

An Inventory Tool for Organizational Development



*Community REACH Program
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INTRODUCTION

While organizational development is not a mandate of the program, the Community REACH team feels strongly that one result of its NGO grants program should be stronger NGOs. Therefore, we included increased local capacity in our strategic results framework. Our team and others have and will continue to provide direct assistance within the constraints of our limited budget. In the other case, it is our hope that still others will benefit from this initiative -that when and where grantee recipients are charged with building the capacity of their local sub-recipients they will be able to do so, in part, because of this initiative.

This organizational development (OD) tool, a simplified guide for self-assessment, functions as an in-house inventory of 47 key areas of growth. This innovative approach provides Community REACH and NGOs with a simple, more readily-accessible way to document an organization's strengths, vision and capacity levels. The Inventory Tool **does not** require external facilitation.

Capacities are inventoried by stage of development (emerging, developing, moderately developed, fully developed). The stages are scored and summarized in eleven "Capacity Areas" of three domains. The three domains – management skills, program skills and sustainability – are considered by Community REACH to be essential to a healthy organization. Assessing an organization's capacity in these three critical areas gives a basic, holistic picture of the organization's vision, strengths and operations.

A spider-model diagram is generated from the Capacity Areas (example attached). The spider-model illustrates the levels of strengths as well as the overall balance of organizational capacity. Completion of the inventory produces a basic organizational profile. On an annual basis, the use of this organizational development tool can empower an NGO to better understand current strengths and organizational learning capacity. The tool provides a simple means for identifying key areas for continued growth and development within an organization's systems, processes, and skills-a task that many organizations find difficult when initiating an organizational assessment. Once identification of these crucial areas is complete, an organization can then begin to refocus funding and technical assistance accordingly.

Community REACH developed this tool to enable both our team and grantees to better measure and monitor changes in organizational capacity that will occur during the lifetime of a grant. This tool will provide Community REACH with the feedback that it needs to determine to what extent (and key areas) its grants have strengthened the capacity of organizations to respond to HIV/AIDS.

The Inventory Tool is best used appreciatively. That means that the organization must focus first on the capacity areas that are either in the developing or moderately developed stages of growth. By doing so, the emphasis of the exercise will remain on the status of the organization at a particular point in time, with a glance at the vision for future goals. It is the strengths of the organization that best guide the vision and ongoing strategic development. With that in mind, the results generated by the use of this tool will provide a basic, solid framework on which an organization can continue to assess and build its capacity.

DESCRIPTION OF COMPONENTS

The self-assessment inventory tool leads to an appraisal of the organization’s operations using a checklist that describes operations through knowledge, awareness and skills at different stages of development.

- **Stages of Development**

This component of the Inventory Tool is an appraisal of the stage of development for a list of 47 ‘capacities.’ These capacities are functions that contribute to effective organizational operations. There are four stages of development (Box 1) to consider.

Box 1. Four Stages of Development

Emerging	Potential may be present, but not experience. Initial development has not yet begun.
Developing	Initial experience with some success. Still many adjustments and corrections needed.
Moderately developed	With greater experience, major corrections have been applied and only fine-tuning is necessary
Well developed	Well established systems need only monitoring and can be models for other NGOs.

To consistently appraise the Stage of Development, descriptions are included for every level of each capacity. An example of the description format and inventory check is shown in Box 2. The instructions for marking the inventory sheet are:

“For each specific capacity, read the description in each stage. Decide which one best describes your organization at this time. Clearly mark the box ~~A~~ for that description. You can also mark the entire description with the number included.”

Box 2 Stages of development for Staff Monitoring

Capacity	Emerging	Developing	Moderately-developed	Fully Developed
Staff monitoring	Lines of authority not clear resulting in poorly supervised staff. Informal process for evaluating performance ①	Performance appraisal practices defined but irregularly applied ②	Performance appraisals conducted consistently on time but does not provide for performance goals or work plans ③	Performance monitoring and appraisal process include staff participatory assessment and goal setting and established annual work plans. ④

- **Domains and Capacity Areas**

Community REACH considers three domains critical to a healthy organization.

- *Management* – Systems and activities in administration and financial operations support implementation of the program and overall organizational operations.
- *Program* – The core of the organization, best described by its mission, is made up of the actual projects and how the projects are planned and managed.

- *Sustainability* – Characteristics that increase the life expectancy of an organization are made up of internal characteristics (e.g. leadership) and external relations (e.g. collaboration).

