CULTURE AND PLANNED CHANGE IN AN INTERNATIONAL ORGANIZATION:

BUILDING A REGIONAL STRUCTURE IN SOUTH AMERICA AND ASIA

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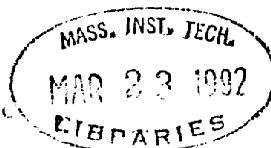distribute copies of this thesis document in whole or in part.

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ABSTRACT

Why is planned organizational change so troublesome? I address this question by analyzing a case of planned change using culture as an explanatory framework. The following research questions are answered: What aspects of the plan for change were altered? How does culture as an external and internal factor account for these shifts? What lessons does this case have for implementing change across contexts of cultural differences?

Over a three year period, I studied planned change in Worldwide Action for Development (WW), an international, non-profit organization that supports small-scale development projects in 19 developing countries. The change involved the creation of regional offices and new management systems in South America and South Asia. Through intensive, longitudinal fieldwork, I tracked how the major elements of change were implemented in the two regions and how change was perceived by the actors operating within these different environments. Key events in the change process were subsequently identified and analyzed.

The data reveal how culture at various levels can explain the implementation and outcome of planned change. In the process of change, elements of culture, at societal, organizational, and sub-cultural levels, came to be critical factors affecting outcomes. First, the change was implemented in geographical areas with contrasting artifacts of societal culture. Second, the change took place at a time when the assumptions of WW's dominant culture were being challenged by a set of competing assumptions through the actions of a new executive director. Finally, the presence of segmented groups meant that the change experience was interpreted in different ways by various groups within the organization.

At WW, a new structure was realized by adding a new layer in the organizational hierarchy. Concurrently, aspects of the planned change were altered leading to unanticipated effects. The experience at WW indicates why change can be so problematic and how culture makes it so. Differences among group cultures create conflict, organizational culture is hidden from view, and societal culture affects the workplace from outside and cannot be controlled.

A major difficulty in implementing change at WW was that staff held different interpretations about what the change was. These interpretations, based on underlying cultural assumptions, consisted of the many ways to categorize change. Some categories pertained to defining, others to implementing change. These differences limited the extent to which there was a shared vision of the planned change. Also, outcomes intended by some actors were perceived as unintended by others.

If managers regard organizations as cultures, they should understand that the meaning of a planned change will be subject to reinterpretation due to the presence of sub-cultures. Any collective vision for change will be fleeting at best. The failure to create and maintain a shared vision is not due to poor managerial communication but from the innate fragmentation of meaning that comes from cultural differences. As part of the dynamic process of change, managers need to continually monitor the meanings which staff give to change and not block adaptations.

Other theoretical and practical implications about the relationship between culture and planned change are presented.

Committee: Edgar Schein
                  John Van Maanen, Chair
                  Eleanor Westney

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LIST of ACRONYMS

AM..........................Area Manager

DCG.........................Delhi Consulting Group

FO..........................Field Office

FOES........................Field Office Evaluation System

FY..........................Fiscal Year

GOI.........................Government of India

HQ..........................Headquarters for WW International

HRD.........................Human Resource Development

IED.........................International Executive Director

KMA.........................Key Management Area

MO..........................Marketing Office of WW

P & B.......................Planning and Budgeting System

PC..........................Program Coordinator

PCA.........................Partner Coordinating Agency

PD..........................Project Director

PVO.........................Private Voluntary Organization

ROM.........................Regional Office Meeting

RA..........................Regional Administrator

RD..........................Regional Director

RO..........................Regional Office

ROSA........................Region of South Asia
                           Regional Office of South Asia

SAR.........................South America Region

SARO........................South America Regional Office

SEA.........................Southeast Asia Region

SIN.........................Initial Name for ROSA

WW..........................Worldwide Action for Development

LIST of NAMES

Bondieu....................HQ Technical Specialist for HRD System

Burns......................HQ Technical Specialist for FOES System

Desai......................Regional Director in South Asia

DeVries....................Regional Director for Southeast Asia

Fonseca....................WW's International Executive Director

Ghosh......................Regional Administrator in South Asia

Gomez......................Regional Administrator in South America

Hartley....................Program Director at WW/International

LaVoie.....................International Controller at
                           WW/International

Peters.....................Architect of WW's plan for change

Smithson...................Assistant to Fonseca & Director of
                           Regionalization

Vasquez....................Regional Director in South America

CHAPTER 1

CULTURE AND PLANNED CHANGE

I. INTRODUCTION

An expression often heard in today's world is that change is our only
constant. It is an expression that has become a cliche in the management
of organizations (Goodstein & Burke, 1991: 6). Despite our familiarity
with change, planned organizational change continues to be problematic and
a concern to both academics and corporate managers. Academics try to
generate better theory that explains change. Managers grope for better
techniques so that planned change can lead to desired results.

A variety of theories have been developed and tested to understand and
predict processes of planned organizational change. These theories have
evolved from different research traditions to emphasize diagnosis
(Lawrence & Lorsch, 1969; Porras, 1987), intervention (Schein, 1987a;
Argyris, 1970), and change management (Nadler, 1981; Beckhard & Harris,
1987). The problem is not simply that change programs often don't produce
change (Beers, 1990), but that they lead to change in unexpected,
undesired, and uncontrollable ways. I am concerned with why the change
that occurs differs from intended change.

Organizational change must ultimately involve a transition from old to new
behaviors. It may occur for many reasons, such as changes in personnel,
government regulation, or the marketplace. Managers initiate change to
respond to new conditions or seek ways in which their workforce can be
managed more efficiently. Yet managers are often confronted with plans
for change that go awry and lead to outcomes that differ from initial
expectations.

Why is planned organizational change so troublesome? I address this

question by analyzing a case of planned change using culture as an explanatory framework. My purpose is to demonstrate how culture influences the implementation and outcome of change.

Over a three year period I researched how one organization's plan for structural change emerged and was subsequently implemented. The change involved the creation of regional offices and new management systems in South America and South Asia. In this dissertation the key events during the implementation of this change are presented and analyzed to explain the relationship between culture and planned change. My aim is to answer the following research questions: What aspects of the plan for change were altered and why? How does culture as an external and internal factor account for these shifts? And what lessons does this experience have for implementing change across contexts of cultural differences?

Although much of the management literature examines why decisions are made, my interest is in how a decision about planned change, once selected, is implemented. Factors leading to the selection and design of change will affect its implementation, but the process of choice and the process of implementation are analytically distinct phases in the creation of change. As a program of change is implemented, the program itself is shaped by a variety of factors which may be internal or external to the organization. One of these is culture.

II. THE PRESENCE OF CULTURE AT MULTIPLE LEVELS OF ANALYSIS

Culture is a pattern of assumptions, values, and artifacts whose shared meaning is acquired by members of a group. This definition reflects the notion that culture is at once cognitive, yet also tangible. Culture as a pattern of meaning is not readily discerned and measured, although cultural artifacts (behaviors, materials) may be observed. Any human

social system is a culture because it possesses a framework of meaning around those elements through which culture is experienced. In effect, culture is what a social system is and what it has (Smircich, 1983). My definition of culture incorporates the work of several theorists and reflects different levels at which culture operates on organizational behavior. There is often some overlap between cultures in the extent to which they share some assumptions, values, and artifacts, but it is the unique pattern of elements that differentiates one culture from another.

Culture is probably best known as a societal phenomenon. Its acquisition, as social heredity, is an ecumenical aspect of being human (Linton, 1936). This represents the classical view of the culture concept and one way in which it developed within the discipline of anthropology (1). A more recent application or meaning given to culture is that of a construct to explain the behavior of and within organizations. Here my definition reflects Schein's (1990) three levels of culture. For Schein assumptions are invisible, taken for granted, and function as the core culture elements. Values are the set of preferences that guide behavior; artifacts are the tangible, material elements of a cultural system. Although based on the work of Linton and Schein, my definition and use of culture vary in several small but important ways. Linton was concerned with societal level phenomena, whereas I focus on organizational level phenomena. For Schein, assumptions are the culture and are exhibited in values and artifacts. I consider assumptions as well as values and artifacts to be elements of culture, since it is through the shared meanings of these elements that one cultural group may be differentiated from another.

Van Maanen & Barley (1984: 48) claim that organizations may suffer from too much culture due to differences that emerge within them. This suggests a third level at which culture may intervene in the

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implementation of organizational change. Van Maanen & Barley discuss six ways in which group sub-cultures form. This occurs because organizational groups are embedded in different contexts or patterns of interaction which lead to collective understandings continually reproduced by individual actors but varying across segments. Group sub-cultures are created through processes of importation, innovation, and segmentation; the latter may emerge from differences in work routines, ideology, or authority. In discussing the emergent use of culture as an organizational concept, Van Maanen & Barley point out that, due to the potential for sub-cultural differences, culture can be as much of a fragmenting force as a unifying one.

There are then three levels at which cultural differences may be discerned: societal, organizational, and sub-cultural (group). Since organizational change is implemented by individuals who function in groups (departments, divisions), in systems (organizations), within systems (societies), culture at these three levels may affect planned change. Differences within and between these levels will shape how change is implemented and comes to have a meaning and value to organizational actors. This becomes increasingly more apparent as the scope of change involves a greater number of contexts.

The presence of culture at multiple levels suggests that actors will only partially share a common culture blueprint. Instead, they will act on the basis of a socially constructed reality (Berger & Luckmann, 1966) given their experiences within the cultures in which they participate and their perceptions of those experiences. Since organizational actors function within different sub-cultures, their perspectives on organizational acts and outcomes will vary accordingly. In turn, sub-cultures can be recognized by identifying the shared meaning of organizational events.

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When the problem of implementing change is placed into this perspective, a number of theoretical questions come to the fore. For example, what impact does the presence of many group subcultures have on implementing organizational change? Schein (1988a: 28) hypothesized that an organization's capacity to do something new will depend on whether diverse but connected sub-cultures exist. Although the presence of many organizational sub-cultures may spawn new ideas, that may not lead to their implementation. Conversely, small subcultural differences may facilitate the diffusion and implementation of change but limit its creation.

It is also possible to speculate about the significance of cultural differences between organizations and between organizations and their societal contexts. This raises questions regarding the permeability of system boundaries and the source of differences from one level to another. For example, Ott (1989) claims that organizational culture derives from three sources: the society in which the organization is embedded, the industries in which the organization participates, and characteristics of the company's founder. This implies a high degree of permeability and that ascribing cultural phenomenon to one level or the other is no simple task. Contradictory research evidence bears this out.

Hofstede (1980) studied the extent to which managers throughout one multinational corporation held the same values despite their physical location in different countries. He found major differences depicted along four dimensions. This suggests that societal culture is a stable factor that permeates an organization's culture.

In contrast, Everett (1982) found that corporate executives in U.S., British, and Japanese companies shared common values and perspectives towards management behavior. Thus occupational culture would appear to be

more dominant than societal culture. However, Kanter (1991) has more
recently presented survey data from 25 countries which indicate that
societal differences are more critical than industry or occupational ones.

The work of Hofstede, Everett, and Kanter is typical of one approach to
understanding the interplay between societal, organizational, and group
level culture. It is based on deconstructing culture into discrete
factors that can be measured using questionnaires. However, as Schein
(1990) has pointed out, this presupposes that the dimensions of culture
and the levels at which they exist can be determined a-priori and then
built into a survey.

Smircich (1985) has argued that organizations as cultures should be viewed
as systems of meaning and that understanding them requires a focus through
fieldwork on how social reality is created and reproduced. While also
advocating fieldwork, Pettigrew (1979) suggests that the focus in studying
organizational cultures should be on how social reality emerges over time.
This he claims can be achieved by analyzing a sequence of social dramas.

Such dramas provide the elements of culture through which meaning is
created. One can understand an organization's culture by focusing on what
happens as events occur and organizational actors give meaning to them
(Isabella, 1990). This requires an approach to research that is
historical and contextual.

III. CULTURE AND THE IMPLEMENTATION OF CHANGE

In his book on organizational culture, Schein (1985: 271-272) lists eleven
ways in which organizations change. Eight are forms of planned change;
three are mechanisms in which organizations change in unplanned ways.
Planned change may also produce unexpected outcomes. Schein (1985: 297-

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301) wrote about this process and how culture may account for unexpected outcomes. One explanation is that the parties who interact in a change effort may have different cultural assumptions or values. This leads to different frameworks in which the presence or direction of change is perceived in conflicting ways. The result is a set of changed behaviors valued and enacted by one group that were not anticipated by another group. The cultural assumptions of different actors or groups may also interact in unexpected ways leading to further divergence from planned change.

Lewin's (1951) perspective on social systems is that there are omnipresent forces for change and for stability. Schein claims that agents of change may be unaware of these forces and miscalculate how such forces interact with their own plans for change. One of the forces that managers may overlook are their own underlying values and assumptions (Fitgerald, 1988). The result again is an outcome that differs from what was expected.

The distinction between intended and unintended deviation from change, first made by Alchian (1950), was subsequently developed further by Westney (1987) in her study of the cross-societal emulation of Western organizational forms in Meiji Japan. Unintended deviations in the change plan occurred when actors had incomplete information or alternate implicit models of what the change should be. Deliberate deviations occurred when features of the new form conflicted with local patterns or the institutional environment. The focus of Westney's work was to explicate how the diffusion of organizational forms was not prompted by internal, managerial factors but from national, political, and social objectives (1987: 18-24).

Schein and Westney consider how cultural differences across either group,

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organizational, or societal boundaries create problems and possibilities during the implementation of change. Understanding the impact of cultural differences across one level of analysis is itself a complex process. Unfortunately, the process of implementing change can be further complicated because more than one level may be at play in a particular change scenario.

When an organization initiates change, the change becomes a phenomenon that over time acquires cultural meaning and value to the people engaged in its design and implementation. Thus as with any component of culture, change becomes subject to an interpretive process. When change is implemented across boundaries of cultural difference, it is subject to a variety of interpretations. This limits the extent to which there will be a shared vision of the planned change and increases the likelihood of outcomes that are unexpected to at least some of the affected parties. It is also the case that what was an intended outcome for some may well be unintended for others.

As a process implemented over time, change has been viewed as a series of stages or overlapping processes. For example, the Lewin (1958) - Schein (1987a) model of change incorporates three phases. Unfreezing involves removing the barriers to change, changing involves the shift to new attitudes or behaviors, and refreezing leads to an integration of the new with the old. In a more simplified model, Zaltman et alii. (1984) treat planned change as a process of decision and implementation. Cultural differences may affect change in each of the different phases presented in these models.

IV. UNDERSTANDING PLANNED CHANGE IN AN INTERNATIONAL ORGANIZATION

To understand these emergent processes requires close encounters with

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change events as they occur across boundaries of cultural difference and detailed knowledge of the contexts in which those events take place. The opportunity to observe change in this way was made available to me at Worldwide Act'on for Development (WW), a non-profit, international organization in which a plan for change was developed and then implemented sequentially in specific segments of the organization. It involved a top management decision to create divisional, region-based offices and establish new management control systems.

The planned changes at Worldwide were implemented in two different geographical settings (South America and South Asia) and involved actors at three major hierarchical levels. At one level headquarters staff in the United States designed and directed the planned change. A second tier in the hierarchy was created in the form of regional staff in Ecuador and India, thereby altering the relationship between headquarters and Field Offices, the third tier.

Through intensive longitudinal fieldwork I tracked how the major elements of change were implemented in the two regions and how change was perceived by the actors operating within these diverse environments. In this way I am able to present two cases of change implementation while controlling for organizational context. The data reveal how culture at various levels of analysis shapes the implementation and outcome of change.

When an organization, such as Worldwide, shifts from one formal structure to another, its staff are engaged in a process of change. New behaviors and roles emerge as part of a new organization design. However, over time, aspects of the ideal new structure may be modified (Pelz & Munson, 1982). This occurs because organization structure may be perceived or experienced differently at one cultural level than at another. In effect, the planned change is modified or adapted to the various organizational

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contexts in which it must operate (Cole, 1989).

Multinational and transnational corporations with operations spread out in diverse geographical locations have a critical need to understand this process. Managers in such organizations must decide on how plans and practices should be shaped to fit different local contexts and systems across their entire organization (Prahalad & Doz, 1987). This dissertation has practical implications for managers who plan change in settings where diverse cultural factors influence separate operations. Recognition of the diverse influence of cultural factors is also necessary in the development of a universally valid science of organization (Boyacigiller & Adler, 1991).

V. ORGANIZATION OF THIS THESIS

The following chapter explains how I collected and analyzed my data. This is expanded in an Appendix which describes in more detail the nature of my research role in this study. Chapter 3 provides an overview of the organization studied and some of its cultural features.

Chapters 4, 5, and 6 explain the process of change in Worldwide as it was first conceived by top management and then implemented in South America and South Asia. Chapter 4 describes the planned changes and how they evolved prior to implementation. Chapter 5 describes the implementation of change in South America, and Chapter 6 describes the process in South Asia. The format in Chapters 5 and 6 is identical. First, key events in the change process are presented as they occurred over a two year period. This is followed by a presentation of the perspectives of organizational actors that reflect cultural differences between three sub-cultural groups.

Throughout these chapters the focus is on what aspects of the planned change were altered and what accounts for those changes. This framework is based on differences between actors' models that existed at the sub-cultural level, differences that stemmed from the culture of the organization itself, and differences in the regional contexts in which change was implemented. Chapter 7 presents the implications of Worldwide's experience for theory, research, and practice.

NOTES

1. See Kroeber & Kluckhohn (1952) for a complete review of the early development and use of culture as an anthropological concept.

CHAPTER 2

METHODOLOGY

This dissertation addresses a descriptive question - what elements of culture shaped the implementation of change. To understand planned change requires the tracking of events and phenomena over time (Van de Ven & Huber, 1990: 213). Through on-going fieldwork, a researcher can keep abreast of what changes are being planned and become aware of those factors that shape their implementation. Therefore, an inductive, field based methodology is used.

The advantages of a method that involves the placement of the researcher in the setting being studied has been a topic of recent writing (Barley, 1990; Van Maanen, 1988). The interest in qualitative field methods stems in part from disappointment with the customary organization science paradigm of testing theory generated hypotheses through the statistical analysis of data aggregated from large samples (Daft & Lewin, 1990). However, it is also a reflection of the increased number of trained ethnographers now interested in organization studies.

My choice of method did not stem from a single criterion. Although an ethnographic approach is appropriate for the topic under consideration, its selection was also based on my familiarity and comfort with this technique as well as the nature of my access to the research site. To fully comprehend some organizational phenomenon demands that the researcher experience events as they happen and through the eyes and ears of the actors themselves. My previous relationship with the organization studied here allowed me direct and relatively open access to a wide range of information. My experience also facilitates something of a member's sensitivity to the issues and interests represented in the case materials. The problems I faced in de-escalating my personal attachment to the

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organization is explained in greater detail in the appendix.

This dissertation describes planned change in one organization, Worldwide
Action for Development (WW), but my data provide several within-case
contrasts. First, the overall plan for change involved structural
redesign, but the plan also included the creation of new management
systems in evaluation, human resource development, and planning. Thus
while tracking changes in the organization's structure, I was concurrently
identifying changes in the management systems.

Second, the case involved planned change in two very different settings -
South America and South Asia. There are major cultural differences both
within and between these regions that affected the planned changes in
different ways. Finally, the planned changes were implemented over three
years while other changes were taking place in both the organizational and
societal contexts.

I. OVERVIEW OF DATA COLLECTION

Studying planned change as a fieldworker leaves open the question as to
what data will be collected. In my case this was complicated by the fact
that my relationship to WW shifted as the planned changes were first
selected and then implemented. This affected the types of data I
collected through three different phases of involvement. Prior to the
implementation of change, I was a full-time staff member participating in
various discussions and decisions about the design of change.
Subsequently, I became responsible for evaluating change implementation
through research first as a full-time employee and then as a part-time
consultant. These activities provided me with legitimate access to the
organization for eight years from 1983 to 1991. From this entire period,
I have assembled a variety of field data from formal and informal

interviews, participant observation, and internal documents and reports.

A. Phase One

During the first phase of involvement in 1983 to 1985, I participated in formal meetings and informal discussions which led to the decision to redesign WW's structure. From these activities and my own membership in the organization, I collected materials which later proved useful, notes taken at the meetings I attended, copies of job descriptions and organization charts, and internal memoranda. Such data were not produced as part of a formal research project but as a standard practice I and most other managers at WW followed to maintain records and files of related documents. For example, subject and chronological files contained an historical record of internal correspondence.

My own handwritten notes provided an informal record of what transpired during meetings and who said what on the topics being discussed. The notes subsequently became a basis for piecing together the story of change and developing member accounts of what had happened.

B. Phase Two

Following the recommendation in 1986 by an external consultant that WW should adopt a divisional structure and implement new management systems, I was given the task of designing a study to evaluate the changes that would be implemented. A major aspect of this assignment was to develop criteria to evaluate impact. I completed this task as a member of a staff committee responsible for reviewing the consultant's strategic recommendations and developing the details for their implementation.

Subsequently, from the years 1986 and 1987 I have assembled a second set of field materials which include the preliminary and final reports of the

external consultant, written comments by staff, and the implementation plan approved by Worldwide's International Board of Directors. One file from this set of materials contains information gathered at a staff conference in May, 1987 to discuss the opening of WW's first regional office in South America. It includes the conference agenda, a transcription of all the proceedings, and my own notes taken during the week long conference. These materials were assembled in anticipation of my responsibility, as an active staff member, to evaluate the implementation of WW's organizational changes.

C. Phase Three

My third set of materials were generated through field research conducted in 1988, 1989, and 1990. These were the years when the change project was underway and the study which I had designed as an active member began. During this phase I worked under contract as a researcher peripheral to the implementation of the change. Table 2-1 indicates some of the principal characteristics of the data collection activities undertaken throughout this final phase of my involvement.

In 1988 during three trips (January, June, and August) to South America, I attended a five day conference for all field staff, visited WW's regional office twice for a total of nine days, and made individual visits, usually for one to two days, to ten of thirteen field offices. Interviews with staff at WW's headquarters were conducted in April and July. The main purpose of these activities was to collect data about how the process of planned change was unfolding and to understand staff perspectives on what had happened and why. The interviews with headquarter's staff were normally an hour long; those with regional and field staff were a minimum of two hours long.

My almost weekly visits to WW headquarters in 1988 provided many

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opportunities for informal interaction with staff. Throughout this period I prepared field notes and collected a variety of internal documents. The latter contained staff correspondence, revised job descriptions, and planning materials. The former contained interviews notes, observations on work routines and staff interactions, and my preliminary analyses on what changes were being implemented. Separate files were created for the materials collected at headquarters and in the region.

Data collection methods in 1989 were the same as the year before - interviews and fieldwork. Visits to headquarters took place intermittently throughout the year, and formal staff interviews were conducted in July and August. WW had since established a second region in South Asia, and I visited both the new region and the South American one. In 1990 I focused on the South Asia region only, since the situation in South America had reached a stage of relative stability. I therefore have data for two years on the implementation of change in both regions.

During my trips to South America and Asia in 1989 and 1990, I spent one week in each regional office and several weeks to visit WW's field offices and interview field directors. On those occasions, I would also meet with other, locally hired staff who were involved in implementing the changes in Worldwide. While in the regions, I would take advantage of different opportunities to better understand the changes taking place. For example, on one occasion, I spent two days observing a staff training conference and documented the concerns raised by the participants about the design of the new management systems. On another, I observed the work routine of one member of the regional staff during a period of five days and then conducted several interviews with him about the meaning and significance of the duties I saw him perform.

TABLE 2-1

Research Activity as a Peripheral Researcher

RESEARCH ACTIVITY	YEAR		
	1988	1989	1990
FIELDWORK DAYS AT HQ	35	27	16
FIELD DAYS IN SOUTH AMERICA	36 (three trips)	15 (one trip)	
FIELD DAYS IN ASIA		17 (one trip)	17 (one trip)
INTERVIEWS AT HEADQUARTERS	17 STAFF* 21 INTERVIEWS	9 STAFF* 13 INTERVIEWS	12 STAFF 12 INTERVIEWS
INTERVIEWS IN THE REGIONS	Field Directors: 12 of 13 Regional Office: 6 of 7 33 INTERVIEWS	19 of 23 17 of 18 37 INTERVIEWS	11 of 13 9 of 9 29 INTERVIEWS
TOTAL NO. INTERVIEWS	54	50	41

* Some staff were interviewed twice.

At the end of the summers in 1988, 1989, and 1990, after my trips to the field, I prepared a report for WW staff on the progress made in implementing the structural redesign and the new management systems. These reports were discussed with staff offering me something of a member check on the validity of my analysis of what had transpired during the previous twelve months. How staff reacted to what I found and what action was taken as a result were recorded and subsequently treated as data.

D. Multiple Points of Contact

My relationship to WW ensured access to members and their work settings. There were three structural levels in the organization where I conducted fieldwork. At headquarters, interviews were conducted with all members of senior management and other professional staff engaged in directing or supporting activities taking place in each region. These staff were knowledgeable about the changes occurring in the organization and could discuss their roles in the implementation process. Interviews were arranged by appointment; most were conducted in the office of the person being interviewed, although several were held over lunch in a nearby restaurant.

At the regional offices, interviews were conducted with all the professional staff since their roles were created or revised as a result of the structural redesign. Finally, all WW field directors in the two regions studied were interviewed since their role and work tasks were directly affected by the change program. Interviews with this group took more logistical planning due to the remote location of most field offices. This usually meant staying on-site for a night or two and meeting with a field director on several occasions both in and outside of the office.

The interviews conducted at these three levels - headquarters, regional offices, field offices - addressed a similar set of issues. They included how new and previously existing roles were performed, what changes the respondents thought had occurred in staff interaction and relationships, how aspects of the planned changes had been implemented, problems that had occurred during implementation, and the impact of the changes that had thus far taken place. During the interviews, staff were asked to discuss the key factors or events they felt had impacted the implementation of the change.

Due to my on-going relationship with WW through different roles and frequent visits to its offices, I had access to additional sources of information. By engaging staff in discussions over coffee or lunch or visiting staff in their offices, I was able to stay updated on what was happening within Worldwide as the changes were being implemented. During the first two years of fieldwork as a peripheral researcher, I was given a small, private office at WW and secretarial support to prepare my interview materials. This gave me a permanent, albeit fleeting, physical presence at headquarters and increased the number of opportunities to be seen and talked to.

Without solicitation, staff often provided me with copies of correspondence or documents marked 'confidential' which they considered important to understanding what was "really going on" at WW. Usually this volunteered material pertained to issues that were not directly related to the planned changes. Walking to or from my formal interviews, I was regularly met by staff members who would gossip with me, occasionally passing on a rumor or story they had heard or comment "off the record" about their own recent experiences at work.

The distribution of my evaluation reports gave staff another reason to talk with me. When visiting headquarters, the two regional directors contacted me each year to discuss either by phone or over dinner my reports and to update me on what was currently going on from their perspective. Finally, on three occasions I lunched with a member of Worldwide's International Board of Directors where I learned of his perspective on various events that had taken place.

II. DATA ANALYSIS AND DATA PRESENTATION

Interpreting and presenting qualitative data has become an important topic given the current interest in the development of grounded theory (Strauss, 1987). To understand through qualitative data the processes of planned change at Worldwide requires that several problems be addressed. First, as discussed by Mohr (1982: 45), explaining process means telling a story about how something occurred and how a series of events led to the phenomenon. This necessitates sequencing key events in the analysis and presentation of longitudinal field data (Yin, 1989: 119; Van de Ven, 1987: 333). Such sequences can reveal patterns in a sample of organizational behaviors or experiences (Abbott, 1990). To address this requirement data are first presented according to a chronology of key events that took place in implementing change in South America and Asia.

A second issue is how to integrate results from the comparative scenarios in the two regions. McPhee (1990: 397) has suggested that one way to address this problem is to search for different explanations of the same kinds of phenomena. However, I am also concerned with Pettigrew's (1985: 15) lament that, unless research on change focuses on the context in which it is embedded, the resultant theory will not be useful to guide action. My solution has been to present multiple explanations which reflect different member accounts. This was done by analyzing the events and the process of change implementation at Worldwide from the perspective of the three major groups involved in its enactment.

Another critical problem in the analysis of qualitative or ethnographic field data is how the story is told. As Van Maanen (1988) has shown, through the structuring of qualitative data for its presentation, analysis emerges. From the author's representation and the reader's approach to it, meaning is created. The task is presenting the data as the researcher

has come to understand them and structuring the analysis so that it may be understood by others.

After completing my fieldwork, I examined my data to determine those planned changes that had taken place and those that had not. The first step was to identify the key features of the change plan and how they were implemented or altered. In being careful to describe what happened at Worldwide, I was sensitive to the context in which planned change took place. From the data collected in my field notes I identified the key events, cultural symbols through which meaning is created, that critically shaped the implementation process.

However, I became equally aware of how different actors interpreted these events and how these interpretations affected subsequent implementation. Here my access to many organizational levels made me aware of and able to construct multiple emic perspectives that reflected differences between sub-cultures. When culture began to serve as an analytical framework for understanding change, I also examined how culture intervened at other levels of analysis. The sets of cultural assumptions that are presented were developed on the basis of my lengthy participation in the organization and my focused interviews with WW India staff.

There were two aspects of my field research that helped determine how to structure the presentation of data. One pertains to chronology, the other to location. Although my fieldwork was on-going, the formal interviews were conducted annually. This timeframe was used by Worldwide staff to assess implementation and to consider revising features of the planned change. Thus one year became a logical period for analysis. The other dimension is based on the sequence in which organizational changes were implemented. Change took place in South America first and then in Asia, and each was managed separately.

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For me, longitudinal access to WW meant a complex network of social and occupational relations that could be utilized to collect data. The difficulty has been in developing a framework that reflects this same richness and can portray the experience of change at Worldwide in an engaging manner. Utilizing natural distinctions in time, location, and culture became the way to meet this objective.

CHAPTER 3

WORLDWIDE ACTION FOR DEVELOPMENT: A GLOBAL ORGANIZATION

This chapter provides an overview of the studied organization and depicts the formal structure as it existed prior to the implementation of change. Included is a description of cultural characteristics of the organization which affected the change process. Pseudonyms are used throughout to preserve confidentiality both for the organization and its employees. Certain descriptive characteristics of Worldwide have also been altered.

The selection of tense for this chapter was a difficult one. Chapter 4's description of planned change at Worldwide begins with the initial idea to restructure HQ which subsequently ends in the creation of two regional offices six years later. The overview in this chapter is based on a point two years into that cycle when the major actors involved in the change process were in place. The shift in tense, from the present to the past, indicates that some of WW's characteristics have changed as I write this several years later.

I. OVERVIEW OF WORLDWIDE

Established in 1942, Worldwide Action for Development (WW) is an international, non-profit corporation that supports small-scale projects in education, health, and community development in 19 developing countries (1). Its stated objective is "to provide development assistance to needy children, their families, and their communities". WW solicits for funds through child sponsorship. Under this mechanism, every contributor sponsors a particular child who lives in a developing country where WW's programs are located. Each contributor makes periodic financial payments which fund projects to benefit sponsored children.

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WW has 5,250 full-time employees and a budget of $115 million U. S. dollars (2). Marketing offices in six developed countries seek sponsorship funds and grants which are transferred to a headquarters office located in the United States. The majority of revenues are received from approximately 427,000 sponsors with the remaining 15% obtained from government sources and investments.

In the United States, WW is one of 23 child sponsorship organizations. The total amount of aid generated by such organizations in 1989 was $500 million. WW/USA was among the top six sponsorship organizations which together generated $450 million or 90% of market revenues (3). Thus WW belongs to a small but successful segment of the U. S. development assistance industry which consists of over 250 private, voluntary organizations or PVOs and administered over $3 billion dollars in aid in 1989.

A. Early History

WW was founded by a French journalist who began a program to assist children left homeless during World War II. Administrative offices were first established in London, and assistance to children was arranged through the financial support of orphanages, private boarding schools, and nurseries. After the war, aid was provided directly to destitute families on the European continent. WW phased out of European countries, as they recovered economically, and established new operations in the developing worlds of Asia and Latin America. First known as Action for War Relief, WW's name was later changed to reflect the shift in the location and purpose of its assistance. WW established its first program outside Europe in Hong Kong in 1953 and later opened field offices in Latin America and other Asian countries. The first African program was initiated in Ethiopia in 1974, the same year in which WW closed its last European program.

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After operating out of London for a year, all fund-raising and project support activities were moved to New York. Sponsors were solicited through mass media advertising and direct mail in the United States. As the magazines and newspapers containing information about WW crossed national borders, funds arrived from sponsors outside the U.S., especially Canada. In the 1960s support started coming in from Australia, perhaps due to the interest of Australians in WW's activities in Vietnam. As the number of non-American sponsors grew, WW became a global organization in both programming and marketing (4).

In 1973 and 1974, WW/Australia and WW/Canada respectively were incorporated as separate, legal entities to promote fund-raising in those two countries. However, this created an imbalance with the U.S. company which raised funds and was responsible for all field projects. In 1976, the Board of Directors separated the administration of projects from fund raising by creating corporations for WW/International and WW/USA. The latter was modeled after WW in Canada and Australia and was responsible only for soliciting sponsors. The role of the three national organizations was to transfer sponsorship funds to WW/International which would administer projects.

B. Global Corporate Structure

There are two major corporate entities in Worldwide's global operations: the Marketing Offices (MOs) and WW/International. The latter is composed of International Headquarters (HQ) and Field Offices (FOs). Structured along the lines of a professional bureaucracy (Mintzberg, 1983) of interdependent units, the formal organization for this set of actors is depicted in Figure 3-1.

Each of the current marketing offices, located in Australia, Canada, England, France, Spain, and the United States, is a legal entity

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incorporated in their own countries. Their goal is to raise funds for field projects through the recruitment of sponsors of children. Each MO has its own Board of Directors to independently establish policies, such as the discretion to solicit government grants and to set the fee, fixed in local currency, that is charged monthly to sponsors. (As examples of what this commitment entails, sponsors in the United States contribute 18 U.S. dollars a month and in Canada 23 Canadian dollars.) After retaining funds to cover their own administrative costs, the MOs transmit the balance of contributions to WW/International.

FIGURE 3-1

GLOBAL STRUCTURE OF WORLDWIDE ACTION FOR DEVELOPMENT
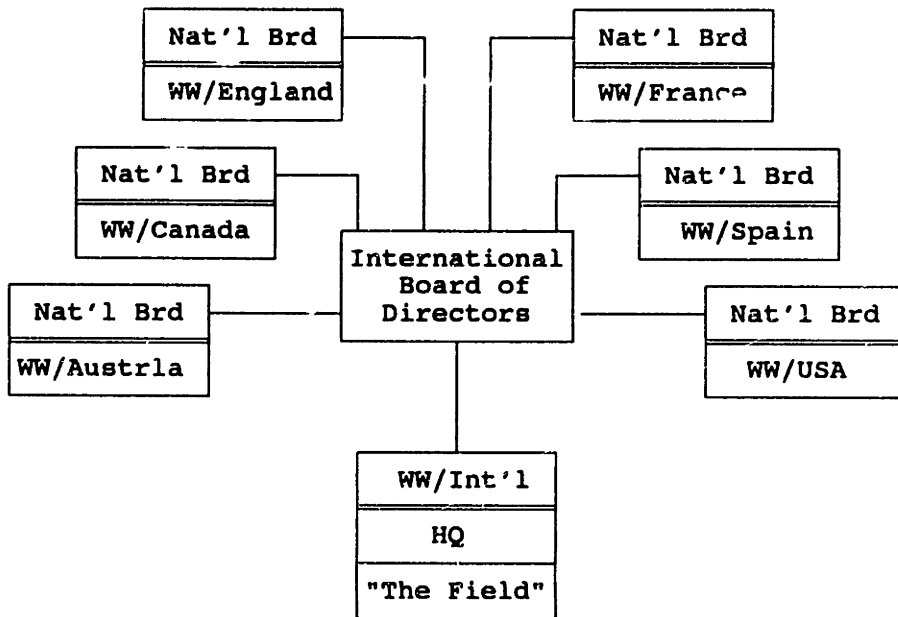
WW/International is overseen by a Board of Directors comprised of representatives from the Boards of the MOs. While the MOs are responsible for raising funds, WW/International is responsible for spending and accounting for them. This responsibility is handled through FOs to whom funds are disbursed for development projects and by operating a headquarters that decides on the allocation of funds, supervises FOs, and

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maintains communications with the MOs.

This structure allows each element in the operational equation to specialize. The MOs operate marketing functions and advertising campaigns to attract sponsors. They also perform clerical tasks such as billing and maintaining the flow of correspondence between donors and the children they have sponsored. WW/International personnel are involved in the provision of services to the sponsored families and their communities to improve their quality of life.

While HQ relies on MOs for funds, the MOs rely on HQ for information about the condition of sponsored children, how funds are being spent and their impact. Central to WW's marketing philosophy is that each new sponsor receive information about one particular child and his/her family enrolled in WW's program. This information is contained in the "case history" which is furnished by the FO to the sponsor via HQ and the MO (5). The transference of funds from a sponsor and the exchange of the child's case history constitutes an "assignment". Before children can begin to receive benefits, they must be "assigned" to a sponsor. Once an assignment has been made, sponsors may send letters to their sponsored child. They also receive information periodically such as letters written by or about the child, an annual progress report along with a photograph, and brief reports from the Field Director where the assigned child is located.

MOs require descriptive information for marketing purposes about projects. Some narrative information, such as Field Office Program Reports, is distributed to MOs from the field via HQ. MOs occasionally generate their own information by sending photographers and video camera crews to the field to produce visual materials. These are used for documentaries shown on TV or to groups of potential sponsors. Photographs are used for print ads in newspapers or magazines like Time and Newsweek. Finally, MOs

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receive from HQ an accounting of the expenditure of funds which determines whether WW meets the different specifications for non-profit certification in the donor countries.

The tasks performed in the MOs have attracted personnel with marketing skills who developed their talents in for-profit, product oriented corporations. For example, before joining WW, the French national director had been a successful wine merchant; the director in Canada had been an insurance salesman; and the director in Belgium had been the marketing director for a cologne manufacturer. Conversely, field staff in WW/International have little experience in profit corporations but have traveled or worked in developing countries. While staff in the MOs consider themselves responsible to sponsors, WW/International staff view client families as their primary responsibility (6). This contrast becomes problema nce the type of project that field support may differ from what MO staff claim is attractive to potential sponsors.

For example, several MOs believe on the basis of marketing research that the best way to attract sponsors is to highlight those activities that directly benefit the child and family assigned to a sponsor. Such projects often include financial or in-kind assistance in the form of cash, clothing, or supplies for home improvement. This type of support was common in WW's earlier work in Europe where the organization was dealing with cases of situational poverty or national economies that were temporarily in disarray. The problems of underdeveloped societies are different, according to field staff. They see problems as political or structural and rather permanent. Under these assumptions WW Field Directors generally believe that assistance should be oriented towards community problems, such as water supply and school construction, rather than the needs of individual children.

The impact of such different views on how best to administer aid is compounded by WW's global structure which does not specify who controls the overall operation. WW/International does not control the MOs who only exercise formal authority over field programs through their joint participation on the International Board. HQ is positioned at the nexus linking the MOs with WW's activities "in the field". It must meet or otherwise satisfy the information demands of the MOs, while concurrently managing the expenditure of funds. This positioning of HQ is problematic at times since it is not clear which function is paramount, and the two sometimes conflict.

Adding to the problem are cross-cultural differences. Sponsors live in heavily industrialized, market economies, while WW's programs are located in agricultural economies. Sponsors also work in highly individualistic societies. When assigned a child, many sponsors, according to field staff, exhibit interest primarily in helping their own child. International staff see their role as "educating" sponsors and MO staff that the identity of children is often formed by being a member of an extended family or patrilineage group. Direct aid to an individual, whether financial or in-kind, is inappropriate, according to field staff, since it may isolate recipients from their social networks.

Besides the differences between sponsors and the children they support, there are also intra-group differences. WW/International addresses the differences in the field by indirection; it essentially allows each program to be tailored to the needs and circumstances of sponsored families and communities. For example, in Africa there are no projects based on cash grants or direct aid to individuals although sponsors may believe the contrary. HQ must also mediate the preferences of the different markets served by the MOs with the real and varying conditions in the field (7).

Since there is, in effect, an uncoupling of WW's marketing activities from the provision of services, there is a recurrent struggle between what comes first and who controls what. WW's Field Directors focus on the effect of their programs, while the MOs are interested in marketing success as measured by the total number of sponsors or donated funds (8). One of the results is a gap between what WW does in the field and how its activities are portrayed by the MOs in their marketing campaigns. Sometimes this discrepancy occurs because the MOs are selective about what they tell sponsors and prospective sponsors about WW's projects; sometimes it occurs because Field Directors are selective about telling HQ or the MOs about the projects they are supporting.

