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RECOGNIZING THE PARADOX: RESTRUCTURING AN INTENTIONALLY MULTINATIONAL-NORTH AMERICAN NGO

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The Christian Reformed World Relief Committee (CRWRC) is an International Non-Governmental Organization (INGO) that exists to serve both international and North American constituents. This dual purpose mission is examined in light of Lindenberg and Bryant's Three Stage Theory and Morgan's metaphor of organizations as organisms. In "Going Global" (Lindenberg & Bryant, 2001) the Three Stage Theory suggests that all INGOs go through three distinct stages of increasing international influence while "Images of Organization" (Morgan, 1998) suggests that one metaphor for understanding organizations is as organisms that follow no pre-described process but constantly adapt to their surroundings in response to environmental changes. This paper merges these two concepts to show that CRWRC would improve its ability to accomplish both its goals by restructuring to become more international in its governance.

INTRODUCTION

The Christian Reformed World Relief Committee (CRWRC) was founded in 1962 by the Christian Reformed Church of North America (CRCNA), a combination of the Canadian and US Christian Reformed denominations. CRWRC is a multinational organization that exists to promote community and constituency development and transformation through "collaborative activities of love, mercy, justice and compassion." "Community" means that it works holistically to improve communities, not just individuals. Constituents are the members of the CRCNA. Thus the CRWRC exists to benefit both international and local clients. But unlike many INGOs working locally, its product to local clients is substantively different from that of its international clients. That is CRWRC seeks to do two distinct things: 1) Restore justice wherever injustice exists and 2) make members of the CRCNA want to restore justice.

Lindenberg and Bryant (2001) argue that over time INGOs become increasingly multinational with more people from other nations rising to positions of influence. Thus, as CRWRC becomes more international it will have a tendency to separate itself from its original nation. CRWRC's two fold mission could be tenuous if the organization does not properly prepare for this inevitable future tension. In other words, CRWRC must be carefully structured because it exists as a paradox: a Multinational-Intentionally North American Organization.

This paper will examine the current structure to identify ways the agency is both becoming multinational by empowering international offices while retaining a North American governing structure. It will also look at ways the current structure helps and hinders the agency in each of its two main purposes. It will then merge the concepts of these two issues to promote an alternative structure that accepts the paradox of being multinational-intentionally North American, by allowing the international component of CRWRC more influence over organizational functions while also encouraging a transformation of the constituency.

THREE STAGE THEORY

Many multinational NGOs started during, or shortly after, World War II. These organizations often started in Western Europe or North America as citizens became aware of significant human suffering in non-northern countries. These citizens would come together and begin to find ways to deliver services in a multinational setting (Lindenberg & Bryant, 2001). Overtime, some of these organizations grew and progressed to the second stage of multinational NGO development. In this stage they began to set-up overseas offices, making long term commitments to these communities, and hiring foreign staff to work in foreign bureaus. However, the positions holding organizational influence, such as the governance board and field directors remain from the northern nation. According to Lindenberg and Bryant (2001) some multinational NGO organizations move beyond this to a third and final stage of multinationalism in which all levels of the organization include representatives from many nations. At this stage, foreign bureaus function with significant autonomy from centralized offices, and multinational staff have ascended into management positions increasing the diversity of the leadership, and boards incorporate both northern and non-northern representatives.

ORGANIZATIONS AS OPEN SYSTEMS

While Lindenberg and Bryant (2001) argue that multinational organizations progress through three stages Gareth Morgan (1998) argues that organizations evolve in response to environmental demands. Morgan says that one way to look at organizations is through the metaphor of an organism. This perspective highlights the fact that organizations are open systems that are impacted by their broader environment. Morgan explains that "an open system is one in which there is a continuous exchange with the environment. Cycles of input, internal transformation, throughput, output, and feedback exchange are crucial for sustaining the life and form of the system (p. 41)." Inputs are resources that ignite energy into the organization such as material, financial, informational, or human capital while organizational outputs are the goods and services an organization produces. Throughout is the input-output flow of

energy, materials, and information through the organization's subsystems (Morgan, p. 43).

