Benevolence, Inc., Ready for the 21st Century

Winnie Hung, Annaliza Santos, Denver Berry, and Linda Harris

Innovation Consulting, Inc.

Azusa Pacific University

Benevolence, Inc., Ready for the 21st Century

Benevolence, Inc. has served the public for sixty-three years in the non-profit sector. The organization established in 1950 with the main goal of helping and supporting families in need, with necessities, tutoring, various training, and counseling. A relatively large non-profit organization, Benevolence is one of the leading non-profit organizations in Southern California, and recognized for the quality of services to the public, and the years of experience serving the population. Benevolence did not escape changes and challenges during the past sixty-three years. The change of original by-laws, vision, and board members, led to disenfranchised client groups, lower participation of donors, disengage staff and volunteers; and brought Benevolence into a "state of chaos."

Changing environment, stiff and globalized market competition, new technology, challenging new cultures, unanticipated storms as well as opportunities, these are what businesses face in the 21st Century, and Benevolence has not escaped the storm. Innovation Consulting, Inc., is here to assist in repositioning the organization in the 21st century market. Benevolence, Inc. will need to face the changes and challenges and develop the guiding coalition that will transform the organization and the culture to meet the needs of the clients, staff, volunteers, and donors; as well as the leaders of the organization.

The Vision

Currently within Benevolence, Inc., the company lacks a clearly defined organizational vision and therefore leadership is unable to communicate a future strategy. There appears to be disconnection between, what the current organizational direction is, and how the current actions in the organization are assisting Benevolence, Inc., in accomplishing its organizational vision. The current direction is for the organization to develop new online services, and this appears

misaligned with the current clients who do not have access to new technology. There seems to be little or no communication or understanding of how these online services assist Benevolence, Inc., to better partner with public school districts to identify and support families in need or accomplish the organizational mission or vision.

The Culture

Benevolence, Inc. employees seem to have trust issues with the organizational leadership due to the considerable changes that have occurred over the past ten years. There is a lack of trust, accompanied by low morale, and a lack of understanding of the organizational vision. This compiled with the loss of over 100 full time employees, the closing of the Long Beach branch, and losing one third of clientele, reduced retention by 7%. In addition, the firing of a well-liked senior staffer, change in senior leadership and new initiatives not materializing, has led to unfulfilled employees and a sluggish organization.

The OCAI Result

When organizations are experiencing high levels of dissatisfaction, Innovation recommends performing an assessment to determine the discrepancies between what exists and the desired condition. Assessments can be one or a combination of surveys, observations, or various other data collection procedures (Gupta, Sleezer, & Russ-Eft, 2007).   After several observations of internal and external procedures by the Innovations team, they determined that the organizational culture and vision or lack thereof, needed aligned for the organization to continue to be effective. To assess the culture the team used the Organizational Cultural Assessment Instrument (OCAI) as a tool. The OCAI is a frequently used tool in assessing organizational culture. This tool has been used by research facilities, and a variety of sectors that include education, government, military organizations, hotels, tribes and athletic organizations,

to name a few. The OCAI assists in identifying today's culture in an organization and the one

needed that will match the future of the organization. The results of the OCAI are viewed in

Appendix A, B, and C.

<div align="center">**Strategic Proposal**</div>

To understand the underlying problems, Innovation will take a closer look at the current

phenomenon of the organization. Using Kotter's eight-stage change process, Innovation will

help the organization dissect its problems and help them transform into a more competitive

organization in the 21st century. (See Appendix D).

Establishing a Sense of Urgency

Kotter (1996) mentioned about "The Eight-Stage Change Process" as a system to

facilitate the organization to go through the change process (p. 20). To help Benevolence, Inc.

succeed in the change process, it is necessary to integrate and apply the eight-stage process in the

organization.

