Module II: Accountability

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Bielefeld & Tschirhart, 2012

Non-profit management derives much of its strategic thinking from the for-profit sector and scientific management theory. Planning is distinct from strategy; one without the other will not succeed at realising the goals of an organisation or enterprise. There are two opposing camps within the debate: one that emphasises rational planning in advance, and another that emphasises social and organisational factors in emergent strategy.

The ends and needs of NFP work requires translating the priorities and methods of strategic thinking into useful terms. Some organisations are more similar to a traditional business and require little reworking; others are substantially different animals from businesses, with distinct advantages and disadvantages. The authors provide examples of NFPs exemplifying Porter's three strategic positions (cost-leadership, differentiation, and focus), then they describe Miles and Snow's four generic strategic positions (defensive, prospective, analytic, and reactive).

Ian MacMillan's framework, rather than translate for-profit archetypes to NFP work, begins with assumptions about NFPs reasons for existing and operating (as distinct from for-profit entities). Along three axes – program-attractiveness, competitive-position, and alternative-coverage – organisations weigh their strategic options, leading to eight different strategies, listed on pp. 92-3. Depending on which position an NFP finds itself in, Macmillan counsels either expanding operations, divesting, or collaborating with others – strategies which would not be evident within a for-profit model.

After arriving at a vision for the organisation and assessing one's strategic position, making plans to accomplish the strategic goals comes next. Consultation with external advisors, internal staff, and the community served can be useful at this point, although staff may have a personal stake in alternatives or the status quo. Existing commitments or shortage of resources can limit the scope of any change, so assessing the landscape for change needs to happen first. SWOT (Strengths, Weaknesses, Opportunities, & Threats) and PEST (Political, Economic, Social, & Technological) analyses reveal internal and external factors which should guide the planning process. Environmental & Scenario analyses sketch about possible eventualities and how they might affect the organisation's mission and strategy down the road.

Strategic issues arise from situational and positional analysis, and these issues are what are addressed by strategy. Ideating the strategy can either come at the issues directly or through goals-consensus, or indirectly by working backwards

from a "success condition" or by brainstorming options to present to decision makers. Once the issues are identified, drafting and implementing plans comes next. A good implementation explicitly lists the "win" conditions and concrete steps to take at specific times.

Next, the authors discuss the alternative "emergent" strategy, based on empirical findings that pre-planned strategies are not necessarily better than strategies invented on an adhoc trial basis. This is because top-down strategising can often prove inflexible and insensitive to input from those at the bottom of the hierarchy who confront the drawbacks of grand strategy directly. In almost all cases, *realised* strategy is not what was *intended*, and understanding the emergent model can help prevent realised strategy from mutating into mission drift or mission creep. Optimally, programs which emerge at the lower-level should inform the rational planning at the top.

Ebrahim, 2010

The literature describes "accountability" with varying emphasis on four core tenets: transparency, answerability, compliance, and enforcement. Ebrahim writes that managing competing accountability-demands is better than perfect accountability to everyone about everything all the time. Determining to whom an org is accountable and for what they are owed accountability is the task of the leadership. Disclosure, self-evaluation and -regulation are the most widely used mechanisms for ensuring accountability, but Ebrahim also adds participation and adaptive learning. By participation, he means

WOSU 2011

Good Measurement practices lead to better operational results and greater confidence in an organisation from its donors. Despite this, most NFPs do not self-evaluate as much as they could. Lack of time, funds, expertise, personnel, and training are cited as reasons why, but Jones argues that self-evaluation is, on the contrary, easy, fulfilling, and not as expensive as it can seem.

Cultural hostility to self-evaluation within an org is the first problem to be resolved; Jones wants NFPs to embrace data positively rather than employing it as a whip. Secondly, *clarifying* the organisation's mission and what needs to get evaluated. By creating a causal chain for a program or partnership (the five-whys-deep), an organisation can identify what can be and needs to be measured as an index of success (or failure). Once the measure of success or failure is clear, then data *capture* can be either outsourced to consultants (although in the interests of cost and long-term sustainability, Jones says it's worth it to build internal survey methods using software resources most groups already have). After data has been accumulated, *communicating* the findings to stakeholders can maximise the impact it can have in persuading minds. Lastly, use self-evaluation to *change* what needs to be improved and *celebrate* what has proven successful.

Putting a “human face” on data in combination with aggregated data can persuade both the stastically minded grant-writers as well hold the attention of those who aren’t predisposed to pour over numbers and figures.