

Readings on International Non-Profit Organization Structure

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http://www.ilj.org/publications/docs/7_Elements_of_Non_Profit_Capacity_Building.pdf

The Nature Conservancy, the nation's largest private conservation group, provides an excellent case of how aligning an organization's aspirations can enhance its impact. Under the leadership of John Sawhill, a former McKinsey partner and senior government official, the Conservancy undertook no less than three major capacity building initiatives during the 1990s, all focused on aspirations-level issues. One effort rewrote the mission statement; the second produced a new conservation vision and approach; and the third set concrete organizationwide goals.

On the surface, the organization that Sawhill inherited in 1990 was thriving, having posted record revenues, membership, and number of acres acquired. The organization's basic strategy - protecting rare species of plants and animals by buying land - was time-honored and very attractive to donors. Despite these successes the Conservancy's organizational design harbored a flaw that was diluting its social impact.

Although legally a single 501(c)3 entity, the Conservancy looked and behaved more like a federation, with each autonomous state office setting its goals and priorities separately and raising its own operating funds. As a result, it was very difficult to allocate resources effectively, to mobilize resources for institution-wide priorities, or to assess organization-wide progress toward the mission. With no common objective for the entire enterprise, operating units found it difficult to cooperate on conservation initiatives that crossed multiple geopolitical boundaries.

The lack of internal cooperation was especially troublesome because advances in conservation science were driving the organization to rethink its basic conservation approach. In particular, it was clear that the mission demanded that the Conservancy protect land on much larger scales than ever, making the old capital-intensive approach of buying and managing natural areas economically unfeasible over the long term. The future of conservation would depend upon cross-border collaboration and partnership - qualities notably lacking from the Conservancy's organizational skill base. Sawhill recognized that the Conservancy would never reach its potential until it started to act as a single institution.

Preaching the gospel of "One Conservancy," Sawhill was careful to work with and not against his organization's fiercely independent culture in rolling out his capacity building initiatives. He recognized that the organization would balk at any heavy-handed, top-down effort, and so from the start, he appealed to the organization's competitiveness, challenging it to raise the bar and increase its collective impact. Even the most independent-minded managers couldn't argue with that. From there, it was not such a great leap to secure organizational consensus that the best way to the next level of effectiveness was to focus all of the Conservancy's resources on a common vision, conservation approach, and set of goals. Nailing down the exact details of the vision and approach was an agonizing, lengthy process. Many parts of the organization resisted surrendering local control, even in exchange for increased impact. But by 2000, after a decade of capacity building, the Conservancy had executed a remarkable makeover. Where once its mission, vision, goals, and strategies were completely disjointed, now the Conservancy has attained a large degree of strategic alignment, with every operating unit aware of its role in advancing the overall objectives of the organization.

These efforts at aligning the Conservancy's aspirations have had a dramatic impact on its conservation effectiveness. Having aligned aspirations, the Conservancy was able to develop new organization-wide initiatives such as Last Great Places, improve the recruiting and retention of top talent, and conduct more coordinated and aggressive fund-raising campaigns. As a result, in the decade since John Sawhill started down the capacity building path, the Conservancy has improved its performance on biodiversity indicators, and its revenues, staff, and number of offices have tripled. Membership has more than doubled. Its traditional land protection activity - both through acquisition and other protection tools, including partnerships - now exceeds a million acres a year. Thanks to the unified goals and the common vision of success, the protection programs focus only on lands identified as organization-wide priorities. The Conservancy continues to expand rapidly, and is already well on its way to its goal of launching 500 new large-scale project offices by 2010.

Variables to Consider When Designing an Organizational Structure for an International Organization

by David Ingram, Demand Media

Organizational structure is the fundamental design of a company. A company's structure establishes lines of authority and decision making while describing where employees from different functional groups are located within the company. Organizational structure takes on an added level of complexity in international businesses, as employees from vastly different cultures, performing completely different tasks, are all part of the same organization.

Decision-Making Authority

International business structures must take into account the level of decision-making authority granted to managers in foreign markets. Decisions about the company's structure can be made in a centralized fashion, with executives at the home office making decisions that affect all foreign departments and subsidiaries; or decisions for each geographical unit can be made at the local level. If structure decisions are made in the home country for all company branches, the structure is likely to look similar across the board, although this is not always the case. If decisions are made locally, each branch is likely to have a structure that is custom tailored to the workplace and consumer culture of its own country.

Departmental Units

Deciding how to group employees according to their function is more complex in international operations. This decision can be highly influenced by the type of work performed in each geographic area. Work units can be structured functionally, so specific tasks are performed completely in one area. For example, you might decide to locate your entire phone support team in India. Units can also be formed around products or regions. For example, you might group representatives from the marketing, accounting, human resources and supply chain management functions in the Indian branch to handle business in that country.

Layers of Management

You must decide how many layers of executive management are required to ensure each region benefits from effective and responsive leadership. Smaller international businesses may be able to remain competitive with a single chief executive officer (CEO), chief financial officer (CFO) and chief operations officer (COO), whereas larger international organizations may have one of each for every continent, with titles such as CEO North America and CEO European Operations. Defining multiple executives' reporting relationships can be tricky. Executives of foreign regions can report directly to their counterpart in the home country, or they can act autonomously. If regional executives have the power to act independently of their counterparts, there must be a way to ensure all executives are on board and have a similar set of strategic goals, with the welfare of the entire organization in mind. An experienced and active board of directors is one way to keep executive counterparts from going in different directions.

Operational Considerations

When operational functions are geographically dispersed in an international business, it can be beneficial to structure each unit according to its specific function and regional culture. A tech support group located in the Philippines, for example, may benefit from a decentralized, flat organizational structure, in which each employee is free to make decisions, try new things and contribute to the strategic management of the group. A production department in China, on the

other hand, may benefit from a much more rigid structure, with decisions coming from top management and clearly defined job roles for front-line workers.

International NGOs of the Future: Convergence and Fragmentation

John Haile, INTRAC Seminar on Future Directions in International NGO Structures 10th
November 2009, Oxford

Read via PDF at: <http://www.intrac.org/data/files/resources/667/INTRAC-INGOs-of-the-Future-JH.pdf>

Evolving Global Structures and the Challenges Facing International Relief and Development Organizations

Nonprofit and Voluntary Sector Quarterly 1999; 28; 178
Karen Foreman

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