

## TAKING OD TO THE BANK: PRACTICAL TOOLS FOR NONPROFIT MANAGERS AND CONSULTANTS

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### OVERVIEW OF OD

There is a specialized field of management called “organization development,” known to its practitioners as OD. In this article, we will describe what OD is, what it is not, and some of the ways it has been extremely useful to nonprofits. You will then get some pointers on what OD can do to bring value to organizations. We believe that OD offers some major solutions for nonprofits, particularly in these challenging economic times.

Here are just a few examples of OD tools that help nonprofit staff and board leaders survive and thrive in the recession:

- Downsizing staff while maintaining or even improving services
- Managing leaner staffs with higher morale, lower stress
- Improving board governance so the board makes better financial decisions
- Engaging the board so they are more active in fund raising
- Expanding innovative thinking to meet client needs in new ways
- Diagnostic techniques that help to assess organizational strengths and areas to be improved

- Strategic planning that brings the “whole system” into the room, thus creating plans that everyone is motivated to carry out
- An “action research” approach that empowers leaders to collect data and make more informed decisions

So, what is this field of management and consulting that can do all these things, and more?

### DEFINITIONS OF OD

- Organization development is a collection of strategies designed to help organizations adapt to change, quicker and with better results.
- OD consultants and managers use the behavioral sciences – e.g. psychology, sociology and cultural anthropology – to improve organizational health and effectiveness.
- Through OD interventions and education, staff and board leaders learn about the underlying beliefs, attitudes, values and structure of their organization so that they can make more informed choices.
- OD empowers leaders to realize their organizational potential.
- OD is broadly educational rather than narrowly prescriptive.
- OD has long-range effects, rather than being just a quick fix.

*(Rothwell, Sullivan, McLean, p.6)*

Here are some examples of what OD is NOT:

- An organization growing older or larger;
- Growing a larger budget;

- Adding a new program, department or work site, or more staff; or
- A consultant who is “jack of all trades, master of none.”

While OD practitioners are inter-disciplinary and can be “super-generalists” covering many aspects of management and finance, they are specialists in organizational systems and in supporting leaders to improve their organizations.

### HISTORY OF OD

The founders of OD as a professional field were the radicals and iconoclasts of their time, the 1940’s, 50’s and 60’s. They engaged in daring departures from historic business models, bringing more humanism, opportunities for learning and change, into many kinds of organizations as well as social movements like civil rights. In fact, some of the common tools of OD such as “action research” came out of social movements and were only afterward used in business.

By founding the OD field, these forward thinkers anticipated the period of history we are now experiencing, a time when the pace of change has accelerated beyond any previously conceived levels, a time when organizations of all types need change strategies to survive and thrive (*Kleiner, Introduction*).

### OD AND NONPROFITS

OD is uniquely suited to helping nonprofits in their work, because nonprofits are driven by social vision, focused on values, and involve diverse constituencies. All of these factors lend themselves naturally to OD processes and techniques that strengthen democratic decision-making, team building, a developmental approach to human resources, and large group strategic planning (*Brown, Leach, Covey, p. 5 & 6*).

Nonprofits have flatter organizational charts than business corporations, and far fewer financial incentives. People working in nonprofits are motivated by psychic rewards, so they expect collegiality

in work relations, and to be involved in decisions that affect them. Nonprofits tend to function more in groups, a fertile climate for OD practices.

Picture in your mind some of the biggest challenges nonprofit managers face, regardless of their position at the top of an agency (executive director) or in the middle (a middle manager).

- Even in good economic times, the agency tends to be chronically under-resourced; now, things are even tighter.
- There is increasing pressure to demonstrate evidence of program effectiveness to gain support. Where is the time and staff to document all these numbers and results?
- Where is the time to plan?
- Both “tops” and “middles” are caught in a sandwich between reporting to your “bosses” (the ED or the board), and overseeing the staff in such a way that they will be productive.
- Nonprofit organizational life is a constant round of meetings, and many of these encounters fall far short of accomplishing the inspired decision-making you ideally want.
- You would rather have root canal than do another performance appraisal, but they can’t be avoided altogether.
- And so on.

### SOME OD TOOLS

Here is a brief shopping list of suggested OD tools (applications, interventions and learning) that can help with each and every one of these managerial challenges. See RESOURCES list following this article to find people and information you can use.