The first step is establishing a sense of urgency, "if top management consists only of

cautious managers, no one will push the urgency rate sufficiently high and a major

transformation will never succeed" (Kotter, 1996, p.43). First, the Board of Directors has the

responsibility to increase the level of urgency. The top managers should act as leaders in the

organization, and demonstrate the highest interests in pushing up the urgency. To increase the

sense of urgency leaders can convey a sense of crisis, "visible crisis can be enormously helpful

in catching people's attention" (Kotter, 1996, p.45). The top management should open up more

honest and open discussions in order to catch the attention from employees. In upcoming

meetings, the top management should allow the staff to join and to share the future goals and

vision. Kotter (1996) mentioned this is one of the ways to raise the urgency level is to "put more

honest discussions of the firm's problems in company newspaper and senior management

speeches; and stop senior management 'happy talk'" (p.44). By using open discussion, the

organization may pull the staff and key members to share the urgency of the current situation,

and point out the major problems of what might happen if the organization declines to change.

 "With urgency low, it's difficult to put together a group with enough power and credibility to

guide the effort or to convince key individuals to spend the time necessary to create and

communicate a change vision" (Kotter, 1996, p.36).

Creating a Guiding Coalition

The next step is creating the guiding coalition, "the first step in putting together the kind

of team that can direct a change effort is to find the right membership" (Kotter, 1996, p.57).

 There are four key characteristics deemed essential to generate an effective guiding coalition.

 They are position of power, expertise, credibility, and leadership. However, "a guiding coalition

with good managers but poor leaders will not succeed. A managerial mindset will develop plans,

not vision; it will vastly under communicate the need for and direction of change, and it will

control rather than empower people" (Kotter, 1996, p.58). Therefore, an organization has to be

careful when choosing the right committee member to join the guiding coalition. Kotter (1996)

suggested there are two types of person we should avoid while forming the guiding coalition.

 The first type of person is always taking charge of the meeting and not letting others contribute

their comments. Another type of person is one who is always creating conflict and reducing the

trust between the members. In the organizational chart (Appendix E), the board of directors/or

committee members should be qualified to be the right people to lead the change based on what

Kotter has recommended. They should also be able to create trust throughout the team.

 Innovation suggested that Benevolence should follow the guidelines Kotter (1996) suggested to

build a coalition that can make change happen (p.66):

1. Find the right people: With a strong position power, broad expertise, and high

   credibility and with leadership and management skills, especially the former

2. Create trust: Through carefully planned off-site events combined with lots of talk and

   joint activities

3. Develop a common goal: sensible to the head, and appealing to the heart

Developing a Vision and Strategy

Vision gives a picture of the future with some commentary of why people should strive to

create that future.   Vision first clarifies a general direction, second motivates people to take

action in the right direction, and third, by coordinates the actions of all the members of the

organization in an efficient way (Kotter, 1996, p. 68 -69). Riggio, Chaleff, Lipman-Blumen

(2008) argue that vision paints a vivid portrait of the organization's ideal future state (p. 277).

To create this future state it takes leadership. According to Stanley (2007), it is the

leader's responsibility to ensure that people understand and embrace the vision of the

organization (p.17). Management according to Kotter (1996) plans and budgets, organizes and

staffs, controls and problem solves (p.26). In direct contrast to the managerial approach, Kotter

(1996) argues that a leadership approach, "defines what the future should look like, aligns people

with that vision, and inspires them to make it happen (p. 25)." Leadership clarifies direction and

provides a sense of meaning, a sense of impact for employees within the organization (Quinn,

1996, p. 226).

Clarity of direction and clarity of vision empowers individuals and brings understanding

throughout the organization. Clarity of direction and vision not only answers where the

organization is going but how you plan to get there. The most important part of vision is, it

brings purpose and meaning throughout the organization answering 'why' the organization exists

and 'why' each employee or volunteer are doing what he or she are doing. This provides

meaning and direction not only for the future but also for what they are currently doing right

now.

