directions for SMCs work with organisational development & capacity building

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Introduction

Today, the international community is experiencing rapid change and organisations that want to retain their legitimacy and continue to contribute to positive changes in society must have the ability to adjust to changing circumstances. They must be able to adapt their strategies when the situation of their target group changes. They have to be able to understand and adjust to new political situations and to actively work for influencing possible change. At the same time, each organisation must be able to maintain a certain continuity and stability in its work methods and relationships. This places high demands on both the organisation and its leaders – and it is here that capacity building and skills development comes into play.

It is important to note that a majority of the literature and theories permeating today’s debate and trends in organisational development is a part of western culture, which is largely dominated by the business and public sectors. As a result, these systems might not always prove relevant when working with people and traditions from other cultures than our own.

The Swedish Mission Council (SMC) is an ecumenical body of Swedish Churches, missionary organisations and development organisations. The member organisations of SMC have a common Christian value-base, which also informs the work with organisational development and capacity building.

This document outlines a direction for SMCs work in capacity building and organisational development with its member organisations and in turn their partner organisations in their
individual contexts. The document describes the SMC policy for organisational development and capacity building. We hope that it will stimulate to a further dialogue on this issue. Suggestions and comments that can contribute to further development of this work are welcome. Editors and writers of this publication have been Charlotte Backlund, Karl-Erik Lundgren and Lorentz Forsberg.

Sundbyberg October 2002

Göran Sturve

General Secretary
Background

What is the Swedish Mission Council?

The Swedish Mission Council, SMC, was founded in 1912 with the purpose of being a forum for reflection for Churches and Christian agencies with a wide ecumenical base concerning mission and international solidarity.

Today SMC is an association of Swedish denominations, mission organisations and other Christian agencies who collaborate between themselves and with partners overseas.

SMC wants to express the presence of God through testimony, service and fellowship, and strives for a holistic view of humankind and its task in the world.

SMC works for increased awareness and knowledge of the injustices in the world, of their causes and how they can be overcome.

The SMC vision

The Swedish Mission Council works at supporting and strengthening the work of its affiliated organisations. The vision, the image of the future that the Swedish Mission Council is working towards is a situation where...

...SMC-affiliated organisations and their partners throughout the world have consciously developed their different resources, and in a credible and up-to-date way, cooperate in testimony and service. The presence of God’s kingdom and its power to change and increase the quality of life of individuals and society is demonstrated in and through their work.

The overall task of SMC

As an ecumenical organisation, SMC works towards a holistic view of the Christian commission.
This contains a variety of possibilities for service, where everyone contributes a specific part. In tangible terms this means:

- That SMC will articulate the Christian commission and encourage cooperation and unity amongst churches, denominations and Christian organisations.
- That SMC will renew and deepen the understanding of the commission of the Christian church and initiate discussion concerning mission and social issues.
- That SMC works towards capacity building and high quality of the work, locally as well as internationally.

This is how SMC works

SMC works in different ways to achieve its overall task through:

- Being a meeting place for promoting cooperation, exchange of experience and dialogue between the member organisations and with other national and international organisations. These meeting places are, for example, seminars, courses, working groups, networks, various publications, a website and the magazine “Missionsforum”.

- Expressing the role of Christian organisations within the development sector.

- Pursuing an active role in the development of policy and strategic issues, especially on the principle themes of reconciliation, change, vulnerability and mutual understanding.

- Regularly discussing relevant issues within mission theology, development theory and development practice together with the member organisations and their partners in the South and East.

- Being a party to the agreement with the Swedish International Development Agency, Sida, on behalf of its members, and to ensure that the interventions carried out by these members are in agreement with the criteria and the guidelines of the contract.

- Representing the member organisations in different contexts.
Organisational development and capacity building

SMC's vision and task is based on an understanding of stewardship, namely; it is about optimising benefits by using and developing resources and gifts in the best possible way. This biblical concept should not be interpreted as a narrowly focusing on cost efficiency and rationality alone, but in a wider sense for example that SMC promotes stewardship. One tangible way is through capacity building and skills and competence development. This also includes the ability to change, and an awareness of changes in the world that surrounds them.

Organisational development and capacity building are important areas of work for both organisations in Sweden and in the South and East. While it is true that the Swedish organisations are the SMC's primary target group, an important secondary target group is all the organisations that they cooperate with – their partners in different countries. The relationship between these organisations is the focus of the work. The aim of SMC is to strengthen the mutual understanding, the sense of community and the cooperation between Swedish SMC member organisations and their partner organisations. To consciously work to strengthen relations and deepen cooperation and community between people in different parts of the world is important, especially as individualisation and segregation increases in the backwaters of globalisation.
What is an organisation?

To understand organisations

When working with organisations and organisational capacity it is important to understand what an organisation is and how it functions. One common feature of all organisations is that they can be described as social constructs formed by humans in a specific social context, with a specific goal. Organisations differ in structure, size, aim, capacity, and so on. In order to distinguish them from each other they can be divided in to five categories¹ (See also Table 1 page 25).

1. Family/kinship group
2. Civil society (churches and communions belong to this category)
3. Market or private sector
4. The state
5. International community

There is not enough room in this document to take a closer look at all of these categories, but generally speaking, an organisation can be described as an organism or system that consists of human beings, and also of physical and financial resources. Every organisation is a delimited unit, but there is also an interaction with the surrounding world. The organisation affects and is affected by its outer environment, and its specific identity is a combination of its own inner condition and its relationships with others. As a result, influences from the surrounding environment permeate and penetrate the system demanding the ability to adapt in order to ensure continued growth or development.