The organism metaphor looks at an organization as a set of interrelated subsystems. Systems contain "wholes within wholes" says Morgan (p. 42). CRWRC is made up of individuals, a person being a system within itself, who are part of groups or departments that belong to greater organizational divisions. This subsystem idea continues on and on at different levels. For instance, just as molecules, cells, and organs are subsystems of every organism they still are complex, adaptive open systems on their own accord. The idea of organizations as open systems really takes in account how everything depends on everything else and how organizations that desire to succeed and survive need to find the proper balance in managing relations between their important subsystems managerial, technological, structural, human-cultural, strategic, environmental and their environment (Morgan, p. 43).

Organizations do not act in predetermined manners and are not perfectly internally regulated instead much organizational activity relies on non-controlled processes to occur. Open systems emphasizes survival and evolution. This new orientation adds flexibility. "Organizations do not exist in any way that is separate from their environment. We may feel that this idea is now well recognized through the idea that organizations are open rather than closed systems, but, paradoxically, this distinction just perpetuates the illusion of separateness (Morgan, 1998, p. 255)." CRWRC needs to recognize that they operate an "open system" and, as an open system, CRWRC should always think of their constantly changing environment when examining how their organization should reorganize, adjust, and adapt. This is especially true as CRWRC works in many different cultural contexts and as an organization it needs to rely on its field staff to make appropriate changes and decisions that are appropriate and relevant to the cultural subsystem in which they work.

Combining the Three Stage Theory of Lindenberg and Bryant (2001) with Morgan's (1998) metaphor of organizations as organisms could seem paradoxical: Lindenberg and Bryant proposing a predetermined path while Morgan's metaphor proposing an open process that can not be predetermined. However, upon further examination one realizes that for a multinational organization to survive it must continually adapt its internal structure to reflect the multinational environment in which it operates. Multinationals successful in doing this will have a competitive advantage in surviving the turbulent environment of international development. Examining CRWRC will provide an example of how organizations developing to the third stage of Lindenberg and Bryant's Three State Theory will also better equip the multinational organization to achieve its objectives.

CRWRC HISTORY

The Christian Reformed World Relief Committee (CRWRC) is an example of an organization that is following the path described by Lindenberg and Bryant (2001). It was established in 1962 as a branch of the Christian Reformed Church of North America (CRCNA), a protestant denomination with headquarters in both Canada and the United States. Originally founded to respond with charity to disasters where ever they occur, by 1965 it had changed its emphasis to training people around the world "in self-help endeavors" (Witte, 2005). By 1979, CRWRC was responding to international disasters through partnerships with foreign organizations operating only in their own country. After particularly successful partnerships in several nations, the organization decided to continue its partnerships with these groups and work on "agriculture, health, literacy, income and church outreach" development programs (Witte, 2005, p. 17). At this point the organization was growing but was still, what Lindenberg and Bryant (2001) would identify as, a stage one multinational. All staff and governance was North American but they exported goods and services overseas.

This began to change in 1980 when the organization adopted a team structure that sent overseas a "field director, community developer, agriculturist, health nutritionist, literacy worker [and] two church developers...with a goal of training [foreign nationals] to replace them" (Witte, 2005 p. 17). This resulted in more non-North American staff being hired and trained and the establishment of field offices.

In 1997, CRWRC restructured itself to include multiple field offices into regional teams that operate with significant autonomy from the North American headquarters. At this point the organization employed foreign nationals at various levels including some regional team leaders. This could therefore be seen as the start of the transition to Lindenberg and Bryant's (2001) third stage of being a multinational NGO.

CRWRC STRUCTURE

The current (1997) organizational staff structure can be described as a "woven mat" (Witte, 2005, p. 29). The fabric of this mat is its 9 teams. Each team functions as semi-autonomous agencies setting their own priorities and practices but interacting around shared concerns such as budgeting/funding requirements. CRWRC has 7 ministry teams (MT): Relief, Asia, Eastern and Southern Africa, West Africa, Latin America, Eastern Europe and North America. These ministry teams include a team leader and various consultants who partner with foreign national NGOs working in each country where CRWRC is present. It also has two Functional Teams: CORE and Delta. The Community Relations (CORE) team exists to excite supporters, encourage constituency involvement and build relationships. It includes home office staff. The Delta team exists to promote development and learning across the

organization, evaluate team performance and otherwise support the ministry teams. The two functional teams therefore interact with the ministry teams creating the fabric of the mat (Appendix 1).