- Employing large group intervention techniques to involve your board and staff leaders in strategic planning, with the result that everyone is more invested in carrying out a plan that they helped create;

- Visioning activities that motivate and engage board and staff groups for planning;
- Working with an executive coach to become more effective in the manager's "sandwich" role, to develop in both job and career;
- Supervision training for all managers;
- Designing performance management systems that support positive staff development; and
- Learning to design and run more effective meetings.

This list is just a sampler of the many OD approaches available to strengthen nonprofit organizations internally.

### HOW OD CONSULTANTS DIFFER

To show you how some of these interventions actually work for you "on the ground," first we will explain what you can expect of an OD consultant's "developmental" approach, as compared to a traditional consultant's "direct service" approach.

The direct service consultant usually:

- Works with the top manager or other individuals, one-on-one;
- Gathers data *from* the client, e.g. by conducting interviews and reading documents;
- Applies her/his business acumen to assessing problems and solutions;
- Performs a task or service (e.g. conducts funding research, writes a plan);
- Makes recommendations to management leaders (a top-down approach);
- Uses a "one size fits all" approach that the consultant often pre-designs for all clients; and
- Goes away, leaving the client to implement any follow-through that is needed.

An OD consultant typically:

- Works *with* the whole organization or a group within the organization;
- May also work *with* individuals as a coach;
- Gathers data with the client, e.g. in focus groups and surveys;
- Processes the data *with* the client group, as learning experience and to engage in action planning (aka action research);
- Plans *with* those who will implement solutions;
- Aims for sustainable learning after the project is over;
- Adapts flexibly so the project goals, design and deliverables will almost always evolve during the process;
- Uses a unique approach for each client; and
- Is a partner in "change," with empowered clients who are also open to learn and motivated to change.

### HOW OD WORKS "ON THE GROUND"

OD can be useful in the nonprofit sector in general, but many may ask, "How is that relevant to me?"

The organizational dynamics present in the nonprofit sector, especially under the current economic climate, can benefit greatly from applied behavioral science interventions. In any organizational intervention, the leadership must be actively engaged to ensure its success, yet many leaders find themselves busy putting out fires and fail to see the value. Oftentimes, middle managers have a better grasp of the organization's environment than senior leadership yet lack the tools to help influence decision-making. We will suggest some ways that a middle manager can be an OD advocate to her boss.

Andrea is a mid-level manager at a moderate sized nonprofit (budget \$3 million) who has seen staff morale shrink as their workload has doubled. She's heard from several staff that they feel unappreciated for working several weekends in a row and

many are planning to leave the organization once the economy recovers. At the same time, Andrea meets with senior leadership regularly and understands the competitive environment they live in and the work that needs to be done to accomplish their strategic goals.

Andrea is caught in the typical “sandwich” position of middle managers, between the top manager and the people Andrea supervises. She feels stuck.

The CEO at the top is faced with unmanageable complexity and the overall responsibility for the organization. He feels he must make difficult decisions in order to preserve the organization. Staff at the bottom are on the receiving end of senior staff initiatives over which they have no control. Sometimes, they feel those at the top are uncaring and “out of touch” with reality. Those in the middle are stuck between conflicting demands and priorities (*Oshry, pxii*).

What can Andrea do to support her colleagues at the top and bottom? How can organization development interventions support her efforts? Perhaps we can take a cue from one of Andrea’s other interests: salsa dancing. Andrea has been taking classes for years and jumps to the dance floor any chance she gets. Many in her circle of friends consider her an expert.

Her rise from being a “two left-feet novice” to salsa connoisseur took time. Influencing top leadership in any organization is also a skill that requires time. In the next few pages, we’ve laid out five simple steps to help her and middle managers like her to become an impresario of organizational influence and effectiveness.

## STEPS TO INCREASING MID-LEVEL MANAGER INFLUENCE

### **Step 1: Listen to the music.**

As we stated earlier, mid-level managers are often caught in the middle of top-level management demands and bottom-level management realities. This can lead to blame or to assigning personal-

ity faults to each group. To make improvements, you have to take inventory of what exists. Just like learning a new dance, you have to listen to the music before you get started. A mid-level manager should collect data on the situation to ensure subsequent steps have some grounding in reality.