The organisation’s ongoing development and continued life is thus largely dependant on the interaction between its “inner” life and the “outer” environment that is continuously changing. Without such an interaction the organisation – just as a biological organism – would soon become dormant and stop functioning. An organisation is therefore not only a tool or instrument that is to be used to reach an objective or realise an aim. An organisation is something

more than the sum of its parts, and it is exactly this added value that makes the organisation a suitable form of cooperation for working to change society. It is however, important to emphasise that an organisation consists of human beings and that every organisation is unique in the sense that it has its own history, identity, culture, mission and capacity. SMC’s basic starting point for all work with organisations is therefore that it must take place with great respect and consideration for each organisation’s specific situation and background.

The SMC consists of Churches and Christian organisations and this presents a special challenge. A Church\(^2\) is an association of people who base their community on spiritual values and experiences, while also being an organisation like many others. The Church is more than an organisation formed by people and it is difficult to shed light on both dimensions of these organisations using only the tools and models used to evaluate other, non-Christian organisations. One way to better understand the identity and self-understanding of churches and Christian organisations is to describe them both from a social and spiritual/theological perspective. This applies equally to those SMC-organisations that are not churches as they, through their basic norms and values, are a part of the worldwide Christian Church and thereby share this identity with churches and communions.

**A sociological perspective**

From a sociological perspective, organisations consist of a group of people united around a shared vision and joint aims and objectives. An idealistic organisation is formed by its members with the aim of acting for a shared mission, reaching joint aims and objectives. Organisations can look very different. In order to describe the essential features of an organisation, a model consisting of three different circles can be used\(^3\). The circles overlap each other and are together influenced by their surrounding context:

**To be** – one circle focuses on the organisation’s inner state and conditions – the organisation’s vision, basic values, identity, aims, objectives, structures, resources and systems.

**To do** – one circle focuses on the organisation’s performance or achievements – what the organisation does.

\(^2\) "The Church" is used as a gathering term for all Christians in the world – for the community of churches, organisations and individuals.

\(^3\) Developed by International NGO Training and Research Centre, INTRAC.
Figure 1 Sociological perspective

Context

To be

To do

To relate
To relate – one circle focuses on the organisation’s external contacts, its relations with other actors in the surrounding environment.

The overlapping circles illustrate the interrelatedness between different parts of the organisation where a change within one circle will affect the others. The organisation also exists in a context that continuously affects its life and circumstances. In order to understand an organisation there is a need to see and read the organisation as an inter-related whole, within its context.

From a sociological perspective some distinctive features of organisations can be observed:

- Organisations are formed by human beings for a joint aim or purpose.
- Organisations can be changed (their direction, role, structure etc.).
- Organisations are clearly delimited social constructions, but at the same time are strongly influenced by their context.
- Organisations are time-limited they have a beginning and an end.

A theological perspective

From a theological perspective, the Church can be described as community of believing human beings. Humans who, through faith, have become a part of the reconciliation with God, humans who have chosen to become members of a congregation, church or communion. God’s love of the world He created and His will to reconcile and heal the broken relationship between the world and Himself is the centre of the Christian faith. The interpretation and response to this love by humans has, and will continue to look, different over time, but the specific content – the message – stands firm. This perspective begins with the understanding that it is God, not human beings, who has taken the initiative to show His love to His creation.

That God, as an expression of His own essence, has created a community of people means that we are all related to each other. In the same way, the different parts of the worldwide Church are dependent on each other, and one consequence of this is the sharing of resources in a righteous way so that no one is in need. To acknowledge and recognize each other’s specific gifts, both spiritual and material, and to care for and use the Creation in a way that does not destroy or exhaust resources is a basic attitude of the Church’s mission. God’s mission to the congregation or Church is to make visible His love and care for all people and all He has created through testimony, diacony (service) and by living as a community.
Figure 2 Theological perspective
Relationships are therefore the starting point for God's work – the encounter between God, the individual and her fellow human beings. It is important to keep these three actors together, or the holistic perspective gets lost. The relationship with God will have an effect on the individual’s actions, self-image and view of his or her fellow human being. In this way, the conditions can be created that allow relationships to deepen and grow. Relationships mean responsibility, love, sharing, joy and sorrow, and must always be communicated in both directions. The Church’s mission in the world can be illustrated by a triangle, which – same as the three circles – exist in a context:

**Witness** (Kerygma) is Christian preaching of the Good News of Jesus Christ, the story about God’s message of love for His creation.

**Service/Diacony** (Diakonia) is care and work for social justice and development, based upon the love of Christ and expressed in the life of the Church. It is a commitment that is characterised by compassion, respect and solidarity with all human beings in vulnerable situations, regardless of their religious affiliation.

**Community** (Koinonia) stands for community, mutuality and peace (Shalom) which is the foundation of the Christian faith. The community is the basis for testimony and diacony. The Church is often described as “a temple of living stones” or “a body with many parts” – where the different parts have different tasks but all serve the same purpose.

The joint mission of the Church has room for a multitude of possible ways to serve and each part of this mission has its own value and its own raison d’être. Here the different churches and organisations have different contributions to make.

From the theological perspective, some **characteristic features** of the Church can be understood:

- The mission of the Church is based on God’s initiative.
- The Church cannot change or re-structure the plan of God. People can, however, chose how they want to relate to or interpret His plan.
- God’s initiative is directed towards everyone, regardless of age, gender, social status, ethnic, cultural or religious affiliation.
- The long-term perspective on the mission of the Church is influenced by the fact that the Christian gospel contains a dimension of eternity.
A joint perspective

SMC-affiliates are churches and Christian organisations and as a result, must be understood from both a **sociological** and a **theological** perspective. Both of these perspectives operate in parallel and complement rather than contradict each other. The necessity of considering both dimension becomes very clear when working with Christian organisation’s development and in understanding their identity. The images and descriptions in this chapter are necessarily simplified descriptions of reality, but they can contribute to a better understanding of the essence of churches and Christian organisations.