The structural separation of the marketing and program delivery functions corresponds with the different cultural assumptions of their personnel. MO staff act on the basis of sponsorship growth and accountability, while International field staff are mainly concerned with providing benefits to needy children and their communities with a minimal amount of bureaucracy. Although the structure is helpful in keeping these groups focused on their specialized responsibilities, it creates different operational environments that reinforce different organizational assumptions. The contrast makes it difficult to resolve inter-group conflicts which occur for a variety of reasons, such as when policy decisions must be made or when a sponsor complains that a field program does not reflect what is shown in MO advertisements.

II. INTERNATIONAL HEADQUARTERS

A. Emergence of an Independent, International Headquarters

In 1976 when the Board created separate corporations for WW/International and WW/USA, it also decided to move their offices from New York City to the suburbs of Long Island. WW/USA built a new facility in an industrial

park and leased a portion to WW/International. However, during subsequent years the growth of International outpaced that of WW/USA, and it became harder to accommodate HQ's need for space (9). In response, the International Board approved a ten year lease on a building constructed in 1984 solely for HQ, approximately 35 miles away from WW/USA.

B. The HQ Office Environment

Situated off a small highway, WW/International's HQ office building stands alone surrounded by a parking lot. The building, shaped in the form of a capital H, is fully carpeted with black and white pictures of children from the third world adorning its walls. Staff with technical or managerial responsibility occupy windowed offices with doors that ensure privacy and reflect occupational status. Those engaged in clerical tasks work in areas formed by partitions; most of these are five feet high and have been moved on occasion to accommodate expansion.

The visitor to WW/International is greeted by a receptionist who also serves as a switchboard operator. There are few visitors to HQ except for field staff passing through on home leave, job applicants, and contractors who provide administrative services. The latter two groups are met in the reception area and escorted to their appointment. Visiting field staff wander throughout the building as they touch base with various departments to discuss official, and sometimes personal business.

Identification and visitor badges are neither required nor needed reflecting a relatively low key, personable, and public atmosphere. WW's small size means that everyone knows most everyone else, whether they are permanent HQ employees, staff from the field, or a visiting researcher (10). Another characteristic that is typical of PVOs is the dress code which could best be described as international eclectic. This style is prominent during the summer when it is comfortable for men to wear

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tropical attire such as guayaberas from Latin American and safari suits from Africa. One can also find an occasional suit or sports jacket and tie, more often in winter months.

C. HQ's Work Tasks, Structure and Key Personnel (11)

Linked to the MOs via the International Board, HQ must support and supervise staff engaged in the design, implementation, and growth of field programs. In 1987, WW/HQ was organized into functional units: the Office of the International Executive Director (IED), and the Departments of Accounting, International Relations, Finance, Personnel, and Program. Figure 3-2 depicts the formal reporting structure. The "Senior Management Team" was composed of the IED and an assistant, the five department directors, and the heads of Evaluation and MIS; it was used by the IED to disseminate information about the status of operations and to discuss problems or changes in policy.

1. Office of the International Executive Director

WW/International is directed by an IED who is responsible to the International Board (18). The IED must oversee the operations of HQ, keep MOs informed of key organizational events, be responsible for activities in the field, and coordinate the growth of more FOs and MOs. During WW's first 45 years there had been only three IEDs, all American: the first, Charlotte Green for 11 years, the second, Marjorie Whitney for 21 years, and thereafter Henry Benedict (12).

Benedict joined WW when he was 34 as an FD in Manila where he served for five years. He came to HQ in 1966 as an assistant to Charlotte Green and became IED shortly after the office was moved from New York and Ms. Green retired. Among WW staff, Benedict was known as King Henry. He was formal and fastidious, loved England, had idiosyncracies that reflected his sense of royalty, and dispensed personal favors (13).

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FIGURE 3-2

STRUCTURE OF WORLDWIDE HEADQUARTERS

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                    ┌─────────────────────┐
                    │ OFFICE OF THE IED   │
                    └─────────────────────┘
                               │
           EVALUATION ─────────┼────── MIS
              Unit             │        Unit
                               │
    ┌──────────┬──────────────┬──────────┬──────────┬──────────┐
 ACCOUNTING   INT'L RELATIONS  FINANCE   PERSONNEL  PROGRAM
   DEPT.         DEPT.          DEPT.      DEPT.      DEPT.
```
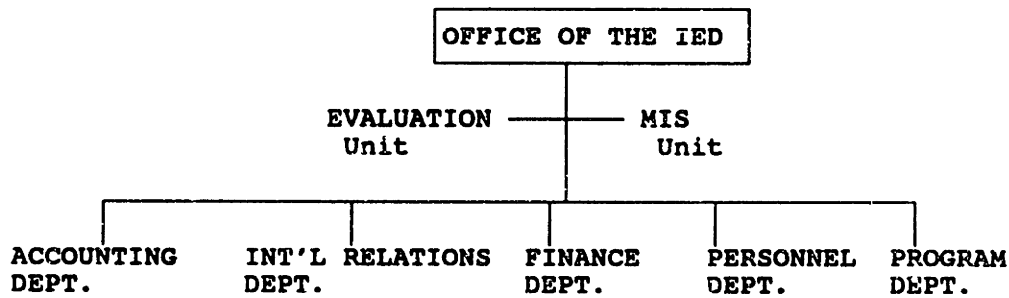
FDs had to follow a chain of command to speak with Benedict, but the
Executive Directors of the MOs contacted him directly as did members of
the International Board. Benedict had an accommodating style of
responding to the demands of staff at International and at the MOs. He
avoided conflict and resolved disputes through careful and often prolonged
negotiation. These skills enabled him to manage expansion and mollify
WW's internal political and cultural differences.

One of the strategies Benedict used to keep track of the concerns of the
International Board was to attend all of its committee meetings. He even
took responsibility for preparing written minutes of all Board meetings.
This task was feasible when the Board was representing the interests of
three MOs and had only three committees. However, during Benedict's
tenure the number of MOs grew to six and the number of Board committees
grew to seven.

To assist in preparing the Board minutes, Benedict created a new position:
Assistant to the IED. To fill this role Benedict promoted an American FD,
Joe Smithson, from his position in Indonesia. Smithson had been in the
field for eight years before coming to HQ. Besides Smithson, a secretary
they shared, and the five department directors, two other support
functions reported to the IED. Those were the Evaluation Unit that

assessed the effectiveness of field projects and an MIS Unit responsible for computerizing field and HQ operations.

2. Program Department

The major responsibility of HQ to oversee field operations was handled by the Program Department. All FDs reported directly to this department which approved project spending, subject to final review from Benedict and the International Board. The department was staffed by the Program Director, a Deputy Director, five Program Coordinators, a Training Coordinator, technical staff to direct special projects funded by government grants, and secretarial personnel.

The heart of this department's work was maintaining contact with the field. This responsibility fell to Program Coordinators (PC) to whom FOs were assigned (14). Besides approving field budgets and reviewing their implementation, PCs responded to the requests of field staff for support. Many FDs work in remote locations where they confront a wide range of situations and hardships and need someone who will listen to and understand their problems. For example, in some smaller communities FDs are highly visible to members of the local community due to their foreign status and the intervention of WW programs in local affairs. Visibility can make an FD the object of scorn or pressure from political groups (15). FDs seek guidance from their PC on how to handle such matters while keeping the PC informed about what is going on in the field. The PC may then pass the information on to other personnel at HQ so they may be forewarned about the need for emergency action, like the closing of a Field Office.

The Program Department was directed by Charles Hartley, an American who had been an FD in Guatemala and Thailand. He came to HQ in 1982 to serve in a new position of Deputy Program Director and was promoted in 1985.

Like Benedict, his style was non-confrontational, and he delegated much to subordinates.

3. Accounting Department

To conduct its affairs WW/International has administrative procedures that are designed to ensure consistency across field locations. These relate to personnel practices, the handling of financial accounts, and the flow of correspondence to sponsors. The Accounting Department is responsible for maintaining these procedures and for conducting audits to verify the transfer and use of funds.

The Accounting Department was directed by Pierre LaVoie who retained the title of International Controller. An American, LaVoie had never worked in the field and was hired when WW moved from New York. Program Department staff held the view that, although LaVoie had visited most field locations, he was insensitive to WW's cross-cultural diversity. His focus was procedures and seeing that they were followed by field personnel, regardless of the relevance of local factors. LaVoie was assisted by three auditors, two bookkeepers, and a secretary.

4. Personnel Department

Prior to 1981, all personnel matters at HQ were handled by an administrative assistant to Benedict, However, due to expansion, WW began to make a transition from a paternalistic organization that appeared to make decisions on the basis of custom and personal preference to one that supposedly followed bureaucratic rules. Where in the past Benedict would get involved in decisions regarding leave benefits, now there are policies to specify what each staff person is entitled to. It was the responsibility of the Personnel Department, staffed by a Director, an Assistant Director, a Benefits Specialist, and three secretaries to develop and administer WW's employment policies. These covered the full

range of personnel matters such as hiring, benefits, and performance appraisal.

5. International Relations Department

The responsibility of the International Relations Department (IRD) is to aid the six MOs in their efforts to market WW. This responsibility meant keeping the MOs informed about WW's project activities. IRD coordinates the visits of staff from the MOs to the field and hosts bi-annual meetings of all the MO directors. The IRD also coordinates the transmittal of case histories and monitors the expenditure of funds obtained from government sources. The IRD was staffed by a Director, an International Communications Coordinator, a Special Funding Administrator, and a group of five staff known as the Enrollment Section.

6. Finance Department

A major activity at HQ is managing funds in a multitude of currencies. WW's revenues are generated in the 6 currencies of its MOs. Expenditures are made through HQ in 19 currencies. Besides handling the transmittal of funds, this department is responsible for managing WW/International's investments and finding ways to reduce costs through bulk purchases. Due in part to advantageous rates for currency exchange WW/International generated a surplus of revenue over expenditures during each of the last ten fiscal years. By 1989 the total value of this surplus was 32.3 million U.S. dollars.

7. Other Forms of Staff Distinction

The above is an elaboration of HQ's formal, departmental structure. However, there were other criteria which staff used to differentiate the tasks and common interests, real or perceived, of HQ employees. An informal division among staff was between those who have held positions in the field and those who have not. Field staff were regarded by Benedict

as being more central or essential to the organization. There was also a presumption held by Benedict and Hartley that staff who had served in the field could more readily understand the predicaments of field staff and how or why things worked or in some cases did not. There was also a collegiality among field and ex-field staff that was noticeably absent among other employees. For FDs and members of the Program Department "field experience" was a necessary rite of passage to acquire legitimacy for enforcing or having input into management decisions.

III. "THE FIELD"

WW had a simple and streamlined organizational design to operate and oversee field operations. Projects are funded and administered through 80 FOs in Africa, Asia, and Latin America in such countries as Guatemala, Ecuador, Mali, Kenya, Nepal, Thailand, and the Philippines. In some countries, the FD is based at a central administrative office in the national capitol with program offices and sub-offices situated in urban or remote rural locations (16). In other countries, the FD and administrative and program staff are located together, often in provincial capitols where essential services are available. Field operations require access to banks, telecommunications, a labor force, and health or educational facilities suited to expatriate families (17).

Like other aspects of WW, the scale of a FO depends on its enrollment. The more children assigned, the greater the funds a FD can expect to receive. For Fiscal Year 1990, FOs budgets were estimated on the basis of an allocation of $165 per child. Using the expected average enrollment for the year, staff calculate a total proposed budget amount for the FO, including the amount of project funds.

In FY 1989 the enrollment at WW FOs ranged from 716 to 21,400 sponsored

children. The FOs at these extremes (Kenema, Liberia and Medellin, Colombia) had budgets of $160,000 and 3.1 million dollars, with 11 and 130 employees respectively. Such differences reflected several factors including the relative age of the FO, geographic location, and historical conditions.

A. Work in the Field: International Positions

Each FO, and there may be several in a given country, is supervised by an expatriate FD who, regardless of the age, size, or location of the FO, reported directly to their PC at HQ. FDs come from a variety of countries but most are from the developed countries where WW's MOs are located (18). FDs serve for up to four years at a FO before being transferred. Depending on the size of the FO's enrollment, the number of children being sponsored, an FD has one or more Assistant Directors (AD), which is considered a training position.

All Internationals were viewed as part of HQ's Program Department since they reported to that department which was also responsible for their training. In the field newly assigned ADs are supervised by the FD as they follow a 6 month training curriculum designed by the Program Department. After completion of their training ADs are ready for promotion but must usually wait a year or more before being assigned as a new FD.

When WW expanded its operations to the third world, the major criteria to become an "International" was prior experience in human or social services, such as social work administration. Now to become a new AD an applicant must have at least two years work experience in a third world setting in a managerial or technical role. Many new hires have experience in something like the Peace Corps (USA) or CUSO (Canada). Some are graduates of special schools, like the School for International Training

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in Vermont, which provide classroom training for positions in development organizations.

Internationals receive a wide range of benefits that include free housing, an automobile (with a paid driver), tax-free status, an educational allowance for dependents, full medical coverage including emergency evacuation if necessary, and six weeks paid home leave every two years. This benefits package makes field positions attractive for those who are looking for cross-cultural adventure and can tolerate living in an environment that lacks the comforts of home. Of course after an International has been in the field for many years, the field is home (19).

As Internationals adjust to conditions in the field, they may find it has some advantages when it comes to their work. Given the physical distances between FOs and HQ and the uncertainty of communication, WW FDs experience a high degree of autonomy. Some FOs have direct phone communications with HQ; others have telex machines. However, time differences between HQ's working hours and those in the field mean that their office hours rarely overlap, contributing to the FD's independence from HQ.

The highest ranking staff member, the FD is a surrogate IED at the field level with complete control over local operations. He/she is responsible for all communications with HQ, negotiations with government officials, and the hiring and firing of staff. Among a FD's critical tasks are meeting their enrollment quotas for case histories, spending budgeted funds, maintaining the flow of communications to sponsors and reports to HQ, and hosting visitors.

B. Local Staffing: FO Tasks and Structure

Besides the Internationals placed in the field by HQ, each FO has

personnel hired locally. These staff, referred to at HQ as "Nationals",
are employed under the laws of their own countries and constitute the bulk
of WW's employees. Unlike the salary and benefit package for
Internationals, the compensation for Nationals is often small by the
standards of an industrialized economy but is comparable with wages paid
locally. There has been no standard formula throughout WW for the
staffing pattern or organization design of FOs. However, many functions
are common to all FOs and are labeled similarly. They include Program,
Donor Services, General Services, and Accounting.

1. Program Function

Program staff handle tasks associated with the design, implementation, and
evaluation of projects to assist sponsored families in improving their
quality of life. There is no set rule for the specific types of services
or projects that FDs must support. However, since there is similarity in
the symptoms, if not the causes, of poverty, project activities
customarily fall under one of five categories of assistance: health,
education, community development, human resource development, and
financial assistance. WW's accounting statements and financial reports
contain budget codes or "lines" to account for the funds expended on
projects under each of these categories.

WW's espoused philosophy is to help the poor help themselves. This is
reflected in a saying often heard at WW: "Give a man fish and he will eat
for a day. Teach him how to fish and he will eat for the rest of his
life." Beyond this general philosophy there were few prescribed policies
detailing what FDs could or could not do to assist sponsored families and
their communities.

This flexible approach to designing field programs was based on respect
for the socio-cultural differences among the populations served by FOs.

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Staff often express a desire to avoid the paternalism inherent in many development organizations in imposing solutions on the poor. This concern is reflected in a quotation from Lao Tzu that has frequently appeared in WW's annual reports: "Go to the people, listen to them, learn from them."

Given the latitude which FDs have in designing programs, WW funds are used to support a wide variety of projects from school construction to primary health care to training in livestock production. During WW's first years in the Third World most programs provided "direct financial assistance" wherein sponsored families received monthly cash payments at a central office. Over time a greater proportion of funds have been used for services or benefits in-kind, such as health care and materials for home improvement.

To keep track of assigned families and their progress, FOs use social workers or social promoters who have fixed caseloads. In most FOs, these staff are responsible for preparing progress reports and collecting letters that assigned families must write to their sponsors. Besides maintaining regular contact with the families in their caseload, social workers must concentrate on how to promote local development and engage families in projects (20).

2. Donor Services Function

Social workers collect the correspondence between assigned families and sponsors, but it is the task of donor services staff to process those materials. This means keeping track of annual progress reports and the letters and drawings exchanged between children and their sponsors. The transmittal of these materials is complicated by the fact that all correspondence to MOs and HQ must be in English so translation can be a voluminous chore.

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Donor services staff must undertake other tasks associated with keeping WW's sponsors informed about program activities and the progress of the children they sponsor. For example, when sponsors make cash gifts, a letter of acknowledgement must be sent. Visits by sponsors to project sites must be accompanied by staff. MO staff claim that such exchanges enable donors to personalize their relationship with the child they are sponsoring. However, according to both field and MO staff, these exchanges also create misunderstandings that raise donor fears that WW funds are not being used wisely. The result is a variety of policies about what letters can contain. For example, should a sponsored family own or use a television set, it should never be mentioned in a letter to a sponsor. Staff believes that otherwise sponsors will think that the family is not sufficiently poor to warrant financial support.

3. General Services Function

The many logistical and administrative tasks required to operate a field office are the responsibility of general services staff. They handle payroll, office administration, and telecommunications. Providing administrative support is difficult in Third World countries where supplies and equipment are scarce. WW FOs must also operate in accordance with local customs and may provide such benefits as refreshments and transportation for employees. For example, many FOs have their own kitchens with personnel on call to deliver drinks or snacks to staff offices. General services must also handle security which can be an anxious task where civil strife is common.

4. Accounting Function

FOs need accounting staff to track WW's expenditures. Due to the scale of WW's operations and past problems with the disappearance and misuse of funds, staff must follow an HQ designed and documented system of financial procedures and controls. Accounting practices are also followed to meet

the standards of Ernst & Young, which approves all WW financial
statements. This task is difficult in a culturally diverse work
environment where employees in the field may behave on the basis of a
system of ethics that differs from what staff at HQ thinks those ethical
standards should be.

IV. THE STRUCTURE BETWEEN HQ AND THE FIELD: THE WAY IT WAS

Figure 3-3 depicts WW/International's simple organizational structure as
of 1987, once described by a Personnel Director as an "inverted tack." As
such, it displays HQ's broad span of control and reflects how each FO
incorporates all functions in the field under the control of the FD. This
structure resembles Mintzberg's professional bureaucracy (1983: 189-213)
but differs in that there is minimal standardization among FOs due to
their isolation, differing locales, and the irregular use of performance
measures. Also unlike the professional bureaucracy, FDs have no direct
access to revenue sources and must manage a diversity of functional areas.

<div align="center">

FIGURE 3-3

WORLDWIDE/INTERNATIONAL'S "INVERTED TACK" STRUCTURE

</div>

Field Offices (n = 80)
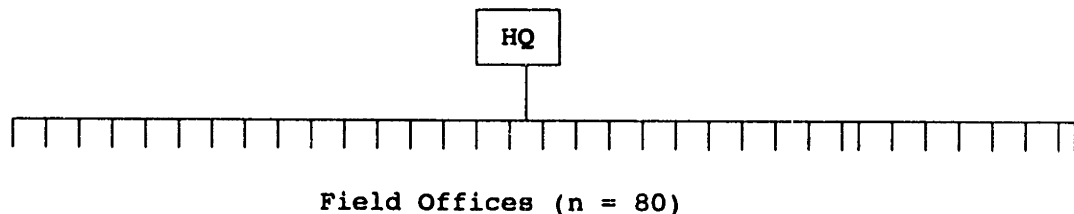
Field staff design and implement projects which HQ staff must explain or
justify to interested constituencies both within and outside WW. In the
process of reviewing field expenditures, HQ staff, both in the Program and
Accounting Departments, are supposed to ensure that projects are
consistent with WW's program philosophy and Board policy. The result is a
constant tension between HQ and the field. The former's responsibility to

approve what goes on in the field conflicts with an assumption rooted in WW's organizational culture that field staff can best determine what sponsored families and communities need.

Communication between the field and HQ was maintained through the FD-PC relationship. The role of the PC was officially described as a "partner" to provide support to the FD. PCs were not supervisors but were expected to visit each FO for two weeks per year. If problems occurred with, for example, government relations or unaccounted for expenditures, PCs responded by telephone or by making additional field visits. Depending on staffing levels and the size of FOs, PCs were assigned anywhere from eight to fourteen FOs.

Although the PC's main role was interaction with the field, his or her presence at HQ required involvement in other activities. Those included keeping staff in the International Relations Department informed of conditions in the field, working with other Program Department staff to review program policies, and discussing the implications of FO audits with members of the Accounting Department. All these and other tasks limited the time PCs had to maintain contact with the FDs who reported to them. The result was that PCs could overlook their responsibilities to the field, since if no problems were reported, the PC had little time or incentive to look for them.

V. ORGANIZATIONAL CULTURE

A major aspect of planned change at Worldwide involved structural redesign, which is described in the next chapter. The preceding description emphasized staff roles and structure to provide a baseline from which that change can be compared. However, this overview of WW would be lacking if it failed to discuss some specific elements of

organizational culture.

A. Organizational Assumptions

Of the three elements of culture, assumptions are the most elusive since they are invisible and taken for granted. Assumptions "..determine perceptions, thought processes, feelings, and behavior" (Schein, 1990: 112). Table 3-4 lists five key operating assumptions of WW's dominant, "program" culture, circa 1987. The carriers of this culture were staff engaged in program activities at HQ and in the field.

At HQ one key assumption was that the mission of WW was to bring the world together by helping others. Sponsorship was the vehicle whereby development assistance was generated. The focal point of staff was the projects that WW implemented in the field, not the MO's need for information. Sponsored children, their families, and communities were helped through development projects not by the paperwork required of sponsorship. This emphasis carried over into how WW/International was managed and the type of field staff it attracted.

Economic development is an ambiguous construct whose meaning is continually being redefined by social theorists and practitioners. Although progress has been made in understanding the causes of underdevelopment, how best to solve it remains a matter of opinion. The uncertainty about what development is was solved at WW by a key assumption that there was no best way to aid sponsored children. Most PVOs specialize in certain domains such as family planning or livestock production. At WW all types of projects and program delivery systems are found in the field. Program differences between field offices were not only considered good but were expected and were perceived as evidence of an innovating organization where staff seek better ways to solve the

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problems of the poor.

FDs were given much autonomy in managing the strategic and operational aspects of running their FOs (21). The underlying assumption was that FDs were able to make correct decisions because they had more information about local conditions than did staff at HQ or in the MOs and had the prerequisite skills (21). Good decisions were seen to come from leaving the field director alone and not burdening him/her with administrative requirements. Consequently, there were few WW policies to restrain an FD's discretion to decide about program design or project funding. As long as an FD could account for funds and was not flagrantly acting in conflict with the few policies that did exist, he or she received little attention from HQ. Benedict was king, and the FDs were his princes. As long as no bad news got back to HQ via a disgruntled employee, or a visiting sponsor or journalist, all was assumed to be in order.

TABLE 3-4

Five Key Assumptions in Worldwide's "Program" Culture

* The mission of WW is to bring the world together by helping others, and sponsorship is our way of doing this.

* There is no best way to aid sponsored children.

* Field staff have the information and competence to make right decisions.

* We are family so we will be "nice" to one another.

* The role of HQ is to "support" the field.

Another assumption at WW was that all employees were part of a family which meant that everyone should be "nice" to one another. Decisions should be made on the basis of collaboration and consensus rather than confrontation and conflict. Differences could be resolved respectfully through talking and listening to one another rather than by arguing. For example, Benedict welcomed dissenting views as long as they were presented

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politely, and everyone had an opportunity to contribute to the discussion. Being a family also meant that personnel decisions should be based on individual circumstances as much as bureaucratic requirements.

Fitting in with the assumptions about mission and the ability of FDs to make good decisions, the assumed role of HQ was to "support" the field. "Support" to the field came from suggesting, not mandating projects, providing advice for dealing with local governments or employee unions, and not chastising a Field Director for a decision that had to be taken prior to HQ notification. In the words of one Executive Director, FDs were "the front line" and needed as much support from HQ as they could get in dealing with the difficulties of living in the Third World and managing a Field Office.

B. Organizational Sub-culture

The assumptions described above were the dominant elements of a framework for cultural meaning which shaped the interface between HQ and the field. Yet situations occurred in which behaviors inconsistent with these assumptions were exhibited. Such occasions reflected cracks in Worldwide's apparent cultural homogeneity and the presence of a competing sub-culture. Table 3-5 lists the four key assumptions of this "control" sub-culture whose carriers were staff not directly involved in program activities.

A major point of difference between WW's culture and sub-culture was in the assumption regarding mission. In the sub-culture, WW's mission was based on the presumed needs and concerns of its contributors rather than those of sponsored families. In operating a sponsorship program, WW staff have to ensure that funds are used efficiently and in a manner that makes sponsorship a legitimate (i.e. accountable) vehicle for development assistance. For example, in this sub-culture the exchange of

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correspondence is not viewed as a mechanism to bring people together as much as it is a vehicle to ensure contributors that there is a real child out there who is benefitting from their support.

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TABLE 3-5

Four Key Assumptions in Worldwide's "Control" Sub-Culture

*   The mission of WW is to administer a sponsorship program in a
    manner that ensures the confidence of our contributors.

*   The management tasks of field staff are all the same because
    the needs of sponsored children are the same everywhere.

*   There are problems in the field that we don't know about.

*   The role of HQ is to control the field.
```

A second key assumption was that the management tasks of field staff are all the same because the problems of sponsored children are the same everywhere. Underdevelopment creates basic problems in health, education, and low income which, though manifested in different ways, require similar forms of aid. To facilitate the accountability of funds to donors, administrative and program policies should be consistent for all FOs. One outcome is WW's administrative procedures manual and a donor services manual that specifies all aspects of the content and distribution of sponsorship information.

A third key assumption pertained to an underlying belief about the frequency of problems that occur in running a field office. For example, problems of accountability arise in managing WW FOs because without controls project funds can be diverted from their intended purposes. Some field staff lack the ability to avoid such problems or to rectify them once they are discovered. Other field staff don't learn of problems until it is too late. Another difficulty for headquarters staff was that, when problems did arise, field staff would hide information about them from their PC.

A fourth assumption was that the role of HQ is to control the field. To ensure accountability to sponsors and limit problems, HQ staff must clamp down on the independence of field staff. This underlying belief creates a preference for a closer link between HQ and the field so that the former can really know what is going on in the latter. HQ needs to control the field so that field staff act in a way that is consistent with the demands and needs of a sponsorship organization.

C. The Reasons for Cultural Difference

There are two characteristics of WW operations which are critical to the presence of an organizational sub-culture (Van Maanen & Barley, 1984). First is a difference in ideology that derives from the duality of its mission: whether WW's main objective is development or child sponsorship. This dichotomy is perennial due to the separation and minimal coordination between the MOs and WW/International and the lack of one central authority controlling both.

A second characteristic is structural segmentation based on different work responsibilities. At WW staff groups are embedded in diverse ecological contexts, and in each group members share similar experiences which can lead to the creation of culture (Schein, 1990: 115). Hence Field and HQ program staff, who have all been to the field, share a pattern of assumptions, values, and behaviors that emphasize WW's mission as development. That ideology is consistent with the preferences of staff, socialized in grass-roots development, who desire to work for service organizations rather than for-profit corporations. In contrast, marketing and HQ accounting staff who do not have field experience and interact more often with sponsors than sponsored children share a pattern of meaning that emphasizes sponsorship and accountability to contributors. The differences between these groups are reinforced by the physical distance between HQ, the field, and the MOs and contributes to an organizational

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setting where the potential for conflicts based on cultural differences is great.

A financially successful organization, WW staff bridged the cultural differences among and between the MOs, HQ, and the field by tolerating diversity. WW/International's flat organization structure and the value placed on FD autonomy and decision-making ensured the decentralization of both the authority and services necessary to run a field program. Conflicts were minimized by the structural separation of principle actors and through Benedict's informed and personalized relationships with senior staff. As a former FD himself, Benedict led WW/International on the basis of its dominant organizational culture and concurrently negotiated the interests and demands of its sub-culture.

NOTES TO CHAPTER 3

1. The term 'small-scale' is used to differentiate the scope of WW's projects from those of large, multilateral development organizations like the World Bank or the United Nations Development Program.

2. Salaries amount to only $23 million, or 20%, of WW's operating expenses since 90% of all employees are hired in developing countries where the U.S. dollar value of salaries is comparatively low.

3. These data were provided by WW/USA. Although incorporated and headquartered in the United States, WW receives only 20% of its revenue from the U.S. market. The International Board considers WW an international agency reflected in its membership in the International Council of Voluntary Agencies based in Geneva.

4. In 1982 WW retained an archivist to assemble files and information about WW's history. While preparing this dissertation, I have had access to those materials which were used in developing this picture of WW's early years.

5. Case histories first go to HQ where they are checked against procedures. For example, each case history must be accompanied by a photograph of the sponsored child and a letter of introduction to the sponsor who is yet unknown. Once reviewed, the case is assigned a number, entered into HQ's "Childbook", which is a computer listing of all sponsored children, and then filed. Case histories are held at HQ and released to the MOs as they attract new sponsors.

6. This distinction can be seen in the following example of views exchanged at a joint staff conference. A staff person from a MO stated that his role "was to sell a marketable product", and a staff member of

WW/International claimed that his role "was to help poor people improve the quality of their lives".

7. Since HQ has no formal jurisdiction over the activities or preferences of the MOs, it must carefully negotiate these differences and establish funding policies that are often a compromise. For example, WW has a policy that allows sponsors to give cash gifts to their sponsored children. At one time in WW's history there were no limits on the number or amount of such gifts. When some children received gifts and others not, this raised suspicion in the communities where WW was working that staff were holding monies back. Other problems were created when some sponsors wanted to give very large gifts or pay for a new house or a college education for their sponsored child. Field staff claimed that this created an economic and psychological dependency on the sponsors that was inappropriate for a development organization. The result has been the establishment of a policy that limits cash gifts to $50 per year.

8. Some WW FDs act on the basis of a philosophy of development that stresses human or spiritual progress rather than the material or economic. In this framework program impact is not equated with program expenditures. Conflict ensues between International and the MOs as the latter try to maximize the amount of funds raised and spent.

9. The following table provides figures on WW's statistical growth. The number of children sponsored is a key organizational indicator since it directly determines the amount of sponsorship funds coming into the organization, the enrollment needed in the field to meet the requests of new donors, and the number of votes a MO has on the International Board of Directors.

Number of Sponsors by Year

Marketing Office	1977	(% of total)	1982		1987	
Australia	7,572	8.5	15,351	7.9	20,517	6.7
Canada	33,126	36.8	48,304	24.7	83,583	27.4
France	15,971	17.8	93,539	47.9	101,888	33.5
Spain	–	–	–	–	5,234	1.7
United Kingdom	–	–	563	.3	8,996	3.0
USA	33,288	37.0	37,654	19.3	84,332	27.7

10. During the last two years this characteristic has broken down due to the increase in personnel and the greater use of consultants and temporary employees. When International relocated from New York, it had eight employees. HQ now has 85 employees. Although still small, the number of employees has grown significantly. Still the informality remains as well as the easy access around the central corridors of the building. Norms of access to individual offices vary depending upon the status of the person visiting or being visited.

11. A fundamental part of organizational sociology is to review occupational roles. After all, it is through their enactment that an organization's social structure is created and becomes a determinant of organizational behavior (Giddens, 1979). However, what a sociology of roles does not closely consider is how role behavior can fluctuate depending upon the personality of its incumbent. In considering or describing the major staff functions at WW, I have incorporated data about the individuals who occupy particular roles, information that is essential in understanding the informal interaction among staff apart from the configuration of formalized role relationships. To understand the procession of change at WW described in this dissertation required reference to some of the organization's principal role-players.

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12. The stability in this position seems to be anticipated by the International Board which has a proviso that any retired IED may serve as a Board member.

13. For example, although the parking spaces in WW's lot were undesignated, woe to anyone who parked in the spot closest to the front door. This was Benedict's space. Should a visitor happen to park there while Benedict was out to lunch and his/her car be there when he returned, the staff person being visited would be reminded by Benedict himself that visitors should not park in his space.

14. The PCs were assigned all FOs in a set of program countries scattered throughout the globe. This spread out the burden of travel since no one PC would have to cover one large, distant region like Africa or the Far East.

15. In fact, most of the countries where WW operates are politically unstable and subject to a variety of hardships. During WW's history FDs have been arrested and placed in jail, threatened with personal injury to themselves or their families, and physically attacked. WW FOs have been robbed, bombed, and blockaded. Among the other problems for which a FD may engage a PC's support include how to handle a severe medical problem when locally available treatment has been inadequate, and how to negotiate with a provincial government when a WW vehicle has been impounded because the driver injured a pedestrian.

16. The following description is provided to explain the accessibility of the field. Given the diversity of WW's locations, it is not possible to say that these two FOs are representative in any statistical sense, but they are typical of what it takes for a traveller to reach a field location.

Since 1976 WW has worked in Burkina Faso, a small West African country reachable by plane via Paris. A traveler leaving the East Coast of the United States at 9 PM will arrive in Ouagadougou, the capital, by 7 PM the next day. To visit any of WW's three FOs in Burkina requires an additional car ride of from two to four hours. Part of this is on paved road and part on dirt road that skirts the Sahel. Further time either by car or motorcycle is needed to reach project sites. During August, these FOs close for vacation since roads become impassable due to heavy rains, and local staff must work in the villages to assist their families during the short growing season.

WW's first program in the Philippines was established in Manila in 1961. Subsequently, programs were set up in five provincial capitols and the urban program in Manila phased out. One of these locations is Calapan on the island of Mindoro off the coast of Luzon. Manila is approximately 11,000 miles from HQ and can be reached via plane connections, either through Tokyo or San Francisco, in 24 hours. Of course the traveler loses a day when he crosses the International Dateline. International flights from the United States reach Manila in the morning so the energetic traveler can continue on to Calapan by riding for 2-3 hours to the port of Batangas. Ferries for Mindoro, about an hour away, leave at variable hours. Once the traveler has arrived in Calapan, the capitol and main port of the province of Mindoro Oriental, WW's office is a short five minutes away. Additional travel of up to two hours is needed along dirt roads to reach program sites. (One of the more intriguing and remote social groups that WW works with is the Mangyan tribe that live in the central mountains of Mindoro. They speak their own language, wear loin cloths for dress, and live apart from the surrounding economic system in a completely non-cash economy that interacts little with the surrounding economic system.)

While these descriptions of trips between HQ and the Field can give the reader some idea about the time they take, they cannot convey the full nature of what the traveler experiences. Most travelers in corporate America fly or are limousined through modern airports surrounded by familiar comforts. Even travelers to Europe or the Pacific Rim can find respite in business class or the apparent orderliness of another developed country. For the uninitiated, travel to the third world is much more stressful as it encompasses a multitude of changes, in climate from cool to hot, in racial composition from dominant white to people of color, and in values from Judeo-Christian to whatever the world has to offer. Of course the level of economic development and material comfort is also significantly different. Together these factors create an environment which can be confusing and emotionally disturbing to the traveler as so vividly depicted in the scene from the movie "Romancing the Stone" when Joan Wilder arrives in Barranquilla. Getting past this state of potential confusion and stress requires the traveler to be well experienced in how to survive life in alien places. Fortunately, the HQ traveler has the advantage of carrying dollars which are easily converted to any local currency and of speaking English usually the most useful language anywhere after the local one.

17. In the field of international development the term "expatriate" is commonly used to refer to any staff member who serves an organization outside his/her own home country. At WW such individuals are referred to as "Internationals". This includes Field Directors and Assistant Field Directors.

18. Prior to the establishment of separate MOs, the vast majority of Internationals were American. However, as the relative size of the WW/USA decreased, the International Board expressed interest in having more non-Americans in managerial positions both at HQ and in the field. Slowly, this transition has come about. Whereas in 1980 68% of Internationals were American, by 1990 this number had gone down to 38%. Table 3-5 shows the distribution of expatriate field staff by nationality.

TABLE 3-5

WORLDWIDE EXPATRIATE FIELD STAFF BY NATIONALITY   (in 1987)

Nationality	Number of Field Staff	Percentage of Total Number of Expatriates
American	42	39.2
Argentinian	1	.9
Australian	3	2.8
Belgian	1	.9
Brazilian	1	.9
British	6	5.6
Canadian	10	9.3
Ecuadorian	1	.9
El Salvadorian	1	.9
Ethiopian	2	1.9
Filipino	4	3.7
French	17	15.9
Ghanaian	1	.9
Honduran	1	.9
Indian	8	7.5
Indonesian	2	1.9
Irish	3	2.8
Nepali	1	.9
Palestinian	1	.9
Swiss	1	.9
TOTAL	107	100%

19. Internationals can overcome some of the isolation of most FOs by becoming part of the expatriate community. Many WW FOs are located in areas where there are other international organizations, and it is customary for the staffs of these organizations to socialize together. This may occur through an "International" or English speaking school that their children attend or by participation in informal organizations like the HASH which are runners clubs founded by the British in their colonial era. FO locations also give Internationals the opportunity to develop hobbies that are unique to tropical climates. For example, in the Philippines and Indonesia wind surfing and snorkeling are year-round escapes. In Nepal, trekking is popular.

20. For example, some FOs require assigned families to participate in group development projects with other assigned families. In Sahelian countries staff make no formal distinction between families formally assigned sponsors and other families in a village. The result is that all WW funds are channeled into community projects. Here the social worker must work with a village committee to identify project priorities and plan for project implementation. For example, if WW is going to help a village dig a new well, the social worker will work with the village committee to decide on where it should be located and enlist a WW technical worker in the design and construction of the well.

21. High autonomy in the field was even more pronounced during WW's early years before international phone service was readily available and the more recent onset of telex and fax machines. While communications are now greatly improved, the authority and autonomy of the FD has continued to be highly valued.

CHAPTER 4

STRUCTURAL REDESIGN AT WW: A NEW WAY TO LINK HQ AND THE FIELD

I. THE DESIGN OF CHANGE

Between 1973 and 1983, the number of WW FOs increased from 21 to 69, the enrollment of assigned children nearly quadrupled from 56,000 to 218,000, and revenues grew from $7.5 to 39 million. HQ maintained its flat organization structure to oversee field operations, although some changes were made in job titles and numbers of PCs. However, during the latter part of this period the senior management team became concerned that due to growth the existing structure at HQ, as described in Chapter 3, no longer met the needs of the organization. It was becoming harder and harder to "support" the field (1).

In September 1983, Hartley, then Deputy Program Director, and Michael Souza, director of evaluation, each designed and proposed a new structure for HQ to the Program Director. The felt need for such a change was apparently strong since both Hartley and Souza developed their recommendations on their own without knowing of the other's interest. Their shared concern surfaced when they presented their ideas at about the same time. For the next 18 months the rationale for and design of a new HQ structure were discussed in a series of meetings and written documents shared among staff in the Program Department and the senior management team. No specific actions were taken, but Benedict kept the International Board apprised of the staff's deliberations.

As the senior management team considered a new structure for HQ to better integrate existing functions, concern over WW's growth continued to mount, and staff in the Program Department broadened the scope of their review. Instead of restricting discussion to the design of HQ, program staff began

to examine how WW/International was structured in its entirety, and in particular, how HQ and the Field were linked. According to Benedict, when the International Board learned that staff had expanded the scope of the discussion, its members told him that they were exploring organizational issues which were the domain of the Board, not staff. To seize the initiative, the Board's Executive Committee authorized a study of WW/International's structure and instructed Benedict to end the staff's internal review of these issues.

WW's Executive Committee selected James Peters to conduct this study. Peters was well known to the Board as he had served a three year term as its Chairman and was presently on the Board of WW/Australia. Peters, formerly associated with McKinsey & Co., had taken early retirement from Chase Manhattan Bank and had started a small management consulting practice in upstate New York.

Following a period of data collection, Peters presented his report in December, 1985 recommending changes in the structure of HQ including how it was linked to the field. Peters's analysis, based on interviews with WW staff and his own knowledge of WW operations, identified several organizational problems. At the beginning of his report Peters wrote:

> 'Worldwide is clearly at the threshold, indeed some maintain that it
> has already crossed it, where its organization structure, staffing,
> operating methods, and its management style need to be adapted to
> those suitable for a major international enterprise.'

Peters claimed in his report that HQ was not adequately managing field operations (2). The espoused role of the PCs as "partners" to FDs created ambiguity since the PCs had the formal authority to approve FO budgets and evaluate an FD's performance. Peters wrote that the logistics of travel and responsibilities at HQ made the PCs "... almost totally out of touch with the reality of what is happening and severely limited in their ability to evaluate program effectiveness, impact, etc." The result in

Peters's view was that HQ staff only learned what the field wanted to tell them and about problems after it was too late to correct them.

