

Leading learning and change from the middle: reconceptualising strategy's purpose, content, and measures

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Introduction

The last decade has witnessed significant changes in the system of international development and aid – changes that have strategic implications for NGOs. This introduction briefly describes the pressures for major change in NGOs. Subsequent sections explain how one unit of CARE International is responding by rethinking strategic planning to support organisational transformation more effectively.

Far-reaching attempts at reform to improve performance now pervade the aid system. For example, in addition to a stricter focus on reducing poverty, accompanied by numerical targets with increased concentration on the poorest countries and groups (OECD 1996, 1998), bilateral and multilateral agencies now emphasise the importance of involving a wider array of non-state actors in development processes (see, for example, United Nations 2000). Furthermore, they are taking greater account of differences in country-specific conditions as well as ensuring the 'ownership' of development policies and processes by those for whom change is intended. In addition, they recognise that global forces are accelerating the pace of change that confronts developing countries. Consequently, institutional reforms in aid are taking place that learn from past lessons and deal with fast-emerging, new realities.¹

One result of this change is a growth in official funding to NGOs with policies favouring the direct financing of domestic organisations in developing countries (INTRAC 1998). Another result is the priority given to improving NGO achievement and measurable impact within a framework of increasing coordination of, and coherence between, a greater diversity of actors (e.g. Wolfensohn 1999). This heightened pressure to demonstrate effectiveness and improve inter-agency collaboration raises urgent organisational questions and relational challenges for NGOs. For example, the degree to which NGOs can or

should operate as ‘partners’ or (as constituents of civil society) more autonomously of the priorities and practices of governments and official aid is the subject of critical discussion, as is the issue of NGO roles, responsibilities, and accountability (Fowler 2000), particularly in relation to (international) governance, advocacy, and civic participation (Edwards 2000).

Such conditions demand heightened professionalism, better demonstration of results, and stronger inter-organisational relations. They call for more speedy and reliable processes for organisational learning, gaining multi-actor collaboration, sharing knowledge externally, and adapting global strategy. Yet ‘standard’ approaches to strategising are based on individual organisational goals and results, clear distinctions between ‘strategic’ and ‘operational’, reliance on top leadership to translate vision into concrete actions, and long-term commitments of resources to unchanging priorities. Such an approach may impede rather than assist necessary learning and reform. Instead, global non-profit organisations may need to take more seriously what may be called a new consensus on strategic planning, one that assumes that:

- strategy is about effective learning processes as much as results (De Geus 1997; Senge 1990);
- it is difficult to determine *a priori* what is strategic versus what is operational (Mintzberg 1994);
- top-level leaders have no innate competence or location to translate global vision into locally appropriate, concrete action (Collins and Porras 1991); and
- the ‘top-down cascade’ of multi-level, multi-year, nested organisational strategies can inhibit learning and innovation.

This paper describes how one sub-unit of CARE International – the Latin America Regional Management Unit (LARMU) – centralised these assumptions and developed a lighter, more flexible strategic learning tool: not another layer of planning, but a ‘management framework’ which (a) makes explicit cause-and-effect relationships between CARE efforts and wider poverty reduction; (b) translates global vision into region-specific, measurable, desired outcomes; and (c) serves as a critical node for *both* guiding strategy creation at the country office and local levels without imposing inappropriate priorities *and*, eventually, feeding learning into future strategy revision at the global level. Although still in a pilot stage, we argue that such a tool is one way

to conceptualise and integrate multiple levels of strategic planning more flexibly, as well as to focus organisational learning.

The paper has five sections. The first describes CARE International and outlines its 18-month global visioning process. The second summarises challenges that typically confront mid-level managers in global NGOs once a new overarching vision and strategy are defined. It discusses how LARMU rethought and reframed middle-level strategy to better operationalise a collective global vision, created the conditions for improved organisational learning, and initiated a process of leading corporate change from the middle of the organisation. The third section describes the process LARMU followed to shape its management framework. This is followed by a presentation of the framework itself as well as its internal logic. The paper concludes by identifying strengths, weaknesses, and future challenges for using the framework to drive ongoing learning and organisational change.