According to *CRWRC Briefcase* (2005) the community and constituents make up one border or edge to the mat. The idea being that both the community and constituents give and receive from these ministry teams.

The constituents of CRWRC are the people who attend churches affiliated with the Christian Reformed Church (CRC) denomination. The governance structure of CRWRC grows out of the denominational structure. The denomination includes various regions with 47 regional representatives as well as 28 denominational representatives making up the Board of Delegates, a collective of people from the Canadian (25 delegates) and American (50 delegates) denominations. This Board of Delegates is expected to play a key role in reporting activities of CRWRC back to constituents in their regions. They also elect 7 delegates to each of the US and Canadian Boards of Directors. The US and Canadian boards combine to make up the Joint Ministry Council which is responsible for hiring of the co-directorship as well as setting the policies and direction for the organization.

CRWRC's staff are headed by a two executive directors who equally share the leadership position. The co-directors form the link between the governance of CRWRC and the organizational woven mat (Appendix 1). The co-directors appoint team leaders to all 9 main teams. They also create or disband main teams and ensure the attainment of goals set by the board in a manner that is consistent with board established values and boundaries.

Although the structure appears to be effective in promoting these outcomes it has limitations in its ability to meet the second of CRWRC's purpose: to transform the constituency. It also leaves little room for CRWRC to progress in the third stage of Lindenberg and Bryant's Three Stage Theory of INGOs, because it leaves little ability for the international community to influence the governing body of the board.

To examine the implications of the current structure this paper will first look at how the focus on ministry teams limits emphasis on the transformation of constituents, which diminishes CRWRC's ability to attain its second purpose. It will then examine how the emphasis on Canada/US balance in governance directly prevents the organization from becoming a truly multinational NGO.

CRITIQUE OF CURRENT STRUCTURE

The physical structure of CRWRC is what Morgan would call holographic in which the whole is encoded/represented in all of its parts, with each and every part representing the whole (Morgan, 1998). CRWRC needs this as they are working in different cultural contexts and need some unifying framework (their values, reporting practices, funding policies, etc.) so all its regional programs meet standards that are set by the home offices and North American governance.

CRWRC's woven mat formation reflects a holographic decentralized structure where decisions are made at the lowest level possible. Decentralization is a characteristic of an open system and allows CRWRC, as an organization like an organism, to more effectively and efficiently adapt to its constantly changing environment. The purpose of this structure is to maximize information flow across the organization thus allowing good decisions to be made at the lowest appropriate level while also ensuring accountability of the organization to the board and CRCNA. CRWRC is a learning organization and realizes that centralized control makes it more difficult to implement new ideas. Therefore, the flatter the organizational structure the easier it is to try many things and innovate in a constantly changing environment (Zimmerman, 2001).

CRWRC's woven mat structure incorporates the principle of requisite variety "when variety and redundancy are built at a local level – at the point of interaction with the environment rather than at several stages removed, as happens under hierarchical design – evolutionary capacities are enhanced. Individuals, teams, and other units are empowered to find innovations around local issues and problems that resonate with their needs. This also provides a resource for innovation within the broader organization, as the variety and innovation experienced is shared and used as a resource for further learning" (Morgan, 1998, p. 105).

As a learning organization CRWRC recognizes that environmental change is a norm. CRWRC has an organizational culture that encourages risk and change. Its values, mindset, and organizational vocabulary emphasize the need for learning and change to continue to be a major priority. CRWRC staff feel that they can challenge existing operating norms and assumptions to see if there is a better way to do things and work to uncover the root cause of a recurring problem(s) and transform the forces that are producing them. CRWRC does a good job at listening to their sub offices and including them in setting an appropriate strategic direction. CRWRC's use of total quality management (TQM) has promoted continuous improvement and has institutionalized the practice of challenging existing operating norms in the organization. As a result of this practice of challenging operating norms new insight, information, and capacity is gained and CRWRC is in a better position to progress to a new level of development.