Let’s revisit Andrea and the problem of low morale caused by increased demands from top management. She has several options before her. Data can take the form of observations: e.g., half our staff called in sick at least twice a month in the last three months; surveys, e.g. 90% of staff have indicated they plan to leave the agency in the next year; interviews, or focus groups. She can also collect strategic plans, board minutes, etc. to be informed about top management’s plans and intentions. This will come in handy when we discuss how bottom level interests can be translated into top-level management.

Once she’s collected data on the internal environment, Andrea will have to make an assessment on how the issue could be resolved. If low morale is the issue, for example, what type of intervention would make the most sense? Where can I find a professional who can address the issue? Should I consider coaching, team building or training? Andrea is uncertain which intervention would be best for this particular case, but decides that coaching might be the most helpful. She knows a reputable company with a proven track record that would be good for a project like this.

### **Step 2: Learn the steps.**

Andrea could approach her senior management team and inform them of the challenges she is observing in the organization. What do you think their response will be? She will likely hear, “I know our staff are stressed but if we don’t increase our programmatic outcomes, we will lose our funding to another nonprofit who will,” or, “We don’t have the money.”

If Andrea chooses the direct approach, she will probably hit a wall. There are better, i.e. OD-type approaches that could be more effective. She has to

craft a message that is undeniable and appealing to top managers.

One of the unfortunate circumstances of working in the nonprofit sector is the hardened belief that nonprofits should not spend money on infrastructure (Goggins, p. 51). Even though nonprofit leaders know that staff need to be supported, they refuse to allocate the resources because they don't want to "squander" money that could otherwise be spent on programs. In contrast, business sector companies can spend as much as 50% on infrastructure development!

Andrea has to make the case for infrastructure investment. Part of her work is collecting enough data to make the ROI (return on investment) case for a behavioral intervention. Another is simply understanding that leaders at different levels communicate their needs in different ways. Instead of saying "Staff morale is down." Andrea could say, "In order to reach our programmatic and strategic goals we need to invest." Managers tend to have varying levels of communications depending on their position in the organization.

### **Step 3: Trust your partner.**

Even after collecting data and making the case, middle managers can find themselves in a situation where they are still not influencing decision making. This may be due to a variety of factors for which middle managers may not be privy to, such as inside information on funding cuts, board politics, or even personal traits that may prevent senior leadership from taking risks. A middle manager can try to guide decisions in ways that he or she may seem most reasonable but ultimately, like in dance, you have to trust your partner.

In salsa dancing, there is a healthy tension between the two dancers, a push and pull with constant communication yet one person must lead. The lead will give the other dancer clues about when to turn, move forward or backward, or sway backward, all in sync with the music. The result is a beautiful display of athleticism, elegance and splendor when

performed by experienced salsa dancers. If both people try to lead, the dance would be clumsy, awkward and unappealing.

This flexible OD approach to management suits many younger workers. According to research, Generation Y (people in their 20's) do not work productively under typical command and control type leadership styles (*Armour*). Their independent spirit may conflict strongly with an "older" leadership style that is sometimes very directive and authoritarian. This is just one factor of many that a middle manager can consider when advocating with senior managers. The reality is that one may never know all the reasons why senior leadership makes certain decisions. All Andrea can do is her best.

### **Step 4: Get a good teacher.**

To get really good in a particular dance, like salsa, you have to have a good teacher. Organization development practitioners are experts in process improvements and can be helpful to middle managers, creating effective strategies for influencing top-level management. Organizations are systems, and when the middle manager is part of the system, she may sometimes have a hard time seeing her own role. It's like asking the goldfish to describe the water in the fish tank. An outsider's perspective can really help.

Andrea, for example, may be certain that low morale is the organizational issue that needs fixing but a careful analysis by an OD practitioner may find other causes of staff discontent. For example, the consultant may reveal that there are inefficient processes that can be eliminated thus reducing the work load, or that work is being duplicated. Many times "the presenting problem" is quite different than the actual cause. An OD specialist can often identify that the presenting problem is part of a larger systemic problem.

### **Step 5: Bring your style.**

After several turns around the dance floor of influence in decision-making, a middle manager will

have a better sense of when and how to influence behavior within the organization. She will know how to collect data, translate the data in a way senior leadership will understand, and trust leadership once they've had a chance to listen, reflect, and respond.

Like a seasoned dancer who takes liberties making extravagant twirls and dips, an experienced middle manager with established, trusting relationships can get creative with her style of influence. Middle managers can use photography, illustrations, storytelling, metaphors, or just about anything you can think of, to present their ideas.