Box 3 Domains and Capacity Areas

DOMAIN	Management	Program	Sustainability
CAPACITY AREAS	Financial Management Systems	Program Design	Leadership
	Human Resource Management	M&E	Relationships
	Internal Communication Flow	Gender & GIPA	Resources
		Technical Expertise and Service Delivery	PR and advocacy

The 47 capacities are organized into 11 different Capacity Areas. The Capacity Areas, in turn, make up the three Domains. For example, Staff Monitoring (shown in Box 2) is under the Capacity Area named “Human Resource Management.” This is part of the Management Domain. The Domains and Capacity Areas are shown in Box 3. **The scores of each Capacity Area will be based on an average of the different capacities in that Area.** The strength of the Capacity Area is made up of many specific capacities. Box 4 shows what capacities are covered in each Capacity Area.

Box 4 Capacity Areas with specific capacities

MANAGEMENT	PROGRAM	SUSTAINABILITY
Financial Management	Program Management	Leadership
<ul style="list-style-type: none"> • Finance Systems • Budgeting • Contracting • Staff Understanding • Accounting • Monitoring 	<ul style="list-style-type: none"> • Program planning • Project plans • Participation 	<ul style="list-style-type: none"> • Leadership • Mission • Board • Roles and responsibilities • Strategic Plan
Human Resources	Monitoring & Evaluation	Relationships
<ul style="list-style-type: none"> • HR policy • Organization • Staffing Level • Contracting • Staff monitoring • Staff development 	<ul style="list-style-type: none"> • M&E Systems • Impact assessment • Participation • Effectiveness 	<ul style="list-style-type: none"> • Networking and Partnerships • Civil society relationships • Government relationships
Internal Communication	GIPA & Gender	Resources
<ul style="list-style-type: none"> • Internal Communication • Support staff roles • Office learning culture • Information flow • Decision making 	<ul style="list-style-type: none"> • GIPA principles • Gender awareness and analysis • Project impact on gender 	<ul style="list-style-type: none"> • Resource Planning • Fiscal Diversity • Facilities and support
	Technical and Service Delivery	PR and Advocacy
	<ul style="list-style-type: none"> • Technical skills • Building staff tech skills • Service delivery • Constituency tech level 	<ul style="list-style-type: none"> • Communication Strategy • Stakeholder dialogue • Record keeping • Data collection • Information dissemination

STEPS FOR USING THE TOOL

1. Prepare your staff for the assessment exercise. Gather together a team or key individuals who will help in conducting the assessment. Share the tool with them before hand
2. Assign small task groups to independently complete different parts of the inventory. When they are done, have the task groups switch or rotate the sections, and repeat the exercise.
3. Convene a consensus meeting with all staff (including those not involved in completing the inventory). Review the inventory and discuss findings. This kind of meeting (no more than ½ day) will help to validate the findings and allows all staff to provide input.
4. Submit results to Community REACH team for compilation.
5. Community REACH will computerize the inventory and return a copy of the Spider Model Analysis for the organization.
6. File the Spider Model Analysis so that there is a reference for comparison when the next inventory is done.

FUTURE STEPS & FUTURE VALUE

Once again, The Inventory Tool is best used appreciatively. That means to focus first on the characteristics that are developing or are moderately developed. An organization must look at the information generated from the Inventory and identify the areas and skills in which the organization is strongest. With that in mind, there are many positive ways to benefit from this self-assessment exercise.

- Develop a program strategy for effective program development that focuses on well-developed and exemplary capacities.
- Market the organization to potential donors based on strengths.
- Create awareness with staff and then develop internal plans on building capacity in different Capacity Areas.
- Demonstrate that the organization is a learning organization through annual inventory.
- Present a positive case in seeking external support for specific Capacity Areas.

With the results of this exercise, clearer steps will emerge on what might be the best way to continue developing a healthy, effective and sustainable organization. In addition to better targeted marketing for collaboration and project development, results can be used to develop an effective internal strategic development plan.

- Capacity Asset/Deficit Analysis
Identify the high (asset) and low (deficit) points on the diagram. What are the benefits or consequences of being at that stage of development? What are contributing factors

to the stage of that specific capacity? How can those factors be maintained or changed to produce desired results?

- **Strategic Planning, Annual Plans and Budgeting**
Use the information to integrate organizational development into the overall strategic plan and the Annual Plan. Build on Capacity assets and look for ways to strengthen capacity deficits