"With the clarity of direction, the inability to make decisions can disappear" (Kotter,

1996, p.69). One simple question Kotter (1996) says can accomplish this: "Is this in line with the

vision?" can eliminate hours, days, or even months of unproductiveness (p. 69). By clarifying

vision, it eliminates sideways momentum or sideways friction caused by lack of vision. Vision

focuses the organization and enables managers and employees to figure out what to do without

constantly checking with their boss or peers (Kotter, 1996, p. 70).

Communicating the Change Vision

Vision according to Stanley (2007) is a solution to a problem (p. 27). So what does your

vision propose to solve? "If vision is too complicated for people to embrace, nothing changes"

(Stanley, 2007, p. 23). Kotter (1996) states, "If you cannot communicate your vision to someone

in five minutes and get their interest, you have more work to do in this phase of a transformation

process" (p. 78). Make it memorable like a t-shirt slogan, Stanley (2007) argues people

remember and embrace sentences not paragraphs (p. 19).   It needs to be simple and easy to

communicate, define the problem and offer a solution.

Communicate your vision regularly. Managers under communicate vision according to

Kotter (1996), and this sends inconsistent messages to followers (p. 85). "To make it stick, you

need to find ways to build vision casting into the rhythm of your organization (Stanley, 2007, p.

34). Repeat the vision regularly using many different forums, Kotter (1996) argues by doing

this, the vision stands a better chance of being heard and remembered (p. 93).

Involve followers in vision creation. This increases the chance of ownership of the vision

by individuals at all levels of the organization, which increases the likelihood of its success.

Riggio et al., (2008) argue that followers have important ideas about what the ideal future state

of their company might look like and this increases the chances of them internalizing the vision

and followers then begin to use the vision to guide their individual work (p. 285). When this

occurs, you can use followers to champion the implementation the vision (Riggio et al., 2008, p.

289).

Ensure senior leadership can embody the vision not through words alone but through

action. "Often the most powerful way to communicate a new direction is through behavior"

(Kotter, 1996, p. 95). Constantly look for ways to reinforce where you are going and how you

plan to get there through words and deeds. "Nothing undermines the communication of a change

vision more than behavior, on the part of key players that seems inconsistent with the vision"

(Kotter, 1996, p. 97). Details on characteristics of an effective vision, creating effective vision

and effective communication of vision please refer to Appendix F, G, and H.

Empowering Broad-Based Action

Employee empowerment is nothing new. For other people, this term is becoming a

politically correct mantra (Kotter, 1996, p. 101). Empowerment, empowerment, and

empowerment, this word is used in every organization. According to Bradley and McDonald

(2011), "People are not the [organization's] best asset; it is how you empower your people."

Benevolence, Inc. is currently struggling to get a clear participation and collaboration

from the employees. It is clear that the current culture of Benevolence needs more space to

allow their employees to breath. It is also clear that Benevolence's employees need

empowerment to make them feel visible and important.

Marshall Goldsmith of Harvard Business Review (n. d.) discussed four steps leaders or

organizations can take in order to empower their employees in a non-profit organization setting.

Following are the few things leaders can do to build an environment and culture that empowers

people (Goldsmith, n. d.):

1. Give power to those who have demonstrated the capacity to handle the
    responsibility.

2. Create favorable environments in which people are encourage to grow their skills.

3. Do not second-guess other's decision and ideas unless it is necessary. This
    only undermines the employee's confidence and keeps them from sharing future
    ideas with the organization.

4. Give people discretion and autonomy over their tasks and resources.

5. Start today.

Kotter (1996) also discussed several recommendations to empower the employees (p. 115):

1. Communicate a sensible vision to employees.

2. Make structures compatible with the vision.

3. Provide the training employees need.

4. Align information and personnel systems to the vision.

5. Confront supervisors who undercut needed change.

With the current condition of Benevolence, the leaders will need to start and act today to

empower their people. Empowerment will not only help stabilize the organization but it will also

help the people to be more productive toward the organization objectives and vision.

