflict or external forces? How? Why?

Capability to carry out technical, service delivery and logistical task:
What functional ways of meeting a set of otiectives and fulfilling a mandate would we have? Do we? What are they? Why this choice?

Capability to relate:
Are w able to relate and Surviaot within Our context? Do we have credibility and I egitimacy? Why? How?

Source: Keijzer, N., Spierings, E., Phlix, G., Fowler, A. (2011)

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65   ECDPM Maastricht, (2011).

knowledge-to-policy focused organisations, particularly those working in partnership with government units to deliver feasible solutions to a policy need.
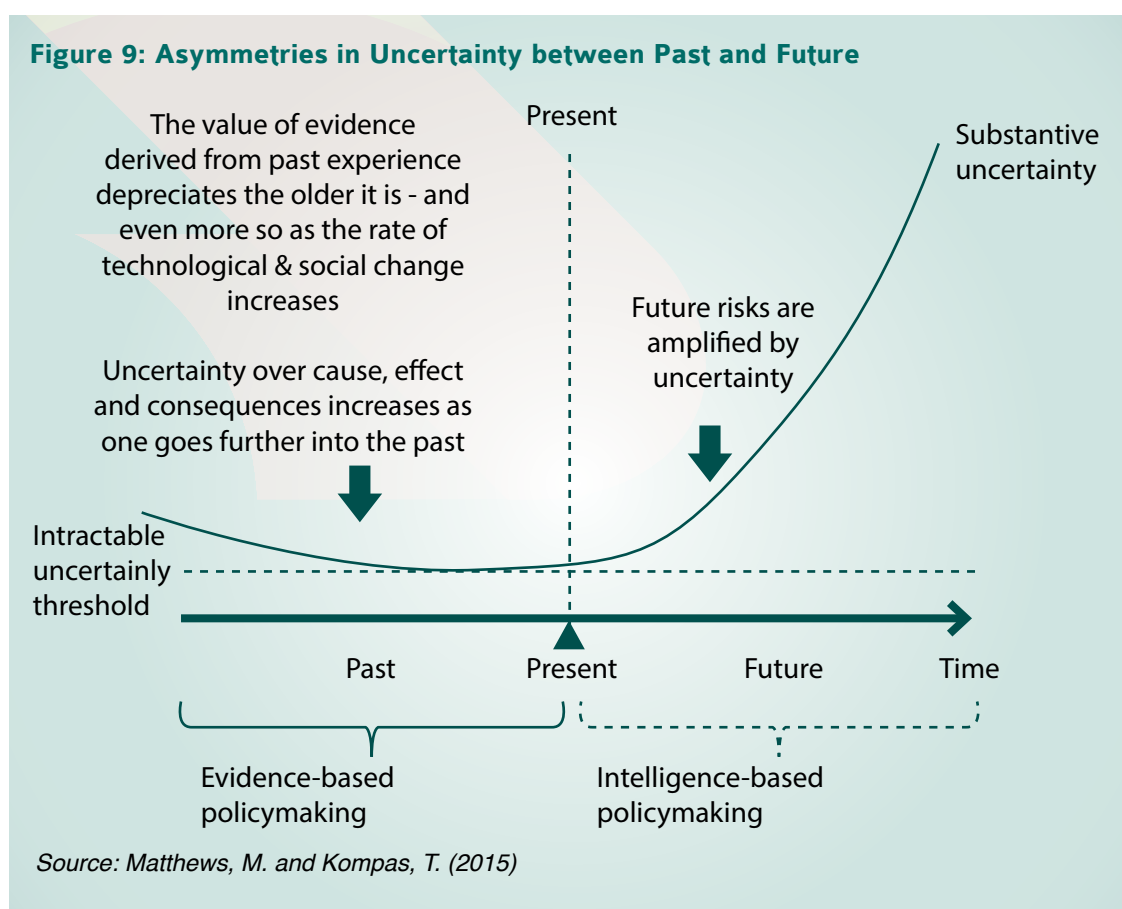
One of the key differences between the approach of a research organisation (or intermediary) and the approaches of governments and policy-makers is the way they approach risk and uncertainty.[66] Overcoming this difference can be built into OD programmes in organisations. Academics regularly avoid risk and feel uncomfortable speculating beyond their data without pervasive caveats. In contrast, policy-makers regularly need to deal with 'programming for the future' making high levels of uncertainty an unavoidable reality. The issue of how well governments handle uncertainty, ambiguity and risk is important as it impacts on delivery cost efficiency and the effectiveness with which public services are delivered.

'Risk' applies to cases where it is easier to determine the probability of something

happening, whereas uncertainty refers to situations in which these probabilities are difficult to analyse or predict. The ability to evaluate probability is vital to allow risk estimates to be made, and the consequences of these risks to be formulated.

The management of risk is therefore a relatively straightforward process, while the management of uncertainty is harder to facilitate. If policy and its delivery are approached as processes of learning-by-doing in an ambiguous and uncertain world then effective policy will inevitably require adjustment and effective responses to unanticipated events. Matthews labels this approach as *intelligence-based policy-making.* It is one that OD programmes may like to direct an organisation towards being able to apply.

One approach to intelligence-based policy-making is to target issues of uncertainty via the use of a Bayesian inference cycle as a means of both characterizing and actively facilitating

Figure 9: Asymmetries in Uncertainty between Past and Future

The value of evidence derived from past experience depreciates the older it is - and even more so as the rate of technological & social change increases

Uncertainty over cause, effect and consequences increases as one goes further into the past

Present

Substantive uncertainty

Future risks are amplified by uncertainty

Intractable uncertainly threshold

Past   Present   Future   Time

Evidence-based policymaking

Intelligence-based policymaking

Source: Matthews, M. and Kompas, T. (2015)

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66   Matthews, M. (2015).

policy learning. This method may be something that supply and intermediary organisations like to take on board in their OD programming as a bridge towards working better with policy-makers. A Bayesian approach to public policy creates the potential to think differently and more constructively about how we go about public management in general. The key message behind these arguments is that all policy interventions are effectively hypotheses being tested via experimentation.[67] Very little is certain in programming for the future. The framework provides a useful way of demonstrating the importance of capacity building in policy analysis, and a means of measuring improvements in analytical capacity.

A Bayesian approach provides an established and coherent analytical framework for linking degrees of uncertainty over results and decision-making. The Bayesian implementation of the policy learning cycle directly reflects the ways in which governments must make difficult decisions under conditions of substantive uncertainty. It provides a viable way of monitoring and evaluating governments' performance when they design, test and learn from new approaches to public policy. It is also able to focus capacity building attention on the importance of enhancing creativity in the policy process (reflected in better hypotheses to be tested), as well as evidence-informed practices and minimising missed learning opportunities.
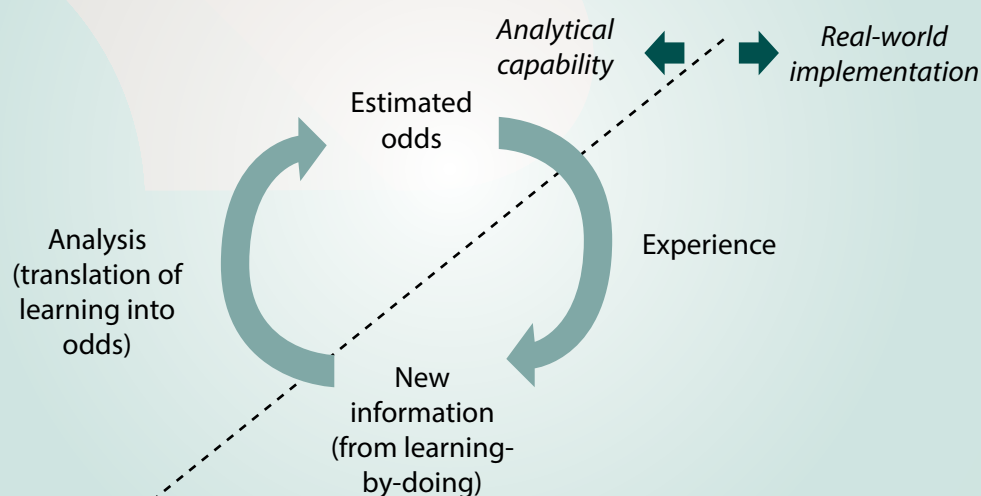
Essentially, Matthews argues that researchers wanting to engage more with policy-makers should not treat substantive uncertainty as an 'analytical inconvenience', but should instead treat reduced uncertainty as the primary objective of investing in improved understanding. Analysts working with policy-makers should understand that efficient and effective governance does not attempt spurious precision in 'getting a policy right' at the outset and then delivering it, rather it involves a well-developed ability to learn and adapt in the light of both