In presenting his analysis to staff, Peters described the working relationship between FDs and their PCs as overly collegial where too much value was placed on amicability and avoiding confrontation. He believed that contributing to this style of interaction was the few available promotional opportunities due to WW's flat structure. According to Peters, Field staff did not perceive the PC position as a promotion since: (1) the financial rewards associated with the PC role were less than those associated with field positions, (2) PCs had insufficient authority to set policy or control decisions made in the field, and (3) PCs were appointed with the understanding that after four years they would rotate back to the field. Thus, for PCs, there was a good possibility that the FD who reported to them today would someday be the person at HQ to whom they would report. According to Peters, this situation generated a reluctance on the part of PCs to limit the authority of FDs since this would affect them when they returned to the field. When interviewed, Peters characterized the essence of this relationship with the phrase "don't piss on my parade and I won't piss on yours".

Finally, Peters was concerned about the way FOs were organized as integrated units that combined all functions (program, donor services, administration, and accounting) (3). Yet he noted that FDs reported to only one department at HQ -the Program Department. He felt that this encouraged FDs to focus their efforts on project activities and de-emphasize other functions such as donor services.

What Peters desired for WW was a change in the organizational structure that would presumably address these problems. His recom.endation was that WW create a new unit, the Regional Office (RO), to be situated between HQ

and Field Offices in the organizational hierarchy. He described this as a "divisional based operational unit that integrated functional responsibilities" and would result in an organizational structure as illustrated in Figure 4-1. This structure represents the M-form hierarchical design studied by Chandler (1962: 42) and, for WW, it represented a major organizational change. Peters's expectation was, in part, that the Regional Office would be closer to the field and thus better able to monitor and support FO activities:

> '...it is absolutely clear that field directors need and desire
> closer support than is currently being provided by HQ. It is almost
> inescapable that this level of assistance can only be provided by a
> staff that is in closer proximity to the field posts, ie. that is
> somehow located within the region which it serves..' (4).

The new units would integrate functional responsibilities in a divisional structure that was maintained by a Regional Director (RD) and Area Managers (AM). These would be new roles and would provide permanent, promotional opportunities to FDs. The RD would be responsible for coordinating all functional areas and management systems in the region.

FIGURE 4-1
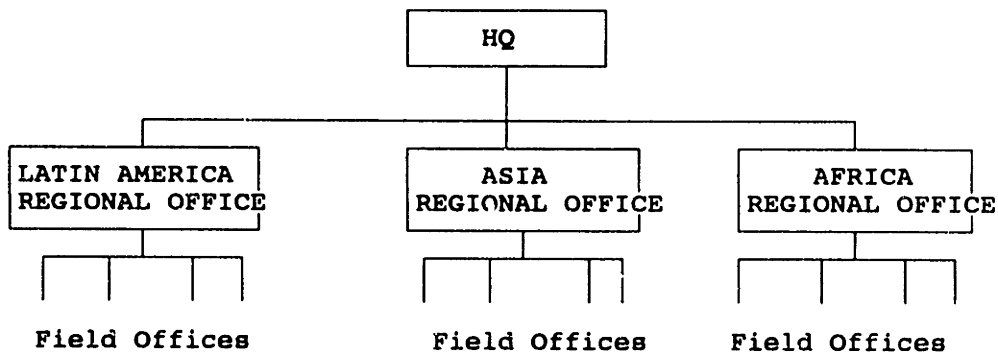
While Peters hoped that WW could set up an M-form structure, he was concerned about its ability to do so. He privately doubted whether WW had the human resources to manage functionally integrated regional offices (5). He did not consider FDs and PCs, whose principal experience was in

the design and implementation of development projects, as having the skills required to run a RO. Peters felt that to handle its tasks the holders of these new roles would require experience in business or, at least, a degree in management. Field staff rarely had business experience or training since that was not a prerequisite for selection as an AD. Cross-cultural experience and human relations skills were valued in the selection process, not management expertise.

Doubtful about staff abilities to manage a region, Peters was similarly concerned about the ability of HQ to supervise the establishment and maintenance of a RO. In the new structure, RDs should report directly to the IED. However, Peters was privately critical of Benedict's management style stating in an interview that "the right attitude must come from the top" and attributed some of WW's management problems to Benedict. Peters was concerned that Benedict's ability to lead WW into a period of growth was not matched by his ability or desire to address the problems that arose from such growth. It seemed to Peters that, as long as FDs sent the right numbers to HQ and maintained a good relationship with their PC, they had little to account for.

The result was that poorly designed or administered field programs were overlooked provided they did not jeopardize relations with donors or local government. Money was spent on projects that seemed to generate little impact on sponsored families. Equipment donated to families or communities would break down and never be fixed. Families got lost in large social worker caseloads and wouldn't receive any benefits from sponsorship. During interviews, some HQ staff outside the Program Department agreed with Peters's view about these problems, with LaVoie, WW's Controller, being especially supportive.

It is impossible to say how widespread these problems were, but such

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concerns were consistent with the underlying assumptions of WW's organizational sub-culture. As WW had grown in the field, the International Board had expanded, as had the number of staff employed at HQ and in the MOs. Most of the new Board and staff positions were filled with individuals who had administrative or technical backgrounds and lacked field experience. It seemed that the concerns of WW's sub-culture were becoming a dominant force.

There is no clear account of why Peters picked the M-form structure to fix these problems, although he did not think that structural redesign alone would do so. In his report he also criticized WW for inadequate management systems in planning and budgeting, human resource development, and field based program evaluation. He recommended that new systems, which he named "Key Management Areas" (KMA), be developed for FOs. Each AM would have technical responsibility for one of these three systems throughout the region while supervising all FOs in one country.

To compensate for what he saw as staff deficiencies, Peters made several additional recommendations. First, he recommended that "regionalization" take place through the Program Department. Instead of reporting to the IED, the RD would report to the Program Director at HQ. While this altered his preferred design for the divisional structure, Peters thought that this arrangement would provide a better chance for implementation. He had more confidence ῐn Hartley's management skills than Benedict's. Peters also anticipated that the Board would ask him to work with HQ staff in establishing the new structure. By advising both Hartley and Benedict during the implementation phase, he could reduce the impact of this change in reporting.

Peters also assumed WW lacked the human resources to implement these changes and that talented professionals from outside the organization

would have to be recruited. Meanwhile, to develop the resources needed to run a regional structure, he proposed that a human resource development program be initiated for International staff so that some could be 'fast-tracked'. As an interim measure to assist FDs in administration and to administer the RO, Peters recommended the creation of a position of Regional Administrator (RA).

All of Peters's recommendations were linked to creating a divisional structure for WW field operations based on the geographic location of its independent FOs. This change would create a new component, the RO, in WW's management structure. The direct link between HQ and FOs would be broken, and the RO would now mediate the information flow between them. This structural redesign was expected to address the need for: (a) better management oversight of field operations, (b) better support to FDs, (c) better management and technical support systems, and (d) more promotional opportunities for FDs. The major components of this change as specified in Peters's recommendations were:

1. The establishment of a regional office to manage and support all WW field activities in a bounded geographical area. This would necessitate the creation of two new positions. A Regional Director would be responsible for managing all functional activities within the region. The RD would be assisted by a Regional Administrator responsible for regional office management.

2. The development of three key management areas in human resource development, evaluation, and planning and budgeting.

3. The transfer of Program Coordinator positions, renamed as Area Managers, from HQ to Regional Offices. There would be three AMs, each responsible for one KMA and field operations in one program country.

4. The provision at the Regional Office of logistical support for the MIS Regional Coordinator and the Regional Auditor, positions that already existed and which were supervised by HQ (6).

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II. INITIAL RESPONSE TO PETERS'S DESIGN FOR CHANGE

When presenting his report, Peters claimed his ideas had been developed on the basis of interviews he conducted with staff and reflected their identification of existing problems and potential solutions. Yet there was a discrepancy between Peters's claim and staff views over the extent to which field staff had substantive input into Peters's diagnosis and recommendations. Staff accounts of those interviews describe a scenario in which he, not the staff, did most of the talking, and where Peters seemed to be selling his ideas about how a regional structure should be configured (7). Regardless of whether his diagnosis was right or wrong, it was clear that field staff perceived Peters's plan as his own and not necessarily congruent with how they saw WW's problems or the solutions to them.

Prior to submitting his report, Peters held a meeting at HQ in December, 1985 in which all exempt staff were invited to discuss his recommendations. However, as Benedict would later write, the meeting was less a discussion and more a presentation of Peters's plan by Peters. Most staff agreed in principle with the concept of regionalization but had many questions about how the structure would actually work and how it would affect existing roles and relationships. For example, what role would the Regional Office play in providing information to the MOs? Where would a FO's budget and program reports be filed? Who would design the KMAs? Many questions involved details unspecified in Peters's report. However, Peters stood by his recommendations and tried to assuage staff concerns by stating that the details of implementation could be worked out later.

Following the submission of Peters's report to the Board and its expression of interest in a staff response, Benedict asked all members of

the senior management team to identify which aspects of Peters's report they agreed or disagreed with. Although concurring with Peters's expressed concern for greater management controls, HQ staff outside the Program Department questioned whether the addition of another layer of management was the best way to solve the control problem. Other suggestions for strengthening management controls included greater reliance on local organizations and greater differentiation in the authority of FDs with the creation of country rather than regional directors.

Based on this staff reaction, Benedict conveyed a formal response to Peters's report in a memo dated 26 March 1986 to the chairman of WW's International Board. While agreeing with the general direction of Peters's recommendations, Benedict added the following:

> 'Beyond these major thrusts, it is our great hope that this fine study is used as a document that can certainly help our thinking, and can lead us into the detailed exchange of ideas that will enable us to implement these major thrusts. We do hope that the details of the study are not taken as a model, cast-in-stone. In terms of overall planning which we agree is crucial, Board and professional staff at various segments of the organization come together to develop overall directions. Working out the details of implementation is another matter. These are for the "doing" staff and their supervisors. We know that Board does not become precisely involved in how we develop a potable water system or how we build village schools or how we help families organize themselves for particular tasks. In the same way, implementation of regionalization, for example, needs to be worked out by HQ staff and Internationals who become involved in this task.....'.

Recognizing that most senior management staff did not concur with Peters's plan for organization redesign, Benedict tried diplomatically through this memo to reaffirm the different roles of the Board and staff. With a style reflecting WW's cultural assumption for the open, but non-confrontational exchange of differences, Benedict did not overtly oppose Peters's plan. Instead, he seemed to support it while affirming that implementation was the domain of staff. In Benedict's view, the Board could present the overall direction for change, but its implementation was the

responsibility of staff who had the experience and field knowledge to actually make things work.

III. PREPARATION AND PLANNING FOR IMPLEMENTATION

A. The Regionalization Working Group

The first phase in Peters's plan was to "...establish one regional office as a pilot operation to gain experience and to work out the ground rules". This initiative was subsequently approved by the Board of Directors at their regular meeting in October, 1986, and scheduled for implementation in July, 1987 at the beginning of WW's fiscal year. Between the time that Peters discussed his recommendations in December, 1985 and the first RO was established in South America in July, 1987 several events took place that further shaped the design of change at WW.

In January, 1986 Benedict announced his intention to retire in February, 1987. There had been only two other chief executives at WW since 1954, so this was big news at HQ. It took staff by surprise and generated curiosity about who would replace him and how life at HQ and for WW would change.

One of Benedict's avowed reasons for retirement was his desire to have someone other than himself oversee the restructuring of WW's operations. (I surmised that he may have no longer been willing or able to negotiate the demands of WW's sub-culture in the midst of this planned change.) To develop an implementation plan for the first RO, a Regionalization Working Group of ten HQ staff representing all departments was assembled during the spring of 1986. This group was charged by Benedict with taking Peters's proposal and developing a complete plan of action (8). However, it was never made clear to the group how much of Peter's model was subject to change.

Benedict was not a member of this group since he would be leaving WW before the first RO was established; and he preferred that staff responsible for making regionalization work be involved in its design (9). Among the responsibilities of this working group was the preparation of job descriptions and budget proposals for the cost of establishing ROs. Also required were recommendations for an office location, timeframes for hiring and locating new staff at the RO, and procedures for transferring responsibilities from HQ to the RO.

At the beginning of its deliberations the group tried to reach consensus on the intent of Peters's proposal. The majority saw it as an effort not to simply relocate functions currently performed at HQ to a RO but to set up new and improved administrative procedures to increase the accountability of FDs. In the process, the group considered the AM role. According to Peters's plan, the AM would oversee FOs in one country while handling technical responsibilities for one KMA in the entire region; Peters had referred to this as the 'two hat' role of the AM. Over time, all members of the group, except for Hartley, came to see this responsibility as unrealistic given their perception of the intent of regionalization and the numerous task demands on the AMs.

Subsequently, the group changed the role of the AM so that it focused only on FO oversight and support. This meant that an AM's responsibility would be to review and provisionally approve FO budgets, ensure compliance with administrative procedures, and advise or assist FDs in problem solving or crisis situations. Providing technical direction in the establishment of the KMAs would not be part of the AM's job.

Benedict who was regularly apprised of the working group's progress learned about this change. He expressed concern over the initiative taken by the group and discussed this with Peters in a phone conversation.

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Several weeks later in the summer of 1986, Peters came to HQ and met

separately with Benedict and representatives from the working group. He

informed them that he saw his proposal as fixed and unchangeable by staff

and that the 'two hat' role of the AM was a key part of it.

In two memos to members of the regionalization working group, Benedict

reviewed the issue of the 'two hat' role for the AM, the overall thrust of

regionalization, and the group's role. In a memo to Hartley dated 19

August, 1986, Benedict wrote:

> 'I am very pleased that you established the committee on
> regionalization to help develop the systems and the timing for the
> establishment of our first regional office headquarters......I am
> very surprised to hear that substantive changes were being made in
> the reorganization proposal itself .....(When James [Peters] report
> first came out) There was enthusiasm on the part of some and
> acceptance on the part of others for the dual role of the area
> manager, and no objection to it expressed anywhere. James developed
> the idea, I accepted it, HQ staff accepted it. We all accepted the
> idea, and now we are at a stage where we are going to proceed with a
> pilot to see if it works....Keep in mind that this is a pilot
> project. I want us to give it the best we've got and see if it
> works. Subsequent modification or even total cancellation will be a
> result of actual experience rather than simple discussion of what
> might happen.'

Benedict met with the regionalization working group in late August, 1986

in hopes of changing its viewpoint. When he was unsuccessful, he

instructed the group to reinsert the 'two hat' role of the AM in their

plan and to continue with its task. By this time most of the group

thought they had already completed much of their assignment. When members

learned of Benedict's directive, they felt their opinions and experience

undervalued. Subsequently, group members informed Benedict that, rather

than work on something that didn't fit their judgement, they would

disband.

This experience provided evidence to staff that Peters's model was, in

fact, cast in stone. It undermined a process of involving staff in the

design of change. It also set a precedent for Peters to become

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periodically involved throughout the implementation of change. The lesson for HQ staff was that Peters's model would stand and that the role of staff was to carry out the design as he intended it to be (10).

B. Implementation Plan on Regionalization

When the Regionalization Working Group disbanded, Benedict still faced the responsibility of presenting to the International Board a proposal and budget for regionalization. Benedict assigned the re-doing of this plan to the Program Department and asked Hartley to use his access to the Regionalization Working Group's documents to accomplish this task. All the ideas developed by the working group were retained except for the change in the AM's role. The result was an implementation plan consistent with all of Peters's prescriptions.

The plan included job descriptions for the new positions of Regional Director, Area Manager, and Regional Administrator. It also covered how the establishment of a Regional Office would impact the roles of HQ and the FOs and the relationships between them. The plan contained a budget, criteria for selecting the location of the first RO, and a timeframe of activities. Finally, the Regionalization: Implementation Plan which was presented to the Board contained the following "Statement of Purpose":

> 'Worldwide is regionalizing to improve existing aspects of our management support and program delivery systems. Most of the following are being done now; regionalization will enable us to do them better as Worldwide continues to grow and assist increasing numbers of people.
>
> A. Increased ability to plan, implement, and evaluate both program and administrative support.
> B. Increased frequency and improved quality of back-up support to field offices.
> C. Increased accountability of Worldwide resources.
> D. Increased ability to accommodate organizational growth in terms of number of families and field offices, as well as types of programs and program approaches.
> E. Improved consistency in Worldwide's program approach.
> F. Improved continuity from one field directorship to another.'

There are two notable aspects to this list of objectives. First, it is very qualitative in orientation. No numerical or quantitative targets were set that would enable a clear assessment of the implementation or impact of change. Second, the objectives do not specify anything new that would happen as a result of the redesign, simply that WW and its staff would be able to do more of what it had already been doing. This can be seen in how the objectives were framed, through the importance placed on 'improved' and 'increased', to emphasize a continuity with what had been done in the past. Peters may have thought that the changes he had advocated would lead to a new form of oversight of the field, but there was nothing in this list to explain how the transition to a new set of behaviors would be accomplished.

C. Change in the IED: From the Monarch to the Manager

Meanwhile, the Board had conducted a public search for Benedict's successor and in October announced the appointment of Mr. Alfred Fonseca as IED. Staff knew of the inevitability of replacing Benedict, but they were unprepared for the type of individual selected by the Board. Fonseca was a European born, MIT trained business manager. He had extensive international finance and marketing experience and most recently had held a senior executive position with a large international electronics firm. His appointment to WW was his first position in a development, or non-profit organization.

HQ staff interpreted Fonseca's selection as the Board's desire to better control field and HQ operations, hence giving support to WW's organizational sub-culture. This action was welcomed by HQ staff in accounting, finance, research, and MIS as an opportunity for positive change within WW. In recent years they had sought greater support for their functions but had been frustrated by Benedict's preference for the Program Department and other staff who, like himself, had "been to the

field".

At the WW Board meeting where Fonseca was introduced as the future IED, the regionalization plan was presented. Discussions took place about the timing of this initiative and whether regionalization should be postponed until Fonseca's arrival in February, 1987. Although not yet hired, Fonseca did request the Board to postpone its decision until he had made his own assessment of the situation. Nevertheless, the Board approved Peters's recommendation to regionalize on an experimental basis beginning in WW's next fiscal year and requested that HQ staff provide the Board with regular progress reports. Board members claimed that the need to regionalize was an organizational issue within their purview and should be considered independent of the opinion of a new IED.

As staff awaited the new IED's arrival at HQ, preparations were being made to open WW's first RO in South America. (It had been selected as the first region because of all the geographic areas where WW Field Offices were located it was the closest to HQ.) A major undertaking was the recruitment and selection of staff for the new positions. This was handled by the Program Department in consultation with Benedict. Some consideration was given to Fonseca's input into this process. He expressed interest in the decisions over regionalization but he stated that, since it was a Board mandated action, staff should make such decisions as necessary to keep on schedule.

By the middle of February 1987, just prior to Benedict's retirement, all staff selections for the RO had been made. These consisted of the RD, the three AMs, and the three new technical staff at HQ who would develop the KMAs. All seven were WW employees and were or had been FDs. Two were currently at HQ working as PCs.

D. Re-interpreting Regionalization

Shortly after Fonseca arrived at HQ, meetings were held to review with him the plans and progress of regionalization. In these meetings, Fonseca asked a variety of questions pertaining to the purpose of regionalization and the Board's mandate. Fonseca claimed that the responses to his questions were confusing him. Some staff, especially those in the Program Department, expressed the view that regionalization was simply the relocation of activities and functions previously performed at HQ to a regional location. Others expressed the view that through regionalization different types of activities would occur and that FOs would be better supervised and supported. This view included the perception that the relationship between a FD and AM would differ from the current relationship between an FD and a PC.

The difference in views over what regionalization would be was based on underlying assumptions about whether the PC-FD relationship should be collegial with an emphasis on support as opposed to hierarchical with an emphasis on supervision or control. Within WW's sub-culture the collegial relationship between the PC and FD meant that in the past deficiencies in donor services, report writing, and administrative procedures would often be overlooked. Considering this a problem, staff outside the Program Department saw regionalization, and the resultant closer proximity of the PC to the FD, as an opportunity for improved oversight of field operations and an increased ability to identify and correct poor performance. The other view was that regionalization should not change the collegial relationship between the FD and the person to whom he/she reported, but that their closer proximity would facilitate better support to FDs to solve operational problems.

This distinction is important for understanding the subsequent experience in organizational redesign. In his report, Peters's had specified that

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regionalization was intended to provide both more support to field staff and improved management oversight and control. Staff preference for one outcome versus the other served as a framework or lens for interpreting the intended design and actual experiences of regionalization. The presence of these two frameworks and the conflicts between staff whose interpretation of events was based on them were critical factors shaping regionalization.

In effect, the assumption that the role of HQ was to "support" the field was being challenged by an assumption of WW's sub-culture that the field needed to be controlled. The former view was held predominantly by staff in the Program Department who defined WW's mission as development. The latter was taken by staff who had not been socialized to conditions in the field, such as LaVoie and Fonseca, and who focused more on WW's need to be accountable to donors.

Fonseca was particularly concerned with the reporting implications of the regional structure, including the direct line between the RD and the Program Director at HQ. He sought clarification of the purposes of regionalization from Peters who came to HQ in the spring of 1987 and met with Fonseca and staff to further explain the intentions of his recommendations. In justifying the relationship between the RD and Program Director, Peters explained that his plan was based on a regionalization of the Program Department not of all HQ. The regionalization experiment would place functional staff in MIS, auditing, human resource development, and evaluation in the RO. The latter two were to report to the RD, while MIS and auditing reported directly to their supervisors at HQ but were to be given 'rations and quarters' at the RO.

Smithson, who had been appointed Director of Regionalization by Fonseca,

classified this restructuring as 'decentralized centralization': "We are decentralizing down from HQ while centralizing up from the field". This was dependent on the development of the KMAs that would better identify, monitor, and control FO expenditures and progress towards program objectives. These systems were seen as providing the mechanisms to allow HQ staff to shift oversight responsibility to staff at the RO.

In his visit to HQ, Peters shared with Fonseca his concern over the staff appointments (11). He had expected WW to hire the best talent available. Instead, Hartley and Benedict had selected insiders, individuals who, though thoroughly familiar with WW field operations, were regarded by Peters as lacking technical expertise in general management, planning, and human resource development.

Following this attempt to clarify the purpose of regionalization, Fonseca deliberated over the structural design and the appointed personnel. He expressed doubts about the management ability of Jorge Vasquez, who had been selected RD. Vasquez, a Panamanian, had 11 years experience with WW, as an FD in South America and Asia and as a PC at HQ. He was popular in WW, very knowledgeable about its programs, and committed to a people rather than procedural approach to development management. Benedict had selected Vasquez for his diplomatic skills, ability to build staff consensus, and apparent readiness for this promotion.

In a confidential interview, Fonseca claimed that the mission given to him as new IED by the Board was to impose stronger management controls over the field and reduce operational expenses. He did not think he could overturn any of the decisions that had already been made with regard to regionalization. He was especially concerned about the relative independence of the RO and felt there was a need to establish procedures and controls over its activities. Yet he perceived that Vasquez was

aligned with the Program Department and lacked the management expertise necessary to run a RO and increase controls over FOs.

Fonseca decided to place an individual in the RO that would act on the behalf of HQ and serve what he called 'an independent control function'. This was to ensure that line staff complied with administrative procedures and that the staff person responsible for this checking mechanism was independent and reported directly to HQ. Antonio Gomez, the Assistant Controller at HQ, was asked by Fonseca to relocate to the RO and take the position of RA. This would be a two year assignment where Gomez would oversee the administrative running of the RO. To provide for his independence, Gomez would report directly to WW's controller at HQ. Under Peters's model the RA would have reported to the RD, so Fonseca's decision altered one aspect of the planned change, the first of other changes to come.

Fonseca justified this deviation by claiming that the experiment was a regionalization of the Program Department, not HQ, and there was a need for independent control within the RO. In explaining this during a meeting with the senior management team, Fonseca gave Peters the opportunity to disagree, but he remained silent. Fonseca later claimed that he had not done anything that conflicted with Peters's intent.

During a subsequent interview, Peters stated that his initial aim was for a regionalization of all HQ. However, due to his lack of faith in the management abilities of the personnel selected for the regional positions and his desire to give the new IED an opportunity for input into the process, he felt that he had to go along with Fonseca's preference. Peters had modified the design of the divisional structure by placing the reporting relationship of the RD to HQ under the domain of the Program Department instead of the IED. This gave Fonseca the subsequent

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opportunity to reinterpret the aim of regionalization as a structural
change for the Program Department rather than for all HQ and led to the
change in the positioning of the RA. The model for organization redesign
incorporating this revision is depicted in Figure 4-2.

This change was an important modification to the redesign since it reduced
the authority of the RD to make decisions and have full responsibility for
all functions. In Peters's plan the RO was a counterpart to HQ. Everyone
in the region would be responsible to the Regional Office whose head had
the only direct reporting relationship to HQ. As Figure 4-2 shows,
Fonseca's alteration led to a replication in the region of HQ's separate,
functional departments.

FIGURE 4-2

REGIONAL STRUCTURE AFTER CHANGE MADE BY FONSECA

== == ==: represents reporting
relationship proposed by
Peters but deleted by
Fonseca

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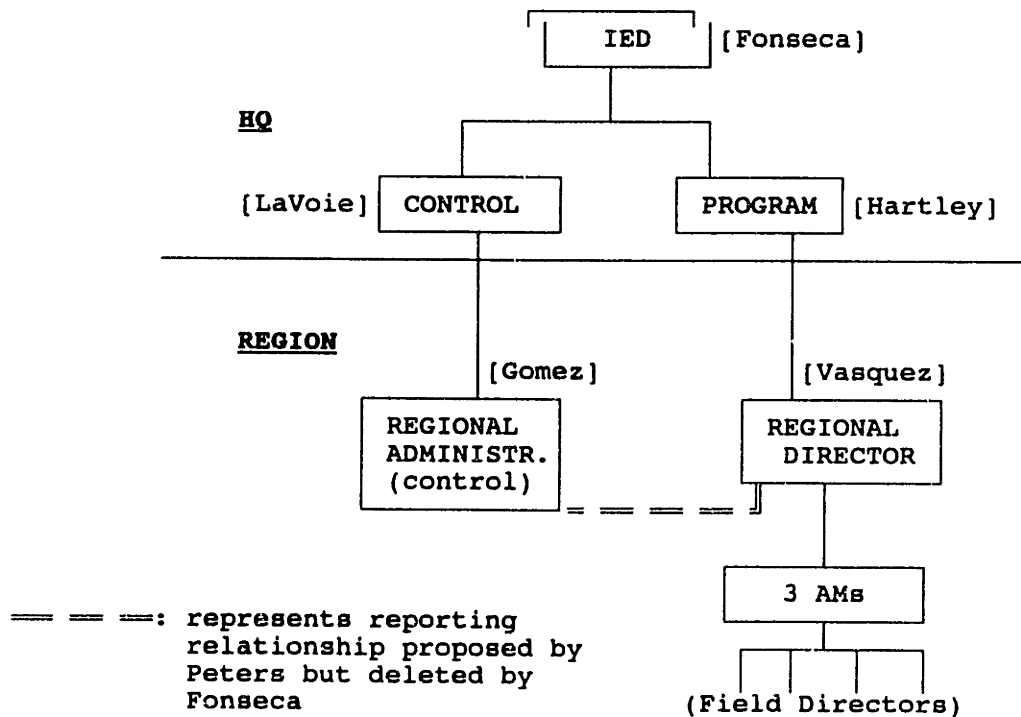
E. Training and Orientation of RO Staff at HQ: Trouble Begins

The newly appointed RO staff for South America came to HQ in April, 1987 for training and orientation. According to the three AMs and the RD, however, they received no training but were immediately given the task of reviewing and approving FO budget submissions for the next fiscal year. Conflict immediately arose between Fonseca and Vasquez over the handling of the RO team while at HQ. The RO team was not given any office space or administrative support and received a per diem for food and lodging rather than all expenses as was the policy for field staff visiting HQ. The AMs convinced Vasquez to send Fonseca a memorandum requesting equal treatment for the work they were doing. A change was made in their benefits, a small victory that pleased Vasquez. However, he became upset when Fonseca told him that the issue was trivial and called them a 'bunch of troublemakers' (12).

Meanwhile, issues pertaining to the set-up of the RO had to be decided and their resolution found the RO team in further conflict with Fonseca. In reviewing FO budgets which the AMs submitted, Fonseca would demand detailed explanations for proposed expenditures and would question items that Benedict never bothered about. He also denied or limited the requests of the RO staff for benefits when based at the RO that field staff ordinarily received, such as vehicles for personal use. These issues may have been trivial, but the subsequent interaction between Fonseca and Vasquez to deal with them was not. The result was that Vasquez and the AMs saw Fonseca's management style as controlling and demonstrating little confidence in their plans or abilities. Fifteen months latter they would refer to that initial period at HQ as "the time when our trouble with Alfredo began".

Subsequent interactions and communications between Fonseca and the RO were seen or interpreted within this framework. This was important in the

implementation of change at WW since it reflected a pattern wherein

Fonseca intervened in many decisions which the RO team felt were properly

their own. It also raised doubts among staff over who was really in

control of the region and how autonomous the RO was to oversee WW's South

American operations.

F. May, 1987 Conference: A Meeting of Many Minds

One of the RO team's activities at HQ was planning a conference where

regionalization would be introduced to field staff. All 19 South American

Internationals, both FDs and ADs, based in Colombia, Ecuador, and Bolivia,

attended as well as senior HQ staff involved in planning regionalization.

The conference was regarded by the RO team and HQ staff as an opportunity

to discuss the experiment for the first time with all parties together.

The conference, situated at a rural retreat center near HQ, lasted for

eight consecutive days during which all conceivable aspects of

regionalization were up for discussion. At the beginning of the

conference Fonseca made some introductory statements to explain the

purpose of regionalization and introduce Smithson as Director of

Regionalization. The following are edited portions of Fonseca's remarks

taken from the official transcript of the conference:

> '..After the study by James Peters, we want to decentralize from HQ
> program decisions and as many other decisions in the areas of
> control, methodology, data processing, and other function areas of
> management as possible. The purpose of this is of course to offer
> better support to the Field management and to hopefully improve the
> way in which we are operating by decentralizing decisions to the
> Field or as close to the Field as possible. The biggest problem with
> Regionalization is of course this decentralization, the actual
> delegation of authority not the responsibility..........There are
> certain items we all must watch for, pitfalls which if not avoided
> may really cause a lot of trouble in the process and may even
> eventually result in its failure. In other words, one of the things
> that Regionalization should not do is to limit or misuse the
> initiative of the Field Directors and the Field Managers.
>
> Remember, this is an experiment. We are in a way guinea pigs; we are
> really trying something that this organization has never tried
> before. Very few organizations have been successful; we have to

behave accordingly in terms of flexibility, in terms of openness, and in terms of putting in the extra effort to make it work. But, yet, at the same time, we must make sure that if there is something which is going wrong, we blow the whistle right away - immediately. In other words, we alert management of the organization that particular aspect is not working.

This is the reason why the Regionalization - the core of the nature of Regionalization - has been assigned to a particular person - The Director of Regionalization who is not involved in any areas which are being decentralized - not program, not control, not management information. The purpose of that function is to on the one hand monitor the progress of the implementation of Regionalization but on the other hand to function as a lightning rod, if you'd like, to any tension, to any dissatisfaction, to any uncertainty that might be generated by the experiment. It is a position that acts pretty much like an ombudsman between the Field and HQ.'

There were several aspects of Fonseca's remarks that conflicted with what the HQ and RO staff had so far experienced in undertaking this "experiment". First, while Fonseca claimed that the objective of this change was to decentralize decisions from HQ, WW/International's inverted tack structure already gave field staff great latitude in making both program and administrative decisions. His articulated concern to not limit the initiative of FDs was in conflict with the expectation, held by most of Vasquez's team, that they would more closely supervise field staff. Fonseca's interest in providing better support to the field was contrary to what the RO team had experienced. Finally, the emphasis placed on the experimental nature of this new structure created the impression that, if necessary, changes would be made in its design.

The last day of the conference featured an exercise run by an organization development consultant to elicit concerns about the issues which staff saw as needing further clarification. The most important issue identified by field staff was the authority of the RA versus that of the RD (13). This was tied to their concern that regionalization be a regionalization of all HQ not just the Program Department. Field staff envisioned the RD as having full responsibility for the Region much as FDs had full responsibility for their FOs. (i.e. One cultural assumption, the competence of the FD, begets another.) Fonseca stated that the RO

structure was an image of HQ's structure and that the separation of the
control function within the RO reflected this. Vasquez recognized the
potential for confusion and claimed that regional staff would have to work
in the 'spirit' of regionalization to solve problems together as they went
along.

Seven days earlier at the beginning of the conference, Fonseca had stated
that the design of regionalization was subject to change. Yet the
reporting relationship of the RA to HQ, which Fonseca had changed from
Peters's plan and which staff had identified as a major problem, would not
be altered. This reinforced the shift in WW's structural redesign away
from an M-Form divisional structure since there was no staff role to
integrate functions within the region. At WW planned change was moving in
a direction that would produce a hybrid structure shaped by different
interpretations of what the change should be. Fonseca's claim that WW's
regional structure would reflect HQ's failed to recognize that no one in
the RO would have a role commensurate to his own in overseeing all
functional areas.

IV. THE SHAPING (and reshaping) OF PLANNED CHANGE: PART ONE

While FOs in South America were now grouped on the basis of geography
within a new structural component in WW/International's hierarchy, the
result so far was an organizational design that differed from what was
initially planned by Peters and approved by the Board. As this chapter
reveals, the shaping of change began during the planning stage before the
process of implementation had even begun. Thus the line between the
design of change and its introduction and subsequent implementation or
adoption cannot easily be drawn.

Peters shifted his ideal design for change on the basis of his perception

of staff capabilities. The Regionalization Working Group tried to adapt

Peters's plan but failed because Benedict, given his style and lame duck

status, capitulated to the pressure from Peters. Fonseca, unsocialized in

WW's culture, also wanted to alter the RO structure. He was successful

since his change was an extension of Peters's own efforts to adapt the

redesign to his perception of the realities at WW. Thus the shaping of

WW's regionalization experience was dependent on the sequencing of

critical events and decisions.

A single pattern of shared meaning about WW's planned change did not

emerge from this sequencing since events were being interpreted and

subsequently re-interpreted on the basis of different cultural assumptions

(14). Distinctions in ideology and between functional segments

contributed to a lack of shared understanding over exactly why the planned

change was needed and how the structural redesign would function. The

arrival of Fonseca further complicated this process because he was

insensitive to Worldwide's culture, although his actions were consistent

with the assumptions of WW's organizational sub-culture. The result was a

mix of intended efforts that altered the planned change in unanticipated

ways and other efforts which failed to do so.

NOTES TO CHAPTER 4

1. During this period both the size and number of field offices were
growing. Responding to emergencies and other critical problems became a
priority for the PCs leaving insufficient time to equally support all
field directors. Consequently, FDs were complaining that PCs were not
providing them the support they needed. Some FDs were left in the field
unvisited by an HQ staff person for up to 18 months.

Meanwhile, the size of HQ was also growing. Another problem perceived by
senior management was that communications between functional departments
and between functional departments and the field was becoming more
complicated. For example, FDs were getting confused by the number of

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communications channels they had with HQ. Although the PC was their main contact, they also had to coordinate the information and work requests of technical HQ staff.

2. Although not explicitly stated by Peters in his report, the reason why a lack of management control was a critical problem is a danger which I associate with the public character of PVOs like WW. To operate in third world countries development organizations must maintain good relations with various levels of host government administration. In the current post-colonial period political pressures have grown in many areas to limit the activities of foreign based PVOs or bring them under greater local control. As a result, the need to avoid any appearance of malfeasance or immoral behavior by expatriates has grown.

Another problem for PVOs takes place on the marketing side. Successful fundraising is dependent on an organization's public image and credibility. Over the years there have been a variety of scandals and public investigations about non-profit organizations that were mismanaged or where funds were embezzled. Such cases raise both the public's awareness of the dangers of entrusting funds to charitable organizations and the sensitivity of organizational members to any semblance of impropriety that might be revealed to a skeptical public.

Although WW had avoided any major incident that might jeopardize its public standing, several problems had recently occurred to make WW's Board more sensitive to these issues. First, a French journalist after visiting a FO in Indonesia had written an essay in a Paris newspaper that was critical of WW's activities. The journalist alleged that WW's projects were creating long-term dependency among sponsored families and doing nothing to solve the larger problems of underdevelopment. The essay was subsequently used by several leftist political organizations that were pressuring both the French government and the EEC to change their economic policies towards third world countries. The result of this exchange was that 10,000 French sponsors terminated their financial support of WW; this loss would have been much greater had not WW/France countered this negative publicity with its own campaign of personal testimonies from French politicians and movie stars.

Another case of public embarrassment for WW involved the social life of a gay, bachelor FD in a small provincial capital in Thailand. His lifestyle which was inconsistent with local values became known to government officials who informed HQ that, unless the FD was removed, the government would terminate its agreement with WW thus requiring the closing of all of its offices. These incidents coupled with the growth at WW increased the Board's concern over mismanagement. It was the presence of these concerns and fears, justifiable or not, that prompted Peters and ultimately the Board to advocate for structural change.

3. When FOs were small and programs only distributed financial assistance, the complexity of the FD's role to coordinate all functions was slight. However, as the number of families serviced by FOs grew and as WW funded more diverse projects, larger technical and administrative demands were placed on a FD. For example, when WW programs transferred funds directly to sponsored families, no decisions had to be made about how best to transfer those funds in-kind. As WW became project oriented, such decisions had to be made. Also as the size of field offices increased, the burden of accounting for funds and meeting the demands of donor services also grew. Efforts were made to train FDs in response to these demands as accounting and finance staff at HQ put increasing pressure to focus on administration rather than program. This had minimal impact since the credibility of accounting and finance staff was low; none of them had "field experience", whereas all Program staff had.

4. From page 5 of Peters's final report to WW's International Board of Directors.

5. Peters's views and privately held concerns were elicited in several interviews and informal discussions.

6. Throughout the period of implementation the design of these elements, which together became known within WW as 'the regionalization model' and 'the regionalization experiment', was revised and subsequently evaluated. Staff regularly referred to the model proposed by Peters as they tried to understand and interpret his intentions. This blueprint became a critical anchor as staff developed plans and designed steps that would make regionalization at WW a reality. Due to Peters's known ties to the Board of Directors and their subsequent approval of his plan, management staff attached great legitimacy to these ideas which continued well into the implementation period.

7. Data shared with me in interviews with staff at HQ and in the field.

8. This discussion is based on my personal notes taken as a member of the Regionalization Working Group.

9. During the previous two years Benedict had become less and less involved in the day-to-day operations of WW. This had led to a practice of delegating special projects or policy initiatives to staff committees to increase inter-departmental communication, and hopefully cooperation as well. After the general organization redesign was agreed upon, it was not unusual that Benedict left the details of planning and implementation to staff.

10. The inability of the Regionalization Working Group to change Peters's design demonstrates that some efforts to alter change do fail. This is important since this aspect of the planned change, the 'two hat' role of the AM, does change but at a later date under different circumstances. Also the quote from Benedict's memo to Hartley reveals how plans for change become formalized and justified. Where before Benedict had specified staff's role in revising Peters's design to make it workable, now any change was unacceptable.

11. From interviews and discussions held with Peters.

12. Based on interview data with Vasquez and his description of his meeting with Fonseca. The matter was not seen as trivial to Vasquez or the AMs. From their perspective they were doing the same work as staff at HQ but were not receiving comparable compensation. Within the group there were differences as well since one of the AMs had most recently been a Program Coordinator at HQ and was still being compensated as an HQ employee. Having just been FDs where they could make their own decisions and personal arrangements, Vasquez and two of the AMs found their temporary situation at HQ demeaning. It was inconsistent with an organizational norm that FDs were highly valued and treated with respect.

13. Data from field notes taken at the conference and confirmed in conference proceedings.

14. Fonseca, Smithson, and HQ staff were not unaware of the potential for misunderstandings, hence the eight day South American conference on regionalization. They acted on the basis that through careful planning and information sharing uncertainty and confusion could be eliminated. However, their focus on the details of implementation ignored sub-cultural differences.

CHAPTER 5

CHANGE IN SOUTH AMERICA

This chapter describes WW's organizational change in South America. Particular attention is given to the creation of the Key Management Areas and the new roles in the regional structure and how change was perceived by staff. For each year there is a section that lists the major deviations that took place from the change plan and indicates how elements of culture can account for those deviations. An historical outline of key events is an appendix to the chapter.

I. YEAR 1: A CAREFULLY PLANNED EXPERIMENT BECOMES A CONFUSING REALITY

At the start of WW's fiscal year (FY) on July 1, 1987 the South American Regional Office (SARO) officially opened, but all regional staff were not on location until September. During the succeeding months a variety of key events took place at WW. Some events reflected differences between Fonseca and Benedict.

A. Fonseca Makes an Impression

When Fonseca replaced Benedict as IED, he interpreted his hiring as a mandate for change. In an interview, Fonseca stated:

> "...the situation I found when I joined Worldwide in 1987 was
> one of a Program group literally out of control, operating
> without any attention to the Control function's
> recommendations to correct situations in which there was clear
> evidence of mismanagement and waste..."