![Diagram of Joint Perspective](image-url)
An organisation’s essence or “soul”  

Organisations can be described from different perspectives and dimensions, but in general it can be said that all organisations are unique in the sense that they have a history and identity of their own. How then can an organisation’s identity be described and of what does it consist? Let us go back to the model with the three circles and take a closer look at the first circle in the model – the one that focuses on “To be”. The so called “onion model”\(^5\) attempts to outline the elements of this circle more closely. In this model, this is illustrated with the help of a cross-section of an onion, which is made up of a number of layers.

The outermost layer of the “onion” represents the organisation’s physical and financial resources. In the next layer, we find human capital including the staff’s knowledge and skills. The next layer contains the systems and structures the organisation has in place to carry out its work. Moving to a deeper layer we have the organisation’s vision, aims, objectives, and strategy. Finally, in the core of the onion is the organisation’s “soul” – its identity, basic values, organisational culture and “world view”/conceptual basis. All the “layers” are important and each is essential for the organisation’s existence, they are also mutually dependant upon each other and there needs to be a fit between them. But it is at the core of the onion that the organisation’s vital force is focused and expressed in its identity.

Sustainable change or development, of an organisation, a society or an individual, cannot be imposed from outside, it must come from within. The picture attempts to illustrate that an onion grows from the inside out – not from the outside in. The power to grow comes from inside! The elements at the heart of the onion have the greatest significance on an organisation’s development. When it comes to Christian organisations, a major part of the driving force of their activities lays in Christian values and in the belief in God. This, naturally, also affects the layers on the outside. It is also worth noting that an onion can also rot from inside out – an organisation without a clear sense of identity and vision, an organisation that lacks shared values or is unsure of its mission (but still might have the financial resources) will not be able to grow but will, if nothing is done, die.

\(^4\) If we compare a human being’s spirit, soul and body, the soul constitutes the link between the spirit and the body. Our self-awareness is based in the divine, while the body communicates with the worldly reality and the spirit with the transcendent. As the residence for our self-awareness, the soul is the organ for her intellectual activities, her mental life. Furthermore, the soul is the organ for our richly variable emotional life, expressed in anxiety, fear, peace, joy, love. Finally, the soul is the organ for the third function in the personality: the will.

\(^5\) Developed by INTRAC and Community Development Resource Association, CDRA.
Figure 4 The onion model
The identity of an organisation

To discover an organisation’s identity is like finding its soul, and organisations that have a clear understanding of their own identity can also form their own future. An organisation’s vitality and creative energy lies in its identity. An organisation’s identity is created when people with a shared vision come together and unite around their vision, carry through or accomplishing something specific in their surrounding world.

An organisation’s identity grows through interaction with many different factors and can be expressed in many different ways. Overall, an organisation’s identity might be illustrated with the following picture (See figure 5):

A vision is a “mental image” of a desired future. It develops from an interaction between an external reality that requires a response, and an inner inspiration to take responsibility to satisfy a need or develop a certain possibility. The vision illustrates what the organisation intends to do – its aim.

Values are what the organisation believes in; its basic values, norms and convictions that both carry and direct what the organisation does and how it acts.

Attitude arises from the basic principles and direction of an organisation’s activities. It is the main path an organisation’s actions will follow when working toward the fulfilment of specific goals – it is what determines the organisation’s way to be and act.

Strategy is the art of planning. A strategy expresses an approach and describes how the organisation can best use its material and human resources to realise its mission, its aims and objectives and its vision. A strategy is developed and refined through a continuous interaction between planning, acting and evaluating.

Thus, the identity grows out from a vision of changing the world to make it a better place in which to live, through the specific efforts contributed by the organisation. However, organisations are complex, changing, dynamic organisms – each with their own identity. It is meaningless to create structures and systems before you are certain what the structures are for and how they will be used. All systems, structures and functions related to the organisation are ultimately determined and influenced by its identity. Work with an organisation’s identity demands care and respect, as it has to do with its innermost essence – its soul.

Figure 5 The identity of organisations

IDENTITY

Vision
(Why does the organisation exist?)

Values and norms
(In which the organisation believes)

Strategy

Standards and behaviours
(The organisation's way to be and act)
What is development?

Development is a continuous process for individuals, organisations and societies. Development is not something linear or time-bound; it is unpredictable and occurs constantly and everywhere without someone from the outside (organisation or individual) interfering by initiating projects or activities. All organisational development efforts constitute an intervention into an ongoing development process. It is therefore important to understand the context and the unique development process that the effort will enter into. When planning efforts, issues related to trust, reliance, local acceptance and support are of vital importance for which conditions for sustainable and lasting change can be created.

The natural development of organisations

When talking about organisational development (OD), it is important to remember that organisations also change all by themselves, through a natural development process (see figure 6 below). An organisation often begins in what is usually called the pioneer phase, with a strong, charismatic leader and a strong commitment to “the cause”. The young organisation often lacks structures and systems for things like reporting and evaluation. In this first stage, the organisation often experiences strong success, decision-making is easy to do, the organisation grows and there is a strong sense of commitment. After a while though, the people in and around the organisation experience a need for structures and systems, to ensure continuity. This will lead the organisation either into a process of change, or a more or less serious identity crisis that must be worked through in order for the organisation to move ahead.