Figure 10: Diagrammatic Explanation of Bayesian Learning

Linear expression of Bayesian inference

New odds = Old odds + Analysis of new information

Circular/learning loop based expression of Bayesian inference

Analytical capability

Real-world implementation

Estimated odds

Analysis (translation of learning into odds)

Experience

New information (from learning-by-doing)

Source: Matthews, M. and Kompas, T. (2015)

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67   Matthews, M. (2015).

anticipated risks (and opportunities) and unanticipated findings.

The key aspect of Matthews's work on a Bayesian expression of the policy learning cycle is the importance of generating and testing hypotheses over problem diagnoses and potential solutions. While it is important to generate data, it is also important to generate the hypotheses that frame the data collected as a basis for decision-making. It is particularly important that the hypotheses used to structure the policy learning process evolve in the light of testing processes. In a Bayesian approach, just as in science in general, explanatory power increases largely via refinements to the hypotheses being tested.
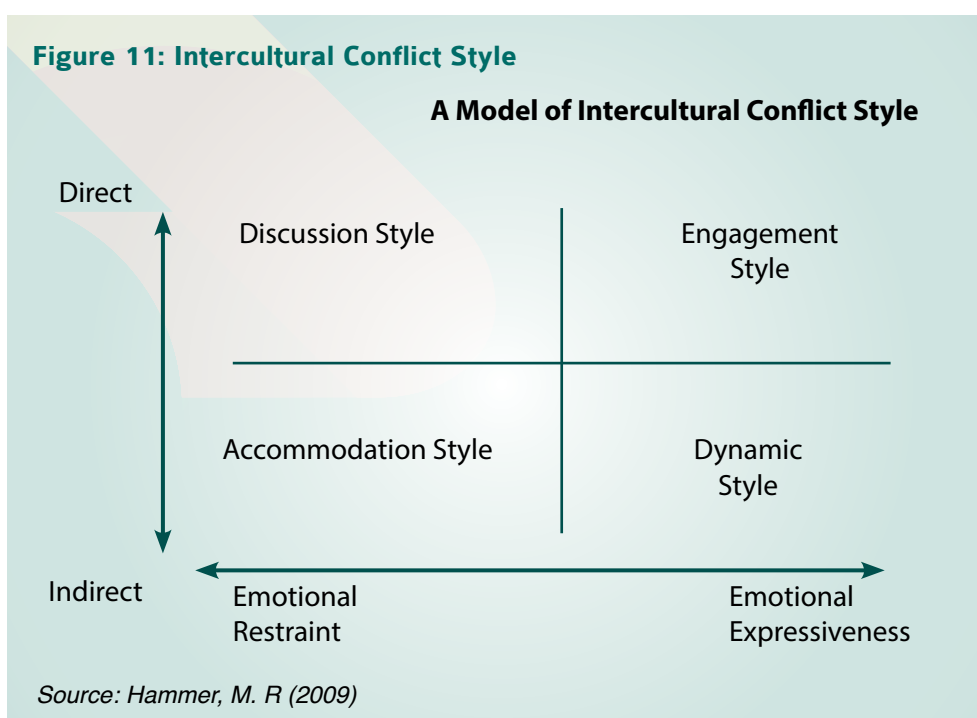
OD programmes should therefore refrain from placing a strong emphasis on evidence as data, rather than evidence as the use of data to test clearly defined hypotheses. This scientific approach to the use of evidence in the policy process aligns well with the current emphasis on differential quality in the evidence used to inform policy-making.[68] OD activities can help move organisations towards this approach and thus make their operations more conducive to assisting policy-makers with the important role

of updating hypotheses to improve explanatory power and policies in general.

4.4.1 Conflict Resolution

When working in either OD interventions (and also cross-culturally), it is important to have understanding and skills related to managing differences or conflicts. The Intercultural Conflict Style (ICS) Inventory identifies different approaches adopted by varying cultures to help resolve conflict.[69] It recognises that in all conflicts there are two elements at work: facts and feelings.

Hammer (2003) identified four conflict styles: the discussion style (which relies on facts to resolve conflict); the engagement style (which uses both direct verbal expression and strong emotion to resolve conflict); the accommodation style (which is characterised by emotional restraint and indirect speech); and a dynamic style (which combines indirect speech with strong emotional expression). In his work, Hammer identifies countries where particular conflict styles are prevalent; it is vital that this is taken into account in OD and cross-cultural work and negotiations.[70] The ICS is an important tool for OD practitioners. It can be helpful for

Figure 11: Intercultural Conflict Style

A Model of Intercultural Conflict Style

Direct

Discussion Style

Engagement Style

Accommodation Style

Dynamic Style

Indirect

Emotional Restraint

Emotional Expressiveness

Source: Hammer, M. R (2009)

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68   Matthews, M. (2009).

69   Hammer, M. (2000).

70   Hammer, M. (2003).

those working in this area to become familiar with the tool to help develop strategies to manage cross-cultural conflict within and between any organisation/s.

4.4.2 Donor-Recipient Dynamics

In his contribution to a 2013 report, Mendizabal (2013) highlights four lessons regarding donor-grantee dynamics. The first lesson is that OD strengthening interventions have become focussed on income generation or business development planning rather than being demand-led initiatives. Some recipient organisations are accepting of donor-imposed interventions as a means of securing additional funds, through securing income for their employees' participation. A second factor in the dynamic is that donors also compete with the grantees for human resources. Donors are often trying to hire good researchers with a strong academic background (often the funder is a highly desirable employer, given comparative salary structures). Third, donors rarely invest in new organisations but prefer to rely on time-tested relationships within a sector. Recipient organisations themselves can benefit from keeping their community small, as new players would affect their influence and reduce their income. Finally, recipients are rarely able to remain independent of donors. This can lead to the donor being unable to be objective about the recipient's performance.

Measuring and Evaluating Organisational Development

This chapter summarises different good practice models from the literature on how to measure OD. It has some natural overlap with how to manage the change process, as any management process would draw upon the tools developed for monitoring and evaluation. This chapter in particular includes an overview of essential tools such as outcome mapping, most significant change techniques, and the guidance and checklists developed by the World Bank Institute (WBI).