He believed his mandate from the Board was to turn this situation around, to institute management controls, and to maintain the pace of growth while keeping costs down. The only restriction placed on him by the Board was that no one could be fired. To achieve his mandate, Fonseca made a series of changes that were consistent with the assumptions of WW's control sub-

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culture: that there are problems in the field, that the mission of WW is to ensure accountability to sponsors, and that the role of HQ is to control the field. Fo ıca also assumed that the best way to motivate staff and make decisions was through open conflict, a contrast with the assumption of WW's organizational culture that staff should be nice to one another.

1. New Modes of Decision-Making

As IED, Benedict had solicited the opinions of staff when making policy decisions. He would usually do so by convening meetings of the senior management team to discuss an issue at hand and identify the relative merits of a particular recommendation. Some decisions were made by consensus but for issues affecting the field Benedict gave more legitimacy to the views of staff in the Program Department. Statistical information was used but never alone, since Benedict and Program Department staff did not have strong skills in quantitative analysis. What Benedict valued was staff opinions that came from field experience (1).

When Fonseca arrived at WW, HQ staff were exposed to a new style of decision-making in several respects. First, Program staff found that Fonseca would not make project decisions on the basis of consensus but would solicit the opinions of both Program and non-Program staff separately and then inform staff of the decision he had made. According to one PC, "his management approach is Caesarian: divide and conquer".

Second, a judgement derived from field experience was not sufficient to justify a position to Fonseca. He demanded objective or quantitative evidence to substantiate a course of action. Since Program Department staff were not skilled in quantitative analysis, while LaVoie and his staff of auditors were, Fonseca began to rely more on the latter group to make decisions.

Through his contact with LaVoie, Fonseca found old audit reports critical of WW projects in cooperatives and infrastructure such as bridge, road, and well construction. As a result, Fonseca began to closely question staff ~bout current and proposed projects. These questions, which became known as "Al's inquiries", pertained to a level of detail that had never concerned Benedict (2). When Fonseca questioned Program staff about projects, he challenged replies that staff felt should have been acceptable. The style was more confrontational than Benedict's and led Program staff to feel that Fonseca did not value their judgement.

Besides confronting staff about project decisions, Fonseca initiated procedures that required all staff to account for their use of time. Weekly time cards were introduced. Staff were required to prepare and regularly update activity lists indicating the allocation of their time. Fonseca introduced the 'plan of action' as a management device. To complete a 'plan of action' staff had to specify all the tasks essential in completing some objective, who was responsible for each task, and completion dates. All departments were required to prepare a 'plan of action' of their annual objectives to be reviewed by an employee's supervisor and then used to monitor progress.

The result of Fonseca's initiatives was to change the work environment at HQ. Where decisions were previously made by Benedict in a diplomatic way to reduce or avoid conflict, it seemed to staff that Fonseca welcomed or intensified conflict. During this period, stories circulated about how Fonseca would pound on desks to make his point or would tell a staff member in front of his peers that he was incompetent. Most staff, including those who concurred with Fonseca about the need for change, felt that he was violating an important assumption at WW that everyone should be nice to one another. Although staff followed the changes he made, there was a growing alienation between Fonseca and most staff because of

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the process used to initiate these changes.

2. New Policies to Increase Controls on Field Directors

Besides making changes whose impact were immediately felt at HQ, Fonseca made policy changes to affect field operations. These changes took longer than those affecting HQ since they covered a range of activities and required the revision of legal documents.

a. The new "power of attorney" and Form "X"

In taking charge of a FO, each Field Director is given the "power of attorney" to represent WW on contractual agreements and in legal proceedings. In this way, the FD carries the authority of WW/International to enter into negotiations with governments and suppliers of office space, equipment, and project materials. During Benedict's tenure there were no restrictions on a FD's authority to represent WW except for the financial constraints in the approved budget and a few policies written in the 'Manual of Operations'.

Fonseca told LaVoie about his desire to institute greater control over field expenditures. Subsequently, LaVoie informed Fonseca that WW had no mechanism to control the use or acquisition of fixed assets. Fonseca reviewed the existing "power of attorney" agreement as well a legal opinion that had been presented (but ignored) two years earlier to Benedict from WW's consulting attorneys. The latter had pointed out that the International Board and its representative, the IED, were responsible for monitoring the procurement of any real assets. Fonseca decided to have the "power of attorney" agreement rewritten and signed by all FDs. Henceforth, all contracts involving 'the purchase, construction, lease or disposal of fixed assets', valued at more than $1,000 would need the prior approval of HQ. For each instance, a "Form X" which described and provided a justification for the expenditure would have to be completed.

The ramifications of this change, in increased paperwork and delays for FOs that had budgets of up to several million U.S. dollars, were significant. Notification of the procedures was sent directly to FOs on January 4, 1988 without consultation with field or regional staff (3). Most FDs received the new procedures before staff at the RO even knew about them. When contacted by FDs to discuss the procedures, RO staff were unable to explain this HQ initiative.

b. **Budget ratios and "variance reports"**

Another change that Fonseca instituted to control field operations was in the allocation and monitoring of FO budgets. During the previous ten years the success of WW's MOs in raising funds was greater than the field's ability to spend them. The Board was leery of bad public relations should the size of WW's surplus and the decreasing percentage of revenues spent on field projects become known. Benedict and Hartley had tried to solve the problem by cajoling field staff to spend project funds, but the surplus had continued to grow as had the percentage of funds allocated to administration. To assure contributors that their money was being well spent, the International Board advised Fonseca that 50% of contributions should be spent on projects.

Fonseca took a proactive approach in addressing these concerns. He first asked each FO to submit to HQ a breakdown of budgeted expenditures into three categories: project costs, staff salaries, and administrative overhead. Subsequently, he informed the Program Department that the budget submissions proposed for WW's next fiscal year would be reviewed in terms of certain percentages or ratios. Henceforth, FO budgets should be allocated to projects, staff salaries, and administration according to the following formula: 55/30/15. FOs were expected to reach this ratio as soon as possible, since the long-term goal was a ratio of 70/20/10. Given the administrative cost in running the MOs and HQ, achieving the latter meant that at least 50% of sponsorship funds would go into projects that

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directly benefitted sponsored children.

Fonseca also instituted a new policy to track expenditures. Each FO submits to HQ a Monthly Financial Statement listing all expenditures by account code. However, no comparison was made of actual versus budgeted expenses. Fonseca required FOs to submit quarterly reports which showed actual and budgeted expenditures with the latter calculated as 25% of a FO's annual budget. If actual and budgeted expenses were not equivalent, the "variance" would have to be explained. Under Benedict, the amount and type of field expenditures were monitored on an aggregate basis worldwide. The new policy gave Program Department staff the opportunity to identify underexpenditures early on so corrective action could be taken before the end of the fiscal year.

3. The Relationship between Regionalization and Policies to Control the Field

From Fonseca's point of view, the changes he was making were applicable to all FOs and had nothing to do with the plans to open a RO in South America. Upon receiving the memos on these new policies, many field staff in the South American Region (SAR) believed there was a connection between them and the opening of SARO. They did not welcome the restrictions these policies placed on their decision-making authority. They thought that, if these changes were what regionalization was all about, then they didn't want or need regionalization.

SARO staff were incredulous that field staff knew about these new policies before they did. Within their interpretation of what regionalization would mean and their role in it, policies affecting SAR FOs should be made in SARO or at least discussed with them beforehand. They also felt compromised by being in a role which required them to explain, if not justify, policies for which they had no input.

B. Activities in the Region

As Fonseca was making changes at HQ that affected all FOs, events were taking place in South America to establish the regional structure.

1. January, 1988 Conference in Guayaquil

The 1987 regional conference had been attended by HQ and International staff only. Yet implementation of the key management areas (KMAs) required the direct involvement of national staff. Thus, the RO team and HQ staff decided to hold a conference in the region in Spanish to introduce Nationals to the KMAs.

The four day conference was held in Guayaquil and attended by senior staff from HQ and Nationals and Internationals from the thirteen FOs in Bolivia, Colombia, and Ecuador. It was HQ's first opportunity to actually see the RO team in action in the region. With the KMAs still under development, there was prolonged discussion about design issues which revealed conflicts within the RO team and between the RO team and HQ staff. Functional managers from HQ tried to make it clear to Vasquez that the management priorities of HQ were paramount in comparison with the program priorities he had for the region. The dynamics of the conference also indicated an imbalance in the extent to which the RO team could either make or clarify policy. Fonseca often intervened in the discussion giving all staff the clear message that he, not the RO team, was in charge.

After the conference HQ, Regional, and International staff met alone for another day. This session, held in English, covered administrative matters, such as budget preparation and Form Xs, and issues regarding regionalization and the KMAs. International and Regional staff raised many diverse questions, such as who is to get what information, and the authority and reporting relationship between the RD and the RA. Despite all the effort in planning and specifying regionalization, staff were

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either unsure of many details or held conflicting opinions about
regionalization. Smithson, as Director of Regionalization, conducted
interviews throughout the week with all the Internationals. He found a
great deal of uncertainty about staff roles, frustration about reporting
relationships, and distrust among staff:

> "nobody trusts each other. Fonseca doesn't trust Vasquez,
> Vasquez doesn't trust Fonseca, LaVoie doesn't trust
> Vasquez...nobody trusts anybody, it's a fucking snake pit."

2. Key Management Areas

The success of regionalization as envisioned by Peters was dependent on
establishing the three KMAs in human resource development (HRD), planning
and budgeting (P & B), and field evaluation (FOES). Staff had since
decided that FOES would be a system to monitor several key indicators,
such as income, infant mortality, and literacy, that reflected the quality
of life of sponsored families. A baseline study would be conducted on a
sample of families and then longitudinal data collected to monitor
progress. P & B became a system to assign responsibility to sponsored
families for identifying program goals and project priorities. The costs
associated with projects would be budgeted and expenditures tracked. HRD
would be a system to standardize personnel administration throughout FOs
and would include job descriptions, job evaluation, performance appraisal,
and the identification of training needs.

The RO implementation plan specified that all FOs would have the KMAs
operational during Year 1. One of the first responsibilities given to the
KMA specialists and the AMs by Fonseca was the preparation of detailed
plans with schedules for establishing each system. As staff identified
the required KMA tasks, they became concerned with the shortness of the
timeframe and the lack of needed resources, details not contained in
Peters's plan. In response, Fonseca decided that the systems would be
installed during Year 1 in only 7 of the 13 FOs in the region. These FOs

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became known as the 'Kamikaze 7' or the 'Magnificent 7' (4).

Throughout Year 1, the Kamikaze 7 were visited intermittently by the AMs,
the RA, and KMA staff, each of whom customarily visited alone. FDs found
they were receiving contradictory advice. One week an FD would receive
advice on the P & B system from the RA; the next week the AM for P & B
would advise something different. Such experiences created confusion over
who was responsible for these systems and what the systems were really all
about.

3. Control and Allocation of Resources in the Region
Prior to the start of WW's fiscal year, all FO budgets are reviewed and
approved at HQ subject to final authorization by the Board. During Year 1
of regionalization the exchange rate between U.S. dollars and Ecuadorian
sucres was more than twice what had been budgeted. As a result, there
were surplus funds in local currency that could not be spent in Ecuador
without going over budget but could, in theory, be exchanged for dollars
and spent elsewhere.

Meanwhile, FDs in other SAR countries requested supplemental funds for the
fiscal year to support additional projects. In one case, a FD needed
additional funds just prior to the end of the fiscal year. Neither the AM
nor the RD felt they could approve the request, and no one could be
reached at HQ to make a decision. The plan was to transfer, to that FD in
Bolivia, the surplus funds that could not be spent in Ecuador. Fonseca
was finally contacted while traveling in Asia but denied the request
because of restrictions placed by the International Board on inter-country
transfers (5).

While FO and RO staff were limited by the types of budget decisions they
could take, they found themselves responding to other decisions taken at

HQ without their input. Some decisions about activities at individual FOs were made or approved by HQ without consultation of RO staff. For example, one AM and the RD learned of HQ's plan to increase the caseload of a particular FO only after the decision had been made and communicated to the FO by HQ.

These actions indicated that SARO staff had limited authority to run the region as an autonomous division. HQ was seen by the FDs as maintaining control of field operations. This perception was reinforced by the direct line of communication between HQ and FOs.

4. The New Role of Area Manager

One of the stated objectives of regionalization was that by having the AM in the region the role would provide not only better oversight of specific field offices but also consistency between them. PCs at HQ were supposed to visit their assigned FOs one week per year. Now AMs were actually spending at least two weeks per year at each FO. Training conferences provided other opportunities for AMs and FDs to interact, thus increasing the contact between FDs and the next level up the organization (6).

Yet there were differences in how the AMs perceived their role especially in its relationship to the FD. Two of the AMs were more directive of the work of FDs than PCs had been in the past (7). They saw their role not as a FD's partner but as a supervisor:

> "It's not my aim to be a nice guy. I don't want to sit on the neck of a Field Director....but if he's a problem, then I will".

> "There will now be more consistency in what happens at Field Offices since AMs know more about what is going on.... and we can be more decisive, but it hasn't become clear to Field Directors that the AM is their boss"

The one AM who had been a Program Coordinator at HQ developed his role as

a partner to the FD and focused his efforts on FO support:

> "Our role is to help field staff deal with HQ's constraints on
> Field Office operations. This is made harder by the lack of
> authority of the Regional Office....Rather than monitor the
> compliance of Field Directors to WW's policies, my role as an
> Area Manager is to tap into the development network and share
> information [about project design and implementation]."

When WW's structural redesign was presented at the May, 1987 conference,

all FDs welcomed the possibility of being supported by a RO. When

interviewed in 1988, 5 FDs indicated they were more comfortable in their

relationship with their present AM than they had been with a PC at HQ (8).

The remaining 7 FDs claimed that reporting to an AM based in a nearby RO

was a negative effect of regionalization.

The issue reflected a persistent conflict in underlying assumptions,

whether the AM should "control" or "support" the FD. The preference of a

typical FD was that the AM provide support as shown in this statement:

"The AM gives me feedback when I ask it. He gives me freedom to act, and

doesn't dictate to me". From the viewpoint of the FD, the AM should allow

the FD to do what he/she wants. Yet when interviewed two of the three AMs

felt that the FD should do what the AM thinks should be done (9).

The other major function of the AM in their 'two hat' role was to oversee

installation of the KMAs in the Kamikaze 7. All three AMs considered this

responsibility impossible to manage since the KMAs were still being

developed. From their perspective, the demands placed on them to

coordinate KMA tasks with the technical staff at HQ, become knowledgeable

about field operations, and to understand the new policies being issued

from HQ were excessive.

At the Guayaquil conference, Vasquez and the AMs asked Fonseca to change

the AM's role. They presented him a plan in which one of the AMs would

take on complete regional responsibility for the KMAs and the task of

overseeing FOs would be divided between the other two. Fonseca turned down this suggestion claiming that the 'two hat' role was an integral part of Peters's design and there was no formal evidence (other than their subjective opinions) that it could not work.

C. Perceptions of Change

1. HQ Staff: Coping with Change at Home, Trying to Manage Change Abroad
In April 1988 ten months into the experiment, senior HQ staff were interviewed about how regionalization was progressing. When asked to convey their immediate reaction to the word 'regionalization', they all responded negatively. The term brought out such responses as: "problems", "a bloody nuisance", "the concept is good, but..", and "a complete muck-up".

One department director reacted in this fashion:

> "Ahhh,....well that's (i.e. problems with regionalization)
> because of all the history. It started when we independently
> wrote papers about our structure. Then it was taken out of
> our hands when the Board thought it too big for us to handle.
> Then we had that Committee and they [Peters and Benedict] said
> no, this is the plan. It [regionalization] was OK when we
> [staff] were able to progress with it....It's clear that
> Fonseca thinks the SAR model is flawed and that Peters's
> report, given his background with McKinsey, had an emphasis on
> strategy rather than implementation. That's what we're
> struggling with now."

These remarks indicate the negative view that HQ staff held towards regionalization as implemented. The long quote reflects staff distaste for the process due to their inability to make adjustments on the basis of their own experience. In this and another set of interviews conducted three months later, staff conveyed their frustration in trying to adjust to the new structure and the changes made by Fonseca. On the latter issue one department director stated:

> "everyone now is watching out for themselves. There is a lack

of trust orientation....Everyone is focusing on their own
concerns and responsibilities....We don't have anyone around
here with necks. No one sticks their neck out anymore."

Regionalization involved transferring tasks and management responsibility
from HQ to the Region. However, this change coincided with staff being
held more accountable for their functional areas. Fonseca required HQ
staff to place a high priority in designing and setting up the KMAs in SAR
since he considered these necessary to decentralize authority from HQ.
When faced with a choice of delegating authority to RO staff or
maintaining control, HQ functional managers opted for the latter. For
example, when Vasquez requested Gomez's help in designing the P & B
system, LaVoie refused to make him accessible:

> "I would not allow Gomez to work on the P & B system unless
> Fonseca released 'is [LaVoie & Gomez] from our responsibilities
> that would have to be sacrificed....Fonseca would not do so
> and so it was up to Vasquez to decide how the P & B work would
> be done."

HQ staff found it much more difficult to do things in South America than
in Africa and Asia which continued to operate under the old structure.
When HQ staff needed to contact FOs in Asia and Africa, they could do so
directly without having to coordinate their actions with a RO. However,
in SAR, some issues, such as KMA design, had to be brought to the
attention of SARO thereby complicating their resolution. Meanwhile,
internal memoranda from HQ were still being sent directly to FOs, by-
passing the RO. That HQ staff were required to go through the RO for some
matters but not for others was confusing and led to further ambiguity over
SARO's role (10).

Uncertainty over the RO's role was combined with the perception among some
HQ personnel that the RO staff were incompetent (11). Vasquez was seen by
Fonseca and LaVoie as "part of the fraternity" [of the Program Department]
that had refused to control FDs in the past and as lacking general
management skills. They also claimed that the AMs did not have the

technical skills necessary to implement the KMAs.

In an interview, Fonseca expressed his concern about Peters's model and in particular the 'two hat' role for the AM. However, he would not change the model since he felt there was little substantiation about its problems and because the Board had imposed it. Fonseca claimed that:

> "The Board's imposition did psychological damage to staff as it reflected their lack of credibility in what staff could do.."

Fonseca justified his direct contact with Vasquez and the staff developing the KMAs since the Program Department did not have the prerequisite supervisory or technical capability. He felt it was better for him to be involved now rather than intervening latter. He also expressed awareness that staff did not appreciate his level of intervention in RO matters nor the changes he had instituted at HQ.

> "..They are all waiting for me to be dismissed,..but I intend to be here for a long time."

As Director of Regionalization, Smithson expressed frustration over his limited contribution. He said he didn't know what was really going on as staff did not keep him informed. Smithson saw his role as facilitating the process of regionalization without being responsible for the end result. Due to Fonseca's direct involvement in many of the details, Smithson felt that his role had been limited to:

> "a potential conduit for information to the IED and as a sounding board for the IED's ideas."

2. RO staff: Feelings of Frustration and Powerlessness

SARO staff had a very different perspective on regionalization. Vasquez and his team of AMs were angry and frustrated. They were convinced that the 'two-hat' role for the AM was unworkable. More critically, they felt that through HQ's continued contact with FOs and intervention in

implementing the KMAs, their role in overseeing FOs had been undermined. They felt that: "HQ has not *supported* SARO or made our jobs easier....but has mismanaged the development of SAR.." [Italics added.]

The lack of support, which Vasquez and the AMs felt characterized their relationship with HQ, was based on their perception that Fonseca was always questioning their initiatives such an agreement with an indigenous development organization in Bolivia. The AMs felt that Vasquez made few decisions without prior consultation with Fonseca or Hartley. They were very critical of their apparent dependence on Fonseca as they asked: "How can so much depend on one person?" In establishing their roles, Vasquez and the AMs saw themselves as an independent unit that represented HQ in the field and was responsible for all activities in the region. However, as HQ made decisions that limited their authority, they began to feel more like a clone of HQ than an independent office.

Gomez and the Regional Auditor who worked closely together felt some of the same frustration as Vasquez and the AMs. However, they were much less critical of HQ. Benedict had favored Program staff to the neglect of the International Controller's Department. Fonseca favored staff engaged in tasks pertaining to control. Gomez saw much of the confusion over his role and the responsibility of the AMs and the RD as emanating from the dislike of Program staff with Fonseca's new emphasis.

The MIS Regional Coordinator, based in SARO but reporting directly to HQ, was torn between his desire to address the needs of the region as specified by Vasquez and the AMs and his formal relationship to his supervisor at HQ. He disliked having his priorities established by HQ since it limited his ability to respond to the requests of FOs for technical assistance. On one occasion he had received a reprimand from his supervisor when HQ found out that he had been writing software to help

FOs prepare case histories.

The general feeling among the RO staff, except for Gomez, was one of powerlessness. They had been selected to set up and run the first region in a new structure that was seen as the future of WW. Yet what they experienced was a dependence on HQ. They also disliked the uncertainty caused by the Board's approval of regionalization "as an experiment". It contributed to their reluctance to risk confronting Fonseca who would occasionally mention his option of going to the Board to request that the experiment "be shut down and all regional staff called back to HQ".

3. FO staff: The Search for Support

The presence of AMs within the region raised the expectations of field staff that the support they received would be better than it had been when their PC was based at HQ. Yet the major change they experienced during regionalization was that their discretion to make decisions had been narrowed by new HQ policies. The presence of a RO with more visits by AMs had also increased the frequency with which their decisions were being monitored (12). WW's more senior FDs disliked these changes yet complied with them (13). Internationals who had been hired more recently stated they liked the frequent contact with AMs and the constraints of HQ's new policies since they clarified what was expected of them.

Field staff were uncertain about the authority of SARO staff and their ability to approve actions independent of HQ. It seemed to most Internationals that SARO staff had to check back with HQ before decisions could be made. As a result, many saw the RO as a bottleneck that delayed the speed with which decisions could be reached. It was also unclear whose interests SARO staff were serving. Field staff accepted the RO as a supervisory level but expected regional staff to support and advocate for them rather than act like a watchdog for HQ.

Although critical of implementation, all field staff claimed to like the concept of regionalization. All the Internationals in the Kamikaze 7 stated that the attention placed on developing the KMAs and setting up the new structure was making everyone work much longer and harder than they had in the past. They claimed this didn't bother them, except they were unsure of the benefits.

D. Aftermath of Year 1

1. WW's Review of Its Experiment

When the International Board approved regionalization as an 'experiment', it requested HQ staff to report on its status after one year. This responsibility fell to Smithson. However, Fonseca also wanted to involve an outside consultant and arranged for an independent evaluation of the experiment on the basis of the six purposes contained in the implementation plan (14).

In September, 1988 two months prior to the Board meeting where the year-end review would take place, Fonseca had access to three separate documents: [1.] Smithson's summary of the interviews he had conducted with all SAR FDs at conferences when the new HRD system was presented, [2.] Smithson's report as Director of Regionalization on the year's activities, and [3.] my report as WW's organizational consultant.

There was consistency between all three reports on the problems faced by WW - the continuing uncertainty over what regionalization should be, the lack of clarity over the authority of RO staff, and the technical demands in establishing the KMAs. However, there was little consensus about how these problems could be solved. The only common suggestions were that the 'two hat' role of the AMs be changed and that the RA should report to the RD.

Fonseca drew upon these materials to prepare a four page presentation to the Board. His report noted the many activities that had taken place in South America and reviewed the major problems. Fonseca concurred with staff that the 'two hat' model of the AM be changed and recommended this to the Board:

> 'One problem area is the combined Area Manager/Key Management area function. From all reports, there is too much work to be done by one person to ensure a credible job. The three AMs report that the two responsibilities together force them to juggle their time and energies, still resulting in too much left undone.....It is recommended that the Area Manager function of supervising and supporting the Field Offices be separated from the KMA responsibilities, at least for the foreseeable future. Such a change will permit more attention be given to program *support* in the field...'

Fonseca may have had little commitment to this aspect of change since it had been part of Peters's model that had been imposed on him. He was concerned that the 'two hat' role gave the AMs insufficient time for their supervisory responsibility of FOs and involved them in the technical details of the KMAs for which they were not qualified. In his report to the Board Fonseca also recognized the problems in the relationship between the RD and RA but recommended that no change be made:

> 'The other area of concern is the role of the Regional Administrator. Because the RA reports to HQ and not to the Regional Director, he is seen as not being fully part of the RO team. The difficulty arises because the RA has a control responsibility and because he is not always seen as responding to the need for *support*....The IED will go to SARO and discuss the appropriate working relationship of line and staff functions, something with which WW has limited experience. A procedure has been detailed for when the RD and the RA are not in agreement; no changes to the current reporting relationships will be considered until it is proven that the mechanism now in place is not effective.'

Fonseca was a firm advocate of the separation between management (line function) and control (staff function) and wanted to maintain this separation through the parallel reporting lines of the RD and RA to HQ. In an interview, Fonseca expressed his concern and lack of confidence in Vasquez's abilities as a general manager. "Until he proves that he is a

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good manager", said Fonseca, "the control function within the region will remain the responsibility of HQ." Fonseca also claimed that staff's uncertainty over the relationship between the RA and RD was based on personal factors and confusion over the separation of staff and line functions. In effect, he attributed implementation problems to staff's inability and lack of desire to work within the new structure. There was, in his view, nothing wrong with the structure per se.

Fonseca asked the Board to continue the experimental nature of regionalization for another year, followed by another report to the Board. At its fall, 1988 meeting the Board approved Fonseca's request and increased the funding for regionalization so that three ROs could be operational by the end of the fiscal year. Soon thereafter, Fonseca distributed to HQ staff a memorandum which discussed the problems that had occurred, the Board's approval to continue with regionalization, and the modifications to be made during Year 2. One manager described this memo as 'a mea culpa without the mea' since it described the problems that had occurred without Fonseca accepting any blame for them.

2. Expected Changes in the Design of Regionalization, Year 2

In an interview, Smithson stated that as a result of Year 1 the role of the RO would be revised but that management control and decision-making "will still be determined by him [Fonseca]". Rather than emphasizing supervision of FOs, the RO would place greater emphasis on technical and program support. The authority of FDs would not change, and HQ would continue to delegate the monitoring of expenditures to the RA position which might be re-titled Regional Controller. Other job titles would be altered to reflect the change in emphasis; the Regional Director would become the Regional Program Director and Area Managers would become Regional Program Coordinators. These changes were expected to decrease the uncertainty over the authority of the RO and to indicate that

regionalization was not a decentralization of HQ but a decentralization of separate functions.

The technical responsibility of each AM to implement the KMAs would be dropped as the 'two hat' role for the AM was changed. The RO would create a new position of Technical Services Manager to oversee the implementation of all three KMAs. Finally, the RD and the Director of MIS at HQ would work together to identify their separate areas of responsibility and authority to determine MIS priorities for the region and allocate available resources.

E. Change through Adaptation: Culture and Implementation

The unique combination of Year 1 events and staff perceptions shaped the regionalization experiment so that the result differed from Peters's, Fonseca's, and staff's intent. Concept and design had became reality and experience. The major shifts from plan to practice were in the following areas:

The role of the RO:

> Rather than serving as an autonomous unit responsible for all operations in South America, SARO became a location for the replication of HQ's functional departments.

The relationship between the RA & RD:

> Peters had planned that the RA would report to the RD. However, just prior to the start of implementation, Fonseca decided that the RA should report to LaVoie at HQ. That relationship was not changed subsequently despite it being a major source of conflict and confusion to staff.

The role of the AM:

> The 'two hat' role of the AM would be changed. The decision to do so was made at the end of Year 1, although the suggestion had been made much earlier.

Key Management Areas:

> Were being designed and implemented as standardized systems throughout the region with the aid of consultants from Ecuador.

1. **The Gap Between Planned Change and "Real" Outcomes**

First, unlike the design for a divisional structure, WW had, for all practical purposes, no Regional Director to integrate functional responsibilities within the Region. Second, while regionalization was expected to increase support to field staff, it concurrently led to greater control as RO staff became responsible for monitoring the new controls imposed by HQ. Finally, the creation of a regional structure was intended to lessen HQ's direct involvement with the field. However, since HQ staff was responsible for the design of the KMAs during a period when Fonseca was increasing staff accountability, HQ was more directly involved in field matters than ever before.
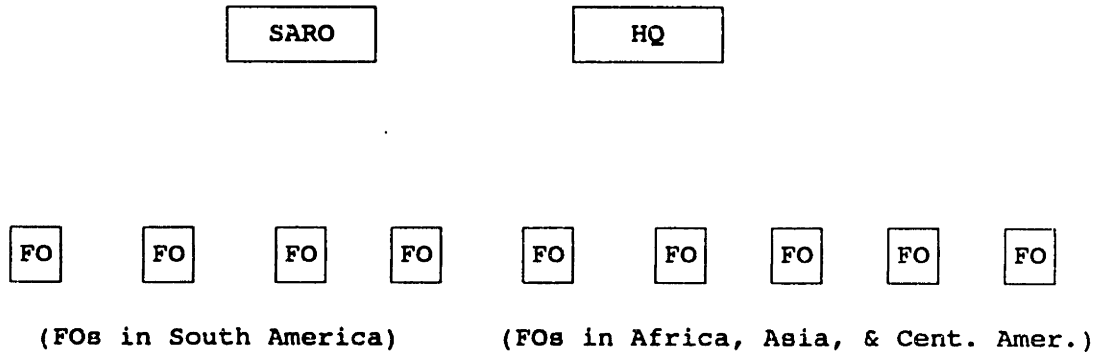
a. **Lines of authority**

In Peters's model for an autonomous, divisional structure, there was only one regional manager responsible to HQ. In fact, WW maintained four direct, independent lines of responsibility from the RO to HQ. The Regional Director reported to the HQ Program Director, the Regional Administrator reported to the International Controller, the Regional Auditor reported to the Assistant Controller, and the MIS Coordinator reported to the MIS Dept. Contributing to the inability of SARO staff to function autonomously was that priorities for the RO were established at HQ. Allocation of funds to FOs was still controlled by HQ per procedures established by Fonseca and the Board of Directors.

Without a capacity to determine its own priorities, allocate resources, integrate responsibilities, or resolve conflict, the RO could not function as intended. Instead it provided a locale where independent HQ functions were replicated for a particular geographical region. Characteristic of this arrangement was that RO staff experienced the same conflicts and frustrations between functional units that were experienced at HQ. At HQ, integration of priorities and responsibilities and resolving conflict were the domain of the IED; no one in the RO had a parallel position.

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Meanwhile, HQ continued to interact directly with FOs. These

circumstances created the experience of an informal structure depicted in

Figure 5-1.

FIGURE 5-1

INFORMAL STRUCTURE OF WW/INTERNATIONAL AFTER YEAR 1 OF REGIONALIZATION


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+-----------+              +-----------+
|   SARO    |              |    HQ     |
+-----------+              +-----------+
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+----+ +----+ +----+ +----+   +----+ +----+ +----+ +----+ +----+
| FO | | FO | | FO | | FO |   | FO | | FO | | FO | | FO | | FO |
+----+ +----+ +----+ +----+   +----+ +----+ +----+ +----+ +----+
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   (FOs in South America)   (FOs in Africa, Asia, & Cent. Amer.)

This chart, indicating the four lines of reporting from SARO to HQ, and

the direct line of communication to FOs from both HQ and SARO, was shown

to 9 of 13 SAR Field Directors and 4 of 6 SARO staff. All agreed that it

reflected WW's experiment to regionalize (15). As WW staff became

critical of implementation, they began to feel that the SAR model was

inappropriate and that Fonseca "was going along just to show that Peters

was wrong".

b. The role of the area manager
Staff uncertainty over the function of the RO was reflected in the

perception of the AM's role. Should the AM control or support the

decisions of the FDs who reported to him or her? Continued intervention

in FO activities by HQ functional staff undermined the AM's ability to

supervise field operations. The effort by Peters to clarify the reporting

relationship between the FD and the next level up the organization had led

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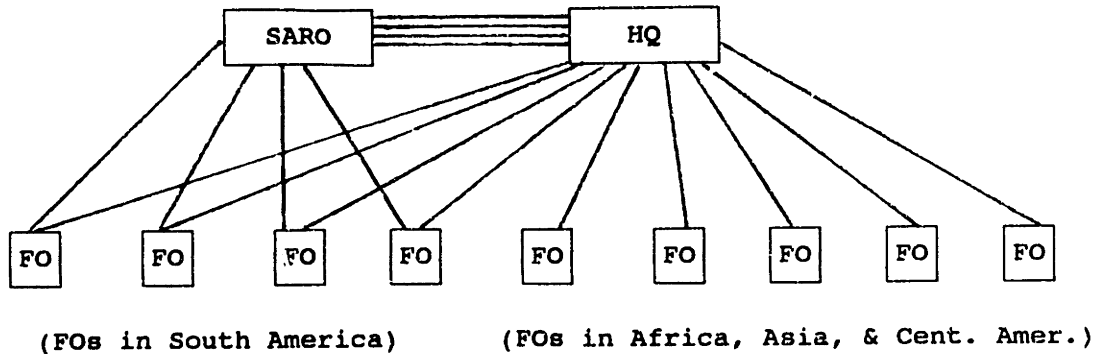
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c. __Key management areas__
In his initial report to the International Board, Peters stated that field office staff needed to improve their handling of tasks related to project evaluation, human resource development, and planning & budgeting. His recommendation was that the KMAs be developed, but he provided no details on what would go into these systems or how they would function. Peters envisioned that needs would be locally addressed with technical support provided by HQ and RO staff.

During Year 1 of regionalization, Fonseca and the technical support staff at HQ decided that each field office would implement identical KMA systems. SARO staff felt comfortable with this decision since it would expedite implementation and they would be able to meet the timeframe that Fonseca had specified. As another aid, SARO decided to use technical consultants in Ecuador who could conduct staff training sessions throughout the region.

2. __Culture and the Shaping of Change__
During Year 1, change at WW was shaped by elements of WW's organizational culture and sub-culture and the societal context in which WW operates in South America. When Benedict, fully socialized in WW's culture retired, he was replaced by an individual who did not share key organizational assumptions but did act in a manner that was consistent with many of the assumptions of its sub-culture. For example, Fonseca made decisions based on the control culture's assumption that the mission of WW was to address the concerns of contributors and that the role of HQ was to control the field. His actions were also based on the assumption that there were problems in the field which differed from the program culture's assumption that field staff had the knowledge and skills to handle their responsibility with minimal outside interference.

Fonseca needed to have the RA report to the controller at HQ and to place

limits on the autonomy of field and regional staff (16). Although field staff expected that regionalization would provide them with more support than the previous structure, it actually led to greater control of field operations. Regional staff who had expected that they would act independently of HQ were frustrated by the perception that they could not do so.

What made Fonseca's actions awkward even for staff who shared his assumptions about WW's mission and HQ's role was that he acted in violation of a cultural assumption about the nature of WW as a family. Fonseca's confrontational style in discussing issues and lack of concern for individual needs clashed with the assumption that staff should be "nice" or pleasant to one another. When Fonseca arrived as new IED, he was not aware of the existing forces for change but assumed there were none, except for LaVoie and the Board. Unfamiliar with WW's culture and sub-culture, Fonseca explained away perceptions and behavior that he did not understand as stemming from ignorance or poor communications. In this process he overlooked his own assumptions and alienated most staff by making his own determination of what WW's problems were and how they could be solved.

The one staff-recommended change that Fonseca agreed with was the shift in the AM's role. Considered an essential element in his design for change, Peters had seen this type of role work at McKinsey where consultants have both technical and managerial responsibilities and where competencies in both are presumably required for promotion. WW's organizational culture emphasized program design as a core skill and management support as the key responsibility for PCs and now AMs.

The situation at Worldwide corresponded with Schein's view (1985, 297) that change is problematic because members of an organization hold

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different cultural assumptions. It also reflects Westney's notion of how adaptation occurs due to different implicit models of what the change is supposed to be. A major contributor to the chaos of change at WW was the interaction of efforts to coordinate planned change among a variety organizational segments (HQ, RO, FO) with the actions of a new IED.

Elements of societal culture also explain modifications of Peters's plan. The KMAs were first designed for a geographical area, South America, in which there is an overlap of many societal artifacts of language, music, and customs among the countries of Bolivia, Colombia, and Ecuador. It was thus convenient for SARO staff to design one set of KMA materials that could be used in each FO without modification. Since all the materials were in Spanish, it was feasible for SARO staff to retain the services of local consultants to provide training and technical assistance throughout the region.

However, the transition from addressing local management needs, as specified by Peters, to standardized systems for all FOs did not occur simply because of shared societal level artifacts. Here again cultural assumptions also played a role. Within WW's organizational sub-culture, there is an assumption that management tasks are the same because the needs of sponsored children are the same. Fonseca acted on the basis of that assumption but explained that standardization of the KMAs was based on Peters's intent. A year later at a staff meeting held with Fonseca to review the evolution of regionalization, Peters affirmed his concern for management capabilities in the field but denied that his intent was to create uniform management systems.

II. YEAR 2: THE RE-EMERGENCE OF AUTONOMY IN THE FIELD

Year 1 of regionalization coincided with Fonseca's actions to increase

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control over field operations. In the process he acted on the basis of a set of assumptions that were shared among its sub-culture and non-program staff such as Gomez and LaVoie and his team of auditors. By the beginning of Year 2, WW's sub-culture had become a dominant force in shaping organizational change. Although this trend would continue in Year 2, field and regional staff would reassert themselves. Regional staff would especially do more to shape change as they acquired their own sub-culture based on their unique, shared experience.

A. Fonseca Continues to Try to Impose His Will

By the time the year-end review of regionalization had been completed, SARO was midway into its second year. Much like in Year 1, additional changes were taking place within WW to affect regionalization, in particular the ramifications of the transition from Benedict to Fonseca. This transition had led to more open conflict between department staff at HQ and between HQ and the RO.

1. Issues of Control and Accountability

After a 25% growth in dollar revenues during FY88, which coincided with the first year of regionalization, WW revenues in FY89 grew 20%. These increases were due to the strength of the MOs's currencies, the addition of a marketing office in Scandinavia, and the continuing ability of the MOs to garner new sponsors. According to Fonseca, these deficiencies reinforced the Board's mandate that administrative and financial controls be strengthened to avoid underexpenditures.

In 1988, the new power of attorney agreement and Form X had been introduced. In a memo to staff, Fonseca acknowledged that "the new power of attorney requires a delegation of authority to the field because otherwise a large number of minor leases of fixed assets are unnecessarily delayed by the submission to the IED for approval" (17). Fonseca was not

merely concerned about the delays in approval, but that he and his senior management team were forced to spend an inordinate amount of time reviewing the submitted forms. The result was that the "power of attorney" was amended to specify review procedures depending on the amount of funds involved. For example, the FD was authorized to approve any lease up to $10,000, an increase from $1,000, provided funds were already in the approved FO budget (18).

As a way to further control expenditures, Fonseca insisted that FO budgets begin to meet the targeted ratios of 70/20/10 (project costs/staff salaries/ administrative overhead). To meet these ratios many FOs had to reduce staff or contract out project work. Budgets were also reviewed to see whether FOs met a new target ratio of one staff person for every 70 sponsored children.

Even as Fonseca was issuing new procedures to constrain the use of funds, he was reviewing past problems that had been identified in LaVoie's audit reports. One problem involved a bridge construction project in Ecuador that had been poorly designed and where the work of local contractors had been substandard. There was also a business development project in Colombia in which over $15,000 was unaccounted for, and staff were alleged to have received kickbacks from suppliers. Fonseca authorized special audits of these projects and informed staff that those responsible for the problems would be held accountable.

Besides the controls on field operations, Fonseca placed more controls on activities at HQ. For example, Benedict had encouraged staff to present papers on WW's work at professional meetings. Fonseca, however, did not. Moreover, he insisted that, before any paper could be distributed outside WW, it had to be reviewed by those departments whose work was described in the paper. Consultants had to sign a statement that gave WW proprietary

rights over any materials collected or created under the terms of their work agreement. These new controls combined with those previously instituted, like time cards and plans of action, made HQ staff hesitant to take any action on their own. They felt they had to check with someone before they did anything, or as one staff member bluntly stated: "To fart around here, you have to go through someone".

2. Staff Morale and Reaction: A "Black Market" System

As a result of these changes, staff, especially from the Program Department, became more critical of Fonseca during Year 2. Their concerns were based not only on the changes he was making but more importantly on his process of doing so. For example, Program staff were rarely consulted on the decisions he made, so few could explain the rationale for the new policies, such as the 70/20/10 ratio. Some of the criticism of Fonseca was personal, as were the tales of his interactions or disagreements with staff:

> "...the man has no feeling. You can't have that type of person
> as a director of a humanitarian organization..."
> (Administrative Manager)

> "Al (Fonseca) listens only so as to relate what he's hearing
> to what he wants to say. He really doesn't listen...You learn
> to avoid him. Sometimes when you go in to ask a question, he
> starts going on and on about something and when there's a
> meeting and he does that, we just listen and wait for the tape
> to run out..."(Member of Senior Management)
> "It's a new Worldwide....We're just an organization like IBM.
> This is what it's like and you're either on the train or you
> should get off. It's not a family anymore."
> (Department Director)

As staff became frustrated over their inability to work with Fonseca, they began to do some things on their own.