Establishing a guiding framework for organisational reform

Founded in the USA in 1945 to provide relief to war-torn Europe, CARE has evolved from a single US entity to a multinational non-profit organisation, CARE International (CI), with headquarters in Brussels. Now, ten national organisations (NOs) located in OECD countries annually raise some US\$450 million, and these funds are distributed for relief and development work through CARE country offices (COs) in 65 developing countries. CARE NOs are legally independent entities, united by a common brand and shared intentions. By designating an NO as the Lead Member for operational work, it is ensured that there is only one CARE office in each developing country. Although the single CO model prevents duplication, it does have drawbacks (Edwards 1997). While these are not crucial to this article, an important conclusion recognised by the CI board in 1997 is of relevance: that resolution of many intra-organisational issues would require CARE's constituent parts to reach a common understanding of their collective identity and role in a rapidly evolving context.

CARE is highly decentralised. Responsibility for determining and carrying out programmes resides with the Country Directors. Consequently, most organisational learning required for innovation and adaptation originates at country level. Country offices enjoy support from NOs for resource acquisition, technical support, and human resources. Structurally, CARE International divides its work into five

geographic regions: Asia, Southern and West Africa, East Africa, Eastern Europe and the Middle East, and Latin America and the Caribbean.² All country offices depend on the CI Federation for the development of organisation-wide standards, policies, procedures, and systems. It was therefore vital to initiate a process of collective visioning, described below, which optimised the participation of all parts of the organisation.

Creating a new vision and mission: the process

In 1998, CARE International embarked on a process to outline a shared vision and mission. The International Secretariat was given responsibility for defining and guiding the initiative, aided by an external adviser. From the outset, it was agreed that the method should be as participatory as resources would allow. The process evolved as described below.

Establishing critical preconditions

While the International Board had initiated and mandated a ‘vision’ and ‘mission’ process, it was important that members agree on what these terms actually meant. Consequently, a period was allocated at a board meeting to consider the criteria that would be used to judge a ‘good’ collective vision and mission. These criteria formed one input to determining components of an appropriate visioning exercise.

Second, to ensure good two-way communication within the geographically widespread parts of the whole organisation, both NOs and COs were asked to nominate members of a steering committee. The task of the committee was four-fold: to communicate views and comments from the field, to share intermediate outputs, to provide decentralised reference points, and to act as a resource for responding to queries.

Finally, in explicit recognition that CI faced *both* conceptual *and* linguistic challenges, a key element of the process was to ask all COs and NOs to submit proposed visions, and the CI Secretariat produced practical guidelines and support information to assist them. To help frame this activity, the Secretariat commissioned a UK development think tank to produce a forward-looking study of development to 2015. This was circulated to all offices, and participants were asked to consider their outputs in relation and response to this analysis. Respondents were also asked to provide a detailed interpretive narrative for their submissions. In this way, the steering committee was able to gain a more concrete idea of how diverse parts of CARE saw the future in practical terms.

Combining and selecting the results

Vision and mission statements from NOs and COs were brought together by the Secretariat and then redistributed to the steering committee, whose members were asked to rank their preferences. The top five were used as the starting input for a five-day seminar. Some 40 people participated, including a member of the International Board of each NO. The task was to arrive at an agreed proposal of vision, mission, and concrete indications of ‘what CARE should look like in 2010’ for consideration by the International Board. Areas where no consensus could be reached were clearly signalled, together with reasons for contention.

Reaching corporate agreement

The board of each CARE NO discussed the draft statements and implications. The objective was for the members of the International Board to obtain a mandate for, or suggest revisions to, the draft arising from the conference. Not least due to the participatory nature of the process itself, the International Board speedily reached agreement on the corporate vision and mission as well as on many of the implications:

CARE International Vision Statement

We seek a world of hope, tolerance, and social justice, where poverty has been overcome and people live in dignity and security. CARE International will be a global force and a partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakable commitment to the dignity of people.

CARE International Mission Statement

CARE International’s mission is to serve individuals and families in the poorest communities in the world. Drawing strength from our global diversity, resources, and experience, we promote innovative solutions and are advocates for global responsibility. We facilitate lasting change by:

- *strengthening capacity for self-help;*
- *providing economic opportunity;*
- *delivering relief in emergencies;*
- *influencing policy decisions at all levels; and*
- *addressing discrimination in all its forms.*

Guided by the aspirations of local communities, we pursue our mission with both excellence and compassion because the people whom we serve deserve nothing less.