The chapter addresses:

- *How to measure behavioural change in three easy stages.*
- *How to collect stories of significance to demonstrate what you have achieved.*
- *How to enable organisations to learn from their experience and adjust.*
- *Consolidated guidance and checklists.*

5.1 How to Measure Behavioural Change in Three Easy Stages (Outcome Mapping)

One of the key tools in OD is outcome mapping. A brief outline for the team is useful here, though several members have applied it in the past in their work. Outcome mapping focuses on one specific type of result: outcomes as behavioural change.[71] Outcomes are defined as changes in the behaviour, relationships, activities or actions of the people, groups and organisations with whom a programme works directly. These outcomes can be logically linked to a programme's activities, although they are not necessarily directly caused by them. They can be measured by progress markers, and divided into categories of behavioural change that a programme would 'expect to see', 'like to see' and 'love to see'. The changes aim to contribute to specific aspects of human and ecological well-being by providing partners with new tools, techniques and resources to contribute to the development process.

Boundary partners are individuals, groups and organisations with whom the programme interacts directly and with whom the programme anticipates opportunities for influence. Outcome mapping assumes that the boundary partners control change - as external agents - and that

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71   Earl, S., Carden, F. and Smutylo, T. (2001).

development programmes only facilitate the process by providing access to new resources, ideas or opportunities for a certain period of time. It is particularly effective when used from the planning stage, as it helps a programme focus on supporting specific changes in its partners, after the strategic direction or primary programme areas have been decided.

Outcome mapping establishes a vision of the human, social and environmental betterment to which the programme hopes to contribute. It then focuses monitoring and evaluation on factors and actors within the programme's direct sphere of influence. It deals with the problem of how to attribute impact by increasing the value and attention placed on results achieved 'upstream' from impact. Outcome mapping moves away from the notion that monitoring and evaluation are 'done to' a programme, and instead, actively engages the team in the design of a monitoring framework and evaluation plan, and promotes self-assessment.

5.2 How to Collect Stories of Significance to Demonstrate What You Have Achieved (Most Significant Change Technique)

The 'Most Significant Change' (MSC) Technique is a form of participatory monitoring and evaluation. It is participatory because project stakeholders are involved in decisions regarding what sort of change should be recorded, and it is a form of monitoring because it occurs throughout the programme cycle. The MSC process first collects stories of significant change, which emanate from the field level, before designated stakeholders systematically select the most significant of these stories.[72]

MSC is an emerging technique that, at a basic level, intends to answer the question, 'Looking back over the last month, what do you think was the most significant change in (particular domain of change)?' This process enables stakeholders to collect a large amount of complex information from participants across a range of settings. MSC is useful as it clearly

identifies unexpected changes and identifies values that prevail in an organisation, as well as encouraging analysis. When people explain why they believe one change is more important than another, it can become an important part of building staff capacity.

MSC is also beneficial due to its simplicity. It has easily defined outcomes, and focuses on learning rather than just accountability. It is useful and appropriate for monitoring the effect of the intervention on people's lives. MSC can therefore be used to capture expected change, develop news stories and conduct retrospective evaluation of a completed programme. It can also provide a quick and easy evaluation for accountability purposes. While its influence can affect programme-specific activities and importance, it can also be part of changing the values held by staff within an organisation itself.

5.3 How to Enable Organisations to Learn from Their Experiences and Adjust (Active Learning Cycles)

OD efforts are acknowledged as working well when active learning cycles are used throughout the life of the programme.[73] This process allows regular and ongoing opportunities for research organisations to learn from their own and each other's experiences. It allows for traditional and more experimental activities to be undertaken in turn, with some confidence that there is room to experiment and an appetite for some failure of activities. A culture of persistence and adaptation should be established. Once activities are determined that work well for each particular organisation (best identified through a bespoke approach that meets each individual organisation's particular needs), the organisation can receive support to incrementally improve these activities, and articulate those benefits in its reporting (through endogenously developed monitoring and evaluation).[74]

In a strong community of practice monitored by the donor, these active learning cycles lead to both horizontal and vertical learning

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72 Dart, J. and Davies, R. (2003).

73 Marquardt, M. (2004).

74 Lopes and Theisohn, (2003).

opportunities (across the group and within individual organisations). This method promotes people sharing their experiences and learning by collectively exploring solutions to common challenges, trialling activities, reflection and feedback loops.[75] This is also known as 'Problem-Driven Iterative Adaptation'.[76] It is linked to the work of the ECDPM, which emphasises the importance of complex adaptive systems in OD efforts. This advocates for changing feedback loops, (recognising that change in OD efforts is emergent), the role of leadership, and the need to alter access to people of authority, resources and opportunities.[77]

5.4 Consolidated Guidance and Checklists

While the literature covered is useful for the teams delivering activities, it is also useful for the Evaluation and Organisational Learning team. There is general acknowledgement that donors lack consensus about what capacity development activities should include, and that standard monitoring and evaluation approaches for assessing capacity development results are not sufficient. In response, the WBI developed the Capacity Development and Results Framework.[78] This provides a systematic approach and a set of tools for development practitioners to design a rigorous yet flexible capacity development strategy, or programme logic, to monitor and adaptively manage their interventions, and to evaluate their results.

The WBI focus is on change (and the definition of capacity development as the process whereby change is enabled) and so its framework allows practitioners to apply specialised knowledge to capacity development initiatives from across the spectrum of governance, political economy, social accountability and institutional development. They state that appropriate indicators for capacity development outcomes can be quantitative or qualitative, depending on the nature of the capacity change desired, however they should be: specific, measurable, achievable, relevant and time-bound (WBI, 2012).[79] The Institutional Capacity Indicators Database is a practical resource to help monitor, evaluate and report tangible results for capacity development programmes.

The WBI provides several very practical guidance notes on how to evaluate OD activities. In Guidance Note 1, the WBI states that basic results chains fall short of being able to capture OD results. Therefore, the WBI has developed a more comprehensive approach to describe transformative changes (such as improved ability to affect change), outlined below.

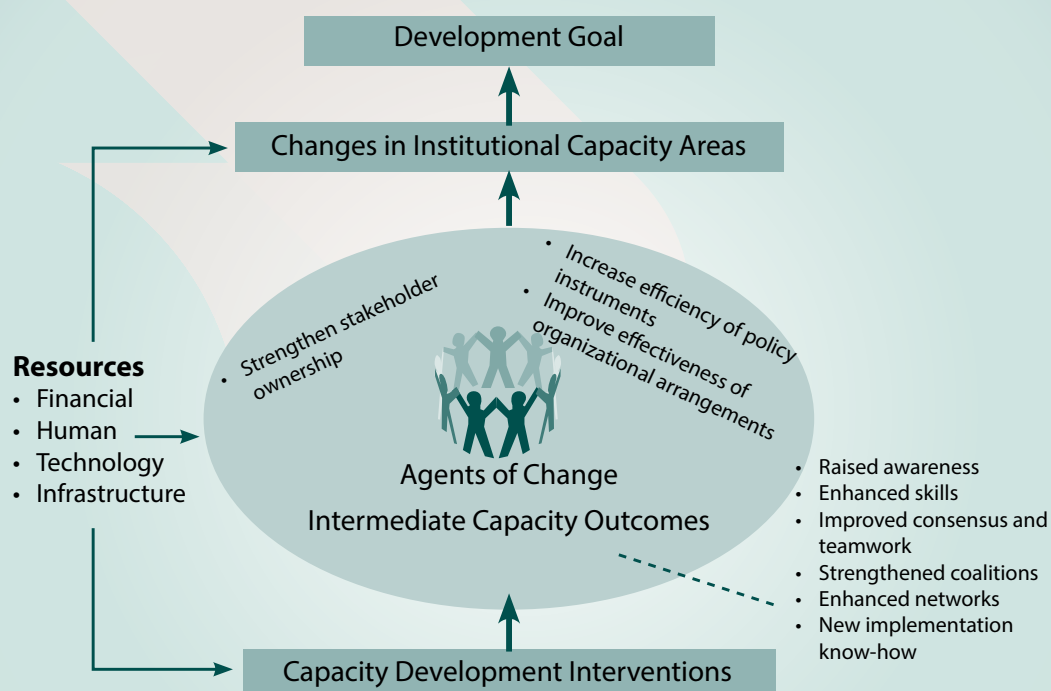75   Andrews, M., Pritchett, L. and Woolcock, M. (2012).