> "We are slowly developing a black market organizational
> culture. With   Al there are certain formal procedures and
> norms that must be catered   to, but beyond that staff
> interact on a different basis." (19)
> (Department Director)

> "Have you heard about the black market system? It's when the

> legitimate currency has no value. That's what's happening at
> Worldwide. We hear what Al has to say and then we go about our
> business to get things done without telling him. The more you keep
> away from him the better."   (Member of Senior Management)

To Program staff, Fonseca was overly concerned with controlling the use of funds and reviewing actual versus budgeted expenditures. He also showed little interest to them in the overall quality of program. According to one staff person: "We need less emphasis on budget planning and more on program planning." One of the responsibilities of program staff at HQ was to get field staff to accept the changes made by Fonseca. This task was relatively easy with new FDs, but those who had worked under Benedict found the changes difficult to accept. One veteran HQ Program Coordinator described the problem in this way:

> "Now we have to be the tough guys. I will be going to Africa
> soon to talk with Spooner and Fredricksen [experienced FDs].
> They don't like the new restrictive policies. LaVoie is now
> out to get blood since he has Fonseca's support. Before,
> Benedict prevented LaVoie from clamping down on FD authority.
> Now that has all changed and it is most difficult for the most
> tenured FDs. 'We don't have a problem, this is how we have
> been doing it all along.' This is what FDs say when their
> reluctance to follow new policies is talked about. New FDs
> don't have any problems with the new policies since they don't
> know how it was before."

In an interview midway through the second year, Fonseca talked about the impact his changes were having on field operations and staff's acceptance of them. He felt he wasn't liked but said that didn't concern him. His view was that he had a job to do and he was doing it; he was bringing 'professional management' to Worldwide. Fonseca felt vindicated that most of his opposition was coming from the Program Department since it had the personnel he least respected and who had, in his mind, created the problems he was now addressing. Fonseca justified the changes he was making by claiming that he was following the mandate of the International Board. However, in interviews, two Board members, including one who served on the committee that recommended Fonseca's appointment, stated that the Board had not given Fonseca this sort of mandate.

The growing recognition among SARO staff of what Fonseca was trying to accomplish and their displeasure with his management style led them to try to act more independently of HQ. First, Vasquez successfully negotiated with Fonseca that 10% of the time of the Regional MIS Coordinator could be directed towards meeting regional computer needs. Under the pretext that he now controlled part of this resource, Vasquez was able to address FO concerns for software development. While the Board approved deleting the 'two hat' role for the AM, this change would not be made until the beginning of the next fiscal year, on July 1, 1989. Yet Vasquez and his team unofficially made the change several months earlier.

B. Activities in the Region

1. <u>January, 1989 Conference in Guayaquil: The Tide Begins to Turn</u>

In submitting his budget for FY89, Vasquez had proposed that a second regional conference be held in which only HQ and International staff would participate. Agreeing that such a forum would enable staff to discuss the changes stemming from the year-end review and to clarify the remaining confusion over regionalization, Hartley and Fonseca approved. Vasquez communicated to Smithson his plans for the conference. He had three objectives: specifying the goals of the region, developing a three-year 'plan of action', and assigning responsibilities to FO, RO, and HQ staff to achieve the agreed upon goals (20).

In an interview, Smithson claimed that Fonseca rejected the conference plans stating that the number of issues which Vasquez wanted to address was excessive and too much like a "shopping list". Fonseca told Smithson they would meet with Vasquez the day before the conference opened to set the agenda. Smithson was concerned about how this would work out logistically since Vasquez was already preparing the conference materials and Fonseca seemed determined to prevent regional staff from running the conference.

In Ecuador, however, Vasquez apparently convinced Fonseca of the need to involve field staff in the process of establishing regional objectives, so the conference proceeded as Vasquez had planned. Vasquez wanted HQ staff to commit resources to accomplish regional activities. For example, Vasquez had been negotiating with private organizations in Peru to establish a new program but needed HQ to provide the working document for an official agreement. In the end, the regional conference led to a "SARO Plan of Action" that encompassed 121 different activities.

Although this conference was the third for international staff in South America, it was the first in which the main topic for discussion was regional objectives rather than the plans which HQ had made for the region. During the conference, Field staff participated in the process and HQ functional staff agreed to provide the region with certain resources. Under the aegis of preparing a 'plan of action', a legitimate exercise to Fonseca, Vasquez had been able to get staff to focus on regional needs and coordinating resources to address those needs. The result was the first public exhibition of an integrated region which Peters had wanted and which had so far eluded WW.

2. Clarifying Roles and Responsibilities

Among the problems identified in the review of Year 1 was the uncertainty of field staff over the authority of SARO staff. To clarify the delegation of authority from HQ to the RO, Smithson worked with Vasquez and Hartley to allow some movement of funds between FOs without prior approval from HQ. Subsequently, with LaVoie's consent, Hartley gave Vasquez the authority to transfer $50,000 between FOs. Another delegation of authority pertained to case history quotas. Hartley would specify what the enrollment would be for the region, and Vasquez would determine how the quota would be split among SAR FOs.

Another issue was redefining the role of the RA. Internationals in South America, as well as Vasquez and the AMs, had called for the RA to play a supportive role. Fonseca concurred with this shift, provided the RA functioned separately from the RD and reported directly to LaVoie at HQ. Rather than focusing solely on compliance to procedures, the RA would now assist the FOs to "improve their control systems and provide budgeting *support* and review capabilities in the Region".

Despite the preference of Vasquez and most field staff that the RD be responsible for all resources in the region and that all staff report to him, Fonseca insisted that the RA and RD continue to report directly to HQ. However, since SARO was WW's first regional office, decisions had to be made on a variety of administrative issues in the absence of formal procedures. For example, who was responsible for the expenses associated with entertaining a visiting member of the International Board? Vasquez and Gomez often found themselves with differing answers to such questions. Issues not resolved were referred to Hartley and LaVoie jointly via a form entitled "Conflict Resolution Procedure" .

Vasquez's job title was supposed to change to Regional Program Director during Year 2 to reflect Fonseca's view that regionalization was not a decentralization of HQ (21). However, this change never became official, and everyone continued to refer to Vasquez as Regional Director. In effect, he remained the de facto RD despite Fonseca's displeasure with that role, especially with Vasquez in it.

3. Sharing Resources within the Region: Creating a Regional Identity
Prior to regionalization, FOs worked independently on tasks that were essential at other FOs. Information and techniques for common tasks, such as administering donor services or designing projects to meet the needs of sponsored children, were rarely shared especially when FOs were located in

different countries. A major reason for SARO's 'plan of action' was the coordination of activities between FOs. Lines of communication and cooperation were subsequently opened between field staff who recognized that, if they lacked some resource, perhaps it was available elsewhere in the region.

Commonalities between FOs in tasks and priorities had been identified during Year 1 at the country and regional conferences held to introduce the KMAs. During Year 2, several activities were undertaken in which resources or solutions to common tasks were actually shared (22). For example, a software program developed in Loja, Ecuador to translate case histories was provided to WW's FO in Medillin, Colombia to expedite enrollment in an experimental program, and MIS staff from Loja trained WW/Medillin staff in the use of the software.

Another example of how SAR was developing as a unit is that the budget submissions of all FOs were consolidated in the RO and then presented to HQ as one package. Vasquez also prepared a master regional plan to manage growth including the specification of enrollment quotas. Finally, Vasquez proposed a centralized purchasing system for the region and promised to prepare a plan for developing the human resources needed to staff all SAR management positions. The process of addressing tasks common to all FOs was a critical mechanism for getting SARO staff to focus on regional concerns rather than just the problems or issues which HQ considered important. The result was the emergence of a divisional structure that coordinated and supported field activities.

4. KMAs
Of the three KMAs, only the FOES system proceeded without modification perhaps because it had not been borrowed from elsewhere but developed by staff from scratch. Components of the system were designed, tested, and

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then implemented as they went along, first in the Kamikaze 7 FOs and then in the other 6 FOs in SAR. P & B was changed to focus only on budgeting because the concept of 'planning unit' could not be defined in such a way that it could be used throughout SAR. The diversity in the location, design, and size of WW programs had made a universal definition impossible. Vasquez and the AMs also felt that development of the planning system should be postponed until data from the FOES baseline survey had been analyzed.

The KMA which underwent the most modification was HRD. In 1985 Peters wrote: "This (HRD) would encompass personnel performance evaluation, regional or local staff training programs, career planning for professionals, salary administration, etc." During Year 1, staff at HQ and in SARO had tried to determine what such a system would look like at the FO level, but Fonseca rejected two proposals claiming they did not address what he felt was needed.

What Fonseca saw as priorities were clearly written job descriptions, a system to classify jobs, incentive pay, and training. Subsequently, he contracted for the services of two American consulting firms that specialized in human resource management. One firm would design the personnel management system that would be used in all SAR FOs; the other would develop training materials to introduce the system to local staff. The result was an HRD system that had 8 modules including job task analysis, job classification, and salary administration.

In Year 2, conferences were held in Colombia, Ecuador, and Bolivia to train staff in the first three modules. The job task analysis and job classification were designed to be done individually by national staff, but at the conferences they asserted that the modules could be completed faster if they worked in groups. Vasquez and the training consultant he

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had hired from Ecuador saw no problem with this modification. Another
change was made when Vasquez estimated that the time and paperwork
required to complete the job classification were excessive (23). When
Vasquez presented this estimate to HQ staff, the module was rewritten to
reduce the required information.

HRD had been conceived by Peters as a mechanism for personnel development.
What evolved was a standard system of procedures and practices for
personnel classification and administration at all FOs. No provisions
were made to compensate for local differences, and Peters's concern for
training and staff development had become forgotten elements.

C. Perceptions of Change

1. HQ Staff: A Sense of Progress
There was a general sense among all HQ staff that regionalization had
progressed during Year 2 and that SARO was working more effectively.
Lines of authority and responsibility were said to be clearer, and the
pace of change had slowed. During an interview, Smithson related his on-
going efforts to clarify roles and relationships. Smithson had come to
believe that the present structure led to confusion since no one was in
complete charge of the region. He had explained his reservations about
the model to Fonseca who reiterated his and the Board's commitment to it.
As shown in the following statement, Smithson linked the impact of
regionalization with the impact of Fonseca becoming IED:

> "There are a lot of holdovers in this agency from the '60s and
> '70s. We believe in what the organization does and look to an
> IED to reflect and embody what the organization is all about.
> As a number 2 person Fonseca is good, he knows and focuses on
> the details but as a number 1, as the glue to keep the
> organization together, to represent the organization to the
> outside world, no, we don't have that. I'll stay and do my
> job because I believe in what the organization is all about
> and its mission but it's not the same.....He thinks he has a
> team, but how can it be when he never asks what we would do.
> All he wants from us is the facts and he makes the
> decisions.....His whole thing is control and the structure

reflects that."

Smithson did not like the changes that Fonseca was making. Yet he remained committed to the organization and had come to accept his role in monitoring the changes brought on by regionalization. He claimed that Fonseca wanted him to be involved in establishing SAR until the KMAs were completely established and SARO staff worked as a team. Then his focus would shift to the ROs being planned for South Asia and the Far East.

Staff in HQ's functional departments stated that the RO had taken on more responsibility during Year 2 and was handling most matters well, especially personnel decisions and budget preparation. Direct communication between SARO and HQ had decreased as responsibilities had become clearer. In discussing the improvement in the operations of SARO, department heads spoke of Vasquez's knowledge of HQ and his increased ability to work with Fonseca. Hartley stated that Vasquez had learned to cope with Fonseca:

> "Jorge tried at first to be personal with Fonseca, but he
> knows what he is like, so he's given up on that. Jorge knows
> it's a new Worldwide and he is just focusing on getting the
> job done."

However, not everyone was pleased with Vasquez's efforts to assert more control over regional matters. For example, in discussing MIS activities in SAR, the department director at HQ expressed concern over the initiative taken by Vasquez:

> "Fonseca has encouraged local initiative and lessened SARO's
> dependence on MIS/HQ. That is part of his managerial style of
> checks and balances. SARO has taken initiative and made
> things happen for the field, but they have not kept us
> informed. We lost control of our regional coordinator. HQ
> has the responsibility to maintain control. Local initiatives
> need to be guided by HQ not done on their own and as they damn
> well please."

In discussing Year 2, Fonseca said:

> "SARO has progressed better than I had feared. The January

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conference and the plan-of action were good starts to have the
region come together and show how they can work as a group.
The separation between the RA and RD is resented but it is
necessary....There have been many changes in the last several
years to impose new controls and systems to flag mistakes and
problems. These should not have been equated with
regionalization. I had wanted to delay regionalization until
the control systems were put into place, but the Board wanted
to go ahead."

Fonseca expressed satisfaction that SARO staff were acting more

independently of HQ and had prioritized regional needs. However, he said

he was still not confident of Vasquez's management capabilities and

continued to insist on separate controls within the region through the

independence of the RA. Fonseca stated that he would like the

experimental nature of regionalization in South America to end following

WW's internal review of Year 2. Until that time, the Board would be

involved, and he would have the discretion to "pull the plug".

2. RO staff: Two Steps Forward, One Step Back

Vasquez and his team of AMs felt that the problems which had occurred in

Year 1 continued to be present. They specifically identified the lack of

delegation of authority to the RO and the parallel reporting structure

from SARO to HQ. Vasquez mentioned as problems the departmental structure

at HQ and the poor coordination between SARO and functional departments at

HQ.

Following the frustration he experienced during Year 1, Vasquez was

determined to show Fonseca that he was a good manager. He had carefully

taken steps to initiate regional actions, such as hiring National

Assistant Directors, developing and sharing software to meet FO needs, and

reallocating the responsibilities of the AMs (24). He was pleased by the

progress that had been made during Year 2 and was confident that over time

he would be freer to direct the entire region. The role of the RA,

however, remained an enigma: "After two years, I still don't know what

the RA does when he goes to a Field Office."

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The AMs stated that Vasquez had become more assertive but that HQ was still involved in too many matters that should be the responsibility of regional staff. One AM described Vasquez as follows:

> "Jorge is more a part of HQ than the SARO team. He caters to their desires and interests. HQ got the person it wanted but it may not have been the right person. The result is that regionalization hasn't lived up to its expectations. There hasn't been enough regional decision-making....We talk teamwork in SARO but it exists in name only."

The AMs felt that Vasquez's negotiating style led him to frequently check back with Fonseca, Smithson, or Hartley before making decisions. Although Vasquez took pride in his initiative, the AMs did not think he had not gone far or fast enough. Both Vasquez and the AMs claimed that a big problem was the unwillingness of certain departments at HQ to "let go". The perception of this constraint is shown in this statement made by an AM:

> "The reason for regionalization, to improve program, has been lost. The focus has become who has what responsibility and what power.... As a result we are being held back by HQ. Great ideas are coming from the field and the regional office but we always have to say: 'but will they let us do it.'."

Gomez, who had been incapacitated for several months due to a stroke, felt that Year 2 had proceeded more smoothly than Year 1 but there were still several problem areas. Gomez had been asked by Fonseca to take responsibility for the P & B system and for responding to FO requests for guidance in administrative and financial procedures, such as how to use Form X. Gomez felt that many of the requests he received were nebulous or so basic they should be handled by the AMs. As far as Gomez was concerned, the line of responsibility between the AM and the RA had still not been resolved (25).

3. FO staff: The Search for Support Continues

When asked about Year 2, 9 of WW's 12 FDs in South America said that it had been similar to Year 1. There was still uncertainty over staff roles,

lines of communication, and who was to benefit from regionalization.

However, these problems had decreased, SARO staff was doing more, and

Vasquez had become more assertive.

WW's Internationals did identify some benefits from regionalization and

improvements over Year 1:

> "Regionalization is good. It is better than having control
> refer back to HQ. This Regional Office has contact with local
> resources and more authority delegated from HQ. There is more
> contact and supervision between the field and the AMs compared
> with having Program Coordinators at HQ."

> "The biggest advantage of regionalization is that the Area
> Manager knows what's going on. The FD and the AM can work
> together to develop the budget and get it approved."

> "There has also been an improvement in their attitude. It is
> now oriented towards more *support*."

Field staff were still leery about the implications of regionalization.

The relationship and relative responsibility of the field in contrast with

the RO was still in doubt. While field staff lamented that HQ would not

relinquish authority to regional staff or give them a free hand in running

the region, they concurrently were critical when regional staff used what

authority it had to make decisions that undermined the FD's authority:

> "It seems like we work for the Regional Office rather than
> vice versa."

> "There is not much sympathy from the Regional Office these
> days. The PCs were more sympathetic, but then they weren't
> supervisors...The Regional Office gets it from HQ and they
> just pass it on to us."

> "Without authority being delegated to the Regional Office,
> there is more direction and control over the field. This is
> an usurpation of power from the FDs and it makes our work more
> bureaucratic." (26)

Most field staff expressed concern over the impact of new procedures on

the operations of their own FOs and were sensitive to their role in

buffering national staff from change:

> "WW is becoming too uniform. All FOs are expected to follow a

pattern of spending and staffing. We must all do growth plans
and plans of action. WW is becoming like Howard Johnson's.
You don't know what state you are in."

"We have to buffer local staff from regionalization. We also
have to be careful about losing authority. Local staff see no
chance to change the KMA systems design and the Field Director
has no authority to change it. But FDs can't show they don't
go along with it either. We get put in a situation to either
support the regional Office or HQ. The Field Director is in a
difficult position."

"We need to understand what Fonseca wants done and to
interpret and adapt it and shape how it is to be done."

In contrast, national staff were more positive about change as shown in

these statements:

"Regionalization is a good concept. There is more support and
control. It has also led to greater participation of the
national staff".

"The response to problems is better than when contact was
direct with HQ. We can all write memos in Spanish to SARO,
but not to HQ."

The effort to standardize the KMA and other administrative systems within

SAR had led to much more contact between FOs, thereby reducing the

isolation of national staff. Through country and regional conferences,

training sessions for the KMAs, and the sharing of staff resources,

national staff were in more frequent contact with Internationals and staff

from HQ and from other countries. Change had also created promotional

opportunities for national staff due to the increase in positions required

to establish the KMAs.

D. Aftermath of Year 2

1. WW's Review of Year 2

The process of WW's review of regionalization after Year 2 was similar to

what had transpired a year earlier. Smithson and Peters again travelled

to South America to interview International staff at several training

conferences. Smithson subsequently wrote a report to Fonseca in which he

aggregated the information he collected and outlined the major trends.

The following is a section from the Executive Summary of Smithson's
report.

> 'The relationship between HQ and the RO has matured, with fewer HQ
> intervention, less negative criticism from HQ, and greater RO
> authority to conduct WW business in the Region. HQ is 'letting go'
> more and more, as the RO is becoming more pro-active. Most RO staff
> feel better about the RO relationship with HQ during the second
> year.....The levels of stress and frustration, although high, have
> subsided somewhat. And morale in the Region this last year has
> improved.....The RO's management of the Region is getting better,
> with a clearer understanding of expectations, more experience, and
> less conflict and confusion. Yet there is not a concurrence of
> opinion among RO/FO staff regarding the RO efforts to better
> prioritize and coordinate regional operations.'

Prior to writing this, Smithson had reviewed a report I had submitted as

part of my responsibility to evaluate how regionalization had progressed

in South America. Neither my report nor Smithson's was distributed to the

International Board. What the Board did receive was a three and one half

page memo from Fonseca which outlined what had been accomplished and

included a timetable for pending items. There was no discussion of

regionalization at the Board meeting and no request for further reviews.

It had become as routine to the Board as it was becoming to staff.

There was one critical part of WW's review of Year 2 that did not emerge

until after the Board meeting but which ties together several

inconsistencies. In November 1989, Peters wrote a report based on his

trip with Smithson and his review of the documents which Smithson and I

had prepared. It addressed three major components of regionalization.

First, Peters pointed to the lack of a regional director to integrate all

functions and the need to modify the staff structure so that all

positions, including the RA, report to the RD:

> '...SARO is currently operating a regional facility housing separate
> elements of the HQ organization - Program, Finance and Technical
> Service. Each of these HQ divisions has its counterpart in SARO and
> structurally each reports to its HQ master. The original concept
> for the regionalization program was that the regions would operate
> with substantial autonomy from HQ under the general management of a
> Regional Director.....In the present format the Regional Director is
> effectively a Deputy Program Director. I strongly recommend that we

correct the structure and place the RD position in the full general management role now....'

Although Peters had told me in an interview in the summer of 1988 about his idea of an autonomous regional structure, until this report he had not previously put this notion into writing nor articulated it to Fonseca or other staff.

A second issue for Peters was HQ's oversight of the region. His suggestion was that a new position be created at HQ to oversee all functional responsibilities in the region.

> '....Currently, the regional offices interface with each of the HQ departments, and when general management decisions impacting one or more regions are required, they are made by the IED. Unfortunately, there is no guarantee presently that issues which should receive general management attention will actually do so...We have discussed the possible future organization structure in which.....a Director of Field Operations, possibly positioned as a deputy to the IED would provide the general management of our field activities.....I would argue that the regionalization program requires a director of operations at HQ now...'

The third issue Peters addressed was the suspension of the 'two hat' role for the AM. He argued that this had been a bad decision leading to an overreliance on outside consultants and further delays in implementing the KMAs. Fonseca responded to Peters's seven page report with two written responses of his own - a page and one half memo sent to 'correct some misinformation', followed by a nine page memo in which Fonseca disagreed with all of Peters's suggestions.

Fonseca faulted Peters for the inconsistency between his recent report and the organizational study he submitted to the Board in 1985. Then he listed his reasons why the timing was inappropriate to change the structure either within the RO or at HQ. Finally, he agreed with Peters about his concern for the KMAs and then explained why little could be done to improve them. This exchange between the principal architect (Peters) of WW's planned change and the person (Fonseca) responsible for

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implementing it is illuminating. It shows that after four years there was still no consensus on the nature of a change as simple as the creation of a regional structure. What the change meant for Peters in its abstract form differed from how Fonseca wanted to make it match his perception of what the organization needed.

2. Changes Anticipated after Year 2

In his report to the International Board, Fonseca specified eight pending items that had to be resolved "before the RO can be reclassified from 'experimental' to 'regular' status". The items included further implementation of the KMAs, completion of supporting software for these systems and applications in finance and enrollment and further clarification of the roles and relationships between the AMs, the RD, and the RA. One implication was that the Board would no longer expect a special annual review, and SARO would now be considered a "regular" part of WW's operations.

Vasquez took this as a sign that the future of SARO was guaranteed and began to plan negotiations with Fonseca on the significance of this shift in status. One change he requested was for the Regional MIS Coordinator to report directly to him, once all the new software was operating. This change would alter another aspect of SARO's formal structure and further solidify SARO's position between HQ and the field.

The only other expected change in WW's redesign would take place at HQ. Due to Fonseca's emphasis on accounting and control tasks, LaVoie did not have sufficient time to supervise the RA (27). With the anticipation of additional ROs in Asia, the Far East, and possibly Central America, Fonseca and LaVoie decide to create a new position at HQ – Assistant Director of Finance for Administration (28). This position, to which Gomez was appointed, would be responsible for supervising and supporting

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RAs.

E. Change and Stabilization

By the end of Year 2 regionalization in South America had stabilized to
the point where it had become almost routine. Among staff some anxiety
and uncertainty remained, and enthusiasm and optimism had diminished.
Staff, particularly at the regional and field levels, were not in
agreement with certain aspects of the structure but had learned to live
with them. They had also come to accept Fonseca's unshakable support for
the parallel reporting of the RA and RD to HQ.

Despite the apparent simplicity of divisional structure, at WW this form
of organization design had become a constant source of conflict between
HQ, RO, and FO staff over the what, why, and how of regionalization.
During Year 2 components of the redesign continued to be reshaped. The
following is a list of what did and didn't deviate from planned change
during Year 2 and updates the list provided for the close of Year 1.

> The role of the RO:
>
>> SARO continued to replicate many of HQ's independent
>> functions. However, regional staff did begin to specify their
>> own priorities and resource needs thus making the region more
>> autonomous from HQ.
>
> The relationship between the RA & RD:
>
>> Despite recommendations about altering this relationship,
>> Fonseca maintained the independence of the RA from the RD.
>> This separation was enhanced through the creation at HQ of a
>> new position to supervise the RA. However, the RA role was
>> re-oriented more towards support than control of field
>> operations.
>
> The role of the AM:
>
>> The change in the 'two hat' role of the AM was put into
>> practice several months before the official timeframe approved
>> by HQ. Regional staff reallocated staff priorities to
>> accommodate this shift and in the process gained more
>> confidence in their ability to act independently from HQ.
>
> Key Management Areas:
>
>> The increased emphasis that Fonseca placed on financial

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controls made the proposed P & B system unnecessary. FOES was established with minimal modification at the field level. HRD was changed both in content and process in response to local characteristics.

1. The Gap Between Planned Change and "Real" Outcomes

Through the events of Year 2, the position of SARO had shifted into an intermediary one between HQ and the field. Vasquez had been able to take control of setting regional priorities, gain Fonseca's acceptance of them, and acquire and allocate needed resources. In this process, regional staff effectively wrestled at least some control away from HQ staff while coordinating and supporting field priorities. The multiple lines of reporting from the region to HQ remained, but Vasquez acted as if he was solely responsible for the region. The one formal shift that occurred in staff roles was with the AMs. The process of reallocating their responsibilities and developing a specialist in the KMAs was a way for regional staff to assert control. Although approved to begin in July, 1989, this transition actually took place months earlier in an arrangement, unknown to Fonseca, between Vasquez and his team of AMs. This change removed a major point of contention between them and Fonseca.

2. Culture and the Shaping of Change

Elements of culture can explain the change process of Year 2 in several ways. Societal culture explains the adjustments made in establishing the KMAs. Modules of the HRD system which had been developed by American consulting firms and based on individual performance were redesigned and oriented towards the work of groups. This shift conformed with a societal level assumption in SAR countries that individual effort is less important than social solidarity and the ability of staff to work together (Hofstede, 1980: 222). FOES and HRD were implemented as standardized systems throughout the region due to the overlapping of culture elements, such as language and norms of work behavior. In contrast, the P & B system had to be simplified because a standardized system could not

accomodate the cultural diversity that exists among sponsored children.

Societal culture may also explain the development of the regional structure in the establishment of common objectives and the sharing of resources. The overlap of many societal artifacts, values, and assumptions among the countries of Bolivia, Colombia, and Ecuador allowed for mutual training sessions to be held in Spanish for national staff, for technical consultants to work throughout the region, and for FO staff to share solutions to common problems (29). Vasquez's ability to assert control over the region stemmed from this capacity to coordinate across FOs, a task expedited by and through his own Latino background.

At an organizational level the shift during Year 2 in the RA's role from its emphasis on control to FO *support* was consistent with WW's cultural assumption about the support that an FD should receive from staff up the hierarchy. This shift occurred despite Fonseca's concern for control. It suggests that over time organizational culture has a more dominating influence than the assumptions of a sub-culture including the individual preferences of its CEO.

In Year 2, as in Year 1, there were multiple interpretations of regionalization based on cultural differences. Would HQ support or control the field or the region? In Year 2, this contrast became more complex because regional staff emerged as a new sub-cultural segment based on their unique, shared experience in confronting HQ staff from above and FO staff from below. Within the framework of WW's organizational culture SARO staff acted on the basis of an assumption that their role was to find ways to support the field through the integration and coordination of regional resources. In the process of doing so, they established their own independence from HQ and garnered the respect of FO staff. Before regionalization, HQ was concerned with the autonomy of FOs. Now that

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orientation was slowly being transferred to the RO as HQ staff began to respect SARO's own independence.

The clash between organizational culture and sub-culture also took place through the interaction between Fonseca and other HQ staff. During Year 2, HQ staff learned to cope with Fonseca's emphasis on procedures and confrontational behavior which clashed with some cultural assumptions but fit others. As IED, Fonseca was able to set the overt tone for staff interaction. However, his assumption about the acceptance of conflict led staff to find covert ways of interaction. The outcome was the "black market system". It permitted staff to engage each other in a manner consistent with their own cultural assumptions within a setting that Fonseca had come to dominate. The circumvention of Fonseca, also occurred when Vasquez speeded up the shift in the AM role and when AMs worked with FDs to by-pass the constraints place on them by new policies.

NOTES

1. An example was the decision to recommend that the International Board create WW/UK. The results of a marketing study clearly indicated that conditions were poor for such a venture and recommended that WW stay away. The study was ignored and WW/UK established, primarily because Benedict was fond of England. For seven years the cost to operate WW/UK exceeded the amount of funds it was able to send to WW/International. As a result, WW/UK was represented at Board meetings but as a non-voting member.

2. Having worked for a company that sold well construction equipment in Africa, Fonseca considered himself knowledgeable in technical matters and began personally to investigate how field projects were designed and could be improved. For example, for projects involving bridge construction Fonseca would ask to see engineering reports about their design or construction. Under Benedict, all such details were left to field staff since it was assumed that they were most apt to know how a project should be designed.

3. The initial instructions regarding the use of Form X were part of the budget package disseminated by LaVoie to inform FOs about the preparation of budgets for the next fiscal year. This material was sent out from HQ as a FOCL (Field Office Circular Letter) and thus not mailed to SARO.

4. Most field staff were glad that progress in establishing all 3 KMAS was

slower than initially expected, because "FOs would have been snowed under by all the changes". FOs not in the Kamakazi 7 received much less attention during Year 1. Such FDs displayed no regret and were content to sit back and see how the new systems developed. One FD stated his views on the KMAs this way: "We don't need or want HRD or P & B. Meanwhile, they haven't given us anything...it's been zero sc far, which is fine...". For FOs that were part of systems development, the emphasis on KMAs "kept staff on its toes and...has allowed for input from national staff and communities".

5. Fonseca's decision angered field and regional staff. They had received direct written communications from Fonseca that FDs would be held accountable for any underspending of budgets, including the implication that annual salary increases would be adjusted to account for any such failure. Staff were angry, because they now saw Fonseca preventing them from solving an underexpenditure problem that they had not created in the first place.

6. The exact amount of contact between the AMs and the FOs varied. Some FOs, especially the Kamakazi 7, were visited more often than others. When AMs felt the need to oversee or support, they were in more frequent contact with the FD. They placed a lower priority on visiting FOs run by a director who was not having any difficulties or had the confidence of the AM. Due to the variable quality of telecommunications within South America, FDs could sometimes phone or telex HQ in the USA faster than they could reach Guayaquil.

7. Vasquez wanted the role of the AM to be supervisory but was himself a hands-off manager and let the AMs each determine how they would handle their responsibility. Thus the different personalities of the AMs and their lack of formal training as AMs led to differences between them.

8. Although one aim of WW's redesign was to differentiate the new AM role from the old PC role, there was uncertainty over what such differentiation meant. The boundary between the authority of a FD and AM seemed forever ambiguous.

9. The efforts of the AM to monitor and supervise FO activities more closely did not result in any change in the role of the FD. He/she remained accountable for what happened at a FO, but the extent to which this limited the FD's discretion or required shared decision-making with the AM was unclear. One FD characterized this conflict in the following manner: "HQ wants FDs to be more responsible for actions taken...okay, but this shouldn't result in limiting what action the FD can take...".

10. There were four lines of supervision between the RO and HQ. As confusion grew about how communications would be routed, Smithson developed procedures whereby some HQ correspondence went directly to FDs and some via the RO. It was this practice that led FOs to receive notification of the new 'power of attorney' before RO staff. In another case, software diskettes for new information systems were sent directly to Field Offices without prior knowledge of the MIS Regional Coordinator in SAR and without a copy being sent to him. When FOs had questions about how to install the software or about bugs in operating it, the MIS Coordinator was unable to respond.

11. An outcome of this perception was that communication between HQ and the RO differed across lines of responsibility. The Regional Administrator, Gomez, had infrequent contact with LaVoie, his supervisor at HQ, but would send him confidential monthly reports. The Regional Director, Vasquez, similarly received little direction from the Program Director. However, Fonseca regularly communicated to Vasquez or his staff

either to advise on the design of the KMAs or to clarify RO roles and
responsibilities. In the process, Vasquez saw his decisions scrutinized
and his authority questioned or undermined. He took little comfort in the
fact that Gomez was rarely asked to account for his performance.
Consequently, Vasquez began to collect materials for a file he labeled "My
Brother's Keeper". Since no one was monitoring Gomez's activities,
Vasquez decided that he would document how the RA was not meeting his
responsibilities.

12. During Year 1 FOs in South America, especially those among the
Kamikaze 7, had many more visitors than was customary. AMs conducted
visits as part of their program supervisory responsibility and other
visits as part of their technical responsibility in overseeing the
establishment of the KMAs. The KMA specialists at HQ were also frequent
visitors.

13. While most staff complained about the constraints posed by the new
'power of attorney' and budget ratios, they acted in accordance with them.
There were many reasons for this compliance. First, Fonseca refused to
approve budgets unless targeted ratios were met. Projects funds would not
be released to the field unless all required paperwork had been submitted
and approved either by the RO or HQ staff. Field staff did try to get
around the submission of Form Xs. The new policy stated that, if WW's
project funds were turned over to a community group, then Form Xs did not
have to be prepared. When the new Form X came out, many field staff
worked with their AMs to get around the submission requirement by making
community groups responsible for projects. This action also allowed FDs
to circumvent targeted ratios.

14. The criteria proposed in May, 1987 to evaluate SARO were:

1. Quality and use of systems in region to plan, implement and
   evaluate field programs and provide administrative support.
   a. Human Resource Development
      --Staffing Patterns and Skills Requirements in Region
      --Human Resource Development Training Plans
      --Performance Appraisal Mechanisms
   b. Evaluation
      --Measurable, Relevant, Achievable Program Goals
      --Project Accounting/Auditing Function
      --Resource Allocation on Basis of Evaluation
        Results/Findings
   c. Planning and Budgeting
      --Regional Growth Plans
      --Consistent and Relevant Field Office Program Approach
      --Identification of and Collaboration with Regional
        Resources
      --Integrated Planning and Budgeting Systems
   d. Administrative, General and Donor Services
      --Financial Systems and Analysis
      --General Services Management
      --Donor Services Management
2. Number, length and use of meetings and face-to-face contacts
   between Regional and Field Office staff
3. Amount and use of on-site support and supervision by Area
   Manager
4. Realization of Field Office Program Goals
5. Management Costs

15. This chart was also shown to Smithson and Hartley. Both concurred
that it represented what they sensed had been implemented. Fonseca, upon
being presented this chart and told that field staff agreed it represented

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the first year of regionalization, said that staff must have been fooled
or mislead.

16. Of course, it is possible to utilize other existing theories in
explaining the events that took place at WW. For example, Mintzberg
(1979, 393-392) has claimed that, when organizations decentralize, HQ
staff are reluctant to delegate authority so establish new measures
whereby they can measure performance of the major subordinate units. This
does not explain the development of new policies to control the field for
several reasons. First, the mechanisms developed by Fonseca to control
expenditures focused on FOs as the unit of analysis; no measures were
developed to monitor the performance of regional (divisional) staff. Also
Fonseca informed staff and clarified this in interviews that the creation
of control mechanisms was independent from regionalization and would have
been needed even if WW had not regionalized.

Williamson (1975) has claimed that the M-form structure emerges because of
various efficiency measures, such as profit and transaction costs.
However, the assessment of regionalization, WW's version of the M-form,
was not based on quantitative analysis but phenomenological review. It
focused strictly on what was to have been done during Year 1, what was
actually done, and why the difference, if any, between them. At WW, where
valid, objective measures of organizational impact are so elusive, so were
the measures for the impact of regionalization. The result was not a
shared assessment but more dissonance reflecting different assumptions
within WW's culture and sub-culture.

17. The reader should recognize the irony in this episode which was
apparent to WW's field staff. Prior to Fonseca's arrival at WW, the
authority to make such decisions had been fully within the domain of the
field. Fonseca had taken this authority from the field but now was, in
effect, giving it back. In reaction to the new policy, many FDs had
purposely submitted large amounts of supporting documentation with their
Form Xs. This had included lengthy engineering reports in order to burden
HQ staff and make them pay for taking this authority away.

18. FOs based in South America would submit their Form Xs to SARO, while
FOs located elsewhere had to submit them to HQ. If the liability of a
lease amounted to the equivalent of between $10,000 and $25,000, the Form
X had to be reviewed by the RA or HQ's Assistant Controller and then
approved by the AM or PC. For leases between $25,001 and $50,000, the
Form X had to be reviewed by the RA or HQ Assistant Controller and
approved by the RD or HQ Deputy Program Director. Leases between $50,000
and $75,000 had to be reviewed by the HQ Controller and approved by the
Program Director. Any lease valued at more than $75,000 had to be
approved by Fonseca.

19. The use of the term 'black market' is not coincidental but stems from
WW's work in developing countries where there is a strong demand for
foreign currency. The official rates of exchange are considered so
restrictive that often there exists a parallel, unofficial, or "black"
market.

20. The SAR 'plan of action' was a spreadsheet document with seven (7)
columns of information: objectives, operating guidelines, project schedule
(timeframe), level of priority (1,2,3), person(s) responsible, anticipated
results, and reporting period.

21. Also reflecting this emphasis was the planned change in the job title
of Area Manager to Regional Program Coordinator. This shift never
occurred.

22. By Year 2 the AMs had become quite knowledgeable about what was going on in the field and were better able to coordinate activities between FOs.

23. Before a position could be classified, an analysis had to be done of all the tasks required by an employee holding that position. The analysis involved the compilation of a variety of information, including the frequency of each task and the skills required to complete each one. To perform this work, FOs would organize a task force of five of its regular employees. According to the estimate made by Vasquez, it would take each member of the task force one day per week for four years before the work required by these modules was completed.

24. The position of National Assistant Director, or NAD, was one step below that of an International. It was a senior management position staffed from within the country. A NAD has more responsibility than any other national staff and serves only within his or her own country.

25. Among the many issues Vasquez negotiated with Fonseca was the need for the RA to play a more supportive role in establishing administrative systems in FOs. Fonseca had agreed with this, so Vasquez distributed a circular letter to all FOs in SAR asking them to list the administrative areas in which they needed help from the RA. Shortly thereafter, Gomez analyzed the time required to address these needs while also performing the responsibilities which LaVoie had given him. When his analysis showed that completion of all tasks would require 563 working days per year, Gomez used the analysis to explain to Vasquez and the AMs their perception that he was unable to respond to their requests for assistance. There just were not enough hours in the day for him to do so.

26. This feeling that regional staff were taking over and directing the field is reflected in how field staff assessed the process and outcome of the SAR conference in January, 1989. Vasquez used the conference as an opportunity to bring the region together to work on common problems. However, several field staff stated that: "The Regional Office Plan of Action was presented at the January conference as a given", and "There was little give and take at the conference on regional priorities."

27. During Year 2, LaVoie had also been ill and had undergone heart surgery. He had fully recovered but began to take on more of a supervisory role in contrast with being directly involved in monitoring or auditing field expenses.

28. In fact, WW's RO in India had already been opened as discussed in Chapter 6. Also related to the creation of this new position was that when Gomez moved to Ecuador and became the RA, he did so with the understanding that in two years he would return to HQ. Faced with having to find a position for him, LaVoie and Fonseca created a position that could benefit from Gomez's experience in SARO.

29. There are, of course, differences between and within the countries of Bolivia, Colombia, and Ecuador. For example, while Spanish is a common national language, Aymara, Quechua, and other native languages are also spoken throughout the region. Recognizing that elements of culture are shared between these countries does not negate the presence of elements of culture that differentiate them. Also, the political boundaries of nation-states should not be equated with the social boundaries of distinct cultures.

Appendix 5-1

Time Chart of Key Events in the Creation of SARO

Year	Month	Event
1983	September..	New structure for HQ proposed by HQ staff.
1985	June.......	At request of International Board, Peters begins his study of WW.
	December...	Peters recommends regional structure and development of key management areas.
1986	January....	Benedict announces his intention to retire in February, 1987.
	March......	Regionalization working group convenes.
	July.......	Peters visits HQ to discuss changes in his plan.
	August.....	Recommendation of regionalization working group to revise Peters's plan not approved. Group disbands.
	October....	Implementation plan presented to the International Board which approves experiment to open one regional office. Fonseca introduced as the new IED. Fonseca's request to postpone regionalization turned down by the Board.
1987	January....	Regional staff for South America appointed.
	February...	Benedict retires. Fonseca arrives at HQ.
	March......	Peters visits HQ to explain regionalization to Fonseca. Fonseca changes the reporting structure between the RD and RA.
	May........	Conference of HQ and regional staff and South American Internationals.
	July.......	SARO officially opens. (Year 1 begins.)
	December...	Information on new financial procedures distributed to the field.

1988   January....SARO conference in Guayaquil.

        July.......Year 2 begins.