How LARMU translated this vision and mission into a tangible, regional set of priorities and measures – and how these in turn influenced CARE as a whole – is the subject of the remainder of this paper.

Planning as learning: operationalising global guiding ideas

The literature on non-profit planning and strategy is thin regarding mid-level strategic planning. Yet most global NGOs have intermediate, regional management structures that straddle and bridge global and country levels. Typically, these geographically-based structures serve basic administrative and oversight functions, but their contribution is potentially much greater. We argue that regional management structures are crucial for operationalising a global vision by linking levels of planning and strategy. Furthermore, in a world in which the dynamics of poverty reduction differ significantly between continents and also between countries within continents, we suggest that the ‘region’ is a critical unit both for measuring progress towards a global vision and for feeding in revisions to global strategy. In other words, ‘the region’ is a pivotal pole of organisational learning, uniquely positioned both to ground lofty ideas and to elevate lessons learned to higher levels of the organisation.

While this potential exists, common systems of strategic planning that seek to integrate multiple levels of action within an organisation actually make this difficult.³ Strategy is commonly implemented through a ‘cascade method’, where corporate vision, strategies, and goals are gradually passed down through the organisation, resulting in layer after layer of strategic plans. At its best, this basic process is open to iteration to adopt ‘bottom-up’ feedback that may include local partners and other stakeholders. But problems commonly remain. Those encountered in the past in CARE include *elapsed time* (months or years can pass while lower organisational levels await strategy decisions or revisions), *conflicting or too many priorities* (managers near the bottom of the cascade get inundated), and *under-specification* (global visions and strategies cannot – and should not try to – accommodate country, regional, and continental specifics). But perhaps most importantly, as Kaplan and Norton (1996a) have stated, no matter what planning model is adopted, cause-and-effect relationships between vision achievement, goals, strategies, resources, and organisational capabilities are rarely made explicit. In the absence of such shared, public, organisational consensus regarding cause-and-effect

relationships (in short, in the absence of an explicit ‘hypothesis’), strategic learning is extremely difficult.

To address these weaknesses, LARMU adopted three innovations to a ‘cascade’ process:

- re-imagining what constitutes ethical performance in a global NGO;
- inverting the normal sequencing of the ‘cascade’ model; and
- eschewing the notion of a regional *strategic plan* in favour of a *strategic learning framework* that makes explicit the region’s hypothesis regarding poverty reduction.

Ethics and measures

Most strategic planning literature agrees on one fundamental tenet: organisations should specify results that *are fully within their control*. This leads non-profit organisations to spend much time and energy trying to discern *their own* contribution to change in clients or geographical areas. Not only is this difficult given the multitude of intervening variables but, more importantly, on critical measures of poverty reduction and human rights, *no* single organisation can achieve ‘breakthrough’ results.

LARMU turned such advice on its head. Instead of concentrating on CARE’s particular and unique contribution, LARMU adopted the OECD’s 50 per cent poverty-reduction target as the most fundamental measure of ‘success’. LARMU felt that CARE and other organisations had spent decades trying to be very precise about *their own* outputs and results, and yet poverty was expanding, not decreasing. Instead, LARMU determined that the only *ethical* measure of CARE’s performance was industry-wide success. At root, LARMU hoped that such a measure would initiate a deeper learning process, prompting new organisational initiatives and approaches, particularly ones which would encourage staff to think beyond projects, beyond programmes, and to reflect deeply on their own (and CARE’s) roles, mandates, and priorities. LARMU sought to inculcate a critical creative tension (Senge *et al.* 1994:195–196) in which even outstanding ‘CARE’ performance was simply not good enough if poverty in the region continued to grow.

The sequencing dilemma

LARMU rejected the ‘cascade’ method. Hoping to capitalise on the energy and excitement created by the CARE International vision, LARMU deliberately ran ahead of higher levels of strategy creation. It

presented its process to higher management as a ‘space’ in which staff would try to translate the vision and mission into practical, concrete priorities *before* this was done at the global level. LARMU ensured that key senior CO and NO managers attended workshops both to express their own ideas in a relatively risk-free atmosphere and to signal emergent, non-negotiable ‘bottom lines’. Throughout the process, e-mail exchanges and individual meetings were included to keep senior management informed about emerging ideas. In effect, leaders had an early opportunity to test and refine ideas that they would later propose as vital to the organisation’s global strategy. Indeed, the global CI strategy – finalised after the LARMU process – incorporated most priorities that staff in the region had identified. It also adopted LARMU’s poverty-reduction goal as CI’s overarching goal. By reversing the ‘cascade’, LARMU senior managers, country office staff, and external experts were able to shape the organisation’s global strategy in tangible ways.