The next phase is called the delegation phase, and now the organisation begins to develop its own systems and structures for decision-making, priorities and work methods. Initially this works well, the actors involved see the organisation developing a clearer form and structure, there is continuity in decision-making and reporting and a clear division of tasks and responsibilities occur. After a while though, bureaucracy takes over completely and suffocates the once strong commitment. The organisation now experiences a new identity crisis.
In the third phase, **the integration phase**, the organisation struggles to find a balance between commitment and empathy for the organisation’s aims, objectives and values and the necessary bureaucratic systems and structures. This balancing act is something that the organisation will have to keep working with for the rest of its life, with recurrent identity crises and periods to work through these.

The mature organisation must continuously fight against declining commitment and dedication. If commitment and vision weaken, the organisation will have to find ways to renew itself – the organisation needs to recreate and renew the original commitment and the power of its vision. If it fails in this, there is a great risk that the organisation will lose efficiency and in the worst case, it will slowly begin to “die”. In these situations, organisational development (OD) can be a tool to help the organisation to work on its situation, to choose how it wants to develop and handle the changes ahead.

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7 Inspired by Bearbuk, G (1972); Kruse, S-E (1999); Intrac; CDRA
The natural development of relationships

A similar development process can also be described based on the relationships an organisation has with the surrounding world. Organisations, like people, often seem to go through three phases in their relationships – from dependency to independence and then to mutual dependency (Kaplan, 1999 & 2000; Sahley, 1995; Vink, 1999).

In the first phase, the dependency phase, the organisation depends, in different ways, on its surrounding environment, or on a partner that provides financial support, technical knowledge or staff support or in other ways creates the conditions needed for the organisation’s existence and growth. This is a phase of learning, when the organisation grows and develops its competence. In the next phase, the organisation makes itself more and more independent. There is a need to stand on its own feet and direct its own work. This is a period of reappraisal and a time for putting knowledge and competence in concrete form, something that allows the organisation to become established as an independent body. However, this is not the final phase – after having reached its independence, the organisation can move into a deeper relationship, a relationship of mutual dependency where the partners participate on equal terms. This is based on the understanding that an organisation’s full potential can only be realised in interaction with others.

Both of these models of development have been reproduced here in simplified form, yet they still say something about how an organisation can grow and develop. It is however, important to again emphasise that the development process is not linear and predictable. Different parts within the same organisation can be in different phases of development at the same time, and the process within an organisation can lead it back and forth between the different phases.

The development and relationships of churches and Christian organisations

Churches and Christian organisations too go through these phases. The latter model, the one that leads to a deep and mutual relationship, is a good description of the aim of the partnership between churches and organisations in different countries. In this process of growth too, OD can be a tool for working on the relationship between and the situation within both of the partner organisations. It is however, important for the process to be mutual, that both organisations participate on the same terms, so that the OD-process in itself becomes an element that strengthens the affinity and partnership between the organisations.
One common strength that Churches and Christian organisations often have is their strong local acceptance and support in the context where they work, and their ability to build on voluntary commitment and local initiatives in their work. Churches have often been in a place for a long time, and will remain after individual projects are finished. There are however, weaknesses within churches that can create difficulties in their growth and development. One such weakness is the dependency that can be built up between an organisation or a church in the South and its partner in the North. It can be difficult for the organisation in the South to become independent and to progress toward the delegation and integration phases, the organisation needs to build up its own system and to further develop its own structures and priorities. Identity problems can also develop and a dualism can be created by the social wing of the church’s work often having more access to money and resources.

When the division between the social and spiritual dimensions of the church’s identity becomes too distinct, antagonism and uncertainty regarding the organisation’s vision, mission and aims and objectives can develop. This creates uncertainty and imbalance within the organisation. To continue moving in the direction of a mutually dependent relationship, an organisation must find a stability and clarity regarding its own identity, its vision and its aims and objectives, while also gaining an understanding and respect for others.

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What is organisational development?

Aim and target group

SMCs work with organisational development is aimed at developing strong, independent organisations with good self-insight, a self-critical attitude, and competence and capacity to act for change both within their own organisation and in the surrounding society. The work also aims at supporting and developing relationships between Swedish SMC organisations and their sister organisations in different countries. The objective is to reach a deepened partnership that builds upon mutuality, respect, community and a good understanding of each others’ situation.

The primary target for all of SMCs work is its affiliated Swedish organisations, but, as an extension of this, this would also include the partners of these organisations in different countries.

Terms and definitions

The literature about organisational development contains many concepts and terms: organisational development, skills or competence development, capacity development or capacity building, institutional development and others. The different concepts are used in parallel and are given different definitions by different actors. For example, in documents and publications about organisational development the terms: organisational development and capacity development are often lumped together or used as synonyms. One way to clear up any confusion is to define how the different concepts are interpreted, and how SMC has chosen to use the concepts (see also: Appendix: Terms and definitions).

**Capacity building** is a broad term that includes different efforts or activities aimed at improving an organisation’s efficiency and sustainability in relation to its aims, objectives and context.9

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It can be **technical support** in the form of knowledge or resources with the aim of developing specific competence within the organisation, for instance through an educational effort for the personnel concerned. The aim is to add certain resources or knowledge in order to improve the organisation’s performance, often within a specified area.

It can be **organisational support** targeted toward the organisation’s actual function and structure, rather than to its performance. One example might be strategic planning or management development with the aim of improving the organisation’s effectiveness in these areas. These efforts are often relatively short-term and are directed toward a specific, identified problem.

It can also be the type of efforts usually referred to as **organisational development**. That is: a more comprehensive, long-term and thorough effort that looks at the whole organisation — its identity and culture, its leadership and management systems, and also its ability, function and performance. The core of the organisation is often focused on its basic values, self-understanding and organisational culture that together form the organisation into what it is — its identity.