CRWRC's structure of self-managing teams replaces the traditional organizational hierarchy. In order to effectively function through self-managing teams CRWRC employs the principle of minimum specs. Minimum specs encourage employees to find creative means to achieve their goals. This results in more variation among activities and more opportunities to learn better ways of doing things. Minimum specs require employees to choose their own way. The idea is that innovation occurs when tasks are broken down to the "min specs" – that which are truly necessary – and continually rebuilt by employees (Zimmerman, 2001).

"The principle of minimum specs suggests that managers should define no more than is absolutely necessary to launch a particular initiative or activity on its way" (Morgan, 1998, p. 105). The idea is for CRWRC management to be more of a facilitator and less of the grand designer. This freedom to evolve, minimum specs, is difficult to employ as management often has a tendency to over control. The tendency is to focus on internal processes and neglect the external environment, not allowing employees to find their own way of performing their job functions. "If a system is to have the freedom to self-organize, it must possess a certain degree of "space" or autonomy that allows appropriate innovation to occur" (Morgan, 1998 p. 105).

The holographic, self-managed structure of CRWRC's staff is consistent with ideas Morgan (1998) promotes for healthy organizations. This structure is also consistent with an organization in the second stage of the Three Stage Theory. Each ministry team easily incorporates representatives from the host nations into its setting and allows meaningful contributions from those individuals. But this open system does not appear to be consistent at the governance level of the organization.

By focusing on ministry teams, the current structure limits its emphasis on the transformation of constituents. Since ministry teams are semi-autonomous agencies operating in foreign environments with both national and international staff, their emphasis will naturally orient toward developing the high need communities around them rather then the North American Christians that comprise the constituents. The current model that CRWRC shows is therefore not accurate in portraying the community and constituents at the border connecting ministry teams. Instead, this border should include only the communities that ministry teams serve (Appendix 2).

At the same time, the current structure shows the CORE team as only serving the ministry teams with its impact on constituents being indirect. As the team primarily communicating with constituents, this team should be shown to have the most impact on constituents. Although constituents often give to activities of one specific ministry, because the communication flows through the CORE team it is more accurate to show the constituent/CRWRC interaction as a result of CORE team activities then ministry teams (Figure 2).

The fact that ministry team activities emphasize community development, while CORE activities both promote ministry team actions and constituency development, suggests a structural limitation in emphasizing constituency development. With only one of nine teams focusing on constituent change, and that one team splitting its emphasis, it is not reflected as a significant goal. Changes to the structure would have to recognize the paradox created by trying to re-direct ministry team efforts to constituency development and create a process whereby its emphasis on community development will result in constituency transformation. In other words, it must create a system where by

the enhancement of community transformation causes constituency transformation and vice versa.

In addition to having limitations on constituency development, the current structure of the organization significantly hinders the agency's ability to attain the highest level of INGO development and limits its ability to understand and adapt to its broader environment. The current structure has three levels of governance: Co-directorship, Joint Ministry Council, and Board of Delegates. At present, all three levels include prescriptions for a balance of Canadian and US representation. The indirect result of this is that there is no room for international representation at this level in the organization. Lindenberg and Bryant's (2001) argument suggests that over time all successful INGOs will move toward international representation on their board because as international leadership within regional sights increases, the sights will require representation within governance. Morgan's concept of organizations as organisms would also suggest that an organization whose directors are far removed from the environment are less likely to be capable of making the adjustments necessary to survive environmental changes. This suggests that the current structure creates a latent paradox that will eventually cause tension within the organization: to be multinational the governance must diversify, but the structure prohibits international representation within governance. Changes to this structure would need to allow for international representation without disrupting the balance of power between the US and Canada.

ALTERNATIVE STRUCTURE CRITIQUED

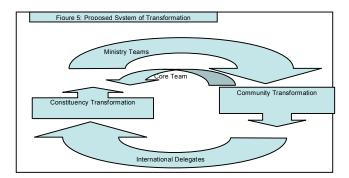
CRWRC should alter its structure to allow international representation in governance while also linking community transformation with constituency development. This could be done by creating a third board, made up of representatives of the international community, which elects representatives to the Joint Ministry Council and is incorporated into the Board of Delegates. It should also alter the co-directorship into a tri-directorship to allow a non-US/Canadian to assume an executive level staff position. This structure would not only allow CRWRC to become a fully multinational NGO but also better enable it to achieve its mission of constituency development and better position it to survive environmental changes.