Generating Short-Term Wins

Establishing or improving vision and culture is not a 1, 2, 3 change that gives the organization an instant result. Reestablishing vision takes years before it becomes a reality. Culture on the other hand is something that needs a careful approach before you feel its stability. Transformation is a long way process, thus, generating short-term wins reinforce the organization to strive and work hard to attain its goals and vision.

Delivering short-term results can be a challenge but it is essential to create a visible success to make the vision successful. According to Kotter (1996), short-term wins are characterized by the following (p. 121):

- It is visible – large number of people can see for themselves whether the result is real or just hype.

- It is unambiguous – there can be little argument over the call.

- It is clearly related to the change effort.

While Benevolence is currently repositioning the entire organization into a new vision and culture, it is important to determine that these changes are not just an overnight success. Short-term win is important to show that the change is really moving towards the new vision. Some of the short-term wins that Benevolence can celebrate while positioning the whole organization in the 21st century are:

- Getting people on-board with the new vision

- Donors reengagement to join Benevolence

- Volunteers and staff retention

- Helping more families in needs

- Builds employees morale and motivation

Consolidating Gains and Producing More Change

Major change is not a short-term process and if the agency focuses on the short-term wins and celebrates too soon, momentum needed to continue change may cease to exists. According to Kotter (1996) " Whenever you let up before the job is done critical momentum can be lost and regression may follow" (p.133). Every organization will need to have understanding on the interdependence within the organization and how change in one area will affect changes in another department, without allowing the interdependence to create a barrier to change. Several small projects may need to take place in order for long-term change to become sustainable. Kotter (1996) states the success of major change includes

1. More change not less – Larger more challenging change projects will be tackled after building momentum on the short-term wins.

2. More help – Additional people, often with new skills, are brought in and promoted within the organization to support the change.

3. Leadership within senior management – Leaders will focus on keeping urgency levels up and maintain the clarity of vision and purpose to sustain continuous momentum and change.

4. Project management and leadership below – lower level leaders will need autonomy to lead change within a given department.

5. Reduction of unnecessary interdependencies – Identify and eliminate unnecessary interdependencies.

A deep and thorough "house cleaning" is often an effective start to deep change but until

change is anchored deeply within the organization it is not sustainable. Change must not be about the people that implement the change but the ideology that the corporation basis the principles on.

Anchoring New Approaches in the Culture

Most cultures operate outside of the awareness of the people within the organization and therefore new practices developed in restricting an organization "must be somehow anchored in it; if not, they can be very fragile and subject to regression' (Kotter, 1996, p.151). The cultural change necessary for the survival of an organization often takes place in Stage 8 of Kotter's theory.   Change only becomes sustainable after so many people have been involved in the process, that the imbedded change is evident at all levels of the organization. Change can take place by grafting the old and new cultures together or it can be complete change that means replacing key people. Successful change, anchoring change in culture often has the following components:

- Cultural change comes last not first
- Change depends on results of new processes
- Culture change requires lots of consistent conversations
- May involve employee turnover
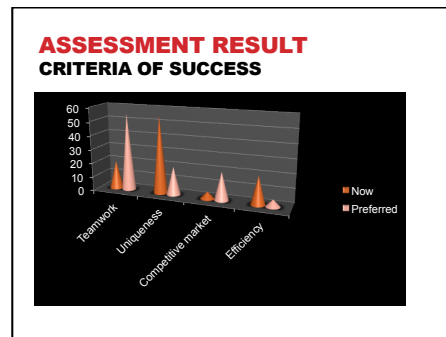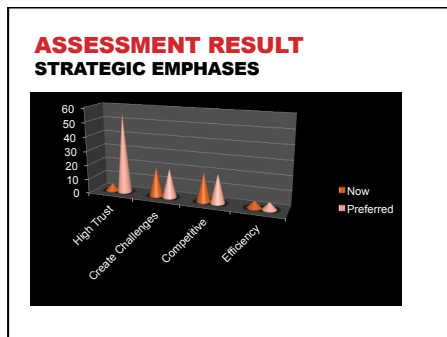- Make decisions on succession crucial preventing old culture from resurfacing