76   Andrews, M., Pritchett, L. and Woolcock, M. (2012).

77   Amagoh, F. (2008).

78   World Bank Institute (2012).

79   World Bank Institute (2012).
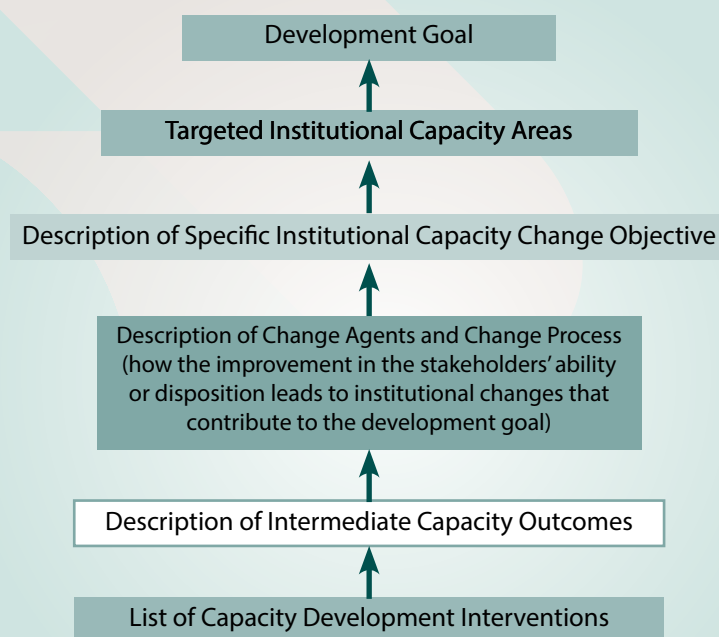
Figure 12: Capacity Development Process

Source: WBI Guide to Evaluating Capacity Development Results (2012, p.14) Available at:
http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Guide%20to%20Evaluating%20Capacity%20Development%20Results_0.pdf

The WBI identifies three institutional capacity areas: (i) strength of stakeholder ownership (or networks and relationships); (ii) efficiency of policy instruments (structures and regulations that affect the organisation); and (iii) effectiveness of organisational arrangements. Improvement in the ability or disposition to affect change is categorised in six standard types of intermediate capacity outcomes: raised awareness, enha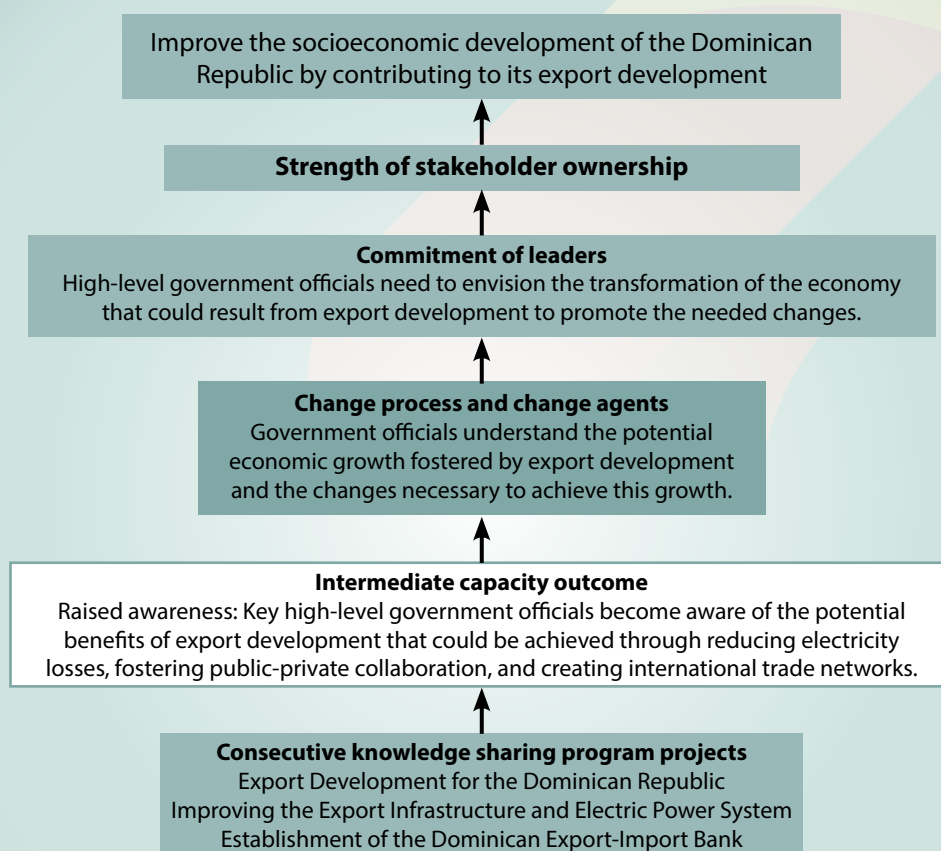nced knowledge or skills, improved consensus and teamwork, strengthened coalitions, enhanced networks and new implementation know-how. These elements are then applied in Guidance Note 4: Showing capacity development change process (See Annex B). This provides helpful templates for how to show a capacity development change process, and an example of it being applied (see Figures 13 and 14 below).

Figure 13: Template for Showing Capacity Development Change Processes

Development Goal

↑

Targeted Institutional Capacity Areas

↑

Description of Specific Institutional Capacity Change Objective

↑

Description of Change Agents and Change Process
(how the improvement in the stakeholders' ability
or disposition leads to institutional changes that
contribute to the development goal)

↑

Description of Intermediate Capacity Outcomes

↑

List of Capacity Development Interventions

*Source: WBI Guide to Evaluating Capacity Development Results (2012, p.26) Available
at: http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Guide%20to%20
Evaluating%20Capacity%20Development%20Results_0.pdf*

Figure 14: Tracing One Capacity Development Change Process

Improve the socioeconomic development of the Dominican
Republic by contributing to its export development

↑

Strength of stakeholder ownership

↑

Commitment of leaders
High-level government officials need to envision the transformation of the economy
that could result from export development to promote the needed changes.

↑

Change process and change agents
Government officials understand the potential
economic growth fostered by export development
and the changes necessary to achieve this growth.

↑

Intermediate capacity outcome
Raised awareness: Key high-level government officials become aware of the potential
benefits of export development that could be achieved through reducing electricity
losses, fostering public-private collaboration, and creating international trade networks.