From ‘strategic planning’ to ‘strategic learning’: the management framework

Rather than add a layer of priorities, objectives, and results that country offices would adhere to, LARMU sought to create a ‘management framework’ loosely based on the balanced scorecard and strategy-map concepts (Kaplan and Norton 1996a, 2000). That is, the framework’s goal was to translate CARE International’s global vision into an *explicit cause-and-effect hypothesis* of how CARE could contribute to poverty reduction in the Latin American context. It did not establish non-negotiable ‘objectives’ or ‘priorities’ or ‘strategies’ for specific Latin American COs. Rather, it offered a high-level, guiding, strategic logic chain linking CARE to wider poverty-reduction results in the region. The framework would focus field managers’ attention on two critical tasks. First, it would ask them to consider the framework’s logic and priorities while leaving open the question of locally appropriate goals, objectives, and strategies. Second, the framework would ask managers to have local conversations about whether the framework’s cause-and-effect logic is accurate – what Argyris and Schön (1996) call ‘double-loop learning’, that is, conversations about performance that ask not so much ‘are we accomplishing our goals and objectives?’ but rather ‘are our goals and objectives correct to begin with?’. The management framework, when finalised, would tell COs not so much *what* to do, nor *when* to do it, but rather *how* and *why* to attack poverty reduction.

Crafting a management framework for the region

In late 1998, LARMU initiated conversations to define both the process and product for the management framework. The core process was a series of three conferences. The first, held in February 2000, included LARMU, Country Directors (CDs), and representatives from NOs. A second, in September 2000, included some CDs, representatives from CI, LARMU, and 15 CO senior managers. The final conference in November 2000 included the full complement of regional CDs and Assistant CDs, representatives of CI, and LARMU.

Prior to the February 2000 meeting, LARMU developed and distributed a regional poverty analysis that looked back 20 years and forward 10 years. Focused more on structural than technical factors, this document set the stage for frank discussions about NGOs' abilities to address poverty reduction. Senior CI leaders emphasised that the new vision implied radical changes in CARE's role and programme approaches, outlined that regional field staff were best placed to identify these changes, and encouraged staff to consider a 10 to 15-year time horizon. The remainder of the workshop was devoted to identifying such changes. Participants delineated five areas of transformation (the Breakthrough Arenas, described below) that CARE would have to adopt across the entire region, what such changes might look like if successfully carried out, and some of the broad implications for CARE programming.

Following this meeting, LARMU developed a draft management framework, which included a ten-year poverty-reduction target as a working goal, the five Breakthrough Arenas, and a set of 'Measures of Success' and 'Indicative Actions' for each arena, and the draft was circulated for feedback. This was the first time participants had seen the framework, and many responses reflected concern regarding the role and use of the framework itself and wariness regarding the poverty-reduction goal. In short, the framework's intermediary role to bridge global *vision* and CO *strategy* needed more dialogue and discussion.

A second draft incorporating feedback was circulated to the same audience. LARMU management focused on explaining the role, function, and use of the framework. Most importantly, between the first workshop and second framework draft, LARMU decided to adopt the OECD's 50 per cent poverty-reduction target as its own. The revised draft was then discussed at the second conference in September 2000.

Participants in this conference included 15 CO senior managers. In addition, representatives from the Comisión Económica para América Latina y el Caribe (CEPAL), the Asociación Latinoamericana de Organizaciones de Promoción (ALOP), and the Instituto Centroamericano Empresarial (INCAE) were present. Prior to the conference, they had been asked to review the draft framework and to present their reactions. These outside opinions were invaluable for helping LARMU get beyond buzzwords and jargon. They were also crucial in validating the framework's logic and its role as a bridge between global vision and CO strategy. The conference then undertook a risk-and-barriers analysis of the proposed changes.