<div align="center">

Conclusion
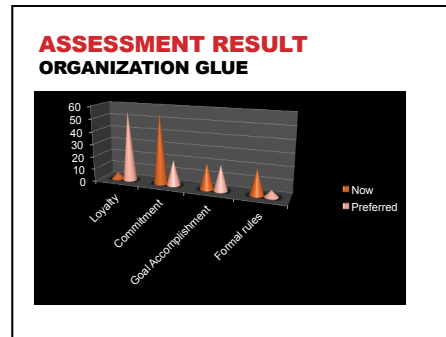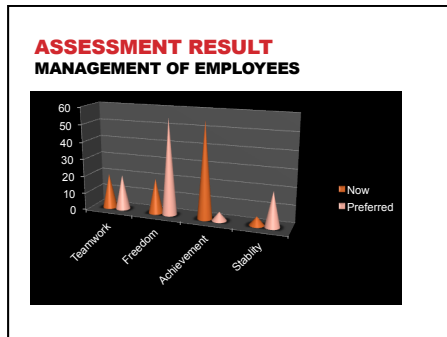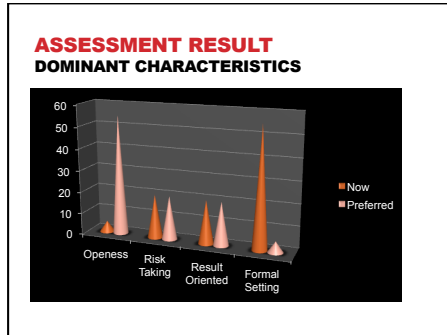
</div>

Innovation Consulting Inc., hired to assist the nonprofit organization Benevolence Inc., in identifying the root of the problems that have led to employee, volunteer and client attrition, and the reduction of support from the board and other funding sources that contributed to a dismal, non-trusting corporate environment that appears to prevent the company from moving forward in

the present capacity. Innovation recommends understands that Benevolence needs a cultural

paradigm shift but they also understand that suggesting to change the culture without going

through Kotter's 8 steps would result in a failed attempt.

Innovation is recommending Kotter's 8 Steps of Change and by following this

Benevolence will engage in new thinking, new thinking will lead to new actions and eventually

to a new culture. Innovation believes Benevolence should focus on the behaviors of the Clan

and the Adhocracy Culture, empowering staff and volunteers, listening for feedback both internal

and external. Create an entrepreneurial atmosphere that allows for risk-taking, innovation and

develops increased recognition for employees and volunteers (Appendix I). With a new culture

and vision, Benevolence will once again take a leadership role in the non-profit sector.

Appendix A

ASSESSMENT RESULT
DOMINANT CHARACTERISTICS

ASSESSMENT RESULT
ORGANIZATIONAL LEADERSHIP

ASSESSMENT RESULT
MANAGEMENT OF EMPLOYEES

ASSESSMENT RESULT
ORGANIZATION GLUE

ASSESSMENT RESULT
STRATEGIC EMPHASES

ASSESSMENT RESULT
CRITERIA OF SUCCESS

Appendix B

OCAI Scoring Result (p.34)

Question	Now (A)	Preferred (A)	Now (B)	Preferred (B)	Now (C)	Preferred (C)	Now (D)	Preferred (D)
1	5	55	20	20	20	20	55	5
2	5	55	20	20	55	20	20	5
3	20	20	20	55	55	5	5	20
4	5	55	55	20	20	20	20	5
5	5	55	20	20	20	20	55	5
6	20	55	20	20	5	20	55	5
Sum	60	295	155	155	175	105	210	45
Avg	10.00	49.17	25.83	25.83	29.17	17.50	35.00	7.50

A: Clan   **B: Adhocracy**   **C: Market**   **D: Hierarchy**

Appendix C

Organizational Culture Profile Chart – Benevolence, Inc.