Sending international delegates to the Board of Delegates would better allow constituency development because it would provide a means for the communities receiving the benefits of CRWRC to directly share their stories with representatives of the constituents. At present, the Board of Delegates consists of 75 North American representatives. By providing an opportunity for these leaders to meet with a significant number of people from around the world, the leaders could gain direct insight into the issues and injustice others are facing. This experience would be more impacting coming from the international

community and thus the delegates would be more likely to bring these experiences back to their classis.

Malcolm Gladwell, in his book *The Tipping Point: How Little things can make a Big Difference* (2002), examines how social phenomena (or trends) begin. In his book he explains how ideas, trends or products spread through society primarily as a result of social networks. The more a phenomenon is talked about/recommended, the more it spreads. He thus examines factors that help something become talked about/recommended. One of the characteristics of "spread-able phenomena" is something he refers to as "stickiness." This refers to the ability of an idea to create a meaningful impact to the point that it is easily remembered. Obviously this is an essential component to spreading because without being remembered ideas can not be spread.

Applying Gladwell's concept to CRWRC's mission of transforming its constituency to be more loving, merciful, just and compassionate would suggest that the more "sticky" or impacting the delegates' interactions with CRWRC are, the more likely they will discuss these ideas when they get home. Thus, the more CRWRC's message would spread. To examine this mathematically, under the current system delegates return to their classis and provide their report to, perhaps 10 people. Since the report is relatively standard, it is not sticky, and those 10 people do not share it, thus 825 people (75 delegates each telling 10 people) hear CRWRC's message. When the message becomes more sticky, because it is heard directly from those experiencing injustice, they tell more people (lets say 15) and the message "sticks" with each of those people so each of those people tell a few more (lets say 5). Now, assuming that the stickiness has worn off by this point, the new process has already impacted 6,225 people. If the message sticks enough, these people may each tell 2 more people, which would mean 18,675 have now heard the message. Because networks grow exponentially, increasing "stickiness" substantially increases the impact of a message. Introducing 25 international members to the Board of Delegates would increase the "stickiness" of CRWRC's message thus improving its ability to transform its constituency.



Having 25 international members serve on the Board of Delegates would not only increase the ability of CRWRC to fulfill its second purpose, it also creates a system where the work of the ministry teams in transforming communities results in the transformation of constituency. In doing so it allows the ministry teams, which will continue to increase in their multinational composition, to focus on multinational issues while simultaneously transforming the constituency (Figure 4 and 5). This helps reduce the paradox that exists within CRWRC that is both multinational and intentionally North American.

Although allowing international members to serve on the Board of Delegates would assist in reducing the Multinational-intentionally North American paradox, it would not fully eliminate this tension. Within the organizational structure the Board of Delegates has limited influence over governance, thus to truly become a multinational organization CRWRC must allow for the creation of an international board and an international executive director (Appendix 3). This board and third director would operate similarly to the existing two boards and co-directorship but would ensure a multinational perspective at this level of the organization.

This proposal helps overcome an environmental challenge that CRWRC faces. Morgan (1998) describes organizations as organisms that need to continually adapt to changing environments. For CRWRC the changing environment can be substantially separate from the Board of Delegates driving organizational decisions. By appointing international members to serve on the Board of Delegates the ability of the organization to adapt to the environment is enhanced because the board better incorporates knowledge about its broader environment

This structure would therefore help eliminate the paradox that exists within an organization seeking to be multinational but intentionally North American. While the current structure has a governance that is intentionally North American and constituency focused and staffing that is primarily multinational and community focused, the proposed structure changes that. By communities sending representatives to the Board of Delegates the work of the staff becomes both constituent and community benefiting. By the Board of Delegates electing an international board and third director, the governance becomes both intentionally North American and multinational. This structure would therefore better allow CRWRC to pursue both constituency and community transformation, without compromising in its inevitable change to being more multinational.

CHALLENGES AND LIMITATIONS OF PROPOSED STRUCTURE

Although the proposal solves the paradox, implementation of this structure poses some significant challenges. One of these challenges is the cost associated with sending 25 people from relatively remote international locations to participate on the Board of Delegates. Although such a strategy poses great

potential for constituency transformation, it also reflects a practical dilemma because it redirects financial resources from community transformation efforts to constituency transformation.