From the analysis, LARMU developed a set of critical actions or initiatives required in order to succeed in advancing each of the Breakthrough Arenas. Three important shifts in thinking occurred during this meeting. First, there was general acceptance of the poverty-reduction goal and a shared understanding that the goal was meant to spur learning and thinking rather than to measure CARE's specific work. Second, there was more energetic acceptance that the Breakthrough Arenas were vital to CARE's future. Third, the arenas were explicitly recognised as important *organisational capabilities* that CARE would need to develop or enhance in order to make a significant contribution to poverty reduction in the region. Understanding the Breakthrough Arenas as future organisational capabilities (rather than as a list of 'what CARE does') made the bridging role of the management framework clearer to CO staff.

Based on the second conference, LARMU developed and circulated a third draft, firmly positioning the framework within a 15-year time horizon. Responses indicated that the framework was clearer in spirit, intent, and content. In developing this third draft, LARMU introduced the notion of the management framework as comprising two 'hypotheses' that would serve as the foundation for organisational learning over the next three to five years. The first, LARMU's 'development hypothesis', is:

Poverty should drop in the Latin America Region if CARE demonstrates excellence in each of the five Breakthrough Arenas.

The second 'organisational hypothesis' is:

In order to excel in the Breakthrough Arenas, LARMU needs the support of the wider organisation in terms of changes in policies, measures of individual performance, and resource allocation.

Although simple and straightforward, these clear statements of causal logic, eminently measurable and therefore disprovable, constituted an important final step to permit CO staff and CI representatives to embrace and take ownership of the framework.

The focus, spirit, and intent of the management framework

LARMU's management framework for 2000–2015 has four major components: a Strategic Target, five Breakthrough Arenas, programme implications, and internal changes required.

The Strategic Target

LARMU has adopted as its own most fundamental performance measure the OECD Strategic Target of a 50 per cent reduction in poverty by the year 2015 in those countries where CARE operates.⁴ The Strategic Target is explicitly intended to communicate that poverty reduction is 'larger than CARE' in that no matter how good CARE's results are, alone they are insufficient to make lasting and positive impacts on poverty. The target tells CARE that reduction can occur only through cooperation with a wide range of local, regional, and international actors; acting and thinking 'outside' projects; and opening up CARE's boundaries to social change coalitions. LARMU will use the Strategic Target to create vital space for critical reflection and organisational learning about the systemic and structural nature of poverty and about its effective reduction. In other words, overall poverty reduction is the fundamental yardstick by which CARE's regional performance is assessed and new priorities identified.

Breakthrough Arenas

Breakthrough Arena 1: Developing and promoting learning processes

LARMU's projects and programmes will no longer be designed solely to deliver social services to target populations. They will also serve to contribute and make accessible new knowledge, technologies, and approaches that can be used by a wide range of social service providers and that can be used to influence decision makers at all levels.

Initial qualitative measures

- All programming includes explicit learning objectives and poverty-reduction hypotheses.
- Hypotheses are systematically tested in the field and results shared with other social actors.

- Approaches that are successful in addressing the systemic and structural causes of poverty are replicated or adapted at larger scales.

Breakthrough Arena 2: Influencing public policy and attitudes

LARMU must explicitly focus on influencing public policy and attitudes concerning poverty reduction at local, national, regional, or international levels.

Initial qualitative measures

- CARE's on-the-ground programming experience will be made formally accessible to key stakeholders.
- Tangible evidence that innovations inform policy dialogue.
- Tangible evidence that innovations contribute to policy implementation and reform.
- Tangible evidence that policy and attitudinal influence lead to a larger constituency base committed and contributing to poverty-reduction initiatives.

Breakthrough Arena 3: Expanding and deepening inter-institutional relationships

During the life of a project or programme, LARMU will seek to engage with social actors and stakeholders from all segments and levels of civil society in relationships that go well beyond the transfer of resources with those directly involved in implementation.

Initial qualitative measures

- LARMU's involvement in networks, coalitions, strategic alliances, and partnerships emphasises quality-of-relationship criteria such as mutual interest, mutual benefit, and mutual control.
- Agreed upon institutional and programmatic objectives and expected results are attained.

Breakthrough Arena 4: Integrating within local society

LARMU will expand its definition of whom it is accountable to and in what ways. This will imply moving beyond the more traditional donors-partners-beneficiaries construct.