↑

Consecutive knowledge sharing program projects
Export Development for the Dominican Republic
Improving the Export Infrastructure and Electric Power System
Establishment of the Dominican Export-Import Bank

*Source: WBI Guide to Evaluating Capacity Development Results (2012, p.27) Available at:
http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Guide%20to%20Evalu-
ating%20Capacity%20Development%20Results_0.pdf*

An example of tracing multiple change processes is also contained in Annex B. WBI has a Guidance Note dedicated to understanding institutional change objectives and how to identify these. Guidance Note 5 provides examples of what these objectives entail in more detail. Guidance Note 6 gives targeted checklists for practitioners to use within these, and Guidance Note 7 provides an explanation of how to assign indicators and data sources for assessing achievements of capacity change objectives (Annex B).[80]

Table 4: Institutional Capacity Change Objectives

Strength of Stakeholder Ownership	Efficiency of Policy Instruments	Effectiveness of Organizational Arrangements
• Commitment of social and political leaders • Compatibility of social norms and values • Stakeholder participation in setting priorities • Stakeholder demand for accountability • Transparency of information to stakeholders	• Clarity in defining rights and responsibilities • Consistency • Legitimacy • Incentives for compliance • Ease of administration • Risk for negative externalities • Suitable flexibility • Resistance to corruption	• Clarity of mission • Achievement of outcomes • Operational efficiency • Financial viability and probity • Communications and stakeholder relations • Adaptability

Source: WBI Guide to Evaluating Capacity Development Results (2012, p.30) Available at: http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Guide%20to%20Evaluating%20Capacity%20Development%20Results_0.pdf

Table 5: Understanding Intermediate Capacity Outcomes, Definitions and Attributes

ICO	Definitions and Operational Atributes
Raised Awareness	*Increased disposition to act, through, fro example, improved:* Understanding, attitude, confidence, or motivation
Enhanced knowledge and skills	*Increased ability to act, through:* Acquisition or apllication of new knowledge and skills
Improved consensus and teamwork	*Strengthened disposition or ability to act through improved collaboration within a group of people tied by a common task. This may involve for example, among team members, a stronger agreement or improved:* Communication, coordination, cohesion, or contributions by the team members to the common task
Strengthened coalitions	*Strengthened disposition or ability to act through improved collaboration between individuals or groups with diverse objectives to advance a common agenda. This may involve for example:* Stronger agreement on a common agenda for action, increased commitment to act, improved trust among members, or improved ability of the coalition members to leverage their diverse strengths
Enhanced networks	*Strengthened disposition or ability to act through improved collaboration between individuals or groups with a common interest but not a formal common agenda for action. This may involve, for example:* Improved processes for collaboration, stronger incentives for participation in the network, or increased traffic or communication among network members
Increased implementation know-how	*Strengthened disposition or ability to act, arising from:* Formulation or implementation of policies, strategies, or plans This may involve, for example, discovery and innovation associated with learning by doing.

Source: WBI Guide to Evaluating Capacity Development Results (2012, p.39) Available at: http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Guide%20to%20Evaluating%20Capacity%20Development%20Results_0.pdf

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80   Ibid, pp.32-36.

The Institutional Capacity Indicators Database is a searchable catalogue of real-world capacity characteristics and their indicators. In this way, a team could break OD capacities down into observable and measurable units to retrospectively assess results. Even more helpful is WBI Guidance. This details the attributes to be observed and measured (see Table 5 below). Ready-made checklists for these indicators are provided in Annex D.

The WBI provides guidance on how to prepare, store and manage data for OD activity analysis. This includes surveys, interview guidelines, core topics and templates for group interview approaches to be applied by practitioners. This is all underpinned by guidance on deductive data analysis, for which the WBI provides a template.[81]

One of the more effective and increasingly popular methods of planning, monitoring and evaluating the results of OD interventions is known as 'the 5Cs'. It aims to guide organisations operating individually or collaboratively on how to use a framework based on five capabilities ('the 5Cs'). It can be applied to any type of organisation and complement other ongoing monitoring and evaluation activities. It works in recognition of the fact that capacity is a multi-faceted phenomenon, and that organisations should be seen as working within a living and dynamic system. The 5Cs is a framework consisting of: (i) the capability to act and commit; (ii) the capability to deliver on development objectives; (iii) the capability to adapt and self-renew; (iv) the capability to relate to external stakeholders; and (v) the capability to achieve coherence.[82]

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81 Ibid, pp.46-61.

82 ECDPM, (2011).

Chapter 6:
Conclusion

This report provides an overview of current literature on OD. Drawing on good practice examples, it distils useful frameworks and recommendations for practitioners in this sector.

This study highlights the wealth of information available on OD. Because of the volume of material, it is important to plan from the outset which approach a programme is taking. For example, are its assumptions 'cloud-like' or 'clock-like' thinking (see Richter, Chapter 1) or more akin to Kaplan's vision of OD (see Chapter 1)? Greenhalgh's spectrum, 'make it happen' versus 'let it happen' will be useful in discussing the OD approach with different organisations.

Recommended theories or models are highlighted within the report. These include: (i) Kotter's model (Chapter 3); (ii) the Institute for Government framework (Chapter 3); and (iii) WBI's guidance notes (Chapter 4). The Institute for Government framework may be particularly useful as it integrates different approaches to form a comprehensive analysis. This includes Kotter's framework and McKinsey's diagnostic tools. Importantly, the framework is context-specific, emphasising the importance of recognising OD as a political process.

This report has been structured to support staff throughout OD work. The literature is framed by four chapters (corresponding to the four stages of setting up an organisational change programme), and a series of questions that staff may face. Although the chapters are interrelated, at different stages of their work staff can reference the relevant chapter to find an overview of the theories and frameworks that apply.

Understanding OD is key to the functions of development programmes in this sector. This report has attempted to synthesise the vast amount of global literature on OD and to present it in an accessible way for busy practitioners who need to understand what the literature covers, and what it means for their projects in the field.

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This bibliography is meant to form an initial e-library for practitioners as they begin implementing activities. This assessment was based on readily available material (such as ODI, UN, WB and IDRC work with think tanks in developing countries) and contains important foundational material.

To make this material accessible, this e-library categorises literature across the following categories: (A) general OD material, (B) the four components of KSI (supply, demand, intermediaries and the enabling environment) and (C) blogs and networks of general relevance.[83]

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83   Where a paper is particularly relevant to more than one category, there may be duplication but this only applies to two or three papers.

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Enabling Environment

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C.   Blogs and Networks

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www.capacity.org/capacity/opencms/en/index.html

www.dw.de/dw-akademie/media-development/s-12120 (Media OD activities)

www.knowledgebrokersforum.org

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Annex B:
Guidance Notes from WBI Guide to Evaluating Capacity Development Results

Guidance Note 4:

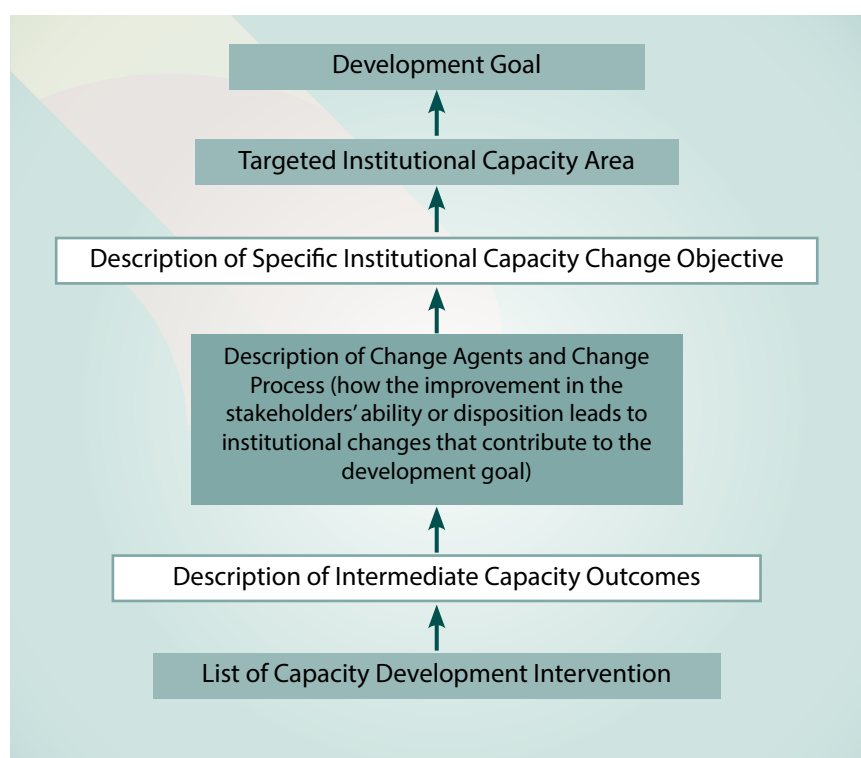**Diagram 4. Template for Showing Capacity Development Change Process**

Diagram 5. Example of Tracing One Capacity Development Change Process

Improve the socioeconomic development of the Dominican Republic by contributing to its export development

↑

Strength of stakeholder ownership

↑

Commitment of leaders
High-level government officials need to envision the transformation of the economy that could result from export development to promote the needed changes.