**Organisational development (OD)** is one form of capacity building, which comes from a discipline and practice that stretches over 50 years. It encourages planned participatory change that aims to increase the organisation’s capacity for learning, awareness and self-understanding, so the organisation can be better prepared to take control of its situation, activities and future. Different types of more targeted capacity-building measures, as above, can be used to support the changes needed (See its own section below).

The **organisational development process** is the process through which an organisation begins to work on the possibilities and needs found in an initial organisational analysis. This often takes place with the help of a consultant who, in a skilled and sensitive way, guides the process forward.

**Institutional development** is used to describe work directed toward the surrounding context in which the NGO lives and acts. It is the work for change within the social, political and

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10 See SMCs own definition and also its own section below.
Organisational analysis is a systematic appraisal of an organisation's capacity and function. It is normally conducted by the organisation itself, with the help of a consultant who facilitates the process. The aim is to take a close-up look at the organisation where its strong and weak sides become clearly visible. An organisational analysis is often done as an introduction to a more thorough and comprehensive OD-process, in order to identify which areas within the organisation need to be worked on. Sometimes an organisational analysis can be clear enough for the organisation to be able to continue the work on its own, although intermittent accompaniment can be helpful.

Building organisational capacity

In order to build an organisation’s capacity it is important to have a holistic view of the organisation. By looking at an organisation as both an independent unit, while also seeing the way it interacts with its surrounding environment, capacity building can become a conscious effort that strengthens the organisation’s efficiency and sustainability in relation to its mission and context.

What does it then mean to have capacity and how is it built up within an organisation? Experience and research, by the CDRA\(^\text{11}\) (CDRA, 1994; Kaplan, 1999 & 2000) among others, shows that organisations gain capacity in a certain order – one step must be taken before the next can be accomplished. In keeping with earlier discussions in this document\(^\text{12}\) where an organisation’s innermost core, its identity, is identified as crucial for the organisation’s well-being and ability, SMC means that an organisation – in order to have capacity – should have the following elements, organised in the following hierarchy and obtained in approximately this order:

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\(^{11}\) Community Development Resource Association.

\(^{12}\) ‘Organisations’ core or “soul” and ‘Organisations’ identity’.

Table 1 Institutional level and organisation form

<table>
<thead>
<tr>
<th>Institutional level</th>
<th>Organisational form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family/kinship group</td>
<td>Households, extended family, kinship groups</td>
</tr>
<tr>
<td>Civil society</td>
<td>Community based organisations, voluntary associations, movements, churches and other faith-based organisations, NGOs, cooperatives and community development organisations</td>
</tr>
<tr>
<td>Market or private sector</td>
<td>Businesses, financial corporations, multinationals and informal trade</td>
</tr>
<tr>
<td>The state</td>
<td>Legal, military and governmental organisations</td>
</tr>
<tr>
<td>International community</td>
<td>UN institutions, IMF, World Bank, EU and other multilateral agencies</td>
</tr>
</tbody>
</table>

1. **Context and the organisation’s understanding of the surrounding world**: The first demand placed on an organisation with capacity is that it develop a conceptual framework that reflects its opinion about and understanding of the world that surrounds it - a coherent frame of reference, a set of concepts and notions that make the surrounding world comprehensible or understandable for the organisation. An organisation that does not have a practical understanding of its world can be said to lack capacity, regardless of how many other skills and how much knowledge it attains.

2. **Organisational “attitude”**: Having understood its context, an organisation will next develop a specific organisational “attitude” to this context. An organisation needs to build up its belief in its ability to act in and toward the world in an efficient and influential way. The interaction between the understanding of the external environment and the insight into ones specific responsibility creates an organisational vision.

3. **Strategy**: Strategic thinking means to let the vision take effect – to let it chart the general direction of the work. One part of strategic thinking is to build up coherent, practical work

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methods and to form the organisation around these methods. Strategic thinking is developed and refined through a continuous interaction between planning, acting and evaluation.

4. Organisational structure: Even though these elements are not acquired in sequence, it can be said that, once the organisational aims, strategies and culture have been taken care of; it becomes possible to structure the organisation in such a way that roles and functions are clearly defined and separated. Channels of communication and the division of responsibilities must be clear and decision-making routines must also be transparent and functional. Put in slightly different words, “form follows function” – if structure is allowed to determine strategy the organisation is very unlikely to achieve its potential capacity.

5. Knowledge and skills: Next along the path toward organisational capacity, from a priority and sequence perspective, is to develop and extend individual knowledge, skills and competence – the entire traditional terrain of training and education. Knowledge and education are, naturally, already in place and alone can generate self-esteem and a sense of control. However, an organisation that does not know where it is headed and why, an organisation with a poorly developed sense of responsibility for itself that is not properly organised, can not retain and make use of training, education and acquired knowledge.

6. Material resources: Finally, an organisation needs material resources: economic means, equipment, administrative space and so on. Without a suitable level of material resources, the organisation will always suffer an important lack of capacity. The effects of a lack of resources can be overcome with a suitable organisational “attitude”. That is to say, that in those cases where there are insufficient resources, the way these limited resources are used can become something that builds capacity, while pure complaining reduces capacity. It is once again worth noting the common misconception found among organisations with insufficient capacity: the idea that if only there were sufficient material resources, this would automatically lead to increased capacity.