CLAY
(A)

Adhocracy (B)

50
40
30
20
10

	Now	Preferred
Clan	10	49.17
Adhocracy	25.83	25.83
Market	29.17	17.50
Hierarchy	35	7.50

Hierarchy (D)
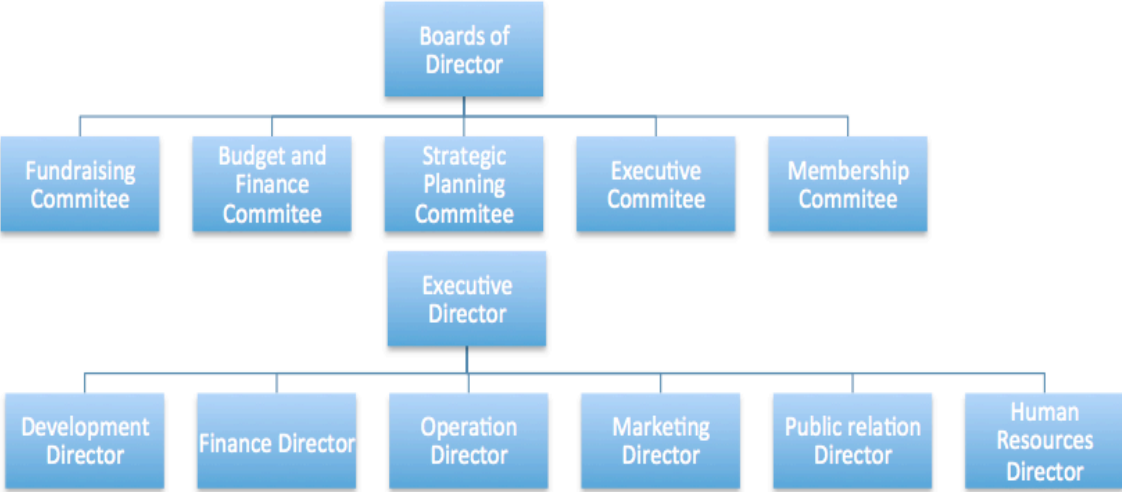
Market (C)
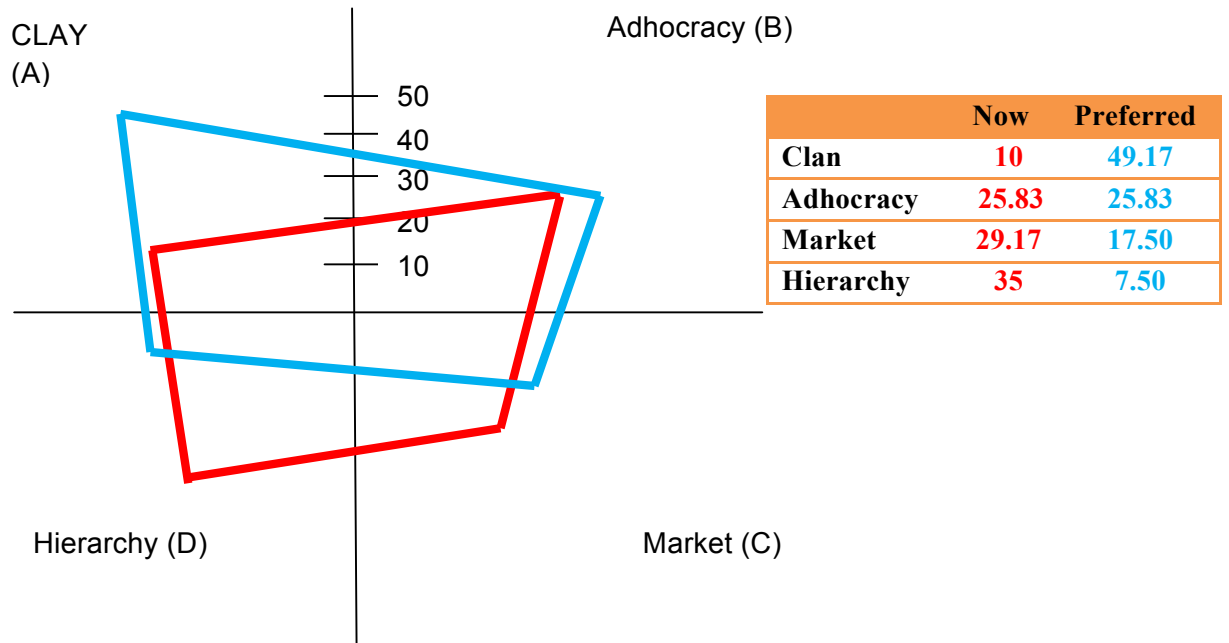
Appendix D