Initial qualitative measures

- A significantly wider range of local stakeholders have influence on our decisions, in setting expectations, and in monitoring our performance and effectiveness.
- Local stakeholders' perceptions and testimony qualify CARE as an integral part of the social fabric.

Breakthrough Arena 5: Mobilising new and diverse resources into local economies

LARMU will mobilise increased amounts of new and varied resources, both financial and non-financial, and leverage them to generate increased social benefit towards poverty reduction. These efforts are not intended solely to benefit CARE or our direct partners. The larger intent is to attract and/or inject increased amounts of more flexible and more diverse types of financial and non-financial resources.

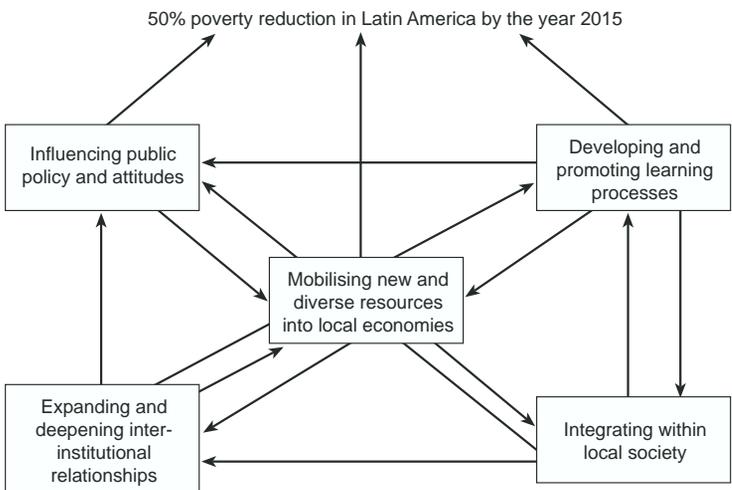
Initial qualitative measures

- Additional and more diverse resources dedicated to poverty reduction are available for CARE and others.
- The local economy, socially oriented businesses, local organisations, and poor people have greater access to, and effectively utilise, a wider array of resources.

The five Breakthrough Arenas are linked through cause-and-effect relationships, with progress in one arena feeding success into others. The internal logic of the framework is schematised in Figure 1.

As can be seen in the figure, these cause-and-effect relationships are not linear. Rather, the logic is that of a dynamic system in which progress in all five Breakthrough Arenas is required, and failure to move forward in one of the arenas will affect success in several others.

Figure 1: Component relations in the LARMU management framework



In very broad terms, progress in these five organisational capabilities would be demonstrated by:

- a working system that transfers learning between CARE, its collaborators, decision makers, and Northern constituencies;
- increasing instances of lessons from CARE's experience influencing public policy and attitudes towards poverty reduction;
- increasing instances of CARE being invited to join social movements, networks, and coalitions committed to improving governmental and donor policies on poverty reduction;
- new models of governance for country offices that increase CARE's accountability through strong local oversight and evaluation of programmes;
- a demonstrable broadening and increase in financial and non-financial resources for poverty reduction.

Internal changes required

Participants in the process were insistent on one point: all five Breakthrough Arenas demanded internal organisational changes *before* CARE could achieve better external impact. These internal changes and their intent in terms of expectations about organisational performance over the next two to three years include:

Reconceptualising the purpose of projects and programmes

Projects and programmes must shift from a predominant role of CARE as the 'doer' towards that of a 'facilitator' and 'enabler'. In such new roles, CARE identifies, designs, and evaluates its core business in terms of:

- actively engaging with and acting upon *systemic and structural issues* that underlie poverty;
- contributing *new knowledge and innovative approaches* that expand the capacity or effectiveness of poverty-reduction strategies;
- establishing alliances to *generate and share knowledge* and to influence and leverage macro-level change; and
- measuring success in terms of *linking social actors, their knowledge and resources* in more mutually supportive ways.

Redefining the essential tasks of CO managers

One of LARMU's main roles will be to advocate within CARE itself to redesign project staff's responsibilities and internal operating environment to permit them to fulfil the new approaches to development work listed above.

Becoming more interdependent

LARMU, as a regional management unit and organisational layer, must establish ways for CO managers to reflect on and discuss 'big picture' issues with the many other parts of CARE International as well as play a lead role in building the strength of connections between country offices. LARMU must also take the lead in connecting country offices with wider social movements across the region, with think tanks and research organisations, and with Northern constituencies.