↑

Change process and change agents
Government officials understand the potential economic growth fostered by export development and the changes necessary to achieve this growth.

↑

Intermediate capacity outcome
Raised awareness: Key high-level government officials become aware of the potential benefits of export development that could be achieved through reducing electricity losses, fostering public-private collaboration, and creating international trade networks.

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Consecutive knowledge sharing program projects
Export Development for the Dominican Republic
Improving the Export Infrastructure and Electric Power System
Establishment of the Dominican Export-Import Bank

Table 6. Institutional Capacity Change Objectives

Strength of Stakeholder Ownership	Efficiency of Policy Instruments	Effectiveness of Organizational Arrangements
• Commitment of social and political leaders • Compatibility of social norms and values • Stakeholder participation in setting priorities • Stakeholder demand for accountability • Transparency of information to stakeholders	• Clarity in defining rights and responsibilities • Consistency • Legitimacy • Incentives for compliance • Ease of administration • Risk for negative externalities • Suitable flexibility • Resistance to corruption	• Clarity of mission • Achievement of outcomes • Operational efficiency • Financial viability and probity • Communications and stakeholder relations • Adaptability

Table 7. Using Description of Capacity Challenges to Identify Change Objectives

Sector Focus	Narrative Description of Capacity Challenges (excerpted from PAD)	Generic Capacity Change Objective	Targeted Capacity Development Objective
HIV/AIDS Treatment and Prevention	"General awareness of the disease is fairly high, but so are misconceptions about how to avoid the disease. As a result, high risk behaviour among sexually active youth and adults continues... The immediate impacts are staggering: 70% of all admissions to hospital medical wards are AIDS related, and HIV/AIDS is now the leading cause of death in the most productive age group (20-49 years)"	Strength of Stakeholder Ownership- Compatibility of social norms and values	Reduced high-risk behavior among sexually active youth and adults
Community and Basic Health	"There is also lack of transparency and accountability in the flow of funds for primary care, since PHC (primary health care) funds normally flow through hospitals, polyclinics or jarnoats (local village councils) and there is plenty of scope for diversion, especially for any non-salary allocations... Informal payments are rampant."	Efficiency of Policy Instruments- Resistance to corruption	Increased resistance corruption of the primary health care budget process
Municipal Development	"The (City Council) faces serious constraints in both revenue generation and budget planning and control... It is estimated that only 20 percent of brick and with piped water and 5 percent of the total properties in the city are being taxed. The municipality lacks an updated cadaster and other tools to increase property tax revenues as well as other local taxes and fees. On the expenditure side...weaknesses remain in planning, ececution, and control of expenditures."	Effectiveness of Organizational Arrangements- Financial viability and probity	Improved financial management of the city council

Table 8. Strength of Stakeholder Ownership Checklist

Capacity Characteristic	Check if the answer is "no" in relation to the target development goal
Commitment of political and social leaders	❏ Was there a clear commitment from relevant leaders (such as, at community, sub-national, national levels) to achieve the targeted development goal?
Compatibility with social norms and values	❏ Was the development goal consistent with the current social norms and values of local stakeholders?
Stakeholder participation in setting priorities	❏ Was there an established mechanism for stakeholders to voice their opinions related to the develoment goal? ❏ Was the mechanism supported by the relevant leaders engaged in setting priorities related to the develoment goal?
Transparency of information to stakeholders	❏ Was information related to the develoment goal shared reguarly with stakeholders? ❏ Was detailed information related to the development goal accessible to stakeholders (such as, available easily on the Internet)?
Stakeholder demand for accountability	❏ Have stakeholders' demands for government accountability been affecting the quality of service delivery by the government?

Table 9. Efficiency of Policy Instruments Checklist

Capacity Characteristic	Check if the answer is "no" in relation to the target development goal
Clarity in defining rights and responsibilities	❏ Was there any established regulatory mechanism that could be used to support efforts and formally guide changes related to the development goal?
Consistency	❏ Were the policies or regulatory mechanism which support the development goal consistent (not in conflict) with other policies or regulatory mechanisms needed to achieve development goals of other projects?
Legitimacy	❏ Was the current process related to the develoment goal transparent? ❏ Was the current process in formulating policies related to the develoment goal participatory?
Incentives for compliance	❏ Was there enough compliance by stakeholders for the develoment goal-related policies to function?
Ease of administration	❏ Was the current administrative capacity sufficient to implement the policy instrument?
Risk of negative externalities	❏ Did the policy take into consideration unintended (negative) effects that might occur during the pursuit of the develoment goal?
Flexibility	❏ Could the policy instrument accomodate revisions as necessary to adapt to changes in the social and political environment?
Resistance to corruption	❏ Did the policy include any measures to minimize opportunities for corruption?

Table 10. Effectiveness of Organizational Arrangements Checklist

Capacity Characteristic	Check if the answer is "no" in relation to the target development goal
Clarity of mission	❏ Did the organization have publications (internal or external) that described the mandate (vision and mission) of the organization? ❏ Did the organization have an annual business plan with clearly defined responsible units and personnel for various tasks?
Achievement of outcomes	❏ Did the organization have an annual business plan with clear objectives for its work? ❏ Did the organization have a system (informal or formal) to periodically report the progress of its work against the objectives?
Operational efficiency	❏ Did the organization have an annual business plan with a defined set of activities accompanied by a budget, timeline, and responsible personnel assigned? ❏ Did the organization have a system (informal or formal) to receive confirmation from its stakeholders about the completed work?
Financial viability and probity	❏ Did the organization have the funds to sustain its operating costs? ❏ Did the organization issue annual income and expenditure reports?
Good communications and stakeholder relations	❏ Did the organization have stakeholders' cooperation and support to meet its goals?
Adaptability	❏ Was the organization proactive in obtaining up-to-date information on development goal-related areas? ❏ Did the organization research innovative ways to improve its processes?