### SUMMARY

During tough economic times, nonprofit leaders may find it difficult to invest in behavioral interventions to support their organization yet the same leaders probably wouldn't hesitate to invest in a professional website or a well-written proposal. It is our opinion that precisely when the organization is undergoing a critical transition that an organization should consider organization development interventions. Employee opinions of work environment have been shown to be good indicators of customer satisfaction and long-term business performance (*De Meuse, p108*). Like a therapist helping someone see their self-destructive habits for the first time, a seasoned organization development practitioner can help nonprofits see themselves more clearly and adapt to changing realities.

Our middle manager example illustrated how organization development theories are interwoven into the realities of middle managers seeking to play a larger leadership role in their organizations. Oftentimes leaders fail to look at power dynamics within the organization or may not be privy to what clients are telling their staff. Luckily, issues such as these, and many more, have been studied and used with great results. They are time-tested and proven

successful. Nonprofits don't have to figure it out on their own.

The issues we identified also point to a larger question about nonprofit infrastructure investment. For too long, nonprofits have tried to carry out their mission without investing in their most valuable resource: their staff. The long-term result of such limited thinking will not only jeopardize individual organizations, but inevitably lead to a weakened sector, stuck in a repetitive dance of rebuilding and destroying it's own development and with little impact on society.

### YOUR READINESS AUDIT

To ensure that OD intervention makes sense for your organization, here's a brief checklist to help you think through this option.

- How willing are you to shift your thinking to include group dynamics (i.e. power and control, teamwork, building leadership qualities, etc.) in your survival strategies?
- Can you, as a leader, accept responsibility for these less obvious but still pivotal challenges you are facing?
- How comfortable are you with feedback that addresses both the organizational strengths and areas to be improved, and your own?
- Are you willing to re-examine and possibly let go of, the habits and strategies that made you, as a leader, and your organization, so successful – in order to get to a new level of success?
- How will you prioritize an organization development intervention as an investment of time and/or money?
- If you have decided to invest in OD, how will you communicate this need to your funders? ■

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## RESOURCES

Here are just a few of the many OD resources available to nonprofits.

- **Pro bono or paid OD consultants and coaches**  
[www.odnetwork.org](http://www.odnetwork.org) Click on *About Us*, then *Regional and Other Networks* to find the professional association in your area that can help you find OD assistance. Many regionals have organized a group of consultants who work at no charge with nonprofits.
- **Large group interventions**  
[www.odpartners.com/lgi.htm](http://www.odpartners.com/lgi.htm)  
 Bunker, B., Albans, B., *Large Group Interventions*, Jossey-Bass, 1997

• **Visioning**

[www.appreciativeinquiry.case.edu/](http://www.appreciativeinquiry.case.edu/)

Hammond, S., *The Thin Book of Appreciative Inquiry*, Thin Book Press, 1999

[www.futuresearch.net/](http://www.futuresearch.net/) Note that consultants trained in the Future Search approach are all over the country and many work pro bono with nonprofits.

Weisbord, M., Janoff, S., *Don't Just Do Something Stand There! Ten Principles for Leading Meetings That Matter*, Berrett-Koehler, 2007

• **Coaching**

[www.supportcenteronline.org/resources-articlesandpublications.php](http://www.supportcenteronline.org/resources-articlesandpublications.php)

Curran, C., *Coaching Strengthens Nonprofit Leaders and their Organizations*, Journal for Nonprofit Management, 2009

[www.coachfederation.org/](http://www.coachfederation.org/)

• **Supervision and performance management**

[www.carolynjcurran.com/](http://www.carolynjcurran.com/) Click on *Solutions*, then scroll down to download PDF – Curran, C. *Build Better Communities With Better Management*, Journal for Nonprofit Management, 2006

• **High quality meetings**

Doyle, M., Straus, D. *How to Make Meetings Work*, Berkley Business, 1993

Owen, H. *Open Space Technology*, Berrett-Koehler, 1997  
 Open Space is also a world-wide network –

[www.openspaceworld.org/](http://www.openspaceworld.org/)

Gibbs, J. *Tribes: A New Way of Learning and Being Together*, Center Source, 2001

• **Graphic presentations**

[www.grove.com](http://www.grove.com) A San Francisco company that provides training and tools for graphic presentations.