Kotter's 8 Steps Process to Change
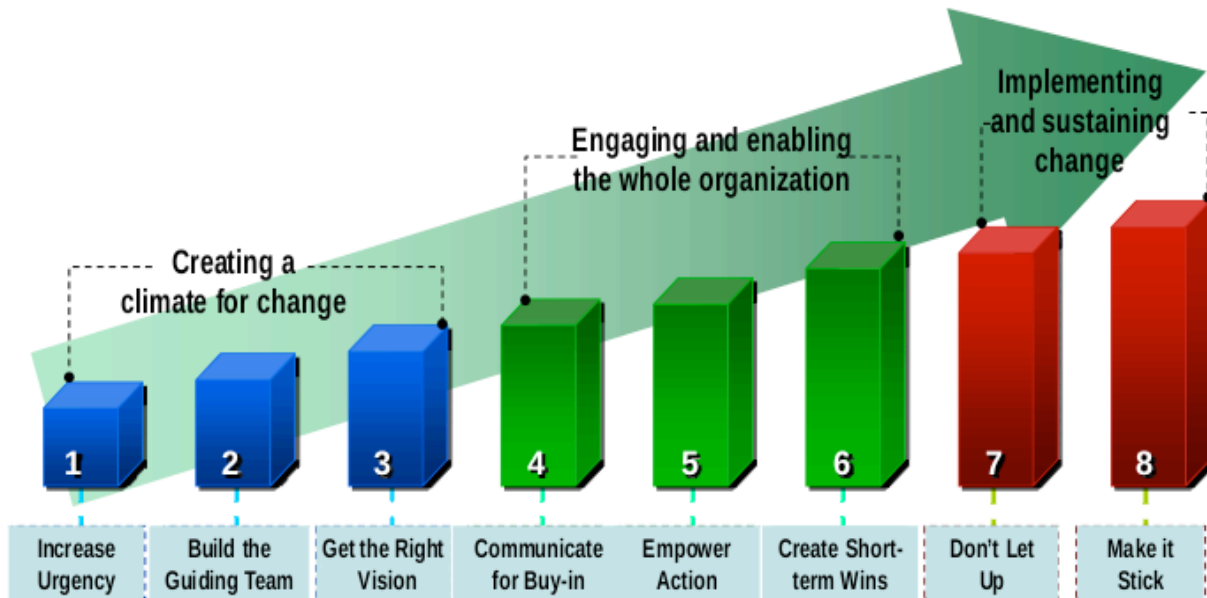
⁵ Kotter, John P. and Cohen, Dan S. The Heart of Change. Boston: Harvard Business School Press

Appendix E

Organizational Chart

Appendix F

Characteristics of an Effective Vision:

- *Imaginable*: Conveys a picture of what the future will look like

- *Desirable*: Appeals to the long-term interests of the employees, customers, stockholders, and others who have a stake in the enterprise