Guidance Note 7:

Table 11. Examples of Indicators to Assess Changes in the Strength of Stakeholder Ownership

Development Goal	Capacity Development Objetive	Indicator	Data Source
Promote environmentally sustainable urban transport	Increased use of Bus Rapid Transit System by automobile owners	Percentage of surveyed residents who perceive that walking and cycling have become safer and more comfortable in project areas Proportion of Bus Rapid system riders accessing the system through bicycles or on foot	Surveys of bus riders
Establish a functioning local government system	Improved transparency of information regarding decentralization efforts	Percentage of households that reported hearing about government efforts from an official source: How do you hear about what the government is doing? • No source • Rellative, friends, neighbors, co-workers • Community bulletin board • Village headman/headwoman • Paramount or section chief/chiefdom officials • Newspaper • Radio • TV • Other	Institutional Reform and Capacity Building Project National Public Service Survey
Improve public services in targeted urban areas	Increased participation of community stakeholders in decisions regarding local public services	Participation rate of poorest and vulnerable community members in planning and decision-making meetings Participation rate women in planning and decision-making meetings Percentage of kelurahans (urban wards) with established community boards of trustees	Surveys and attendance records in Management Information System

Table 12. Examples of Indicators to Assess Changes in the Efficiency of Policy Instruments

Development Goal	Capacity Development Objetive	Indicator	Data Source
Increase the quality of primary education	Increased compliance with credentialing requirements among teachers	Percentage of public school teachers who meet professional standards for licensing	Ministry of education teacher licensing data
Improve the health status of the population	Improved clarity regarding oversight responsibilities for different types of health professional education programs	Clear designation for policies and responsibilities on professional accreditation, certification, and school licensure for each profession, is a body established to provide oversight on standards for accreditation, content, and conduct (yes, no) for: • Medical education • Dental education • Nursing education • Midwifery education	Records of Central Project Coordination Unit
Provide citizens with better public services and infrastructure	Increased use of automated selection procedures for field audits	Percentage of field audits selected by automated procedure'	Tax committee data

Table 13. Examples of Indicators to Assess Changes in Effectiveness of Organizational Arrangements

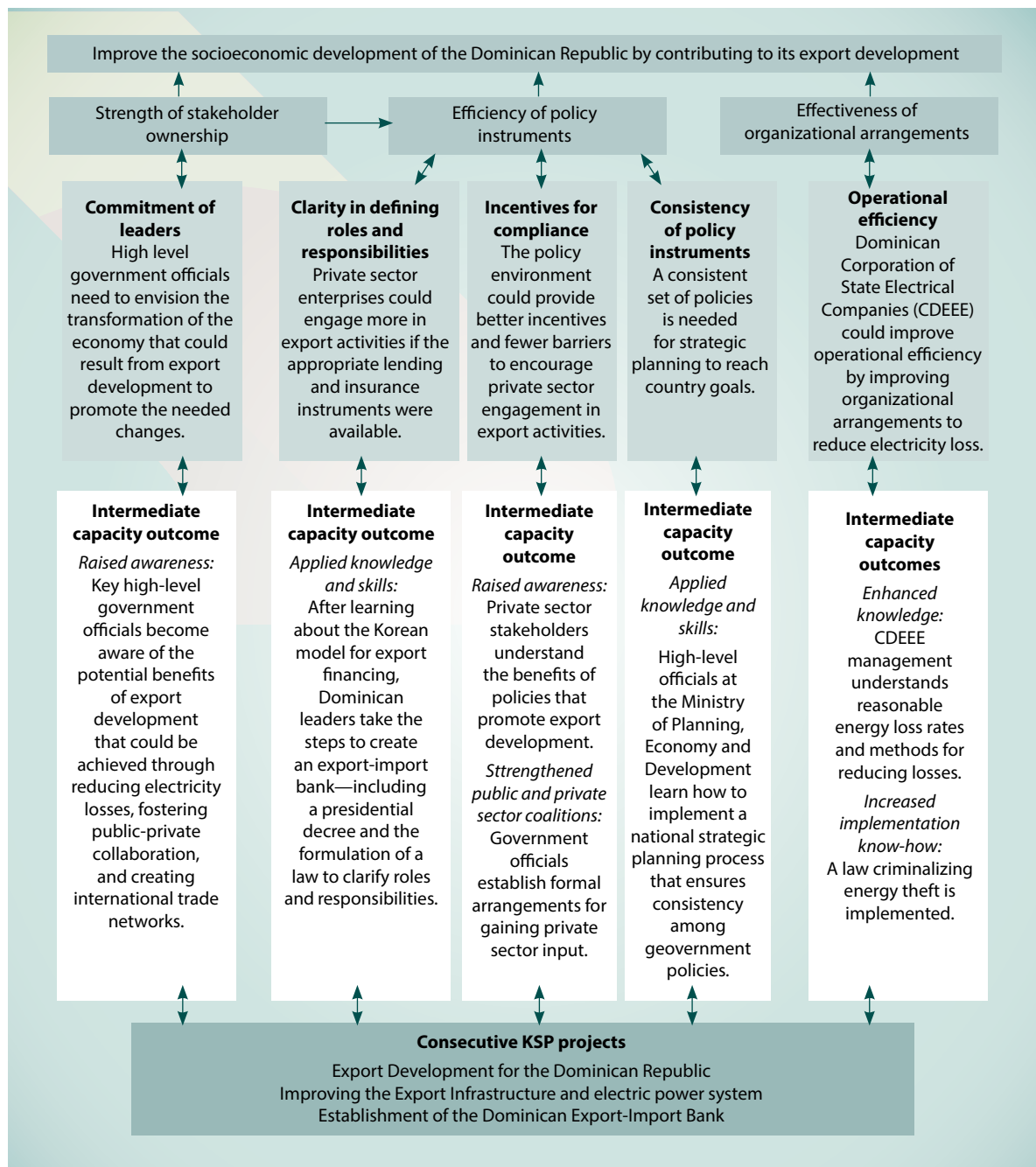| Development Goal	Capacity Development Objetive	Indicator	Data Source
Improve sustainable access to safe water supply	Increased financial viability of the Water and Sewerage Authority	Operational cost ration (percentage cost recovery) of Water and Sewerage Authority)	Audited Financial Statements of Water and Sewerage Authority
Improve employment rates	Increased level of employment of individuals using labor office services	Percentage of respondents, ages 14 and older, who indicated they found their job through the labor office	Living Standards Measurement Survey
Improve land tenure security	Reduced cost of land registration process at pilot project department	Per unit cost and time of regularization process	Intendance titling information system

Guidance Note 8:

Table 17. Questions for Clarifying Needed Intermediate Capacity Outcomes

ICO	*Check if the answer is "no" in relation to the target development goal*
Raised awareness	❏ Did the change agents have sufficient knowledge of the <issue>? ❏ Did they understand their role in improving the current situation? ❏ Were they sufficiently motivated to take the needed actions? ❏ Were they confident that they could take the needed actions?
Enhanced knowledge and skills	❏ Did the change agents have adequate technical skills and/or knowledge to <issue> to make the current situation better? ❏ Did they know how to apply the needed knowledge or skills in their work? ❏ Did they have the managerial support to appply the needed knowledge or skills? ❏ Was the environment in the change agents' workplace conducive to applying these skills?
Improved concensus and teamwork	❏ Were there any problems among or within the change agents related to poor teamwork? [check if yes] ❏ Were change agents able to work effectifely together on <issue>? ❏ Were they able to reach agreement on <issue>? ❏ Were all key stakeholders (other than change agent) included in the decision-making process related to <issue>? ❏ Was there effective and sufficient communication among team members? ❏ Were team members committed to improving the situation related to <issue>?
Strengthtened coalitions	❏ Did the change agents collaborate in any form with any external partners on <issue>? ❏ Were the roles and responsibilities within established partnerships clear related to <issue>? ❏ Did the members of the established partnerships or coalitions share a common agenda for action related to <issue>? ❏ Was there sufficient trust among members of the coalitions to work effectively together? ❏ Were the partnership or coalition structured appropriately to leverage diversities related to <issue>? ❏ Was the structure of the partnership or coalition formal enough to support an effective decision making process related to <issue>?
Enhanced networks	❏ Were the relevant stakeholders' involvement in the decision making process ensured? ❏ Did individual members have sufficient incentives for participating in the network? ❏ Were members commited to the network's goals? ❏ Were the relationships within the network appropriate for effectively addressing <issue>? ❏ Was everyone connected to the network who needed to be for addressing <issue>? ❏ Did the network effectively bridge differences? ❏ Was there a sufficient exchange of information among network members for addressing <issue>?
New implementation know-how	❏ Did change agents have sufficient understanding of why they needed to develop a strategy/policy plan? ❏ Was there a new policy or strategy that needed to be developed to make the envisioned changes in the <issue>? ❏ Was there a policy/strategy/plan that needed to be implemented to make the envisioned changes in the <issue>? ❏ Did change agents have sufficient know-how to identify and implement the needed acion steps related to <issue>? ❏ Was there a M & E plan to measure the results of the strategy/policy/plan?