Conclusions: strengths, weaknesses, and future challenges

The management framework is currently in its first year of implementation. As such, it is difficult to evaluate its success in any summative manner. So far, it has served its purpose as a bridge between two layers of formal strategy: global and local (country specific). The process of developing the framework made the lofty aspirations of CI's new global vision and mission more concrete and measurable without adding yet another set of objectives or goals that COs would have to adopt. By preceding CI's global strategy-creation efforts, the framework's development process offered CI senior managers a relatively safe location for testing and refining ideas that later were embedded in CI's strategy. In addition, a single region was able to radically alter how the global organisation thinks about its impact, as shown by CI's adoption of the OECD poverty-reduction target as its own measure of success. The framework speaks upwards to higher reaches of the organisation, summarising regional results within an explicit poverty-reduction logic, thus providing an empirical basis for altering global strategy.

LARMU's adoption of the OECD poverty-reduction goal has significantly altered the terms of strategic discussions and assumptions about what constitutes ethical performance standards in a global NGO. The identification of region-specific Breakthrough Arenas, their intent, and performance expectations, has served to ground CI's global vision in Latin American realities while providing an overarching logical framework within which country offices have ample latitude to develop locally relevant strategic plans. The wide, participatory process which resulted in the identification of internal organisational changes required to support such transformation has given LARMU management solid backing and a clear poverty-reduction rationale for overhauling internal systems, policies, and

procedures. Within this progress, the following strengths, weaknesses, and future challenges will be likely to determine the framework's success as a guide to leading organisational change.

Strengths

The management framework highlights key areas for organisational change and learning, and makes explicit the cause-and-effect assumptions linking global vision and more concrete, regional action. More importantly, the framework was crafted in a highly participatory manner with field staff themselves identifying the vast majority of its eventual contents. It was crafted as a strategic management tool to bridge and influence both global and country levels. It also creates a middle ground (in philosophy, conception, and design), providing a poverty-reduction hypothesis that COs must respect and consider but which does not impose specific results or timetables.

The nature and intended use of the Strategic Target forces CARE managers to think beyond their project or programme boxes to how they might better link CARE with wider networks, alliances, and movements. It also forces thinking about deep structural and historical causes of poverty. The Breakthrough Arenas and initial measures of success provide COs with categories to consider in their own strategic planning processes but leaves them free to determine how they will be pursued.

Most importantly, the implementation of the framework is focused on 'double-loop learning' and not simply 'single-loop' problem solving – to separate the causal wood from the symptomatic trees. Key questions become not so much 'what's wrong with our implementation?' (an archetypal single-loop learning question), but rather 'is our strategic hypothesis correct? Have we identified the right targets or focus to begin with? Have we got the cause-and-effect links right?' (classic double-loop learning questions).

Weaknesses

The conception of the management framework described above was not present from the start of the process. LARMU took the adventurous decision, in effect, to learn in public about its own emerging ideas. This resulted in rocky patches as CO and NO staff tried to understand LARMU's evolving intent with the framework concept. In addition, CO staff often felt put off by jargon coming from the literature of learning organisations and the balanced scorecard and, worse, they did not see its relevance to the day-to-day challenges faced by frontline managers. A

second weakness was that efforts to fully define region-wide measures of success and performance indicators were not brought to full closure. The framework, at the time of writing, is still work in progress (not necessarily a bad thing) and LARMU faces significant challenges in finalising these two critical components. Eventually, once they have been piloted for a year or two, LARMU will begin using them to make strategic resource-allocation decisions across the region's country offices.

Finally, despite LARMU's efforts, the framework's role, purpose, and function are still perceived differently across the whole organisation. There is general awareness and acceptance of the framework at CARE's global level. However, there has been insufficient dialogue regarding how LARMU experimentation and adaptation of CARE's management systems, policies, and processes will be supported by other parts of the organisation. In one instance already, senior CI staff publicly refuted parts of the framework's logic regarding internal organisational changes required to support poverty-reduction efforts in Latin America, stating that LARMU was basing its conclusions on 'mere' hypotheses without substantive data to support them. Furthermore, despite LARMU's constant assurance to CO staff that the framework provides a guiding logic and a menu of options, some staff still worry that the framework represents more 'mandates from above' albeit, perhaps, in a kinder form. Country Office staff are unclear (as well they should be) about how the framework will influence both individual and CO performance evaluation by LARMU management; how, explicitly, the framework should be incorporated into their own strategic planning processes; and, more pragmatically, how the framework will influence their collaboration and coordination with country-level clients, partners, and stakeholders.