        September..Evaluation reports by Smithson and outside consultant
                   presented to Fonseca.

        October....Fonseca recommends that 'two hat' role of AM be
                   dropped.

        November...Board reviews evaluation on SARO and approves
                   continuation of experiment for another year.

1989   January....Second SARO conference in Guayaquil.

        March......Use of the term 'Black Market' system at HQ.

        September..Evaluation reports by Smithson and outside consultant
                   on Year 2 presented to Fonseca.

        October....Board accepts regionalization as part of normal
                   operations. Fonseca agrees to move SARO from
                   'experimental' to 'regular' status.

        November...In memo to Fonseca, Peters explains his concept of a
                   divisional structure and how Fonseca had deviated from
                   his plan for change.

CHAPTER 6

CHANGE IN SOUTH ASIA: A SECOND CASE OF REGIONALIZATION

This chapter describes WW's regionalization experience in South Asia and is divided into three sections. Section I describes WW's operations in South Asia, explains how the change model there emerged and how it differed from the model in South America. Sections II and III describe the two years of implementation and how culture can explain for deviations from the change plan. An historical outline of key events is an appendix to the chapter.

I. THE ROSA MODEL

The development of WW's region of South Asia (ROSA) was partially a matter of chance and was based upon the structure of WW's program in India. The latter was completely different from how WW operated in other developing countries.

A. WW Operations In South Asia: Partners and Princes

In 1978 when staff first investigated having field programs in India, they faced government regulations which differed from those in WW's existent program countries. In an interview, Benedict stated that the Government of India (GOI) would not permit WW to manage FOs nor allow expatriates to live in India and supervise Indians. The only way WW could establish a program would be to incorporate under Indian laws with an Indian Board of Directors or to form alliances with Indian PVOs. Either mode of operation was different from what WW was accustomed to as it meant the loss of direct control over projects.

Benedict faced this choice at a time when the demand for sponsored children was growing because of the marketing success of the MOs. The

scale of poverty in India and low operating costs made it an appealing prospect as a program country (1). In 1979, Benedict successfully negotiated with GOI officials to place one expatriate for a limited time in Hyderabad to explore "partnerships" with Indian PVOs and explain WW's procedures to them. This individual would train an Indian to replace him since the GOI would not grant a work visa to another WW expatriate.

When the visa of WW's expatriate did expire in 1983, Saroop Desai was appointed WW's representative in India after he been in training for two years. By that time, WW had formed partnerships with two Indian PVOs through which 3,300 children were being sponsored. By 1988, WW/India had expanded to six partnerships with over 43,000 sponsored children, the largest number in any of WW's program countries. To manage this growth, additional supervisory staff were hired within India, and Desai was promoted to Program Coordinator as an International level employee. Desai supervised both WW/India's administrative office in Hyderabad and Regional Representatives in Delhi, Bombay, Madras, and Bangalore who maintained regular contact with the partner agencies and projects. The projects funded by WW were under the direct control of Indian PVOs, which in WW were called partner collaborating agencies or PCAs (2).

Prior to joining WW, Desai had worked solely in India with several other international PVOs. Unlike Vasquez, he had never been assigned to HQ or even trained at WW FOs in other countries. In an interview, Desai stated that in his work he was motivated by the development of India through indigenous organizations. He wanted to bridge the resources and expectations of foreign donors like WW with the needs and priorities of Indian PVOs.

Due to his contacts in the development community, Desai was able to identify a variety of Indian PVOs who were interested in "partnership".

"Partnership" was the term used to differentiate the approach which WW took in India compared with that in other developing countries where expatriate FDs supervised national staff employed directly by WW. In India, WW funds would be channeled through PCAs, "partners" to WW in meeting the needs of the poor.

Benedict, Desai, and staff from the Indian PVOs had similar assumptions about the meaning of "partnership". They saw it as an arrangement of equals in which each organization learned from and contributed to the development of the other. When Benedict retired, Hartley became Desai's supervisor, and, according to Hartley, he immediately began to have 'communications problems' with Desai and concerns about "partnership". To Hartley, "partnership" was a mechanism WW had to live with if it was going to have any sponsored children in India.

As Fonseca initiated new policies to control the field, he began to have questions about "partnership" since WW did not have direct control of the projects it funded in India. The policies he imposed on WW FDs could not be imposed on the Indian project directors employed by the PCAs. In an interview, Fonseca also expressed concern about the structure of WW/India, the link between HQ and the PCAs, and the responsibility of these organizational actors.

Table 6-1 exhibits three differences in key assumptions between senior WW management staff at HQ and WW's staff in India. It is not known whether these differences derived from societal or organizational level culture. These assumptions were not articulated between the two groups and indicate that HQ and Indian staff were interacting through cultural differences. The assumptions of the latter group were consistent with WW's "program" culture.

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TABLE 6-1
Key Assumptions of HQ Managers and Indian Managers

DOMAIN	HQ MANAGERS	INDIAN MANAGERS
"Partnership"	Implementation Mechanism	Institutional Development
Need for Partners	Meets the MO demand for for case histories	Meets the needs of sponsored children
Organization Structure	Specifies who Is Responsible for what	Facilitates Communication

Besides India, there were two other WW program countries in South Asia: Sri Lanka and Nepal. There were two FOs in Sri Lanka and one in Nepal. Compared to the scale of the partnership projects in India, these three FOs were small, with a combined enrollment in 1988 of approximately 14,000 sponsored children. The expatriates serving in Sri Lanka and Nepal had previously been posted to other WW FOs in Asia and Africa. None of WW's staff in India had served elsewhere.

Despite or perhaps because of the proximity of Sri Lanka, India, and Nepal, the political and economic relations among these countries were fragile, especially between India and its two neighbors. The Tamil separatist movement in Sri Lanka had led to deteriorating political relations between India and Sri Lanka as the latter accused the former of harboring terrorists. The landlocked Kingdom of Nepal was heavily dependent on India for trade and the free transit of its exported goods. Economic competition between the two countries and the scarcity of some foreign goods had created intermittent trade and border disputes. Both Nepalis and Sri Lankans were also careful in dealing with Indians given the latter's history of dominating other countries in the region (3).

B. The Idea for a Regional Office in South Asia

The idea to create a region that combined WW's three program countries in

South Asia grew out happenstance. In November 1987, Desai, at Hartley's invitation, was at the meeting of the International Board to make a presentation on "partnership". At the same meeting, Desai heard Hartley's report about the creation of SARO and the intention of opening one additional regional office each year. That evening, Desai told Hartley about the possibility of creating a region out of the three program countries in South Asia.

Desai could obtain the visas for expatriate Area Managers to live and work out of India, but this would take time. However, if the Board approved placing the AMs within the countries served by the region, then a regional structure could be established within six months. Desai also informed Hartley that there was vacant office space in WW/India which could be used for a regional office.

When Desai presented his idea, neither Hartley nor Forseca considered it feasible at first since South Asia was too far away to be managed from HQ as an experimental region. In an interview, Fonseca stated that after reviewing Desai's proposal, he and Hartley saw it as a way to speed up regionalization. Subsequently, at the next meeting of the Board's Executive Committee, Fonseca "submitted a proposal to accelerate the start-up of the second experiment in the India/Nepal/Sri Lanka area in order to test a more efficient and less costly model. The committee approved the proposal to start the experiment as of March 1, 1988" {Taken from minutes of Executive Committee meeting February, 1988.}

As an acronym for this region, Smithson selected SIN with each letter representing one of the three countries. Desai was appointed acting Regional Director by Fonseca. One AM would reside in Kathmandu and be responsible for WW's FO in Nepal and its projects in northern India. The other AM would reside in Colombo and be responsible for Sri Lanka and

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projects in southern India.

To Fonseca and Hartley, it made sense to treat Sri Lanka, India, and Nepal as a regional unit due to their proximity and common use of English (4). Creating SIN meant no immediate change in reporting between HQ and WW/India since Desai was already based in India and staff from the partnership projects were reporting to him. Fonseca also thought that regionalization in South Asia would benefit from the technical resources available within India. He believed that the resources necessary to run an RO and set up the KMAs could be obtained within SIN at significantly lower cost than had been the case in SARO.

C. Comparing SIN with SARO

In an interview, Fonseca described SIN as an opportunity to develop a regional model that would be an alternative to SAR. SAR had been designed by Peters. SIN would be designed by him. Fonseca expected SIN to "reduce the cost of regionalization while making it more effective". One reduced cost would come from having the AMs located within the countries where the FOs they supervised were located. The result was expected to be lower travel and communications expenses and a smaller RO. Fonseca also thought costs would be reduced by the use of consultants hired within the region to design and set up the KMAs.

The placing of the AMs in country and the use of consultants was believed by Fonseca to contribute to a more efficient regional operation. AMs could provide greater support and supervision to the field than if they were located at a RO. Also they could focus on program matters which Fonseca considered their strength and allow consultants to deal with the technical aspects of the KMAs. While SARO was still experimenting with the 'two hat' role of the AMs, the AMs in SIN would have no involvement with the KMAs. Due to the location of the AMs away from the RO, this

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approach to regionalization became known in WW as the "dispersed model".

Except for the location of the AMs, the staff structure for the RO was
similar to that in SARO. There would be a Regional Director (Desai), a
Regional Administrator (to be selected), a Regional Auditor, and an MIS
Executive. Both the Regional Auditor and the MIS Executive had been
appointed within the previous year to serve WW/India. The aim of SIN
would be to establish the KMAs and to bring down to the regional level
activities that were traditionally performed at HQ including budget
preparation, enrollment planning, and personnel administration.

There were three major differences between the initial structure of SIN
and SARO. First, there was the location of the AMs: centralized in South
America, dispersed in South Asia. Second, instead of having the AMs
develop the KMAs, Desai would use the services of local consultants
without relying on HQ's technical staff. Finally, the MIS Executive would
report to Desai but receive technical support and his performance review
from the MIS Coordinator in Nairobi, Kenya.

When interviewed in 1988 about the establishment and design of SIN,
Fonseca expressed his concern that the turmoil of SARO's first year not be
repeated. Consequently, his approach and that of other staff at HQ would
be less intrusive in SIN than it had been in starting SARO. Rather than
forcing new systems and personnel on the region, Fonseca would allow SIN
to develop at its own pace unpressured by tight deadlines or frequent
visitors from HQ. Fonseca felt that WW had the luxury of proceeding
slowly since they were already ahead of schedule for establishing WW's
second region.

Besides the structural contrasts between SIN and SARO, the preparations in
establishing these two regions were different. SARO had opened after a

year of planning including time for Vasquez and his AMs to be at HQ for training and to hold an orientation conference for all Internationals and HQ department managers. For SIN, there was no training period for regional staff at HQ nor any conference of Internationals.

II. YEAR 1: GETING PAST INERTIA

A. Activities in the Region

During the first year of regionalization in South Asia, a variety of events occurred. Some led to the establishment of the regional structure as initially designed, others created deviation from planned change.

1. From SIN to ROSA

After the Executive Committee of WW's International Board approved the concept of SIN in February 1988, it took little time to officially open the RO in March. Desai was already on location in Hyderabad. However, setting up the complete staff structure for SIN took another twelve months.

The two AMs began their assignments on May 1, 1988. The Area Manager, North covering Nepal and northern India was Edward Stonefield. Jim Yates became Area Manager, South to oversee WW operations in Sri Lanka and southern India (5). After a brief visit to Hyderabad, Stonefield and Yates moved to Kathmandu and Colombo respectively. They received little training in their new roles. To compensate, Desai intended to communicate with them often either by phone or by meeting regularly in Hyderabad. However, once Stonefield and Yates arrived in Nepal and Sri Lanka, they could not obtain visas allowing them unrestricted transit in and out of India. The best they could do was apply for a one year visa that permitted six entries. In the meantime, they were unable to travel to India to review WW's partnership projects or meet with Desai. When Yates

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finally received his Indian visa after six months, it was a momentous occasion:

> "On the very last day of October I received my Indian visa.
> I was disappointed that the Visa Section of the India High
> Commission did not prepare a going-away party for me. I had
> been there so many times that I felt like an employee who
> was retiring."

Due to these travel restrictions, Desai held the first two Regional Office meetings (ROM) with the AMs in Kathmandu in June and October. The purpose of the ROMs, which lasted up to five days, was to discuss regional issues such as case history growth, program reports and budgets, the KMAs, staff roles, and coordinating their plans. After Stonefield and Yates obtained their Indian visas, the third and fourth ROMs were held in Hyderabad.

During the six months that Stonefield and Yates could not travel to India, Desai became their back-up to handle problems and concerns of staff in the partnership projects. Slow mail service and poor telecommunications between Colombo, Kathmandu and India made it difficult to contact the AMs (6). Meanwhile, the support structure of WW/India was still intact, and the PCAs continued to view Desai as the ultimate authority on matters of policy and program.

One of the issues which Desai and the AMs discussed during the first ROM was SIN, the name Smithson had selected for the region. Desai did not feel comfortable with it because of the acronym's English connotations. He and the AMs decided that ROSA was a more palatable name which could be used interchangeably to represent 'Region of South Asia' or 'Regional Office of South Asia'.

2. Making WW/India Part of a Regional Structure

As WW's operations in India had grown from one to several partnership projects with plans for expansion, the staff structure of WW/India had

grown. Desai had been hired initially as WW's Representative in India

focusing on the creation of partnerships, but his responsibilities had

expanded to include the coordination of field operations with HQ.

Program Executive positions were created to train staff in the joint

projects. As the number of projects grew, Regional Representative

positions in Bombay, Delhi, and Madras were added to supervise the Program

Executives. This regional structure for WW/India would now have to

function within the regional structure of ROSA. How this would happen was

the subject of a December, 1988 meeting at HQ attended by Fonseca,

Hartley, Smithson, and Desai. Hartley were concerned that there be:

> "as much standardization and uniformity within the
> organization as possible, and we do not want too many titles
> floating around in one particular country....We do not want
> layers of administration, keep it simple" (7).

The advent of the AMs meant that directors of the joint projects would now

report to them rather than to a Program Executive, and the Regional

Representatives would be phased out. In essence, the AMs took their

place. The Program Executives would remain and report to Desai until the

PCAs were trained in WW procedures. The PCAs would take on more

responsibility for the joint projects leading to the phase out of Program

Executives.

At HQ, these changes involved the simple removing and shifting of boxes on

WW/India's organization chart. However, within India these changes

created dissatisfaction among staff. For example, the Program Executives

had joined WW/India only three years previously with the understanding

that they could be promoted to Regional Representative. Now, the Regional

Representative positions would be eliminated and their own positions

placed in jeopardy.

To understand staff expectations about regionalization in ROSA, Smithson

spent three weeks in February, 1989 interviewing WW FDs in Nepal and Sri

Lanka and Project Directors (PD) in India. Smithson aggregated their responses and wrote a summary of them. These materials and a commentary by Hartley were distributed throughout ROSA and HQ to "educate everyone involved as to the thinking and concerns of all the contributors; the supplementary commentary by HQ staff should provide direction on how to deal with certain issues raised in the report" {From Smithson's cover memo.}

In his summary, Smithson wrote that: "there is generally a good understanding among the Field Directors and Project Directors of Regionalization". However, in his commentary, Hartley expressed concern over the uncertainty about the respective roles of the AMs and WW/India staff. Hartley tried to reduce the uncertainty by stating that the AMs were line positions and the Regional Representatives and Program Executives were staff or support positions. Hartley also addressed a concern of the PDs about the AMs's accessibility by affirming that all correspondence should go directly to the AM rather than to Desai. Hartley also stated that a replacement should found for Desai so that he could hand over his WW/India responsibilities and function solely as a RD.

3. A New Regional Administrator: A Renewal of Conflict

When the ROSA office opened, the only professional position remaining to be filled was Regional Administrator. Fonseca insisted that this role be created like the one in SARO. However, he and LaVoie decided to recruit an Indian who would understand local accounting and administrative procedures and would not have to be relocated like Gomez had been when he had become RA for SARO.

Through the network of WW's international accounting firm, Siavash Ghosh, a trained accountant and auditor with twenty years experience, was identified and hired in October, 1988. Shortly thereafter, he traveled to

HQ and SARO where he spent six weeks in orientation and training with LaVoie and Gomez. At HQ, he learned about WW's administrative and accounting systems and his responsibilities as an RA. He then joined the ROSA staff in December and participated in ROM IV and V but reported directly to LaVoie at HQ.

As ROSA's RA, Ghosh's responsibility was to check that decisions and expenditures made throughout the region were consistent with established procedures or had received necessary approvals. Ghosh thus reviewed Monthly Financial Statements from FOs and Project Offices and calculated expenditure ratios. He also followed-up audit reports and checked purchasing procedures.

Soon after starting, Ghosh began to question administrative aspects of running FOs and Project Offices and decisions that Desai had made regarding the operations of the RO. For example, Ghosh noted that Desai's habit of using the spouse of a WW/India employee to arrange help wanted advertisements was inconsistent with procedures and indicated a conflict of interest. These problems and other concerns were listed in Ghosh's memos and reports to LaVoie, copies of which were sent to Desai.

Ghosh quickly found out that his efforts to point out items that were not consistent with procedures were not appreciated by Desai or WW/India staff. In an interview, he stated that Desai and the staff of WW/India made him feel unwelcome and were reluctant to act upon discrepancies he identified. However, he would not stop doing what he had been directed by LaVoie to do:

> "Being a regional administrator is a thankless job. An attention drawing job is very unpopular but that is the job that Fonseca has given to me and I intend to carry it out...The Board's interest is increased accountability and control and that is my job. When conflicts occur, I prefer to work with program staff and resolve these conflicts here rather than use the conflict resolution procedure."

In time, Ghosh became thoroughly familiar with WW's procedure manuals and continued his review of expenditures such as per diem rates and salaries for WW/India employees. For Desai and the staff of WW/India, it was difficult to accept Ghosh's role since to them operations had progressed smoothly from 1979 to 1989. Instead of acting on his own, Desai was now required to have Ghosh review all expenditures to ensure they were consistent with WW policies. When their interpretations of policies did not match, Desai did not feel he could act without Ghosh's approval.

Conflict quickly ensued over who was responsible for running the RO and to what extent Ghosh could intervene in WW/India operations. Desai, who was serving as Acting Regional Director, felt that his position was being undermined and that it was difficult to work with Ghosh because of their different levels of experience and knowledge about WW. Ghosh was aware that he was in a new role for the region and felt that Desai viewed him as a threat but he was only doing the job that Fonseca and LaVoie had asked him to perform. The bad feeling between Desai and Ghosh soon became known throughout the region as staff visited the RO in Hyderabad and Ghosh travelled to field sites to follow-up audit reports or check that procedures were being followed.

When Desai and Ghosh could not agree on a decision or policy, no action was taken as Desai did not want to refer matters to Hartley or LaVoie. Through written correspondence and phone calls, Smithson soon learned of this "stand-off" and made a special, unplanned trip in July, 1989 to Hyderabad to diffuse the situation. In an interview during this trip, Smithson discussed the problem:

> "If they would just talk to one another, instead of writing memos..... ...Fonseca believes in this structure and the separate controls by the RA but ROSA needs a procedure to revert matters to HQ...I talked with the Regional Auditor about the relationship between the RD and the RA, he expressed concern that if their conflict problem wasn't

solved soon, ROSA would collapse....."

4. Problems with Partners

In the midst of this problem, an audit report on WW's project with the Women's Services Association of Ranchi (WSAR) was completed indicating mismanagement (8). Among the findings in conflict with WW administrative procedures was that WSAR sold materials to the joint project and some employees were sponsored clients. The Regional Auditor, with backing from Ghosh, advised Fonseca and LaVoie that WW protect itself from recrimination if WSAR's activities were judged to be illegal.

Desai advised restraint since WSAR was part of a large Indian organization that was politically well connected. Fonseca's view was that WW:

> "... should under no circumstances compromise our position
> on accountability for political reasons, let alone not
> embarrass a partner who is in violation of the partnership
> agreement and/or local laws and regulations." {From Fonseca
> memo to Hartley}

In July, Fonseca and Hartley decided to terminate WW's partnership with WSAR. This was communicated to Desai, and the partnership was dissolved.

A different type of problem surfaced in WW's joint project with the Regional Union of Orissa Cooperatives (RUOC) (9). Project staff planned to distribute funds to representatives of cooperative associations, who were members of RUOC, without any provision to ensure that funds would be distributed in a manner consistent with WW procedures. Ghosh had identified this problem while reviewing RUOC's proposed budget and had notified Desai and LaVoie of this discrepancy. When informed that project funds could not be released in this fashion, RUOC staff ultimately decided to withdraw from its partnership with WW (10). For the first time in its ten year history, WW/India had terminated partner agreements with two organizations, thereby reducing the number of partners from 7 to 5.

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5. KMAs: Making Links to Consultants, Developing the Designs

Progress in establishing the KMAs was slow. During a visit to Hyderabad in the summer of 1988, Fonseca wrote a ten page memorandum describing the purpose of the three KMAs. He explained that the ROSA model would rely on external consultants to support the field in the design and implementation of these systems in contrast with what had been done in SARO:

> "It is not yet known which system will eventually be adopted by WW (if indeed, a unique system will be found to be appropriate.) The decision must wait for the results of the SAR and ROSA experiments. Note that the end results (ie. the augmented managerial skills at the FO level) are expected to be the same, but the way to get them can well be different....This is what the two regional experiments are all about...The experts selected will be informed of what has been done in SAR so far but will not be bound to do the same, as long as what they propose would clearly achieve the same objective."

Subsequently, Desai asked Fonseca for the KMA materials developed in SARO. Desai had identified several prospective consultants to submit proposals for the KMAs but wanted the SAR models as examples to show them. Fonseca refused at first claiming he did not want to bias ROSA staff in favor of the SAR systems.

In December 1988, Fonseca agreed to send Desai copies of the systems developed for SAR but only so that Desai and the consultants could decide whether to use them. Fonseca, however, remained steadfast that developing the ROSA KMAs was the responsibility of regional staff and made sure that the technical staff at HQ who had developed the systems for SAR knew that:

> '...I have asked Joe [Smithson] to confirm to Saroop [Desai] that the decision on how to proceed with KMAS is his, and that he should feel free to experiment with a different approach if considered necessary. We, at HQ, would still have the opportunity to review Saroop's & Co.'s suggestions, before they are implemented. I know that you may feel frustrated by this approach but...we should experiment with alternative ways to achieve the same ends. Regionalization is a keystone of WW's future structure, and we should not miss the opportunity to test different models..Please be patient and wait for ROSA's decision without...lobbying! Thank you!'
> {From Fonseca memo to HQ technical staff in HRD and FOES.}

Desai subsequently reviewed final proposals from three Indian consulting firms (11). He made a recommendation to HQ and requested that work on the KMAs be in full operation by January, 1990. Other than the review of these proposals and the sharing of information among staff, no other progress was made on the KMAs.

B. Perceptions of Change

During the summer of 1989, one year after ROSA was created, staff at HQ and in the region were interviewed about regionalization. The following sections contain their various points of view.

1. HQ Staff: Slow Progress, Revisited Conflict

Smithson seemed pleased with the establishment of ROSA despite the difficulties that had occurred between Desai and Ghosh and his special trip to Hyderabad to resolve their differences. However, he worried about this problem and questioned Desai's ability to take control of the situation:

> "...Saroop (Desai) has succeeded in integrating WW/India into the region. He has handled regional business and administration like staffing and growth....However, I have concerns about Saroop's management style and his thinking as a decision-maker. He will talk with me about something and then he will add some fact of information into the discussion and this will totally change the framing of the issue...I don't think that Saroop can handle unplanned and novel situations that arise."

Concern for or doubt in Desai's management ability was also voiced by LaVoie, Fonseca, and Hartley:

> "Saroop does not have the proper training and background to be a Regional Director. Eventually we will have Regional Directors who are general managers and have their MBAs."(12)
> (LaVoie)

> "Desai needs to make the selection of Indian partners more formalized so that decisions are not made on a personal basis."
> (Fonseca)

> "On the ground it [creation of ROSA] really hasn't made

much of a difference. Saroop isn't doing enough with the
KMAs. He is not clear about what is needed. He is not
identifying available resources...and he is not on top of
things. I wonder if this is a case of the Peter principle
at work...."   (Hartley)

The issue of Desai's management ability was usually intermingled with

concern about his conflict with Ghosh and the difficulty of communications

between ROSA and HQ. The following statement made by WW's Director of

Personnel reflects this linking of issues:

> "It is hard to get in touch with ROSA. Phones get
> disconnected and infrequent communication leads to
> misunderstandings. [After I send something out to ROSA, I
> get a response that make me wonder] 'What did I say that
> makes it come back this way?' A lot gets misinterpreted or
> re-interpreted. It's difficult to know if you're being
> understood or if you're understanding him [Desai]
> correctly... The RA position is not clear. He's not getting
> correct *support* and direction from this office...The person
> is not going about his job in the most productive way. He
> needs to be more sensitive to how he does his job...Saroop's
> transition from WW/India to RD has been difficult. He is
> not sufficiently trained or supervised. Progress has been
> very slow."

The slow progress in getting regionalization implemented in ROSA was also

expressed by Ted Burns, the HQ technical specialist for the FOES system:

> "I have been cut out of the stakeholder pattern for FOES. I
> wrote the statement of work and haven't heard anything
> since. Without an evaluation person in place or someone who
> can stay on top of this functional area, FOES is dead in the
> water. The initiative must come from them [ROSA]."

The perception of ROSA's slow progress and the lack of confidence in

Desai's management ability were reinforced by how little HQ staff knew

about Desai and the activities in ROSA compared with their knowledge of

Vasquez and SARO. HQ staff were still heavily engaged in establishing

SARO and made few visits to ROSA. Due to Fonseca's insistence in using

consultants to implement the KMAs in ROSA, the schedule for establishing

them had been pushed back. For HQ staff, regionalization in South Asia

had progressed quietly for nearly a year until they became aware of the

conflict between the RA and RD.

2. ROSA Staff: The Anxiety of Change

Among ROSA staff, there was a mix of perspectives and concerns regarding the first year of regionalization. Among Desai's greatest concern was the impact that regionalization was having on WW/India:

> "Regionalization has created havoc over the WW/India structure...There has been a change in emphasis from *supporting* partners to checking on them, from strengthening partners to controlling them. There is less time and patience to develop new partners. We prefer to expand the number of projects with current partners rather than add new partnerships."

Desai claimed that these difficulties stemmed from Fonseca's concern for control and lack of confidence in his abilities. The latter was reflected in the letter of reprimand Desai received for the conflict-of-interest claim that Ghosh had identified. Desai also felt that direct communications between Fonseca and the PCAs undermined his role and that of WW/India (13). In fact, Desai had sensed Fonseca's disapproval of his work from the moment they first met:

> "When Fonseca first came to India, he looked at our agreement with the government and threw it across the table stating that 'this is no agreement'. I told him: 'you may not think this is much, but it works and is the best agreement like it in all of India'."

A major problem for Desai was the role of the RA and that he was alone in trying to deal with Ghosh's demands and inquiries (14). For this reason and because of the poor communications between the AMs and the WW projects in India, Desai wanted to relocate the AMs to Hyderabad. Unfortunately, he had failed as yet to sign an agreement with the GOI that would allow for the placement of expatriates in India. Fonseca had also expressed a desire to maintain ROSA as a 'dispersed model' in contrast with SARO. Fonseca's insistence frustrated yet amused Desai who claimed that a suggestion of his, first considered unfeasible, now could not or would not be changed:

> "I need the AMs in Hyderabad to solve communications

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> problems and because the RA & AM need to be in regular
> contact...The ROSA dispersed model was designed after the
> WW/India model with dispersed Regional Representatives..
> ...The concept of placing the AMs in country was at first
> not considered feasible. Now it can't be changed."

Desai also had ideas about other changes to the ROSA model:

> "I have identified 10 things I would do to change the ROSA
> structure if I had the authority. First, I would create a
> position of Regional Executive Director and change my title
> to Regional Program Director. This would give balance to
> program support and control. At present I must interact
> with HQ staff directly on matters that don't pertain to
> Program."

Desai had the title of Acting Regional Director, but he knew that Ghosh

had a position of comparable authority limiting the extent to which he

felt free to make decisions. The two AMs, Stonefield and Yates, were also

sensitive to issues of control especially with regard to the new emphasis

at HQ:

> "I had no input into the ratios, whether they make sense or
> not and in some cases they don't. If we had bought into the
> ratios, then I could better enforce it, because I understood
> it and how and why it came about...The message from HQ is
> that people don't matter, as long as the budget is spent and
> the quota [for case histories] is met. The Regional Office
> sees this as important but tries to mollify some of this
> message. The Regional Office is in the middle but must and
> does pass this message along."   (Yates)

Stonefield had little confidence that the region could truly be brought

together due to the historical animosity between the countries of ROSA and

the tendency for India and Indians to dominate any setting:

> "As long as ROSA is structured the way it is, partnership
> will not be exported out of India. There is no integration.
> India is seen as a special case. It has been managed
> autonomously. There is a history and recent occasions where
> India has used its economic power to make political life
> difficult for its neighbors...the only way to make ROSA
> successful is to make it part of a larger region.."
> (Stonefield)

The AMs saw India's dominance as problematic in two ways. First, when

specialists from the RO visited Nepal or Sri Lanka, they interacted with

staff poorly due to language and cultural differences. Second, both Yates

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and Stonefield questioned how the KMAs could be established in a uniform manner considering the differences between countries. They feared that the preferences of WW's local staff in Nepal and Sri Lanka would be overshadowed by the preferences of staff in India.

Working as they did away from Hyderabad, Stonefield and Yates knew of the conflict between Desai and Ghosh but tried to stay clear of it. Their concern was as much the interpersonal dynamics of the RO as the impact of the regional structure on project and field offices.

> "Desai was in effect already the Regional Director for
> India. The selection of an RA reduced his position by
> creating within the RO a position that was equal to his."
> (Yates)

> "Regionalization has had a major impact on the internal
> working of the PCAs."   (Stonefield)

The impact that regionalization had on the PCAs embittered WW/India staff as shown in this quote from the WW/India director:

> "Implementation of ROSA was done without sensitivity to the
> prevailing WW/India structure. Staff should have been
> readied for regionalization. The shift in increased
> accountability and WW's strategy in India occurred at the
> same time. This has been a lot to handle. Everybody's so
> scared to make a suggestion, until you've gone round and
> round on every administrative detail...You can't have
> control in place on program only. The audit function is
> totally unchecked. The long term effect is that everyone is
> going to play it safe. I don't know if that's appropriate
> for an organization like WW that's growing and needs to be
> innovative....Accountability is fine but the extent that it
> kills creativity to develop program is not constructive..."

As ROSA was established, the new emphasis on control and accountability that Fonseca brought to WW became an overriding concern in India as elsewhere. The charges of misconduct made by Ghosh and the irregularities uncovered in project audits supported Fonseca's assumptions about the need to control the field. Finally, the structural changes made in WW/India to accommodate the roles of regional staff and HQ's strategy t ; place more responsibility on the PCAs also changed the relationship between WW and

its partners. Staff at HQ had seen few effects from regionalization, but staff in WW/India said they were overwhelmed.

3. FO Staff: Search for a Region

Regionalization had yet to filter down to the International staff in ROSA. They had received memos about the KMAs but no activities had yet taken place at WW FOs. Having the AM within country provided increased support, but this was partially overshadowed by Fonseca's new measures of control. According to Internationals in Nepal and Sri Lanka, the only effect of regionalization was close contact with an AM:

> "Something I feel now, I have more contact with the AM but I don't know if it makes much difference....At this stage I don't feel it [regionalization] much yet. We're still finding our way."

> "ROSA has not had an impact on program at all. The major change through regionalization has been the local placement of the AM. I had expected there to be more sharing of ideas and staff in conferences but this hasn't occurred."

To Internationals the lack of activity and the failure to bring staff together had not produced any sense of a regional identity:

> "Nothing is being done on the regional level with regard to staff development. If we want to see the fruits of regionalization, then we have to meet together. It's a strange thing; there hasn't been any talk of a regional meeting. We are still organizing ourselves. Maybe once we are settled we'll have something, more contact...Sharing information between FOs would be welcome but the political and linguistic differences may make this impossible."

> "The use of English as a regional language cuts out most of the local office staff who only speak Singhala." (15)

The sensitivity of Internationals to language and ethnic differences was also revealed in how they talked about the staffing of the RO:

> "The thing that bothers me about regionalization is this Indian business. Other than our AM, everyone in the region is Indian. At the present all Sri Lankans are paranoid of Indians. The Regional Auditor was too scared to come here from Hyderabad."

> "We don't need any Nepalese or Indian consultants, we have the talent. To send anyone out with a translator would be

very bad. People are very nervous and suspicious. A white
man wouldn't be a problem, but for an Indian to collect
information, the people would wonder whether they were
working for the JVP [opposition party conducting civil
war]."   (WW FD in Sri Lanka)

4. Staff with Partner Agencies: The Impact of Regionalization on Partnership

Staff from the PCAs in India had little to say about WW's decision to set

up a RO in so far as it was an internal matter. However, they were

concerned about how it affected not only project administration but the

standing of the PCAs as well. Board members and staff of the PCAs were

accustomed to direct contact with Desai, and to some extent Fonseca, and

wanted that to continue. To them the operational relationship between WW

and the PCAs should reflect the equal status of both members of the

partnership. PCA staff felt that, as a result of regionalization, their

role was being deemphasized.

"The status of partners as equals should not be lost in
regionalization. New Positions are being created and are
not properly indoctrinated." (Exec. Director of a PCA)

"PCA involvement should be reflected in relationships at a
higher level, not in just taking on more responsibility for
the project" (Board Chair of PCA)

In trying to understand how they would fit in WW's regional structure, PCA

staff tried to figure out what was happening within WW and its need to

regionalize:

"What is regionalization? If it is purely decentralization,
then why the need for more staff - the RAs and the AMs?....I
think there is a need to give more thought to what
regionalization actually means, what are its objectives and
then discuss all the various aspects connected with it.
This is a matter of concern not only to Worldwide but even
to PCAs." (Board Chairman of a PCA)

While some PCA staff were unsure of what WW was trying to accomplish

through regionalization, others thought they knew but faulted WW for its

implementation:

"Regionalization is welcome if it led to faster decision-
making. However, decentralization for quicker decision-

> making is not occurring since the AM is far away. The
> responsibility is not clear. Specific plans of action have
> not yet been developed at the local level so there is no
> accountability and responsibility."
>
> (Joint Project Director)

C. Aftermath of Year 1

1. Internal Review

Year 1 in ROSA coincided with the end of Year 2 in SARO and was subject to

the annual, internal review. As part of his responsibility, Smithson

traveled to ROSA in July, 1989 to interview staff. In the memo Smithson

sent to the staff he would interview, he wrote that the purpose of these

interviews was to obtain "continued feedback on your understanding of

Regionalization issues, specifically related activities and performance,

actual and/or anticipated impact, problem areas, and offered suggestions".

Smithson collated the staff responses and distributed them first to Desai,

Fonseca, and Hartley, and subsequently to the respondents themselves. The

presentation of staff comments, without interpretation or analysis by

Smithson, led everyone, including staff at HQ, to draw their own

conclusions from the information presented. There was no mechanism to

integrate or synthesize the information in terms of its significance and

use for redirecting regionalization and making it more efficient.

The subsequent report that Fonseca submitted to the International Board

raised several issues. One issue was the timetable of implementation for

regionalization in ROSA. According to Fonseca, the conflict between Ghosh

and Desai and the decision to give ROSA more flexibility in designing the

KMAs had slowed the process down, compared to the fast pace of the first

year in SARO. Fonseca did not claim to know precisely why the RA and RD

had been unable to work together well but assumed that it was due to the

uncertainty over their respective roles. Fonseca recognized that the

regional structure may have been problematic, but he refused to change it:

'A conflict between the Regional Director and Regional
Administrator exists in South Asia as it did in South America.
There has been and is debate about this conflict being caused by
the RO structure itself (the RD and RA reporting to different
bosses at HQ) as opposed to other factors. The current strategy is
to retain the present structure and to work with the staff involved
to clarify what is expected and how these two roles are to work
together, especially in the face of conflicting professional
opinions and different agenda. Given the design of the current
model HQ is doing what it can to resolve these problems...' (16)

Another problem causing delays in regionalization that concerned Fonseca

was the relationship between WW and the PCAs:

'ROSA also has to deal with the delicate relationships
involving the Indian PCAs. WW encourages the PCAs to accept
administrative changes and KMAs improvements to upgrade
their own internal operations in support of joint WW/PCA
programs. Yet they are independent and can make their own
decisions in this regard. This issue will be pursued
further in one-on-one meetings between the PCAs and Charles
Hartley or Alfredo Fonseca when they are in India over the
two months ahead.'

While wanting to standardize the KMAs, Fonseca was aware that the autonomy

of the PCAs created a buffer that was delicate to penetrate (17). In

conclusion, Fonseca recommended to the Board that due to these concerns

and the lack of a formal agreement with the GOI for the RO that ROSA still

be considered 'experimental'.

2. Expected Changes in Year 2

Since from HQ's point-of view so little had happened, there was no plan

for any substantive changes in the design of ROSA. Fonseca, Hartley, and

Smithson would try to clarify the RA and RD roles, but there would be no

change in the RO structure. Implementing the KMAs would begin during the

next year as scheduled.

One policy conflict between WW and some of the PCAs that had surfaced

through Ghosh's budget reviews during Year 1 was a PCA practice of loaning

money to employees. Fonseca refused to allow one PCA to loan money to

staff for the purchase of motorcycles for transportation to sponsored families. (The outcome was that WW would give the PCA funds to buy the motorcycles which staff could use. This wasn't against WW policy.) Subsequently, WW/India staff learned that the PCA's policy was based on an assumption that employees would take better care of the motorcycles if they, not WW, owned them.

When Fonseca heard this reasoning, he did not know whether or not it reflected a substantive difference or cultural preference. Fonseca informed staff that it would be important during Year 2 of ROSA to better understand the policy differences between WW and the PCAs. Subsequently, he began to talk of a study on "organizational values" to compare those of WW with those of the PCAs.

D. Organizational Change amid Cultural Differences

Regionalization in South Asia meant that organizational change would occur in a setting different from that of South America. The result was the 'dispersed' model whose implementation led to a series of expected and unexpected outcomes. The major shifts from plan to practice occurred in the following areas:

The role of the RO:

> Much like what had occurred in South America, ROSA became a
> location for the placement of independent functions. The
> creation of ROSA made the staff structure of WW/India
> redundant resulting in the deletion of several staff
> positions. The RO increased the oversight of PCA projects on
> the basis of HQ policies and altered WW's relationship with
> its Indian partners.

The relationship between the RA & RD:

> Once hired, the RA and RD had the same conflicts with one
> another as had taken place in SARO. The result was ambiguity
> within the region over who was really in charge.

The role of the AM:

> Due to travel restrictions and slow communications, the AMs

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could not meet their responsibilities as designed. Desai had
to maintain his role in communicating with PCAs and was unable
to address any regional issues.

Key Management Areas:

Consultant proposals for the KMAs were received but work had
not yet begun.

1. The Gap Between Planned Change and "Real" Outcomes

ROSA was intended to be a model of regionalization that would be an
alternative to SARO. Yet the structure of the Regional Office was the
same, leading to similar inter-departmental conflicts. Unlike SARO,
however, the physical distance between ROSA and HQ and the slow pace of
establishing the KMAs gave HQ staff little direct involvement in
regionalization. It was too early to say whether ROSA was the less costly
and more efficient model it was intended to be.

Other than the change in the name of the region from SIN to ROSA, there
was no change during Year 1 in the design of the new organization itself.
The 'dispersed' location of the AMs continued despite Desai's preference
to have them in Hyderabad. The plan to use Indian consultants to
establish the KMAs was still intact, although the timeframe had been
extended. As the year unfolded and little progress made, Fonseca did
change his policy toward the involvement of HQ staff in the ROSA KMAs. At
first, HQ technical staff were to have no part in the development of the
KMAs. Fonseca then approved their writing the FOES and HRD consultant
work agreements. This shift may have been a case of Fonseca's patience
wearing thin, but it seemed more that ROSA could not entirely break away
and develop its own KMAs without considering what had already been done in
SARO.

Fonseca and Smithson explained the slow pace of regionalization in South
Asia as stemming from the conflict between Desai and Ghosh and the
timeframe for implementing the KMAs. What was lost in their analysis was

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the mobility problems that Stonefield and Yates faced due to the delays in getting their Indian visas and the subsequent restrictions on their entry to India. The reduced contact between the AMs and the projects in India required Desai to continue his role as coordinator for WW's activities in India.

As the regional structure was set up, one unforeseen effect was the need to integrate WW/India into this new structure. The scale of WW's operations in India and the reliance on PCAs had led to its own regional staffing pattern which was altered to accommodate the new roles of AM and RA. A major impact of this redesign was to bring WW/India under the scrutiny of the same policies which Fonseca had enacted upon all of WW. Decisions previously the domain of Desai were now being monitored by Ghosh with further review from HQ.