- *Feasible*: Comprises realistic, attainable goals

- *Focused*: Is clear enough to provide direction in decision making

- *Flexible*: Is general enough to allow individual initiative and alternative responses in light of changing conditions

- *Communicable*:   Is easy to communicate; can be successfully explained within five minutes

  (Kotter, 1996, p. 72)

Appendix G

Creating Effective Vision

- *First Draft*: The process often starts with an initial statement from a single individual, reflecting both his or her dreams and real marketplace needs

- *Role of a guiding coalition*: The first draft is always modeled over time by the guiding coalition or an even larger group of people

- *Importance of teamwork*: The group process never well without a minimum of effective teamwork

- *Role of the head and the heart*: Both analytical thinking and a lot of dreaming are essential throughout the activity

- *Messiness of the process*: Vision creation is usually a process of two steps forward and one back, movement to the left and then to the right

- *Time Frame*: Vision is never created in a single meeting. The activity takes months, sometimes years

- *End Product*: The process results in a direction for the future that is desirable, feasible, focused, flexible, and is conveyable in five minutes or less

  (Kotter, 1996, p. 81)

Appendix H

Key Elements in Effective Communication of Vision:

- *Simplicity*: All jargon and technobabble must be eliminated

- *Metaphor, analogy, and example*: A verbal picture is worth a thousand words

- *Multiple Forums*: Big meetings and small, memos and newspapers, formal and informal

  interaction- all are effective for spreading the word

- *Repetition*: Ideas sink in deeply only after they have been heard many times

- *Leadership by example*: Behavior from important people that is inconsistent with the

  vision overwhelms other forms of communication

- *Explanation of seeing inconsistencies*: Unaddressed inconsistencies undermine the

  creditability of all communication

- *Give-and-take*: Two-way communication is always more powerful than one-way

  communication

  (Kotter, 1996, p. 90)

Appendix I

The Competing Values of Total Quality Management

Flexibility

HUMAN RELATIONS MODEL

OPEN SYSTEMS MODEL

1. Understanding self & others
2. Communicating effectively
3. Developing subordinates

1. Living with change
2. Thinking creatively
3. Creating change

MENTOR   **INNOVATOR**

1. Building teams
2. Using participative decision-making
3. Managing conflict

1. Building and maintaining a power base
2. Negotiating agreement and commitment
3. Presenting ideas

FACILITATOR   **BROKER**

Internal   **External**

MONITOR   **PRODUCER**

1. Monitoring personal performance
2. Managing collective performance
3. Managing organisational performance

1. Working productively
2. Fostering a productive work environment
3. Managing time and stress

CO-ORDINATOR   **DIRECTOR**

INTERNAL PROCESS MODEL

RATIONAL GOAL MODEL

1. Managing projects
2. Designing work
3. Managing across functions

1. Visioning, planning & goal setting
2. Designing and organising
3. Delegating effectively

Control

Quinn (1996)

References

Bradley, A. J. & McDonald, M. P. (2011). How to empower your employees. *Harvard Business Review.* Retrieved from http://www.businessweek.com/management/how-to-empower-your-employees-12062011.html

Goldsmith, M. (n. d.). Nonprofit employee empowerment. *Harvard Business Review.* Retrieved from http://www.npodev.org/nonprofit-employee-empowerment/

Gupta, K., Sleezer, C. M., & Russ-Eft, D. F. (2007). *A practical guide to needs assessment* (2nd ed.). San Francisco, CA: John Wiley & Sons, Inc.

Kotter, J. P. (1996). *Leading change.* Boston, MA: Harvard Business School Press.

Riggio, Chaleff, Lipman-Blumen (2008). *The Art of Followership*. San Francisco, CA: Jossey-Bass.

Stanley, A. (2007). *Making vision stick.* Grand Rapids, MI: Zondervan.

Quinn, R. C. (1996). *Deep change. Discovering the leaders within.* San Francisco, CA: Jossey-Bass.