Future challenges

A major challenge for LARMU will be to build internal coalitions to support necessary changes to CARE's management systems, processes, and structures. CARE International gave LARMU considerable latitude to translate the global vision into practical and measurable actions at the regional level. Subsequently, many of the issues incorporated into the management framework were adopted by the global organisation in its strategy process. However, there is significant disagreement on just how much CARE must change its internal policies, systems, and decision-making processes to deliver on

the new vision. The same leaders who provided LARMU with freedom and support to develop the framework's Breakthrough Arenas are, understandably and correctly, more wary about transforming organisation-wide policies and procedures that extend well beyond a single region. This is not unusual, nor is it cause for undue alarm. However, it will demand that LARMU spend significant time building understanding and support inside CARE for such changes, and that it actively and openly listen to alternative ideas.

A second challenge lies in LARMU's ability to maintain the creative tension necessary to lead wider organisational learning 'from the middle'. There are no guarantees that the uptake of lessons learned from the region will be able to alter established global CI strategy. LARMU faces serious challenges in 'translating up' country-level innovation and learning to influence global priorities. While the framework can provide the data and conceptual foundations for improving upward learning, in general such cross-organisational learning requires subtle political, negotiation, and communication skills that LARMU staff must learn. Similarly, while the framework may guide innovation at the country level, the concrete practices, mechanisms, and conversations between LARMU and CO managers to profit from this opportunity have still to be developed.

While challenges of bridging and negotiation exist between LARMU and the wider organisation and between LARMU and CO managers, perhaps the most difficult challenge is linking the management framework to lower levels of the organisation, i.e. to projects, programmes, partners, and participants in specific countries. The reconceptualisation of the purpose of projects and programmes described above is the most concrete link between the framework and grassroots efforts. LARMU also believes that the framework, by asking CO staff to consider and explain their poverty-reduction causal logic, will result in new kinds of country-specific programmes. It will also inform local choices about partnering and collaborative relationships with other social actors.

Like similar NGOs, CARE is vulnerable to high turnover of management staff. Therefore, a final, and perhaps the most critical, challenge will be to maintain momentum and continuity through the next five to ten years. To be successful, a 'middle-ground' management model – one capable of guiding an ongoing and evolving process – must enjoy broad-based understanding and ownership that is vertically integrated within CARE. Only then can we make sure that the framework becomes

embedded within the organisation, with LARMU managers continuing to be open and supportive of ongoing adaptations to ensure that necessary enabling conditions exist for maintaining and sustaining change over time. Building these preconditions for long-term strategic learning is, perhaps, the most critical short-term task that LARMU now faces.

Notes

- 1 For example, Poverty Reduction Strategy Papers (PRSPs), now required in order to qualify for funding from the World Bank and the International Monetary Fund, are premised on widespread local ownership of definition and implementation.
- 2 The Latin America and Caribbean Region comprises COs in Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Haiti, Honduras, and Peru. In this paper, the acronym 'LARMU' refers to the management unit that supervises these CO programmes and consists of a Regional Director and two Deputies.
- 3 Bryson (1995:194–200) summarises these 'standard' models well. The 'layered or stacked units' model requires visioning, overarching goals, objectives, and strategies to be established at the highest corporate level, and sub-units are then asked to develop strategic plans within this framework. The 'strategic issues management' model eschews detailed coordination across organisational levels in favour of agreement on the key issues facing the entire organisation and relative freedom of business units to address these as they see fit. 'Portfolio' planning models largely borrow from for-profit marketing approaches, basing strategy creation on identifying and exploiting 'niches' for specific products and services. 'Goal or benchmark' models, often used in

multiple stakeholder environments, limit themselves to the identification of overarching goals or clusters of indicators, and individual organisations design action plans independently.

- 4 Acknowledging that poverty is multi-dimensional, LARMU will initially track six different measures of poverty in the region.

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