Another significant limitation of the proposed model is that it treats the international community as one community. In reality, CRWRC works in 5 regions of the world outside of North America each of which includes as many as 5 countries. To gather such a broad group of people into one board of 7 members is not truly a representation of the international community. A practical challenge that this could pose would be the selection of the third director representing the international community. Over time, this limitation can be overcome by expanding the number of "international" boards and directors. New boards could represent more limited geographic areas thus more accurately representing the multinational make-up of the organization. However, it may be logistically beneficial to begin with just one new board rather than adding multiple boards simultaneously.

A third limitation of this model is that it continues to limit the influence of multinationals within the organization. The proposed North American Joint Ministry Council members still outnumber multinational council members two to one. This then would not achieve the highest level of Lindenberg and Bryant's (2001) model but would still be a significant step into the third stage of multinational influence. As the organization continues to grow, it may be possible to add multiple regional (international) boards to increase the influence of these groups.

CONCLUSION

The growth of INGOs leads to increasing international influence. This process can be seen as a natural result of INGO's structurally adjusting to a complex international environment but poses significant challenges to CRWRC because it is an INGO that is intentionally North American. CRWRC's mission is not only to serve the needs of an international community but to develop people in North America to desire to serve those needs. This unique two part mission, when viewed in terms of Lindenberg and Bryant's model or Morgan's metaphor, creates a paradox that is likely to form tensions within the organization: it is a multinational-North American entity. The current structure will exasperate that tension because its staff works primarily in the international setting while its governance is exclusively North American.

In *Images of Organization*, Gareth Morgan writes that "in the long run, survival can only be survival with, never survival against, the environment or context in which one is operating." In analyzing the internal structure of CRWRC using Morgan's organism metaphor CRWRC is challenging itself to make organizational changes to respond to its changing environment without complete understanding of what the results will be. This mindset is needed to

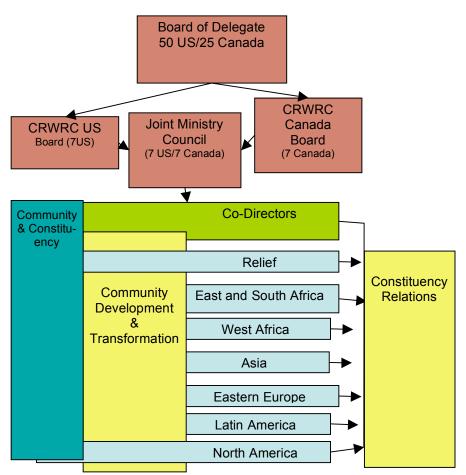
continue to be an innovative organization that is not merely reactive and adaptive to their changing environment but also shapes it.

By altering the governance structure to incorporate international delegates CRWRC can create a system whereby community transformation leads to constituency transformation. This system will help alleviate the tension between these two goals. Similarly, by creating an international board and establishing a tri-directorship which includes an international representative the organization can keep its North American balance while allowing multinational influence. Although such a structure could be administratively expensive, and may be only the next step in the process of becoming increasingly multinational in governance, it is worth the cost because it prevents future tensions and ensures the long term health of the CRWRC.

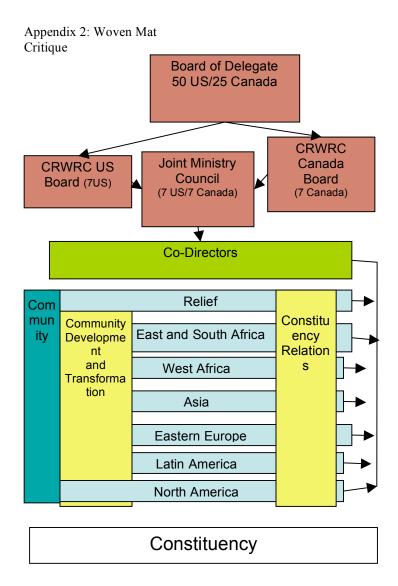
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Appendix 1: CRWRC "Woven Mat" Structure (Witte, 2005)



Appendix 3: Proposed Structure