2. Culture and the Shaping of Change

As with SARO, what ROSA became during Year 1 resulted from a series of contingent events. In the creation of ROSA, elements of culture intervened in several ways. Regional staff roles replaced or meshed with the existing structure of WW/India. The result was changed relationships between HQ, WW/India, and PCAs and the surfacing of different assumptions.

The creation of ROSA occurred at the same time that Fonseca was trying to change HQ's relationship with the field through the imposition of more controls. HQ staff were not interested in the institutional development of the PCAs but in the PCAs' ability to expend funds in a manner that would ensure accountability to donors. Indian PVOs that had entered into partnerships under one set of rules and assumptions began to feel that those rules had changed. The new emphasis on accountability was jeopardizing creativity in program design, and two partnerships were

terminated. There was growing concern among the PCAs about what "partnership" really meant. Fonseca had himself become concerned with inter-organizational differences and decided to research the subject.

Desai and the staff of WW/India were unfamiliar with the changes taking place at HQ and thus totally unprepared for dealing with Ghosh's revelations. Ghosh was simply acting on the basis of a set of assumptions reflective of WW's sub-culture and Fonseca's assumption about the appropriateness of conflict. In interviews, WW/India and joint project staff expressed anger over how Ghosh's behavior could be tolerated given what they assumed was WW's priority in meeting the needs of the poor in a collaborative way.

In implementing change in South Asia, WW had come across intra-regional differences at a societal level that were not present in South America. In SARO, Spanish speaking national staff shared an Hispanic heritage within three countries which have historically been good neighbors. In ROSA, the only thing that Nepali and Sri Lankan national staff seemed to share was their dislike for Indians. Although English was used as a common medium for communication in ROSA, it was not really part of a culture that national staff shared. Even within India, there was a major cultural split between the Punjabis in the North and the Tamil in the South. These differences limited the potential for region-wide activities and restricted the ability of Hyderabad based staff to work effectively throughout the region.

III. YEAR 2: MORE DISAPPOINTMENT AND FRUSTRATION

Following the annual, internal review Fonseca announced that ROSA would continue in 'experimental' status subject to further review and close ties with HQ staff (17). Fonseca was especially concerned with the effect of

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regionalization on partnerships in India (18). He wanted to maintain partnerships while concurrently improving how the joint projects were managed. He felt that the introducing of the KMAs would determine if that could be accomplished.

A. An Organization Under Study

In the middle of ROSA's second year of operation, 1989-90, Fonseca began his fourth year as WW's IED. During those four years, WW staff had experienced three kinds of change: expansion, restructuring, and the transition to Fonseca. The scale and pace of these changes made staff question what type of organization WW was becoming and the security of their own positions. At first covertly and then overtly, staff raised questions about the direction in which WW was heading.

During the first and second reviews of regionalization, HQ, RO, and FO staff had expressed in interviews with me their disappointment over the effects of regionalization and their concern over the changes made by Fonseca. From my reports and other sources, Fonseca knew of staff's concern about change. In his continuing effort to end what he interpreted as staff confusion over growth, regionalization, increasing accountability, and the relationship between these changes, Fonseca wrote a series of articles in WW's staff newsletter and welcomed staff response. Subsequently, he authorized several studies to better understand the source and nature of the problems that he had been hearing about.

1. The Morale Task Force

One of the principal vehicles for WW employees to publicize their concerns is a quarterly publication edited at HQ called NEWS & VIEWS. In the February, 1990 issue, several field staff expressed concern about the changes taking place within WW, Fonseca's management style, and his lack of openness to confront important organizational issues like morale.

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Staff concern about morale and the direction which WW had taken are reflected in the following remarks:

> "I decided to join WW in 1985 accepting a 20% cut in salary believing this would be corrected in the long term and compensated by more work satisfaction related to the more people oriented approach of WW. Now under the pressure of spending we are moving away from people oriented to infrastructure oriented and from small scale to large scale, bringing me back to the same problems I faced before joining WW." (ROSA Field Director)

> "FDs are managing by computer. As long as their budgets are allocated according to the formula of 70/20/10 and they spend 25% of their budgets each quarter, then they have nothing to worry about. Their programs are OK, but no one is doing anything creative. They just push their staffs to spend, spend, spend. One field Director last year at the end of the second quarter had spent 50% of budget, not 51% or 52% but 50% and by the end of the year 100%. Now, if you're going to do anything creative, you're not sure what you might spend." (HQ Program Coordinator)

> "WW used to be a place where people were the bottom line. Now that's all changed. For people like me who joined when it was like it used to be, the change has been difficult. For others who labored before and found their work was unappreciated, people for whom numbers and regulations and computer screens are important, the change has been just dandy. It's just that the culture has changed and for those like myself who are attached to the way things were, we can either brush off our CVs or think that the present is just an aberration and things will return to the way they were." (Area Manager in Training)

As a result of such expressions of discontent, Fonseca created a Morale Task Force composed of field and regional staff. Its role was to survey International staff, determine the scope of their concerns, and present recommendations to address identified problems. The Task Force, aided by an organization development consultant, would present a report to senior management at HQ for their comment before it was passed on to the International Board of Directors.

2. Studying the Impact of Regionalization on HQ

One of the expectations about regionalization was that HQ would get smaller or stay the same, despite continued growth in the field. Since

the creation of ROSA and SARO, the number of employees at HQ had, in fact, increased, not decreased, from 79 to 86. The Personnel Department had used the expectation of reductions to restrict the number of staff promotions and transfers.

Uncertainty over the future was a concern among HQ staff and prompted Personnel to contract for a job analysis of all HQ positions. The consulting firm doing the analysis also studied HQ's structure. The result would be recommendations for the future size and structure of HQ once all operations were regionalized. In discussing this study, the project director stated that one of his tasks would be to consider an organization design that "deals with HQ's policeman approach to overseeing the field."

3. A Study on Organizational Values

Due to the surfacing of policy differences between WW and the PCAs during Year 1 in ROSA, Fonseca wanted to determine whether the PCAs' lack of compliance was due to poor implementation or cultural differences. Consequently, Fonseca asked Desai to:

> 'Approach all partners starting with....and inform them of the
> concern of WW on the obvious conflicts of policies emerging from our
> audits, which points out the need of identifying the different basic
> values which result in different organizational behavior.'

The study that ultimately emerged was designed in two parts, an intra-organizational component and an inter-organizational component. The first phase required WW and each of its seven partners to identify their own organizational values. Then an inter-organizational study would be conducted to identify where there was overlap in values between WW and the PCAs and where there was conflict.

Data for the study on WW's values were collected from questionnaires distributed to all levels of the organization, including the International

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Board. This part of the study was completed by staff from a research
institute that specializes in the management of private, development
organizations. Among the preliminary results leaked from their
confidential report was that there was a large gap between WW's espoused
values and its values in action. (I interpreted this gap as reflecting
the different assumptions of WW's "program" culture and "control" sub-
culture.)

These three studies raised field and HQ staff expectations that, when the
depth of discontent was revealed, action would be taken to revert things
back to the good old days under Benedict. The 'Black Market' alternative
to Fonseca's management style could no longer be avoided or kept hidden.
In the midst of these three studies being conducted, regionalization
continued.

B. Activities in the Region

1. The AMs Come to ROSA

During Year 1, Stonefield and Yates were based in Kathmandu and Colombo
and worked out of offices set up in their residences. However, by the
beginning of Year 2, Stonefield had left ROSA for a PC position at HQ.
Yates, still constrained by the limited number of entries he was allowed
into India, spent longer periods away from Colombo visiting the joint
projects. Desai also relied on him more as the only AM. Despite requests
by Desai to HQ that they replace Stonefield as soon as possible, an entire
year passed without the position being filled.

In Year 1, the issue of the AMs' location had been brought up by Desai
when he sought ways of dealing with Ghosh and communication problems in
India. One option was relocating the AMs to a site within India but away
from Hyderabad. The AM, North could be relocated to Delhi and the AM,
South to Madras. The 'dispersed' nature of the ROSA model would remain

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intact but the distances between the AMs and the projects in India would be reduced. The ease with which the AMs could communicate with or travel to the projects was becoming increasingly more important as WW/India's Regional Rep positions were eliminated and the size of the joint projects continued to increase (18).

The idea of stationing the AMs in India could never be seriously considered while WW lacked an agreement with the GOI to operate a RO. Without that, it was impossible to obtain the work papers necessary for an expatriate to be assigned in India. However, this situation all changed after the GOI expressed no further objection to the agreement which Desai had proposed allowing two "foreigners" to be located at the RO. In notifying Hartley and Smithson of this development, Desai informed them that he would immediately request a visa for Yates so that he could be relocated to Hyderabad on a permanent basis.

Having been unable to replace Stonefield, Hartley agreed with the relocation of Yates. In discussing this sudden change in ROSA's 'dispersed' model, Smithson stated that the signing of the agreement with the GOI was not the reason why the 'dispersed' model was dispensed with. Circumstances had changed he felt and Desai needed the support of an AM in Hyderabad. To provide Desai with this support, Fonseca was willing to forego this once essential aspect of planned change in South Asia. Smithson stated that this shift was done "for expedient administrative concerns" and that the AM could still be relocated away from the RO at a later date. In April 1990, Yates moved to Hyderabad, and, when a replacement for Stonefield was finally selected near the end of Year 2, he was assigned there also.

2. Hyderabad Conferences: Regional Meetings, HQ Meetings
To begin the process of bringing the region together around issues of

common concern and introduce the KMAs to staff, Desai scheduled a regional conference in Hyderabad for January, 1990. According to the minutes of the conference, its purpose was to "provide an update on regional matters as they had been developing....and obtain input to the Regional Office Plan of Action for FY 91-92-93." It was the first such conference of its kind in ROSA. Since the conference was intended to explain the why and how of establishing ROSA, Fonseca, Smithson, and several HQ department heads attended. According to participants from the region, it seemed that Desai lost control of the conference after HQ staff, especially Fonseca, intervened at critical times during the discussion:

> "What makes a region?..we had a regional conference but it was run by HQ.....During the conference it was HQ against the region. The region wasn't ready [to hold the conference] but HQ forced it. It was managed and manipulated by HQ. It also became clear that it was program as support against everyone else...There was never an issue of concern by Fonseca for Desai..all the interest was for the RA and controls.."
> (WW Field Director)

> "We didn't arrive at any goals and with Alfredo there it wasn't conducive to an open discussion...People aren't open with Alfredo around. He just shoots people down."
> (WW Field Director)

> "It seemed that HQ staff took over...One session was started in Fonseca's absence and everyone was relaxed and open. Then when Fonseca returned with other HQ staff the whole atmosphere changed." (WW Field Director)

To project and FO staff, this exhibition by HQ reflected Fonseca's concern to dominate regional staff, including Desai, and to focus on control issues. However, this did serve to clarify staff uncertainties about the new structure:

> "At the conference everything was clearly explained. Before then I was not clear about roles and reporting, but now we are very clear about the structure. We know who to approach for what help." (Joint Project Director)

The attempt to clarify staff concerns was not confined to the two day conference. Staff from HQ and the regional office met a day earlier to discuss the roles and responsibilities of regional staff. Fonseca also

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had Desai schedule meetings with the PCAs, both together and individually, to discuss ways of increasing the effectiveness of the partnerships. This included discussion on the joint study to identify shared and conflicting values.

These meetings resolved much of the lingering uncertainty and ambiguity that staff felt about a wide range of issues. However, in the process it became clear to staff in ROSA that HQ was very much involved in regional matters, from the KMAs, to setting regional priorities, to managing WW's relations with the PCAs. The regional conference turned out to be less of a ROSA conference and more of an HQ conference held at a regional location.

3. Establishing the KMAs

Early in Year 2, the proposals from Indian consulting firms to design and establish the HRD and FOES systems were reviewed by technical staff at HQ. They recommended the HRD proposal from Delhi Consulting Group (DCG), which was approved by Fonseca, but would not recommend any of the proposals for FOES. Desai decided that, instead of using a consulting firm for FOES, he would retain the services of a single consultant on a long term contract. Dr. L.T.Maharaj was subsequently selected for this role. To supervise and coordinate the work of DCG and Maharaj, Desai contracted for the services of Mr. Dharma Debnath who was a Board member of one of WW's PCAs.

At the Hyderabad conference, plans for establishing these systems were discussed with WW and PCA staff. According to Desai, it was decided that implementing both systems simultaneously would not be feasible. For now, half of WW's FOs and partnership projects would establish FOES and the other half HRD.

a. FOES
In April, a conference was held in Bombay for staff to discuss FOES and

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review the questionnaire that had been used in SAR. Five months later

Maharaj who directed the conference looked back on the event in the

following manner:

> "The Bombay conference was intended to share learning among
> all FOs and to understand that the FOES instrument was theirs.
> We asked FOs to review the questions and see which items did
> and didn't apply, both the questions and the response codes.
> We wanted staff to understand the purpose of the questions and
> the objective of FOES.....and to get the idea that, though
> designed by HQ and for SARO, it was not an imposition of HQ
> but was primarily for the Field's benefit. We wanted to
> recognize the areas where questions could be adapted to local
> conditions and what questions should be included to meet their
> concerns and fit their projects."

At the conference staff identified many items they wanted to change or add

to the questionnaire, given their interest and conditions in the region.

For example, staff wanted to add questions about the assistance sponsored

families received from organizations other than WW. They felt this

information was needed to isolate the impact of WW's projects. Another

suggested change was in the name of the system. For ROSA staff the

acronym FOES had a negative connotation, so they suggested calling the

system PREM, a Sanskrit work meaning love, which stood for planning,

research, evaluation, and monitoring.

When the staff person attending the conference to represent HQ's

Evaluation Unit returned home, he notified Burns, who had designed FOES

for SAR, about the proposed changes. Burns and his supervisor became

concerned that the additional data which ROSA staff wanted was not

essential and would make the questionnaire too long. Changes in the order

and content of some questions would also make it difficult to analyze the

data and compare them with those from SAR. To resolve these differences

they asked Maharaj and Debnath to come to HQ. Despite an expressed desire

by Fonseca and members of HQ's evaluation unit to be sensitive to field

concerns, the majority of changes proposed by ROSA staff were not

accepted.

"When Maharaj came to HQ and technical reasons for changing
the questionnaire discussed, the issue was often resolved by
staff saying 'that's what Burns wants'".

<div align="right">(HQ staff person)</div>

When the outcome of Maharaj's visit to HQ became known in the region, both
WW International and joint project staff felt that their discussions in
Bombay about how to improve the questionnaire had been a waste of time.
HQ wanted to do things its way and expected the field to act in a uniform
way without recognizing local needs. Maharaj explained the reluctance to
alter the questionnaire as follows, despite what was said about
flexibility:

"Burns now has a vested interest in the system design, but we
caught him when we were talking at HQ when he said that the
system was evolving."

When Maharaj choose to work with WW, it was under the assumption that his
emphasis would be on designing the system so that it suited local,
regional needs. After his meeting at HQ, he understood that the issue was
now one of implementation only. Since Maharaj spoke neither Tamil nor
Singhala, he could neither train nor supervise WW staff in Sri Lanka or at
the joint projects in southern India. The result was that the schedule to
set up FOES was pushed back and additional consultants were hired at FO
and projects sites creating a system that staff jokingly referred to as
"consultization". Debnath, who was a consultant, supervised Maharaj who
was a consultant supervising local consultants.

b. HRD

"There was a battle last year over how HRD would be
implemented. Was the system to be top-down? How much user
input would there be? Would we use or rely on outside
expertise in HRD or use internal staff perspectives?...The
underlying issue has been: who is in control?"

This quote was taken from an interview with Rita Bondieu, the technical
person at HQ responsible for HRD. It suggests that the process issues
involved in HRD and FOES were the same. However, the results, as of 1990,

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had slightly differed. In May, a conference was held in Delhi for ROSA staff to discuss the HRD system and the schedule for implementation. By this time the system, designed by a New York based consulting firm and pilot-tested in SAR, had evolved into a package of six modules. After presenting an overview of these components, DCG suggested a prerequisite step to implementing the modules, a questionnaire to determine the status of HRD efforts at each FO and project site.

The survey developed in SAR focused on salary administration, performance appraisal, and training. However, with input from the PCAs, the survey in ROSA was oriented towards issues of organizational climate and staff awareness of existing policies. The way in which the survey was administered also changed in ROSA. In SAR, each FO assembled a task force to review the results of the survey and develop plans for implementing the modules. In ROSA, task forces were organized prior to the administration of the survey so staff could have input during the data collection phase.

Bondieu approved these changes but was ambivalent about the possibility of further changes to the system:

> "The DCG consultants are going to review the modules of the
> HRD program to ensure that they are appropriate for
> application in ROSA but I anticipate very little modification
> as a result of that review."

> "ROSA has a right to modify the modules that they get from HQ
> and SARO."

As yet there had been few opportunities to see how flexible HQ would be in allowing adaptations to regional conditions and the preferences of ROSA staff. ROSA staff remained hopeful that the system would be of benefit to them and not just an imposition from HQ. Given the experience with FOES, Desai was uncertain about how flexible HQ would be in adapting the HRD system to ROSA:

> "We are just starting to introduce the first module so issues

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of re-design are not yet apparent."

4. More Problems in the Alliance of Partners

During Year 2, the enrollment of WW sponsored families in India continued
to increase. However, the changes and tensions created by regionalization
further altered WW's alliance with some Indian organizations. First,
when Fonseca held discussions with the PCAs at the Hyderabad conference,
he alluded to "partnership" as a "tactic". His interest was not
partnership per se nor the implementation of projects in India. The
latter was the responsibility of the PCAs. Fonseca's interest was that
systems of accountability be in place and that procedures be followed.
Fonseca had used regionalization to place greater emphasis on audit and
control functions, an orientation not shared by PCA staff.

> "WW's focus on accountability is good, but misdirected. Its
> accountability is towards sponsors, not recipients."
> (Executive Director of a PCA)

> "The influence of Fonseca and regionalization was concurrent
> and so after working with partners for 4-5 years, we changed
> the rules. For example, with regard to sharing administrative
> costs which was not expected before but is now, initially WW
> gave institutional strengthening funds to the PCAs now it
> doesn't. Earlier the responsibility of the project was more
> shared.... Now it is clear that the project is the partner's
> responsibility." (WW/India staff member)

During WW/India's first nine years, strengthening indigenous Indian
organizations had been both a means and an end. Hartley and Fonseca were
reinterpreting WW's approach toward partnership since they did not share
the objectives of Benedict and Desai, who had started and nurtured
WW/India. Hartley and Fonseca were interested in enrolling families not
supporting indigenous organizations.

The extent to which PCAs would have to serve in accordance with WW's
expectations became obvious when the KMAs were established. The
imposition of those systems and the resistance of HQ staff to approve
adaptations to local conditions was a source of significant irritation to

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Board members and staff of most PCAs. More and more PCA staff felt that they were expected to work for rather than with WW and that they were being treated as something other than a partner.

This feeling was best articulated in a memo which Desai received from the Executive Director of DEPAT, one of the PCAs:

> 'Alfredo's concept that 'WW uses DEPAT as a tactic in WW's strategy' does not square with our understanding of partnership. As a matter of fact it was becoming increasingly obvious to us that the word 'Partner' which both WW and DEPAT had been using to describe our relationship was not interpreted....in the same way. In the context of Alfredo's interpretation we think that a more fitting word for DEPAT would be an 'Agency'. An Agency is 'used', a Partner is not. The difference is analogous to the relationship with a wife and a prostitute. The shift from Partner to Agency is a substantive one and will demand logically several institutional innovations.'

In a subsequent exchange of correspondence, Fonseca took exception to this characterization of the relations between WW and the PCAs. He expressed the view that the differences between WW and DEPAT were cultural not substantive and the study he had proposed on organizational values would demonstrate that.

To PCA staff, WW's reinterpretation of its policy towards partnership was also reflected in a series of new criteria that Indian organizations would have to meet to qualify as partners. These were developed at HQ and contained in a twenty page document. According to staff in WW/India, many of the current partners could not have met these new criteria when they were first being considered. Their emphasis was weighted towards management and accountability rather than the quality of program. Consequently,

> "There is no interest in generating new partnerships. New growth [enrollment] growth will have to come from the large existing partners." (WW/India staff)

C. Perceptions of Change

1. HQ Staff: Losing Patience

By the end of ROSA's Year 2, regionalization was no longer something new. Hartley claimed that the Board had lost interest in regionalization and when "Smithson is making a presentation [to the Board], everyone is looking in their coffee". Yet the process of implementation was still going on, especially in establishing the KMAs and the functions of the RA and RD. HQ staff continued to see the role of the RA and its overlap with the responsibilities of the RD as problematic, but the staff were divided on whether the problem was structural or personal due to Ghosh's overbearing style.

> "The RA/RD relationship is still continuing in a negative
> way...The RA could use help in how he does his job. He is too
> oriented to a literal meaning of procedures and policies. He
> can't exercise judgement."   (HQ staff person)

Staff in the Program Department claimed that the RA had simply not been supervised sufficiently by Gomez who had moved to HQ to supervise the RAs. Gomez pointed out the difficulty in distinguishing the control and support functions of the RA and having to combine them in the same position. There had also been a shift in emphasis over time in making the RA's job more one of support than control. Yet the major complaint among HQ staff about ROSA was that staff in the RO lacked either the competence or willingness to be decisive and resolve procedural issues in the region rather than referring them to HQ. HQ staff felt that regional staff undermined their own authority thus confusing everyone.

The area of greatest frustration for HQ staff was the KMAs. Both Fonseca and Burns had tried to accommodate the differences between SAR and ROSA and allow ROSA staff to adapt the system to local conditions. However, the delay in doing so was a concern to both Fonseca and Burns:

> "Our concern for cross-cultural differences led to ROSA's

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option of whether to accept SARO FOES design. But, as a result, HQ didn't do enough selling of the system and we may not have sufficient buy-in or understanding in ROSA of the need for FOES.....whether it's a buy-in problem or epistemological, we have twice been geared up to get the system going and we've fallen back both times...." (Burns)

"It was never my intent to impose systems. It would be unfortunate if the PCAs did not have the opportunity to review or have input into the KMA design...We only gave then the materials after they had tried to come up with something themselves and had only come up with fluff. Since it had been taking a long time, we went along and gave them the KMA models." (Fonseca)

Other staff placed blame for the problems with the KMAs on individuals:

"Fonseca's management style is very authoritarian and he is involved in everything. His management approach is based on the assumption that others can't do their jobs......My major problem in dealing with HQ administration over the last three years is the lack of recognition of differences. ...There is an assumption that a single solution is feasible."
(Bondieu)

"Maharaj was given clear parameters but he went far beyond what was expected..He was not to change variables but to localize them." (Burns)

When asked to explain how the desire to not impose the KMAs on the region was undermined, Smithson's view was that "organizational pressures just force the implementation along."

2. RO Staff

Staff in the RO explained many of the difficulties in implementing regionalization as stemming from the conflict between Desai and Ghosh. Staff who had seen Desai in his previous role as the PC responsible for WW/India now found him in a new role in which he was forced to interact with a peer. Smithson and Fonseca had tried to define their roles more clearly, but it was still difficult for them to work together. Meanwhile, WW/India staff found their work roles changing in response to the new roles created in ROSA.

Desai felt that he and Ghosh had made a truce of sorts but that Fonseca's increased emphasis on accountability was affecting WW relations with individual partners in a negative way. Desai was also unsure of his authority given HQ's continued, direct involvement in regional affairs. In the case of the KMAs, Desai saw his request to simply review the systems used in SAR turn into a mandate that they be adopted with minimal revision.

Frustrated by his experience during most of the first two years of regionalization, Desai felt that he had to become more assertive. He had convinced Hartley to drop the 'Acting' part of the RD job title after the RO officially opened in July, 1990. This small change gave him additional confidence to manage the region. Desai had also begun to plan with Vasquez on how they could together place greater demands on Fonseca and HQ department heads to give greater priority to regional concerns.

3. FO Staff: The Loss of Innocence

> "With the present set up I don't see any future in it. We
> have restructured geographically but HQ is still controlling
> everything. There is no common direction as there is no boss
> or team leader." (WW FD)

A major problem for field staff was that they found the structure confusing. The presence of several individuals in the RO, each with a direct reporting relationship to HQ, made it unclear whether anyone was really responsible for the entire region. Field staff regularly expressed their preference to have one leader, one captain of the team, and not, as currently perceived, several independent individuals each responsible for separate functions.

It was unclear what authority Desai had and whether HQ would continue to be involved in regional affairs. There was frustration over how the KMAs were being established, especially FOES, and over the lack of HQ sensitivity to local differences. The result was that FO staff were not

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sure what regionalization was supposed to be, and they continued to receive mixed messages from HQ functional departments.

> "It's not clear to us what the RA should do. I don't know exactly what the RD does. Is the RD a regional program director or a regional director? Although they're on the same level [Desai & Ghosh], he [Desai] is taking on more responsibility for regional issues. I see him as a captain of the boat but we get the feeling that he's not."
>
> (WW Field Director)

My assessment of this concern about the reporting structure is that field staff prefer simple structures, not complex ones. The multiple lines of reporting from the region to HQ created an organizational structure that was difficult for staff to comprehend. What also concerned field staff was the continuing emphasis on accountability:

> "At the Delhi conference there was never an issue of concern of Fonseca for Desai. All the *support* was for the RA and the controls. Even if something has been approved, the RA can still question it, any decision. We must be very careful of what we do."

> "Controls were needed in WW, but the way it has been done, it was like taking a shotgun out to kill a fly."

> "Regionalization should provide better and closer speedier assistance. Now I discover it hasn't improved. The people in the region don't feel they have the authority so it has to go all the way to HQ. They have created so much control that things get delayed. I don't feel trusted...Is it centralization or decentralization. We call it the latter but things now take longer. Everything has to be examined before it is approved...If we can't count on the region to *support* us, since they're closer, they should understand how things are, then why do we need a region?"

Field staff expressed the view that due to the new administrative procedures established by HQ, such as budget ratios and procedures pertaining to Form Xs, RO staff involvement in FOs became redundant as many decisions became automatic.

4. Staff with Partner Agencies: A Preference to Communicate Not Control

PCA staff looked at regionalization in different terms than did WW staff since their concept of organization structure differed. When WW staff

discussed and defined the regional structure, they emphasized its
contribution to specify a hierarchy of roles and authority. As they
stated to me, the structure of an organization tells who reports to whom.

In interviews, PCA staff stated that regional organization was less
important as a hierarchy of authority roles but more important as a
mechanism for staff participation and communication in decision making.
As far as the PCAs were concerned, regionalization had not improved
communications or participation. First, staff within WW/India had been
reduced, and there was decreased contact between WW and the PCAs.

>"If regionalization is decentralization, then are purposes
>being served? I think not since the issue is irrelevant given
>the separate status of WW and PCAs. There should be
>partnership, but there isn't."

>"Unless we are really consulted, then partnership is only on
>paper. Regionalization has led to confusion and has not
>impacted well on partnership. There has to be better
>mechanisms to communicate."

Second, it had led the PCAs into a different relationship with WW, less as
partners and more as implementing agents.

>"When we agreed with having systems and procedures, we didn't
>know what we were getting into. We had never had such close
>collaboration before and didn't realize how extensive these
>systems would be...There's too much hierarchy."

D. Aftermath of Year 2

Year 2 for ROSA marked the third year of implementation for WW's redesign
by which time Smithson had assembled a folder incorporating the lessons he
had learned about regionalization and change. He used this material to
discuss WW's experiences with several PVOs that were considering some form
of regional structure. Smithson felt that there was more acceptance
outside of WW for the lessons he had learned than there was within WW.

The first two annual reviews of regionalization had been mandated by and

reported to the International Board. In contrast, the decision to review Year 2 of ROSA was made by Fonseca alone and came at a time when other studies were already planned or underway. Those included the inquiry of the Morale Task Force, the study on organizational values, and the analysis of HQ staffing needs under a fully regionalized field structure. For Fonseca, the information generated from the review of regionalization was now but one of several sources of insight into what was happening in the field and the organization at large.

It was not clear where these studies would lead, but field staff hoped that working conditions within WW would improve. Through the Morale Task Force they criticized Fonseca and the collusion of HQ staff for shifting the emphasis of the organization from program to control, thereby creating a morale problem. With that development regionalization had been eclipsed as a major issue as staff began to openly confront the changes brought on by Fonseca.

Yet within this context questions about regionalization remained unanswered. Would regionalization continue to help Fonseca control the field? Would the KMAs address regional needs? These questions continued to be a focal point in the struggle between the Program and Administration Departments at HQ, between WW/International and its partner agencies in India, and between HQ, regional, and FO staff.

E. Change through Adaptation: Culture and Implementation

ROSA became fully engaged in all the elements of regionalization during Year 2. In the process there were deviations from planned change. The following indicates the shifts from plan to practice and updates the list for Year 1.

The role of the RO:

> The RO continued to increase the oversight of PCA projects on the basis of HQ policies, further altering WW's relationship with its Indian partners.

The relationship between the RA & RD:

> The RA and RD continued to replicate the same conflicts that occurred the previous year. These conflicts continued to make field and PCA staff unsure of who was ultimately responsible for the region.

The role of the AM:

> The role of the AM did not change but their location did. The AMs were relocated to the regional office, thus terminating the key element of the 'dispersed model'.

Key Management Areas:

> Consultants were used extensively in designing and implementing the KMAs. Efforts by the consultants and regional staff to adapt FOES to ROSA were constrained by decisions made at HQ to standardize the system between all regions. Half of the field sites focused on FOES, half focused on HRD. The content and timing of the HRD survey were altered.

1. The Gap Between Planned Change and "Real" Outcomes

In Year 2, there were two deviations from WW's planned change. First, the 'dispersed' location of the AMs, a central element to ROSA's alternative model, was abandoned. This change was made once WW's agreement with the GOI had been finalized permitting two expatriates to reside in Hyderabad. Smithson attributed this action as a response to Desai's need for an AM in the regional office. However, Desai had been making this same, unheeded request for over one year.

Second, the KMAs were altered both in their content and the manner in which they were established. The plan to use outside consultants to design and implement the systems led to a three tiered hierarchy of consultant support. This approach went beyond the initial expectation that there would be one consultant for FOES and one for HRD. Furthermore, Fonseca's plea to HQ staff to allow Desai discretion in adapting the FOES system developed in SAR was lost in the heat of implementation. The plea

also became lost because HQ staff thought that they knew better than ROSA what it needed.

Year 2 of ROSA also led to several unexpected outcomes. WW's relations with its Indian partners had deteriorated. The growing concern within WW for accountability was perceived by PCA staff as a new aspect of partnership and a lack of confidence in their abilities. WW's regional structure had reduced communications between the organizations at the same time that WW was increasing its administrative demands on the PCAs.

The creation of ROs was initially expected to improve WW's capacity to plan and implement development programs. The efforts to implement the KMAs in South Asia at the field level became bogged down due to inter and intra-regional differences in language and interpretations of how the KMAs could aid in the development of programs. Meanwhile, unlike in SARO, there had been no effort to integrate regional programming and no opportunity to share resources between field and project offices.

2. Culture and the Shaping of Change

Regionalization had become a forum for staff conflict that reflected different cultural assumptions among WW's sub-cultures. The on-going interpretation of whether regionalization was a mechanism to control or support the field and the clash between Ghosh and Desai can be explained by differences in cultural assumptions. Through regionalization cultural differences between WW and the PCAs had surfaced, as exhibited in Table 6-1.

On a societal level differences in cultural artifacts both within and between the countries of ROSA prevented the region from being directed as an integrated whole. These differences surfaced during Year 2 in the design and implementation of the KMAs. Due to language differences

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consultants could not be rotated between countries. Nepali and Sri Lankan nationals found it difficult to work with Indians, especially Punjabis.

In their initial efforts to support ROSA staff in the establishment of the KMAs, HQ staff ran into resistance in using the designs that had been developed in South America. The SARO FOES system did not match the information preferences of South Asian staff. How cultural characteristics needed to be factored into the design of FOES and HRD was not an issue in SARO since the designs had been developed from scratch and SAR was a more culturally homogenous region compared to South Asia. Resistance developed among ROSA nationals since they had to use information systems that met another group's sense of need. HQ staff were unable to accept the concern of regional staff for local adaptation despite their avowed intention of doing so. After successfully implementing FOES in South America, HQ staff may have begun to assume that local adaptation was unnecessary.

IV. POSTSCRIPT: MORE OPPORTUNITIES FOR CHANGE AND ADAPTATION

As events unfolded in South Asia, plans were concurrently being made to regionalize the remaining areas of WW's field operations. Some were along the same lines as SARO and ROSA, others differed.

A. Southeast Asia and Central America

During 1990, Smithson made plans to establish WW's third regional office in the Philippines. It would cover the Southeast Asia region (SEA) including Indonesia, the Philippines, and Thailand. While it would have the same structure as ROSA and SARO, other aspects were not finalized. After SEA, WW would establish an RO in Central America. Its structure would be the same as the other ROs.

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Peter De Vries, who had been an AM in SARO, was selected as SEA's first RD. He vouched that he would act more decisively than either Vasquez or Desai when they began as RDs. However, after three months of training and orientation at HQ, he was less positive about his expectations than when he first talked to me:

> "There is no learning going on. The structure in SEA will be the same as it was elsewhere...I see you do these reports and nothing changes.."

When De Vries was at HQ, he had tried to convince Fonseca of the need to change the structure of the regional office so that the RD supervised all staff, including the RA. In his argument, he pointed out the problems that had occurred in both SARO and ROSA and various reports indicating the need for better coordination between program and control staff. According to to De Vries, Fonseca informed him that the RD would be expected to act as a general manager in the future and supervise the RA but not now.

B. Africa: Another Alternative

While WW was establishing SARO and then ROSA, Fonseca, Hartley, and LaVoie took action to better oversee field operations in Africa. Instead of creating a regional office, however, it was decided that program and accounting staff would be located in a central office to service a regional area. There would not be a Regional Administrator or Director but there would be a Program Coordinator, a Regional Auditor, and a Regional MIS Coordinator. Personnel to fill these positions were assigned to an 'administrative office' in Dakar or Nairobi to reach WW FOs in East and West Africa respectively.

In three African countries, where it had always been difficult to staff FOs with expatriates due to their remoteness, new positions of country directors were created. Country directors, who reported to a Program Coordinator, supervised FDs in country. This administrative initiative

was like regionalizing without creating a region. As such, it took place outside of Smithson's purview as Director of Regionalization and without any review by the Board. It gave Fonseca another model of organization design for controlling and supporting field operations. It was less costly and less troublesome since it involved the simple location of departmental staff to sites in close proximity to the field without creating any semblance of a new organizational unit.

The plans being made for WW's other operating areas suggest that Fonseca was willing, to some degree, to try out alternative organizational forms. However, where a regional structure was in place, the design of that structure would remain the same. Despite the mixed experience of regionalization in first South America and then South Asia, Fonseca remained committed to using it as a way to better control the field. However, his ability to do so came to an abrupt end in the fall of 1991 when the International Board fired Fonseca and appointed Vasquez acting IED.

The Board took this action on a Saturday at its regular fall meeting. The following Monday, the Chairman of the International Board announced the decision at HQ. In a memo to staff, the Board Chairman explained that the decision came after Fonseca and the Board had come to the conclusion that there were some significant (although unspecified) differences between them. Several staff members stated to me that: "The Board and Fonseca mutually agreed to disagree".

The Board's decision seemed to indicate that WW's dominant program culture had reasserted itself and that the organization would return to a course of action and a set of values that were consistent with its underlying assumptions. While staff had little sympathy for Fonseca, there was a great deal of concern about how the matter was handled and whether the

Board had been fair to him. It was still important in WW's organizational culture that people be "nice" to one another.

My own reading of this situation is that all of the recent developments at Worldwide - growth, new management systems, structural redesign, the clash of organizational culture and sub-culture - had made for difficult times and that Fonseca had become a lightning rod for staff discontent. Due to the Board's no firing policy, Fonseca came to rely on HQ managers who, to paraphrase one department director, were only concerned about their own necks. They failed to confront Fonseca when he acted unilaterally or else circumvented Fonseca by acting within the 'Black Market' culture. Through the Morale Task Force, Fonseca had become more aware of how his style and values were inconsistent with WW's organizational culture. Fonseca made some efforts to change but, in the meantime, he had become more and more alienated and seen by staff as the cause of all other problems.

Members of WW's program culture have apparently interpreted the Board's action as a chance to return to the good old days under Benedict. However, Vasquez and the Board have stressed that he is only serving in an acting capacity and that the Board would again go outside the organization to fill the IED position on a permanent basis. Whether WW will again be dominated by its program culture or whether the clash of differences between its program and control cultures will continue under a new IED remains an issue for further longitudinal study.

1. Benedict was also aware of the historical appeals of development pundits regarding the paternalism of most aid programs. Forming alliances with local PVOs created an alternative mode of operation which might be viewed as a less condescending approach to foreign assistance. If alliances with partner agencies could work in India, it might be a way to operate elsewhere.

2. Partnership worked in the following manner. Once WW and an Indian PVO agreed to cooperate, a project director would be hired. This individual and all other employees of the joint project were considered employees of the Indian partner. WW only provided funds and technical support. However, WW staff would monitor the administration and performance of the joint projects to ensure that WW procedures regarding such areas as enrollment, correspondence with donors, budget preparation, and project reporting were being followed. Each quarter the status of the partnership project was reviewed by a committee consisting of representatives from WW and the Indian PVO. Policy issues were referred to another committee that consisted of senior staff from both organizations.

3. For example, once an autonomous region, Goa was annexed by India. In 1971 India aided in the creation of Bangladesh by extracting East Pakistan from traditional rival Pakistan.

4. The next closest WW program country was Thailand which was considered to have more in common with countries in Southeast Asia than those on the subcontinent. Sri Lanka, India, and Nepal all had colonial experiences under the British and used English as the official government language.

5. Stonefield had recently been a WW Field Director in Tanzania and had once served in Nepal as a field representative for Action Aid, a British sponsorship organization. Yates had been assigned to WW Field Offices in Colombia and the Philippines. He had never worked in any of the three countries of SIN.

6. Both Stonefield and Yates spent time away from the office visiting WW projects in Nepal and Sri Lanka and attending to personal and administrative matters like trying to get Indian visas. When staff could get through to Colombo or Kathmandu, they were not assured of speaking with Stonefield or Yates or getting a message to them since they did not have secretaries.

7. Quote taken from 15 December 1988 memo which Hartley wrote to Desai to reiterate what had been discussed and agreed upon at the meeting.

8. WSAR was a new partnership project with only 1,800 enrolled children.

9. Like WSAR, RUOC was a new partner for WW with low enrollment.

10. RUOC's decision to withdraw from its partnership with WW was a unilateral one. As a small rural based development organization, RUOC did not consider it feasible to impose the measures of control and accountability which WW demanded of its partners. Rather than following such constraints, RUOC chose to terminate its relationship with WW.

11. Desai had judged the first proposals submitted by these firms inadequate since they had been prepared without the benefit of seeing the SARO documents. Fonseca decided that the KMA technical staff at HQ would write a scope of work that included copies of the SARO documents and a second round of proposals would be solicited. According to Desai, the

subsequent set of proposals was better.

12. LaVoie expressed this view under the assumption that Desai did not
have an MBA while, in fact, he did. When this was made known during the
same interview, the discussion proceeded as follows as described in my
fieldnotes. LaVoie: "He does? How did he get that?" AJD: "I suppose he
earned it." LaVoie shifts his eyes away and toward a stack of papers
which he says he needs for his next meeting and puts them in the middle of
his desk. AJD: "I think all that's a smokescreen anyway." LaVoie: "What's
that?" AJD: "You don't need an MBA to be a general manager and just
because you have one doesn't make you a general manager. I think it all
depends on when field staff were hired, either before Fonseca came to
Worldwide or after. If it was before, then you're not [seen to be
qualified as a general manager]. If after, then you are." LaVoie: "Maybe
so."

13. When Fonseca visited India, he always met with his counterparts in the
PCAs. The latter also corresponded with Fonseca about policy and money
issues.

14. Desai was involved in recruiting for the RA position and worked with
the local office of Arthur Andersen to identify suitable candidates. He
planned to set the salary at a level which in India would attract someone
who could handle hands-on, technical responsibility, as that was what HQ
wanted. LaVoie chose to set the salary higher. Desai claimed that: "From
Day 1 there has been a problem in that Ghosh expects to have a level of
authority and responsibility to reflect his salary level."

15. Singhala is one of the two national languages in Sri Lanka. Tamil is
the other. During Year 1 of regionalization in South Asia there were two
major political problems in Sri Lanka that severely affected the country
and in turn WW's FO operations. First, the Tamil minority was waging
civil war against the central government in hopes of establishing a
separate state. This movement was supported by Tamils in India. Troops
from the Indian Army were sent to Sri Lanka as a peacekeeping force. The
other political problem was that a faction known as the JVP were trying to
destablize the central government. They did so by calling national
strikes, sabotaging police stations, and terrorizing individuals
supporting the government.