WBI Diagram – Tracing Multiple Change Processes

Diagram 6. Example of Tracing Multiple Change Processes

Improve the socioeconomic development of the Dominican Republic by contributing to its export development

Strength of stakeholder ownership

Efficiency of policy instruments

Effectiveness of organizational arrangements

Commitment of leaders
High level government officials need to envision the transformation of the economy that could result from export development to promote the needed changes.

Clarity in defining roles and responsibilities
Private sector enterprises could engage more in export activities if the appropriate lending and insurance instruments were available.

Incentives for compliance
The policy environment could provide better incentives and fewer barriers to encourage private sector engagement in export activities.

Consistency of policy instruments
A consistent set of policies is needed for strategic planning to reach country goals.

Operational efficiency
Dominican Corporation of State Electrical Companies (CDEEE) could improve operational efficiency by improving organizational arrangements to reduce electricity loss.

Intermediate capacity outcome

Raised awareness: Key high-level government officials become aware of the potential benefits of export development that could be achieved through reducing electricity losses, fostering public-private collaboration, and creating international trade networks.

Intermediate capacity outcome

Applied knowledge and skills: After learning about the Korean model for export financing, Dominican leaders take the steps to create an export-import bank—including a presidential decree and the formulation of a law to clarify roles and responsibilities.

Intermediate capacity outcome

Raised awareness: Private sector stakeholders understand the benefits of policies that promote export development.

Sttrengthened public and private sector coalitions: Government officials establish formal arrangements for gaining private sector input.

Intermediate capacity outcome

Applied knowledge and skills:
High-level officials at the Ministry of Planning, Economy and Development learn how to implement a national strategic planning process that ensures consistency among geovernment policies.

Intermediate capacity outcomes

Enhanced knowledge: CDEEE management understands reasonable energy loss rates and methods for reducing losses.

Increased implementation know-how: A law criminalizing energy theft is implemented.

Consecutive KSP projects

Export Development for the Dominican Republic
Improving the Export Infrastructure and electric power system
Establishment of the Dominican Export-Import Bank

Source: WBI (2012) Guide to Evaluating Capacity Development Results, p28.

Annex D:
Checklists for McKinsey's 7-S Framework

Strategy:
- What is our strategy?
- How do we intend to achieve our objectives?
- How do we deal with competitive pressure?
- How are changes in customer demands dealt with?
- How is strategy adjusted for environmental issues?

Structure:
- How is the company/team divided?
- What is the hierarchy?
- How do the various departments coordinate activities?
- How do team members organize and align themselves?
- Is decision-making centralized or decentralized?
- How should it be, given our plans?
- Where are the lines of communication? Explicit and implicit?

Systems:
- What are the main systems that run the organisation? Consider financial and HR systems as well as communications and document storage.
- Where are the controls and how are they monitored and evaluated?
- What internal rules and processes do the team use to keep on track?

Shared Values:
- What are the core values?
- What is the corporate/team culture?
- How strong are the values?
- What are the fundamental values that the company/team was built on?

Style:
- How participative is the management/leadership style?
- How effective is that leadership?
- Do employees/team members tend to be competitive or cooperative?
- Are there real teams functioning or are they just nominal groups?

Staff:
- What positions or specializations are represented within the team?
- What positions need to be filled?
- Are there gaps in required competencies?

Skills:
- What are the strongest skills represented within the company/team?
- Are there any skills gaps?
- What is the company/team known for doing well?
- Do the current employees/team members have the ability to do the job?
- How are skills monitored and assessed?

Annex E:
Checklist for organisational readiness from the Learning Network on Capacity Development

Attitudes

1. What is the demand for capacity development and change, and is it sufficient to overcome challenges and resistance and lead to sustainable change?
2. What is the vision of change and is it agreed by key stakeholders?
3. What understanding do stakeholders have about how to define necessary changes?
4. Is there a clear alignment between the shared vision of the intended changes and the development goal?
5. Who holds the power to support or block change in this context?
6. Who holds visible/legitimate power?
7. Where is the invisible/illicit power and how is it used?
8. Is there political will to initiate and resource change?
9. What motivation to change do the different stakeholders' have?
10. How important is the change initiative for them?
11. What incentives are there for them to engage with change?
12. What perverse incentives would stop them from engaging?
13. Has senior management made a commitment to act as a sponsor of the change?
14. What issues in the culture, such as gender, are likely to be relevant to the change initiative?
15. Is the change consistent with the current organisational culture?
16. What is the value system and change background of the stakeholder groups?
17. What type of resistance can be expected and from where?
18. How has the leadership planned to manage resistance to change?

Conditions

1. How well are stakeholder goals aligned to the development goal to enable harmonisation around the change?
2. What is the scope of the change for the affected organisations, people, systems?
3. Have the necessary results been quantified and articulated as objectives and indicators?
4. What supporting legislation, policies, strategies are already in place, and are more needed?
5. How much change is already going on and how well is it being managed?
6. Is there a history of adequately helping individuals make personal changes?

7. Will human resource policies, practices and processes (e.g., salary and benefits structure) support or inhibit the change?

8. Does the infrastructure exist to enable employees by providing them with the appropriate tools and training?

Resources

1. What organisational, project or programme management tools already exist that would help to plan, execute and monitor the change?

2. Are there enough staff in the right places?

3. Are staff appropriately skilled to manage and implement the change?

4. Are finance and other necessary resources available or likely to become available? If not, what is needed and where can it be sourced?

Other tool kits to apply in determining organisational readiness

PESTLE: an assessment tool from the business world. Effective in analysis of the context and conditions in which an organisation exists, especially in the political economy. Sourced here: https://rapidbi.com/the-pestle-analysis-tool/

EuropaAid Capacity Development Toolkit: for making a qualitative assessment of strengths and weaknesses of available capacity, and for mapping the dynamics of the change team to key stakeholders. Sourced here: https://ec.europa.eu/europeaid/sites/devco/files/guidelines-toolkit-capacity-development-2010_en.pdf

Change Readiness Survey: Self-assessment tool for how an organisation undertakes and responds to change. Developed by Worklife Design in 2008, a simple survey. Sourced here:http://webcache.googleusercontent.com/search?q=cache:ZQdx5I1OW3kJ:worklifedesign.com/word-downloads/change-readiness-survey.doc+&cd=1&hl=en&ct=clnk&gl=uk

Annex F:
Expert Interviews

Mark Matthews
http://marklmatthews.com/

Laurel McLaren
Asia Foundation

Sandra Hamid
Asia Foundation

Scott Guggenheim
Department of Foreign Affairs and Trade
(DFAT)

Gatot Widayanto
Strategy and Change Management Expert

Jan Ubels
SNV

Deborah Rhodes
Capacity Development Specialist

Rosie Parkyn
BBC Media Impact

Julie Hind
Evolving Ways

Mary Zurbuchen
Former Head of Ford Foundation in Indonesia