To sum up the different methods and concepts used within the area of capacity building of organisations, a picture (see figure 7) can be of help in showing their relative relationships and cooperation or interaction. As the illustration shows, organisational development is only one, but very important, part of capacity building.
Capacity building
A deliberate effort aiming at strengthening an organisation and its effectiveness and sustainability in relation to its purpose and context through

Organisation and context analysis
identify the need for

The Organisation

Context

Technical support
Building operational and technical capacity of an organisation through educational efforts and strengthening of physical and technical resources

Organisational support
Building specific organisational capacity (short-term, specific, problem-solving), through management training and system/strategic planning

Organisational development
Organisation assessments, changes or processes that focus on the core of the organisation – its identity, self-understanding, vision and strategic thinking

Institutional development
Changes in social, cultural, religious, political and economic structures
- Legal framework
- Networking
- Consciousness
- Advocacy
- Values
Organisational development

When SMC talks about organisational development (OD) it refers to organisational assessments, changes or processes that focus on the core of an organisation – its identity, self-understanding, vision and its strategic thinking. A long-term and thorough process that aims at building basic competence within the organisation. This competence gives the organisation not only the ability to solve existing problems, but also an increased readiness to meet future challenges and changes.

In all work with organisational development, it is important to start with the understanding that organisations are made up of people, not just structures. Organisational development is an umbrella term for a process that aims to help people better understand the organisation to which they belong. The process also helps build up and develop people’s ability to understand their surrounding world and to cope with the current situation and the changes in this world. At its heart and centre, organisational development is about people and relationships. Changes should not be imposed from the outside – people have to realise the need for certain changes. This can be both difficult and sensitive and therefore requires time.

Organisational development does not follow a given, staked out path. It is often a process that has to go through periods of crisis and chaos, in order to grow, eventually, into something new, relevant and meaningful. One of the parables in the Bible talks about the grain that the farmer sows, which has to die in order to become a new plant, a new life.
Organisational development is more about building up a “reservoir of capacity” which the organisation can draw upon when facing new challenges, or having to make decisions or solve problems rather than of supplying a repertoire of different techniques, templates, directions or forms.
Basic principles and values

1. Partnership in focus

One fundamental principle of the SMC’s work with OD is the focus on the partnership and affinity between organisations. One important aim for this OD-work is to strengthen relations, community and the bonds of cooperation between Swedish organisations and their partners in different countries.

The idea of the work is to start a process where the organisations are given an opportunity to work on self-understanding, identity, aims, objectives, their structure and work methods. The method is based on active participation and self-reflection within the organisations concerned. This process of reflection could take place in parallel within both the Swedish and partner organisation(s). During the process the partners will agree to meet and discuss their results and how best to carry on together.

The focus on partnership means that the SMC does not regard OD as something that the Swedish organisation can “do to its partner”. In many documents about OD and organisational capacity the OD is described as a tool for organisations from North to increase their southern cooperation partners’ efficiency. SMC does not share this view. The starting point instead, is that OD is needed within both the organisations in the North and the South, that the work should be led by an independent consultant, and also that the work should take place in parallel within both organisations and that there should be an ongoing and continuous exchange.

2. Ownership and commitment

OD has to grow up from a recognized need of the parties concerned, and it must aim toward a result where all parties can see a positive change in their function or organisation. OD can
never be an aim in itself. If the parties involved do not recognize that there is something to gain from the OD-process or if they don’t feel that they have control and influence over the process, they will, ultimately, not be interested in or own the result and the process will, therefore, be without effect. In the end, it is local ownership and commitment to the process that will determine how productive and successful the OD-process will be. Real ownership and commitment can be attained only if the parties concerned are involved in the work from the start – preferably, the initiative should come completely from the partner. Thus OD is something that cannot be done to an organisation without its agreement and the active involvement of its members.

An organisation’s leadership and board are important, key players in the OD-process. If they do not engage in the OD-process and give it legitimacy, it is not likely to be successful. On the other hand, there is also a risk in managing the process solely from above without the members, or grass-roots, being involved. Ownership and commitment is important at all levels within the organisation.

3. Time and focus on processes

Another important aspect is time. Change takes time and an OD-process cannot be forced to happen but has to be allowed the time it needs. More technical capacity development efforts can be scheduled and carried out in a short time, but a successful OD-process has no clear end – learning and development becomes a natural part of the organisation’s life.

OD is about conscious, not un-conscious change and builds on self-reflection and active work on and within the organisation concerned. The focus is on humans and relationships - not on physical resources. The work method is process-focused rather than the expert approach - it is a question of a long-term and continuous process of change, rather than ready-made solutions and quick results.

4. Holistic view and organisational culture

OD is based on a holistic view of an organisation as a system of mutually dependent components where a change within one part of the organisation will affect the whole. Therefore, it is important to look at the organisation as a whole, rather than in a piecemeal fashion.

One important aspect is the organisational culture that forms the climate and lays the foundation upon which the work takes place. The organisational culture is often only partly conscious,
and is rarely written down on paper. The organisational culture can be compared with an iceberg – only a small part of it is visible above the surface, the rest of it lays hidden below the surface but is still – more or less consciously – of great importance to the organisation’s work-methods, priorities and behaviour.

5. Clear aims and objectives from the beginning

Another important aspect is that, from the beginning, everyone must have a clear understanding of what they want to achieve thorough OD. It is important to first identify which questions are of immediate interest and explore some of the deeper issues behind them. There needs to be a desire for a change which people are committed to. A knowledgeable consultant or facilitator, experienced in leading such a process of change, can be of great assistance during this process (see below).

6. Gender

Equality between men and women is important in all work. This is also true when working with organisational capacity and the processes of change. In many churches, communions and Christian organisations that the SMC works with, the majority of the members and supporters are women, while the majority of decision-makers and bosses are male. This is an important insight that the OD-work has to consider and deal with in the best way possible.

7. To become a learning organisation

As mentioned above, OD is characterised by a long-term and thorough process that aims at building up basic competence within the organisation. This kind of competence not only gives the organisation the ability to solve existing problems but also an increased ability to learn from practice and handle future changes and challenges.

