

Dollars & Sense



ABOUT THE AUTHOR...

BRUCE COLE

Bruce Cole joined M/J following his role as Manager of Organizational Development for Focus on the Family where he developed and provided specialized training in nonprofit management and fundraising strategies. Previously he served as executive director of two pregnancy resource centers and development director at Northwest University of the Assemblies of God, as well as serving in both youth and senior pastoral ministries. He also worked as a consultant with a major telemarketing firm providing fundraising counsel to organizations including National Right to Life, Concerned Women for America and the Republican National Committee.

Bruce holds a Masters degree in Organization Development and a B.S. in Business Administration and Finance, and he is a presenter at various national conferences and workshops. Bruce's expertise is in organizational diagnosis, development strategies, strategic planning, board development and training. Bruce and his wife Marcia have four children, one grandchild, and live in Colorado Springs.

As organizations grow and age they tend to develop routines that provide vital functions that, in a very real sense, define the organization. Take a close look... Are your ministry's routines...

Generative or Geriatric?

by Bruce Cole

Organizational routines are the repositories of organizational knowledge. The outputs of the organization are dependent upon routinized approaches to critical operational tasks and functions. We need routines to do our jobs. Even those who don't particularly enjoy orderliness and defined sets of tasks and priorities have a set of routines they live by. The simple reality is that organizational competence and performance are based upon the ability to refine and effectively coordinate organizational routines.

However, there are times when routines cause friction. Generally this occurs when there is a lack of coordination, a breakdown in control, etc. Internally, a new staff member or board member may come in and not understand the routines, attempt to change the routine, and create discomfort. Additionally, an organization may be very good at coordinating its routines, but the external environment may change. Imagine a mother who develops perfect routines in diaper changing, even to the point

of being able to do it in her sleep, and takes such pride in the fact that she is constantly trying to put diapers on her teenagers! Routines must be appropriate and relevant to the current environment.

With this rather absurd illustration in mind it is easy to understand that:

- An organization that is well-tailored to its environmental demands (environmental fit) may perform poorly if the organization suffers from an inability to coordinate its routines effectively.
- Highly efficient organizations may fail in the absence of demand for the outputs that its routines are designed to create. *

The importance of understanding these dynamics is critical as organizations age and plan for the future. Just like people, as organizations age more routines are accumulated. These routines become powerful coping mechanisms to help us get through our lives and to accomplish our tasks. But the rapid pace of change in today's environment forces

organizations to be ever aware of antiquated routines. Vital organizations must be sure that they do not lose their entrepreneurial instincts and get so locked into their routines that they cannot do what God has called them to accomplish.

There is debate among organizational theorists concerning how the issue of routines and environmental fit affect an organization's future and its ability to create innovation. One school of thought hypothesizes that as organizations age they predict their own mortality. They do this by creating barriers to effective action.

These barriers may include taken-for-granted understandings, political coalitions, ineffective communication and limits on the distribution of knowledge. If organizations become "arthritic" or "hard of hearing" they will produce fewer innovative ideas.

The other school of thought believes that organizational competencies and innovation increase over time. Theoretically, the larger knowledge base provides the impetus for them to get better at their routines. This implication leads to the conclusion that the passage of time leads to an accumulation of foundational knowledge enabling organizational competence.

The question that leaders must be asking is "Are we becoming geriatric or are we generative?" "Are we dying or are we still in the prime of life?"

We can draw a conclusion from these two positions – Organizations that refuse to become arthritic, continue to listen, develop their hearing, and use their wisdom and experience to create innovation, relevant to the demands of their environment, will be the most generative or life-giving organizations, having the greatest impact on society and providing services most relevant to the purpose of the organization.

The question that leaders must be asking is "Are we becoming geriatric or are we generative?" "Are we dying or are we still in the prime of life?" More importantly, "Is there a way to reverse the

organizational aging process and find the fountain of youth for our organization?"

Signs of a geriatric organization:

- ◆ Imprinting – current organizational structures, programs, and processes are based upon the early decisions of founders and prevailing practices at the time of founding.
- ◆ Inertia – early decisions and practices persist in spite of irrelevance to today's demands.
- ◆ Drift of Organization/ Environmental Fit – Routines are so set that even as the environmental needs change, the organization is unable to change with them.

- ◆ Organizational change efforts for new practices are limited to existing routines.
- ◆ Individual decision makers are anchored in past experience as they evaluate alternative courses of action.
- ◆ Structures and routines are institutionalized.
- ◆ Failure to perceive and pursue new market opportunities.

Fighting the aging process by constantly monitoring the changing environment and applying the wisdom that comes with age is the key to being a generative organization.

** Governance as Leadership: Reframing the Work of Nonprofit Boards by Richard Chait, William Ryan and Barbara Taylor. John Wiley & Sons.*

Dealing with the dynamics of organizational performance is a significant challenge in today's hyper-competitive environment. To discuss ways to achieve "peak performance" for your nonprofit organization, contact McConkey-Johnston, or visit us at www.mcconkey-johnston.com