The aim of organisational development is to help an organisation become better at developing internally by learning from experience – to consciously and continuously learn from their own and others experience and to adjust to a changeable surrounding world. To become a “learning organisation” is central to the concept of organisational development.
8. To cope with changes - ability of strategic thinking

Today’s society is characterised by quick changes and this implies constantly changing conditions for organisations working with community development. While the surrounding world continues changing faster and faster, organisations that hope to remain relevant must be able to adapt to new circumstances. They have to be able to change their strategies when the circumstances of the target group change, they have to be able to understand and adapt to new political situations and work actively to, in their turn, influence society in the desired direction.

At the same time, each organisation must be able to maintain a certain continuity and stability in their work methods and in their relationships. This demands a lot from an organisation and its leadership. One important aim with capacity building and organisational development is therefore to help organisations to become better at coping with these changes – both internal to the organisation and external changes that affect the organisation’s surrounding world and its activities.

The goal is for the organisation to be able to think strategically. This connects to the above discussion about being a learning organisation, and implies that the organisation is not only capable of setting out a strategic plan for its work (through strategic planning), but also has the ability to constantly work on its strategies, approaches, aims and objectives in order to adjust them to a changing surrounding world.

One key issue when building up this capacity within the organisation is the cooperation within the organisation – the teamwork and the work group’s ability to collectively deal with changed circumstances.

9. Influence from the surrounding context

All organisations exist in a surrounding context that establishes the norms and conditions under which they must function. OD-work can be one way of influencing these norms and patterns, by the organisation functioning as a force for change in society and by setting an example for others.
On the other hand, an effort to change the surrounding context, i.e. to influence the norms and values operating in the wider context (what we call institutional development, see above), can be a condition for an individual organisation’s ability to change in the desired direction. An organisation is dependent on both the formal laws and rules that apply to that particular type of organisation, and on the more informal norms and values that its surroundings impose on the organisation and its activities. If these formal and informal rules do not correspond with the organisation’s view of itself, and its aims and objectives, problems will occur.

In order to make a process of organisational change successful, then, extensive lobbying and work with changes directed toward the surrounding society and its systems of norms and values may be needed.

10. Power relations

Another consideration that can affect the work is the formal and informal power relationships that can exist between different organisations. It is not uncommon for an organisation in South to get financial support for their OD-process from a partner organisation in North. This then, consciously or un-consciously, gives the funding organisation a position of power relative to its partner. When money is involved, there is always the risk of a power relationship developing; this is a delicate thing especially during an organisational change process. If these power relations are not handled correctly, they can prevent, or obstruct, an open and creative process.

This can be even more difficult when the funding organisation also wants to be involved in the OD-process itself. It is very difficult to play both these roles at the same time without, consciously or unconsciously, also affecting and directing the process. In addition, during the initial process of identifying key questions, too much involvement by the funding agency can be a problem. There is a risk that this organisation’s own interest in the process, for example: to get better written reports or more efficient evaluations, will become the focus of the process.
It is important that organisations in the North understand this problem and learn to work with it. Otherwise, there is a risk that capacity building and organisational development instead of strengthening will undermine and distort the delicate balance in the power relations.

11. OD-consultants

One way of counteracting these problems is to involve an independent consultant as facilitator or process leader in the OD-work. In this case, it is important for this person to receive her/his assignment from the directly concerned organisation and not from its partner (even if that organisation is funding the work). In situations where the partner organisations both work with parallel OD-processes, it is important that they both have the same influence over the description and the shaping of the assignment.

An OD-consultant must have the competences, personal qualities and experience in leading this kind of processes. He/she should have a good understanding of organisations and how they function, have the ability to listen and interpret different opinions and points of view that will arise.
Work forms and methods for SMSs OD-work

In order to fulfil SMC’s vision of strong, vital organisations that have significance and impact in their surroundings, one of SMC’s most important tasks is to support the development of organisational capacity and competence within both its Swedish affiliates and their partners in different countries. This section details the methods and forms of work that SMC has chosen for the work with organisational development and capacity building.

Courses and seminars

Specific aim
To increase organisations´ knowledge and awareness of their own capacity and role through education.

Objective
The objective is for member organisations to gain a basic understanding of key concepts, explore how organisations function and develop, and examine the different ways to strengthen churches and Christian organisations in the North and the South.

Methods and approach
Short courses workshops and seminars for member organisations and their partners under the supervision of experienced resource persons and facilitators.
Organisational development processes

Specific aim
To support conscious and desired change by initiating and encouraging long term and thorough OD-processes with the support of experienced local resource persons/facilitators.

Objective
The objective is to support organisations to have a clear self-understanding, identity and purpose, structure and work methods, so that they are better able to fulfil their mission in a relevant and effective way.

Methods and approach
- A constructive way to start the process is to carry out an organisation assessment. The idea is to take a close-up look at the organisation, and identify the strengths that can be built on and the weaker points that need to be worked on.
- The method involves active participation and is characterised by self-reflection. SMC has had positive experience with this process when it is a parallel process within both the Swedish organisation and its partner. Proceeding in this way has allowed the partners to meet during the analysis process to discuss what has been discovered and how to proceed together.

Resource pools

Specific aim
To make local competence available to strengthen organisational capacity.

Objective
The objective is an increased freedom of choice of consultants who understand local conditions, are accepted locally and are competent in long-term organisation development processes.
Methods and approach

Networking – identifying organisations and individuals that possess knowledge and experience with capacity building and organisational development.

Building resource pools – taking initiatives to identify, bring together and strengthen existing local resources in different countries and regions in both the North and South.

“Internal agents for change” – training and education of internal resource persons in organisations to support long-term and internally sustainable processes.

To integrate the building up of organisational capacity

Specific aim
To pay attention to the build up of organisational capacity in an integrated way, and to let it form SMC’s role, strategy and activities.

Objective
The objective is to reach a holistic view and coherence in SMC’s work in relation to the strengthening of organisations as actors for development in society.

Methods and approach

Internal definitions of terms and concepts, and a uniform application of these terms.

Follow-up of the relationship between theory and practice. To follow-up on the effects and results of capacity building efforts at community, organisational and individual levels.

Continuous dialogue and self-analysis.

Encourage and supply tools for self-analysis

Specific aim
To encourage organisations to scrutinise their own organisation by offering relevant methods and tools for self-analysis, and ways to learn from their own experiences.
Objective
The objective is learning organisations that consciously and continuously learn from their own and other’s experiences, and who have the ability to adapt to a continuously changing environment.

Methods and approach
- Analysis of an organisation and its context or environment provides an important and necessary starting point for work with organisational development and capacity building. Organisations are complex, living systems with their own history, raison d´être and development path. SMC suggests that analysis tools can be used in such a way that they stimulate and contribute to the development of the organisation, act as to be a useful bench-mark at different stages of the development path. Tools can also be potentially harmful or misleading if not used well and it is therefore important to be aware of how they should be used and for what purpose (Se Taylor, J 2002).

- SMC is working on developing and introducing different analysis tools that can become a part of a “tool box”. The right tool used in the right way is one important part of a positive organisational development process.

- Making others´ experiences available through the translation of literature, compiling case studies and creating meeting points for the exchange of experiences.
Literature


Appendix:

Terms and definitions

The following is a review of some central concepts, their meaning and areas of use (as the SMC has chosen to use them):

**Capacity**

Capacity is an umbrella term for the knowledge and resources that exist or can exist within an organisation. Capacity in this context means an organisation’s ability to function as a strategic and interdependent unit with a high degree of resilience. The emphasis is on the capacity to organise, rather than to carry out certain tasks (especially according to the specifications of others), despite the fact that the latter ability is clearly and obviously an important element in organisational capacity.

**Competence**

Competence is the ability to do something with ones capacity, to handle a situation, to be able to plan in advance and to see the consequences of ones actions. The ability to see and understand one’s problems and to manage to do something about them. A competent organisation is an organisation that efficiently fulfils and further develops its aims and objectives, within the framework of given resources. Competence is not just the ability to do something but also requires a will – to want to and to be able to do something.

When using the word competence about people we talk about both formal and social competence – there are thus different perspectives on this. In today’s society that is becoming increasingly individualistic, competence has become an important
Capacity building means of competition when competing or fighting for jobs and positions. It is interesting to be reminded of the fact that the Latin word “competare” actually means “being eager together”. It suggests unity and community more than competition. This is worth keeping in mind also when we use the word competence in the context of organisational development.

Capacity building (CB) is a broad term that includes different forms of development with the aim of increasing an organisation’s efficiency and sustainability. It can relate to everything from an extensive work-through of the whole organisation’s function and capacity to the development of some specific technical competence, personnel support or some forms of financial support.

Organisational development (OD) is one form of capacity building related to changes within an organisation. A planned change that aims to increase the organisation’s capacity for learning, awareness and self-understanding, so the organisation becomes better equipped to take control over its situation, activities and future. Different forms of more targeted capacity-developing efforts, as above, can come in as tools in the OD-work.

Organisational analysis is a systematic appraisal of an organisation’s capacity and function. It is normally done by the organisation itself, with the help of a consultant supervising the process. The aim is to get a close-up of the organisation, where its strong and weak points are clearly visible. An organisational analysis is often made as an introduction to a more extensive OD-process, in order to identify the areas within the organisation that need work. Sometimes an organisational analysis can be clear enough for the organisation then to be able to continue the work on its own.

Organisational development process (OD-process, OD-intervention, OD-consultancy) is the process through which an organisation starts to work on the challenges identified by the organisational
assessment and the changes that need to take place. This often takes place with the help of an OD-consultant who, in a smooth and sensitive way, helps move the process forward. The process often starts by carrying out an organisational assessment looking at the ‘whole’ picture in a participatory way.

Institutional development aims at work directed to the surrounding context or environment where an NGO is located. An institution consists of patterns of behaviour in society; it can for instance be the school system or marriage as an institution. The difference between an organisation and an institution is that an organisation is a target-oriented, structured and regulated social unit, while the institution consists of norms, values and patterns of behaviour in wider society. All organisations are dependent of these norms and patterns for their survival.

Organisations can be said to be the players and the institutions the rules of the game in society. Institutional development relates to work to improve the conditions for NGOs in a country, to work with advocacy in challenging certain societal norms or values, or to work for political reforms regarding for example, human rights.
Today, the international community is experiencing rapid change and organisations that want to retain their legitimacy and continue to contribute to positive changes in society must have the ability to adjust to changing circumstances. They must be able to adapt their strategies when the situation of their target group changes. They have to be able to understand and adjust to new political situations and to actively work for influencing possible change. At the same time, each organisation must be able to maintain a certain continuity and stability in its work methods and relationships. This places high demands on both the organisation and its leaders – and it is here that capacity building and skills development comes into play.

The aim of SMC is to strengthen the mutual understanding, the sense of community and the cooperation between Swedish SMC member-organisations and their partner organisations. To consciously work to strengthen relations and deepen cooperation and community between people in different parts of the world is important, especially as individualisation and segregation increases in the backwaters of globalisation.

This document outlines a direction for SMC’s work in capacity building and organisational development with its member organisations and in turn their partner organisations in their individual contexts.