16. This quotation is taken from Fonseca's report to the International
Board. It is important to note that he did not specify the 'other
reasons' that had been given by staff to explain the poor work
relationship between Desai and Ghosh.

17. Like Benedict, Fonseca was concerned with the always present and ever
increasing sensitivity of Third World governments to outside change agents
which jeopardized the long term feasibility of WW's traditional model of
operations. However, Fonseca was also concerned about the cost
effectiveness of WW's various means to deliver services to sponsored
families. He felt that WW's traditional approach did not utilize the
human resources within Third World countries and indicated an attitude of
paternalism. Under Fonseca's guidance WW staff had investigated the
feasibility of establishing new field programs in Colombia and Uganda
through partnership with local or international PVOs.

18. At the beginning of ROSA's first year there were 43,000 families
enrolled through the joint projects with PCAs and 67,000 by the end of
ROSA's second year.

Appendix 6-1

Time Chart of Key Events in the Creation of ROSA

Year	Month	Event
1987	November	Desai suggests creation of RO in South Asia as an alternative to SARO model.
1988	February	International Board approves "second experiment in the India/Nepal/Sri Lanka area in order to test a more efficient and less costly model." Desai appointed acting RD.
	March	ROSA begins operation.
	May	ROSA area managers take up residence in Nepal and Sri Lanka.
	October	Ghosh appointed regional administrator.
	December	Fonseca urges HQ staff to await ROSA's decision on design of the key management systems.
1989	July	Smithson makes special trip to ROSA to mediate differences between Desai and Ghosh. Year 2 of ROSA begins at start of Worldwide's of fiscal year.
	August	WW dissolves partnerships - first with WSAR, latter with Ruoc.
	September	Evaluation reports by Smithson and outside consultant on Year 1 presented to Fonseca.
1990	January	Conference held in Hyderabad.
	April	Government of India approves visas for two expatriates. Area manager relocates to Hyderabad. FOES conference held in Bombay where staff review materials and propose changes.
	May	FOES specialists travel to HQ to explain proposed changes. HQ staff approve only minor changes.
	June	Morale task force convenes.
	July	Study on organizational values begins.
	August	Morale task force presents report and blames Fonseca and HQ management staff for low morale among field staff.
	September	Evaluation report by consultant on Year 2 presented to Fonseca.

CHAPTER 7

EXPLANATIONS AND IMPLICATIONS

I. UNDERSTANDING CHANGE AT WORLDWIDE

This saga of organizational change, as depicted in the last three
chapters, indicates that change programs do produce change, although often
in ways that were unanticipated by the designers and managers of change
programs. At Worldwide, the aim to create a new structure was realized by
adding a new layer in the organizational hierarchy. Yet the change
program was altered over time and led to unanticipated effects. What
these changes were and why they occurred is the subject of the first part
of this chapter.

A. Change Plans and Change Realities

The reality of change at WW differed from what was planned in two major
ways. First, the design of the new organization structure was altered.
Second, the impact of the regionalization program differed from what was
initially intended.

1. Evolving Staff Roles and Relationships

With respect to staff roles and relationships, two aspects of Peters's
plan for change were altered. The first involved the autonomy and
independence of regional office staff. Instead of operating as an
integrated unit with a single director, SARO and ROSA remained part of
HQ's own departmental structure. For the first year of SARO and the first
two years of ROSA this meant working on priorities determi. 1 by HQ staff
and replicating inter-departmental conflicts characteristic of HQ. This
deviation evolved from Fonseca's desire to duplicate at the regional level
controls that existed at HQ.

As HQ was decentralizing departmental functions, Fonseca was concurrently

restricting the discretion of FDs to make budget decisions. He created
new policies to control field operations and then supported field staff in
their need to make decisions in accordance with those controls. In
effect, regionalization became a mechanism for Fonseca to try to ensure
greater control and accountability given his stated mandate from the
International Board. Over time, only SARO was able to emphasize support
to FOs by sharing regional resources. Thus, although the actual structure
differed from the design, its initial purpose was partially realized in
the case of change in South America.

The other shift in Peter's plan was the role of the Area Manager. Rather
than having a 'two hat' role, handling both technical and supervisory
tasks, the AMs eventually focused on the latter only. Except for
geographical location, the position differed little from what it replaced,
the Program Coordinator. It was not clear to the AMs, as it had not been
to the PCs, whether the primary aim of their roles was to control or
support the field.

2. Location of Regional Staff

Peters's idea for a regional structure was to bring together functional
specialists in a central location to serve a common geographical area.
This expectation was realized in SARO. In ROSA, the AMs were initially
based away from the regional office in a nearby program country. This
deviation was explained as a way to create an alternative model for
regionalization and speed up the timeframe of implementation.
Subsequently, the AMs were relocated to the RO, and the alternative model
was abandoned. The shift was justified, according to Smithson, on the
basis of "expedient administrative concerns" rather than new governmental
relations.

3. Design and Implementation of "Key Management Areas"

In his assessment of WW's deficiencies, Peters identified three management areas that needed developing and assigned the responsibility to the regional offices. He provided no particulars about the KMAs but expected WW to acquire the services of skilled specialists who would provide the necessary guidance to make improvements in these areas.

The need for improving human resource development, project evaluation, and planning and budgeting soon became a focal point for standardizing field office management. After the FOES and HRD systems were designed for SAR, staff in ROSA were given little opportunity to adapt the systems to their perception of what was needed. Peters's concern to address a management deficiency had become the basis for imposing standard systems throughout a diverse set of field sites.

While there was little variation in the content of the KMAs between the regions, there were inter-regional differences in how they were implemented. First, in SAR there was a heavy reliance on full-time staff, with limited use of outside consultants. In ROSA, consultants were responsible for all aspects of the systems. Second, in SAR, seven FOs became the focal point for all KMA activity; in ROSA, half the FOs established FOES and the other half HRD.

4. Outcome

When the Regionalization Plan was approved by WW's International Board, it contained a statement of purpose that listed six major goals. The qualitative nature of these goals made it impossible to objectively determine whether they had been achieved. Actual outcomes were perceived on the basis of how different sub-cultural segments each interpreted the intended change. Staff assessment of the planned change thus became a function of the same characteristics that had shaped its enactment.

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The perceived connection between planned structural change and Fonseca's intent to control the field created a forum for staff conflict and hostility. Staff reaction to the planned change could not be isolated from an on-going clash of cultural assumptions. This problem spread beyond WW's organizational borders in South Asia when regionalization led to increasing tension with its Indian partners. At the end of three years of regionalization, the problems facing WW seemed to be more visible and critical than those that regionalization was intended to solve.

The difficulties in regionalizing South America and South Asia also created time delays. When change results differed from change plans, additional effort had to be made to explain regionalization to staff. Smithson had to spend more time visiting existing regions to iron out problems and had less time to plan the other regions. Instead of setting up three regions by the end of three years, or one region per year, WW had set up only two. Additional time spent on regionalization issues meant less time to address issues pertaining to program and the needs of sponsored children.

B. Interpretations of a Planned Change

A major difficulty in implementing change at Worldwide was that staff held different interpretations about it. The different meanings given to regionalization reflected the many ways to categorize change. Some categories pertained to defining, others to implementing change. The following are five analytical categories of change which I developed:

CATEGORIES OF STAFF PERCEPTIONS OF CHANGE

1. <u>Definition of the Problem.</u> <u>[What the situation was prior to the implementation of change]</u>.
Planned organizational change is a process for managers to address problems and move an organization from some less than satisfactory situation to a more desired one. Yet change is built onto what proceeded it. Thus one interpretive aspect of change is how staff define the situation or problem that planned change will solve when it is implemented. WW's planned change was recommended to the International

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Board on the basis of Peters's assessment of the managerial environment and the collegial relationship between HQ and the field. Although Peters claimed his analysis reflected the opinions of those he interviewed, both field and HQ staff had different interpretations of WW's managerial needs and problems. Subsequently, staff perceived the change on the basis of these different assumptions about the state of the system into which regionalization was initiated.

2. Definition of Solution. [What the change is supposed to be].
Planned change is regarded as a solution to some problem. Peters had envisioned that the change would be a divisional structure like those found in a profit-making business. For Fonseca, the regional office was a convenient location for the placement of staff who served HQ's traditional functions. In the initial phase, field staff thought of the change as a new administrative structure to coordinate activities within a regional area and create promotional opportunities.

3. How Change Solves the Problem. [How the change works].
Planned change contains various elements which together solve the problem. Peters believed that the Key Management Areas would address WW's management deficiencies. To Fonseca, regionalization would bring the control function closer to the field; to field staff and members of HQ's Program Department, it meant providing better and closer support to the field.

4. The Change Actually Taking Place. [The experience of change].
Planning change is one thing. Realizing change is often something else. Over time plans for change get revised, assumptions become invalid, and key personnel are replaced. For these and other reasons, the change that takes place may not match the change that was initially envisioned.

5. Problems of Implementation. [What is causing difficulties in implementing the change].
When planned change does not proceed as expected or desired, organizational actors have their own explanations about why. Fonseca and Smithson thought the problems which occurred during implementation were due to confusion about how the regional structure would work. This led to their emphasis on clarifying roles and preparing job descriptions that became increasingly more detailed. Both HQ and regional staff saw the problems as resulting from staff incompetence; HQ staff placed blame on the regional staff, and regional staff blamed HQ for not letting go its authority. Field staff thought that the difficulties stemmed from the lack of clear authority at the regional office and HQ staff uncertainty over exactly what the change would be.

Table 7-1 summarizes staff perceptions towards WW's planned change and shows that regionalization can be defined in many ways. In some cases this increased the acceptance of change, in most cases not. The impacts were delays in implementation, variation in the change itself, and unintended effects, despite the many conferences to discuss regionalization and Smithson's detailed plans for change implementation.

Regionalization came to represent different things to different people.

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To Fonseca, the placement of regional staff in the field ensured the timely enforcement of policies and procedures. Yet he talked about it as a change toward decentralization since control activities were relocated from HQ to the region.

Prior to Peters's design, WW's inverted tack structure gave FO staff great discretion in making operational decisions with minimal intervention from HQ. That structure was experienced by HQ and field staff as a thoroughly decentralized organization consistent with the assumption about the competence of field staff. When Fonseca used regionalization to monitor compliance with policies, field staff experienced the change as a form of centralization since they felt their decision-making authority was being undermined in the process. Compliance to universally applicable policies was perceived as creating standardization and uniformity between FOs.

TABLE 7-1: PERCEPTIONS OF WW's PLANNED CHANGE

Among Staff located at:

Categories to Planned Change	HQ	RO	FO
Definition of Problem	Lack of Control Over Field	Communications Gap Between HQ & FOs	Lack of Support From HQ
Definition of the Solution	Decentralization of Authority	Creation of Regional Identity & Administration	Coordination & Integration of Field Activities
How Change Solves Problem	Better Enforcement of Policies	Solve Regional Problems	Provide Closer Support
The Change Actually Taking Place	Placement of HQ Staff in Regional Location	Regional Staff Expected to Address HQ's Concerns	Centralization of Authority
Problems of Implementation	Confusion & Incompetence in the Field	Inability of HQ To Let Go	Confusion at HQ & Lack of RO Authority

Due to their assumptions about organizational structure, staff in WW's partner agencies in India expected regionalization to lead to improved

communication. Instead, they experienced greater delays in decision-making and felt more distanced from WW policy makers. Like WW's own FOs, partner agencies were themselves more closely monitored. In South America, regionalization became a mechanism for integration through the sharing of human and technical resources.

C. The Evolving Nature of Change

Exactly how planned change evolved at WW was the result of a host of factors and contingent events. For example, had LaVoie and Gomez not both become ill during Year 2 of SARO, Vasquez may not have been able to make SAR a successful, if also a painful and prolonged, story of change. If WW's International Board had promoted from within rather than appointing an IED with no previous ties to WW, the placement of the RA under LaVoie would probably never have occurred.

Yet in the process of change, elements of culture, at societal, organizational, and sub-cultural levels, came to be critical factors affecting outcomes. First, the change was implemented in geographical areas with contrasting artifacts of societal culture. Second, the change took place at a time when the assumptions of WW's dominant culture were being challenged by an alternative set of assumptions through the actions of a new IED. Finally, the presence of segmented groups meant that the change experience was interpreted in different ways.

1. Culture in South America and South Asia

WW's regional structure was intended to group together FOs in a fixed geographic area to facilitate planning and budgeting, personnel management, and programming. However, the degree of cultural diversity within WW's operating areas varies greatly. For example, the national cultures of Latin American countries are significantly more homogeneous than what is found in Asia (1). This diversity affected the degree to

which SAR and ROSA were able to function as sets of integrated Field Offices with common objectives, program strategies, and forms of communication.

The diversity inherent within ROSA, not only between its three countries but also within them, especially in India and Sri Lanka, directly affected the process of regionalization. First, it delayed efforts to develop a common set of program policies or initiatives for the region. Second, national staff in Nepal and Sri Lanka were unreceptive to regional staff who were Indian. Third, cultural diversity led to an additional tier of technical consultants brought in to establish the KMAs. While staff in SAR could share training materials and approaches throughout the region, this could not be done in ROSA.

Linguistic diversity also restricted direct communication between HQ, regional, and national staff. English is the official language for all WW communications, and many staff at HQ and in the regional offices speak another major language such as Spanish or French. However, national staff in Asia are apt to speak a local language, such as Tamil in India, or Singhalese in Sri Lanka. In such countries, direct communication between national staff and HQ or regional staff is impossible. Conferences could be conducted in SAR using a common native language but not in ROSA. Consequently, national, international, and HQ staff could not effectively participate together in making decisions, such as those pertaining to the KMAs.

Cultural differences at a societal level were present long before WW established its regional structure. However, such differences were suppressed or rarely got in the way of local operations since FOs functioned independently from one another. For example, prior to regionalization only the FD had a direct line of communication to staff

at HQ and other FOs; national staff focused on their activities in isolation from what took place elsewhere in WW. Even in countries like Colombia and Sri Lanka where WW has several field offices, cultural differences were not an issue since each program was designed and managed locally.

As a form of organizational change, regionalization led to increased contact between FOs and between FOs and the next level up the hierarchy. In that process field staff were brought out of their isolation. Cultural differences both within and between regions became unanticipated constraints on integrating field operations at regional and international levels.

2. The New IED and the Clash of Assumptions

As if planned change wasn't difficult enough, the story of regionalization at WW was complicated by the advent of an IED who acted on the basis of a set of assumptions that were at odds with other parts of the organization. Table 7-2 shows a series of contrasts between two sets of key assumptions. One set ('dominant') was an element of WW's organizational culture and served to guide staff, like Benedict and Vasquez, who had field experience, and saw meeting the needs of sponsored children as the heart of WW's mission.

The other set ('competing') of assumptions guided Fonseca's behavior. To some extent this set overlapped with the assumptions of WW's sub-culture and those who like Fonseca and LaVoie had never held field positions. Regionalization became for Fonseca an opportunity to change WW operations in a manner that was consistent with these assumptions. For all staff, regionalization became a context in which actions based on different assumptions created unexpected outcomes.

As a newcomer to the organization, Fonseca was unaware of the issues confronting the organization as perceived by staff. He made assumptions about the nature of WW's problems (lack of accountability), imposed his definition of the solution (the need for more controls from HQ), and then suggested to others that the Board backed, indeed encouraged, his actions (the Board wanted him to exercise more control of the field than did Benedict). This approach clashed with dominant organizational assumptions about the centrality of program rather than procedures and that problems should be addressed through cooperation rather than confrontation.

TABLE 7-2: SETS OF ASSUMPTIONS IN CONFLICT		
DOMAIN	DOMINANT	COMPETING
Mission of WW	Help Others Through Sponsorship	Manage Sponsorship Program thru Accountability to Donors
Conditions in the Field	Field Staff Have the Skills Skills & Knowledge to Handle Any Situation	Problems Waiting to Be Discovered & Situation Needing to Be Controlled
Role of HQ	Supports the Field	Controls the Field
Differences between FOs	Maintained thru Program Diversity	Reduced thru Fixed Policies
Staff Interaction	Communications through Cooperation	Communications through Confrontation
Partnership	Fosters Institutional Development	Meets the Demand for Case Histories
Organization Structure	Facilitates Participation	Specifies Lines of Supervision

The diagnosis of Peters indicating the need for regionalization was based on an organization with a particular set of actors and management approach. Those characteristics changed when Fonseca became IED thus invalidating some of the assumptions and facts upon which the need for regionalization was initially determined. After he was appointed, Fonseca did ask to postpone the decision to regionalize. However, the Board decided not to, believing that its decision was correct, independent of who was the IED. Fonseca changed the context in which regionalization occurred and used regionalization as a control mechanism. Both HQ and field staff became disgruntled by change, and a morale problem subsequently emerged.

3. The Link Between Organization Change and Cultural Differences

At WW, regionalization produced many events which were perceived on the basis of different cultural assumptions. For example, regional conferences were used to inform field staff about the new structure and by Fonseca to exhibit behaviors that were in conflict with WW's culture. The KMAs became a device for Fonseca to try to institutionalize his emphasis on administration rather than program services. Staff aversion to Fonseca's competing set of assumptions became one reason why they found regionalization difficult to accept.

WW had no clear performance measures with which to contrast the efficiency of its old and new structures. How staff assessed regionalization and gave meaning to change-related events reflected different group cultures based on occupational (ie. departmental) groups and structural segments (HQ-RO-FO-PCA). Sub-cultures continually shaped how staff interpreted their roles in regionalization and communicated about planned change.

For example, WW HQ staff were concerned about the regional structure in

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terms of clarifying new roles and their reporting relationships, while

PCA staff focused on how the regional structure would enhance

communications and their participation in decision-making. These

emphases reflected different cultural assumptions about the value and

purpose of organization design. Table 7-1 shows how perceptions may vary

across groups.

II. IMPLICATIONS: SO WHAT IF YET ANOTHER ORGANIZATION HAD DIFFICULTY WITH CHANGE?

A. Theory

As explained by Schein (1985, 297-301), cultural differences among the

parties who interact in a change process can lead to divergence from

plans. This was certainly the case at WW. Yet, despite knowledge of

this difficulty, managers continue to have problems with planned change.

The experience at WW has indicated why change can be so problematic and

how culture makes it so. Differences among group cultures create

conflict, organizational culture is hidden from view, and societal

culture affects the workplace from outside and cannot be controlled.

Westney (1987: 25) explained intended deviations from a change model on

the basis of institutional and societal factors. In the case of WW,

culture, as a societal and organizational level phenomenon, also

contributed to deviations that were intended by one set of actors but

unintended from the perspective of another group of actors. Thus

deviations do not stem uniquely from alternative models about formal

institutions but from differences in underlying cultural assumptions.

Knowing the sources of different assumptions should be an important

aspect of planning change as it can help to identify where the potential

for unintended deviations from change exists.

When managers plan change, such behavior is consistent with prescriptive
theories which suggest that managers inventory factors affecting the
workplace (Porras, 1987) or envision some end state of change and lay out
the steps leading towards that end (Beckard & Harris, 1987). Smithson
and Fonseca were especially fond of the latter approach as demonstrated
by their insistence on plans of action to cover every conceivable aspect
of regionalization. They also made a continuing effort to improve better
job descriptions and clarify role relationships to reduce what they saw
as staff confusion over the planned change.

The ubiquity, yet hidden nature, of culture makes it easy for managers to
overlook the influence it can have over change implementation. Either
they fail to consider culture in planning change or are unable to control
the multiple sources of cultural differences. WW's structure and
ambiguous mission allow for multiple cultural segments which, as Van
Maanen & Barley (1984, p.48) suggested, may give organizations many sub-
cultures that are in conflict.

At WW, no common vision of the change process or intended result ever
emerged despite the months of planning and reviewing regionalization.
Whatever initial consensus there was broke down as new events were
interpreted in different ways leading to diverse re-interpretations of
change objectives and methods. Despite a year of planning the opening of
SARO and two major conferences, HQ staff were continually confronted with
multiple interpretations of what the organization was trying to
accomplish.

Fonseca's reaction to these differences was to explain them away as
resulting from staff confusion or ignorance. This approach alienated
staff from the process since Fonseca's explanation denied the reality of
their own experience as they perceived it. Furthermore, his reaction

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indicated that Fonseca either underestimated the significance of cultural differences within WW or they were hidden from his view entirely.

In creating the South America region, WW staff benefitted from the fact that the cultural differences between Bolivia, Colombia, and Ecuador were relatively small. The similarity made it possible to exchange resources and implement standardized management systems throughout the region. This ability was taken for granted, so WW staff were unprepared for the cultural contrasts of South Asia. Differences within and between regions could not be eliminated since they were a fact of WW operations in diverse environments. In this way, societal level culture became a factor in WW's planned change.

Thus, culture and organization change are interdependent. At WW both processes became interwoven further complicating the arena for change. However, the connection between change and culture may remain hidden until assumptions are questioned or revealed through change events or change phases.

1. Culture and the Lewin/Schein Model of Change
The Lewin/Schein model (1987a) of change contains three phases – unfreezing, change, and refreezing. The lesson from WW's experience is that once a system is unfrozen, the process and outcome of change is contingent on a variety of forces. Culture may affect a change process initiated to achieve one endpoint by moving it towards another. Such influence is consistent with Schein's remark (1985, 297) that "...for change processes...to be successful, those involved in the design and implementation...must share the same assumptions about change itself.."

However, the idea that cultural assumptions can be shared throughout an organization is itself a major assumption. The change phase at WW

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created an opportunity for different visions to be realized and for

conflict to occur over exactly whose vision would be realized. Rather

than assume that organizations can establish a shared vision of change

and subsequently develop the shared insight necessary for learning, it

would be better to assume that in organizations with many segments or

sub-cultures any initial consensus will quickly disappear.

Multinational and highly segmented organizations which operate in or

create their own diverse cultural environments are perhaps most apt to

face this dilemma.

2. A Model of Change Diffusion and Adaptation

In examining how organizations diffuse new practices such as structure,

Zaltman (1984) developed a two staged process model. Zaltman (1984,

p.10) was particularly concerned with the diffusion of innovation - any

idea, practice, or artifact new to the adopting unit. WW's

regionalization was an innovation since it involved the introduction of

several new practices including the regional structure and the KMAs.

The first stage in the Zaltman model is initiation, consisting of

knowledge awareness and decision, followed by a stage of implementation.

Innovation is regarded as an organizational process, but it is treated as

a static variable that is either adopted or rejected. Components of the

environment are considered in the selection of an innovation but not in

how it is reshaped during the implementation stage.

The experience at WW suggests that there is another outcome for

innovation, one involving re-interpretation and adaptation. Decision and

choice are not attributes of the initiation stage alone but of

implementation as well. The factors which shape those choices lie at

several levels and are both internal and external to the organization.

Managers may try to improve performance through innovation by adopting

practices that are perceived to have been effective elsewhere. As an
effort at planned change, such initiatives progress through a series of
stages (lettered a.- e. below) which together create adaptation. My
sense of these stages follows:

STAGES OF CHANGE DIFFUSION AND ADAPTATION

a. _Importation._ First, a decision is made to imitate a practice or
technique that is perceived to work elsewhere and is expected to address
present organizational problems. Peters in his desire to adapt WW's
organization structure "to those suitable for a major international
enterprise" decided that the M-form or divisional structure would best
address WW's needs. He also designed the 'two hat' role for the Area
Managers in a manner consistent with his experience at McKinsey where
associates have both technical and supervisory responsibilities.

b. _Definition._ This stage involves the development of an insider's
interpretation of exactly what the practice is, how it works, and what
its expected outcomes are. This stage may involve relabeling or renaming
the practice to enhance recognition. Change designers and implementors
meet to discuss the new practice. During this stage at WW there were
several staff conferences and visits by Peters.

c. _Adaptation._ During this stage changes are made in various components
or aspects of the practice to enhance its value within the domain of the
organizational environment. This includes changes that may be intended
by one group of actors that are unexpected or undesired by another group.
As changes are made to the innovation, users begin to identify with the
imitated practice. Fonseca changed the structure of the regional office
prior to the opening of SARO, while other changes, such as the 'two hat'
role of the AM were not made until after SARO had been operating for one
year.

d. _Acceptance_ With adjustments made and the imitated practice used,
staff come to accept the (re-)innovation and develop shared meanings of
its value. Further changes are made as the practice is diffused through
other organizational settings. In South America regionalization gave WW
field staff a mechanism to share resources and thereby decreased their
dependence on HQ.

e. _Absorption_ Over time and through additional changes the innovation
becomes part of a standard repertoire of practices. As such it becomes
routinized and domesticated, and no longer subject to critical review.
After Year 2 of SARO the International Board no longer required reviews
of regionalization and SARO was placed on 'regular' status.

By the time a change has progressed through these five stages, it is no
longer an innovation, and its design, and perhaps purpose as well, has
been transformed into something different. Whether it addresses the
problem that first led to the imitation of the organizational form or
practice or has created new problems will be dependent on a series of
contingent events.

Regionalization became problematic at WW because it did not smoothly progress through the five stages especially in the case of ROSA. A great deal of time was spent (in stage b. - definition) planning change and building a common understanding about what regionalization would be. However, once implementation began, whatever shared understanding had been established evaporated quickly. WW's group cultures limited the extent to which staff had overlapping interpretations of organizational events and experiences. Instead, there was a continual reinterpretation of them and an exchange of opinions, but differences were never resolved. No matter how well work tasks seemed to be defined or job descriptions detailed, cultural and structural differences led to conflict at and between HQ, Regional Offices, and Field Offices.

A major constraint on implementing change is hidden patterns of existing behavior. WW staff spent a great deal of time planning regionalization but problems persisted because they focused on creating new roles rather than changing existing behaviors at HQ. For example, the Regionalization Working Group wrote the job descriptions for all the new regional positions. However, it did not examine how HQ jobs would have to be redesigned to function within a regional structure. Regional staff thus had to adapt to existing positions at HQ which were rooted in the old structure.

There was also a reluctance on the part of staff, as manifested in individual and group defensiveness to problems, to concede points of difference. The problem was not a lack of effort in defining regionalization but a failure to recognize underlying cultural differences. Regionalization might have progressed more smoothly had Smithson, Fonseca, and other actors been more sensitive to culture and worked with rather than deny cultural differences.

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For example, Fonseca assumed that staff were against change and that
being confrontative was the best way to deal with differences. In
effect, he tried to change WW's culture. Had Fonseca recognized the
legitimacy of alternative views and made decisions through collaboration
he would have garnered more support from staff. However, he did not and
over time Fonseca himself became the critical issue to staff, independent
of what he was trying to do.

Another major barrier to change at WW took place in stage c. -
adaptation. Several efforts on the part of HQ and field staff to adapt
regionalization to their sense of what WW needed and how it would work
were unsuccessful. Not only did this alienate staff from the process but
it delayed modifications that ultimately were made. The result was lost
time and staff who had little sense of ownership in what was being
implemented.

The first episode of this type took place when the Board took the
responsibility of determining what the change would be away from HQ staff
and gave it to Peters. The second came when Benedict and Peters
disallowed the only major deviation that the Regionalization Working
Group wanted to make in Peters's plan. Several unsuccessful efforts
occurred in the field with modifications to adapt the KMAs to field
conditions.

During this stage one modification that was made and that persisted was
the reporting relationship between the RA and RD. Fonseca made the RA an
independent actor in the region thereby replicating HQ's departmental
structure. Fonseca then ignored repeated pleas from staff, Peters, and
myself as WW's organization consultant about how this made
regionalization unworkable as designed.

Although based at HQ, Fonseca did receive a great deal of information about how his scheme of regionalization was being implemented. The regional conferences he attended and the reports written for the annual reviews gave him regular access to what field and HQ staff were saying and what Smithson and I were thinking. However, except for the alteration in the 'two hat' role of the AMs, Fonseca did not make any changes in response to what he was told. Perhaps he was merely obstinate. Perhaps, given his assumption that he had been hired to bail WW out of a mess, not responding to our suggestions may simply have been to Fonseca a matter of making sure that the children took their medicine.

The definition stage for regionalization at WW was inherently difficult due to the presence of several sub-cultures. The adaptation stage became problematic because of the change process that was followed. Decisions were made that took away from the principal change participants their sense of identification with what was going to be done. For example, even actions that seemed trivial, like refusing to rename the FOES system in ROSA to PREM, reduced staff buy-in. Thus it is not surprising that regionalization was delayed and a lot of time wasted in implementation. Perhaps the biggest surprise is that regionalization progressed as well as it actually did with several ROs in place and several others planned.

B. Research Issues

This dissertation has shown how elements of culture shaped the implementation and diffusion of planned change. If organizational members can improve their understanding of this process, the frequency or trauma of unexpected change would be reduced. Perhaps the reason why organizations continue to have difficulties with change is because existing theories aren't as obviously useful to managers as the academic world thinks them to be. Something gets lost in the transition of 'good' theory to practice. Is it the conversion process that is somehow faulty

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in improperly communicating theory to practitioners or do cultural
differences between practitioners and theoreticians mean that they have
different assumptions about what constitutes 'useful' knowledge?
Business school faculty who fault managers for poorly executing planned
change may be falsely attributing the problem. Research that focused on
the culture of these two groups would be useful in determining why
managers continue to have problems with issues 'understood' by business
faculty.

Another research implication is a methodological one and pertains to the
study and use of culture as an explanatory variable. Due to my
longitudinal ties at WW, a topic discussed more fully in the Appendix, I
had internalized my own knowledge of WW's cultural characteristics. To
then use culture as a framework for analysis was difficult as I had to
surface hidden assumptions. I think that my analysis would have
progressed more rapidly had I done research at another organization
undergoing a similar change. Time and space for detachment might have
shaken me sooner from what I had learned to take for granted at WW.

C. The Practice of Organizational Change

The ubiquity of change in today's world limits the extent to which
planned organizational change can be an insular process. The implication
is that managers must pay more attention to the linkages and interaction
between changes that take place simultaneously. Assumptions and
conditions upon which one set of changes are made should be consistent
with those of unplanned or other planned changes.

An aspect of the experience of planned change at WW that touches upon the
Lewin/Schein model is that change has become as hidden to organizational
members as culture is. Organizations like WW are undergoing change all
the time without ever reaching the phase of refreezing. Some parts of an

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organization may become stabilized just as others become unfrozen. Thus, the task of managers should be viewed less as one of managing a planned change and more as one of orchestrating multiple streams of both planned and unplanned change.

Much has been written in the organization development literature about the need for managers to develop a vision of change (Schein, 1985; Beckhard & Harris, 1987). Beckhard & Harris indicate that once the end state of a change project has been determined managers can specify how to make the transition from the present to the desired future state. This orientation takes organizations as mechanistic systems in which managers identify some destination (vision or end state) and then drive the organization in that direction while watching for checkpoints along the way. This approach assumes that change is a linear process and that the change vision is fixed and can be collectively shared.

If managers regard organizations as cultures, they should understand that the meaning of a planned change will be subject to reinterpretation due to the presence of sub-cultures. The appearance of a collective vision for change will be fleeting at best. The failure to create and maintain a shared vision is not due to poor managerial communication but from the innate fragmentation of meaning that comes from cultural differences.

Change managers should first identify cultural differences and then determine how those differences may affect change implementation. Unfortunately, managers may impose a vision of change that alienates staff or deceives themselves into thinking that consensus exists by glossing over differences. From this perspective, it makes little sense to spend a great deal of time developing consensus over a shared vision since that vision is only going to break down later or become irrelevant. As part of the dynamic process of change, managers need to continually

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monitor the meanings which staff give to change and not block
adaptations.

A related problem is that managers may not be aware of changes that occur
during implementation which alter the feasibility or desirability of the
initial end point of change. Throughout the implementation process,
events occur which make plans irrelevant, inappropriate, or worse yet
constraints on doing what should be done. Assumptions upon which a plan
has been based may be or simply become invalid (2). Unfortunately,
following an out-of-date plan justifies the time spent planning and
serves as a legitimate course of action until other clearly defined and
accepted alternatives have been identified.

The implication is that management should not get carried away with the
need for planning nor insist on keeping to a plan when circumstances have
changed. Otherwise, a plan can become a focal point for staff conflict
and a contest over authority. Efforts to implement an outdated plan will
create staff turmoil, inefficiency in reaching intended objectives, or
the realization of undesirable outcomes. In a turbulent environment
managers should react to multiple sources or streams of change that are
beyond their direct control. Thus the task of the manager today is not
to control change, but in the words of Morgan (1988) to "ride the waves
of change". One way of doing so would be to acknowledge cultural
differences and to negotiate their various demands for and against
change.

NOTES

1. Elements of national culture based on political entity exist at a
different level of social integration that the culture of distinct social
groups. As elaborated upon in note 29 of Chapter 5, to say that Latin
America has shared national culture does not negate the presence of
cultural differences between and within Latin American countries.

2. Planning can help staff to think through contingencies and alternative
courses of action should such changes occur. However, the unthinkable
and the unplanned for often happen.

APPENDIX

DOING LONGITUDINAL FIELDWORK: FROM INSIDER TO OUTSIDER

A perennial issue in social science is the relationship between the observer and the observed. I do not intend to restate the debate over this apparent dichotomy and how it impacts the validity of data or skews the analysis of them. Rather I want to survey the special potential and problems that occur when the researcher's relationship and access to a field site is not fixed but changes over time (1). Such research behavior should not be considered aberrant for "to meander through our various roles over the course of our research is not a grievous error, but a natural human phenomenon" (Adler & Adler, 1987: 86). In this appendix I review a typology of research roles developed by Adler & Adler and then use it in describing my involvement at the field site. Finally, I consider how types of access and their sequencing affected the collection, analysis, and interpretation of my data.

In fieldwork, the alteration of roles is apt to occur since the researcher is customarily engaged with a field site over a long period of time (Adler & Adler, 1987; Van Maanen, 1981; Foster, 1979; Dalton, 1964). Under this scenario, the researcher is not a one time visitor but enters the organization repeatedly often under various circumstances. In this process researchers must confront the effects of this shift on their activities and on how they feel about it. For example, a major emphasis in discussions about qualitative field methods is how to gain access and develop rapport with informants (Whyte, 1984: 35-82). Yet problems occur when the researcher becomes too closely related to the site. As explained by Miller (1952), personal relationships can provide access to valuable data but close off areas of inquiry that jeopardize those relationships. Sentiments for certain individuals or groups may also affect one's interpretation of data.

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Contrary to the shift that Adler and Adler (1987) describe in how a researcher becomes increasingly more attached and affected by a site, I had to struggle with becoming more detached. This occurred because my employment history at Worldwide provided an occasion for opportunistic research (Reimer, 1977) due to a special set of circumstances. I was uniquely qualified to respond to the organization's need for contract research. Yet my fieldwork did not match the models of "hired hand researcher" (Roth, 1966), researcher as go-fer (Trend, 1980), or Dalton's (1964) experience in covertly conducting research as a full-time employee.

Roth and Trend focus on the problems associated with a researcher who is hired to carry out a small task in a large research project. In contrast, I worked independently and was solely responsible for all phases of the study and presenting my "findings" on an annual basis to facilitate change implementation. I was paid by WW, but unlike Roth's hired hand researcher who "is a person who feels that he has no stake in the research that he is working on, that he is simply expected to carry out assigned tasks and turns in results which will 'pass inspection'.." (Roth, 1966: 195), I felt that I had a stake in the outcome. I had participated in the decision about change, personally knew everyone involved, and felt that the outcome could affect my possible re-entry to Worldwide should I ever wish to consider that.

This felt sense was reinforced each year when I presented my recommendations and monitored how staff reacted to them. I wanted to see my ideas used and found it difficult to not advocate for them. My recommendations symbolized to me how well I knew the organization and what it needed to expedite change, and I felt I knew these things quite well. The result was a personal attachment to my research that Roth claims is absent from the hired hand researcher.

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Like Dalton, I knew my informants from our interaction in both professional and social settings. I also engaged in field research in an organization that was formerly my employer. However, unlike Dalton, the basis for my access to the organization was research. The only thing that may not have been common knowledge throughout the organization is that the research I did for Worldwide would become this doctoral dissertation. However, even that wasn't known to me until the final phase of fieldwork.

A Typology of Roles

Prior to developing their typology of membership roles, Adler & Adler (1987) review three major approaches to research and discuss how they affect the researcher's relationship to a field site. They develop a continuum which extends from the "Chicago School" on one end, "Existential Sociology" in the middle, and "Ethnomethodology" on the other end. In the Chicago School, the researcher observes, interacts, and participates with members of the field site from a marginal position which supposedly permits objectivity. The presumption is that by maintaining the distinction between subject (the researcher) and object (the researched) objectivity can be achieved.

Another mode of researcher involvement stems from the orientation of so-called 'existential sociologists' who "advocate more deeply involved roles, urging researchers to shed detachment, draw on their own subjective experiences, and investigate behind the fronts individuals and groups present" (Adler & Adler, 1987: 32). The far end of the continuum is held by an ethnomethodological approach in which the researcher acts as a member of the group, organization, or society being studied. The presumption here is that the only way to understand behaviors or skills is to practice them.

Adler & Adler describe three membership roles which effect a synthesis of existential sociology and ethnomethodology - peripheral member, active member, complete member. These roles go beyond the demands of existential sociology by acknowledging that the researcher is an affected member of the field site. The "peripheral member" is an involved researcher but still somewhat marginal and only partially committed. An "active member" researcher interacts with other members as colleagues but periodically withdraws. A greater level of emotional commitment makes disengagement difficult but an essential aspect of the researcher's relationship to the site. The "complete member" becomes a fully dedicated and emersed native thus extending the depth of a researcher's participation.

The continuum which Adler & Adler develop reflect a continuing and escalating engagement of a fieldworker. Their membership categories cover different relationships between the researcher and the researched. However, as even they suggest, relations may be further complicated in that a role may be either overt or covert with regard to how the member represents himself to the researched group. There may also be multiple benefactors or agendas to be addressed through the researcher's activities in collecting and analyzing data. For example, natives may have more practical concerns, in contrast with research sponsors or dissertation advisors who have more theoretical interests.

Complete Member

I joined Worldwide as director of research and evaluation in 1979. During the succeeding eight years, while based at WW's headquarters in the U.S.A. (and living in a residence about 7 miles away), my role shifted from conducting project evaluations for the organization to managing its research and evaluation department. This occurred due to the growth in the organization and the desire on the part of its Board of

Directors for more information about the effectiveness of WW's field projects.

As the number of research tasks grew and staff added, I became responsible for selecting study projects, hiring and firing researchers, and talking with senior staff about the use and implications cf completed studies. Through these activities I came in contact with all levels of the organization from the Chairman of the International Board to marketing directors in the National Organizations to sponsored families in Africa, Asia, and Latin America. I also came to have my own view of Worldwide.

The common objective in my various activities was to generate information that would be useful in managerial decision-making. However, I became frustrated when the recommendations made by me and those who worked with me were not followed. Some staff, especially from the Program Department, were critical of research that questioned how certain projects were designed and implemented. Others were more accepting of evaluation activity and sometimes used it to improve project and program design.

The point here is that my work bothered some but appealed to others. Consequently, my access to information about what was "really going on" was affected by how I carried out my role and how it was perceived by others. To create the appearance of impartiality, I tried as a rule to keep research data confidential, never blame individuals directly for projects that went awry, and avoid being used (to defend or attack program policies) by manipulating individuals who expected research to justify their particular point of view. At the time my underlying assumption was that the evaluation/research function would have greater impact by gaining staff acceptance through collaboration rather than

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confrontation. In fact, this assumption was consistent with Worldwide's organizational culture.

In 1983 and 1984 I participated in discussions about how the structure of WW's headquarters might be redesigned in light of continuing expansion. The genesis for these discussions was two memos, one written by me, another by a colleague. The possibility of organizational redesign was considered in a series of meetings during this period and was followed up in 1985 by a study authorized by the International Board of Directors. Such a study would normally have fallen into my area of responsibility. However, when members of the Board learned of the staff discussions on structural change, they told the Executive Director that it was too big an issue for staff to handle a. .. preferred to have one of their members conduct a study.

Active Member Researcher

When the consultant's recommendations were presented, they were approved by the Board with the stipulation that the changes be "experimental". The Board would review its decision after the first year of implementation on the basis of a staff evaluation report which became my responsibility and put me in the role of doing action research for a client who happened to be my employer. As such, I was very interested in the outcome of the experiment and how it would change the organization and perhaps my role in it.

I was very supportive of change. After all, the staff discussions leading to the consultant's study had been initiated in response to two memos, one of which I had written. Regional offices seemed like a good idea, but I wasn't convinced that a structural solution alone would address the concerns about expansion. I was disturbed that among the consultant's recommendations was the establishment of new program

evaluation systems, the responsibility for which would reside outside of my department. My role and that of my department would supposedly not change, but I was uncertain whether that would be the case.

As the details for implementing the organizational changes were developed by members of the Program Department, I prepared a plan for evaluating their impact which was presented at a staff conference in the spring of 1987. By that time I had already made known (in confidence to Fonseca) my intention to leave Worldwide and begin the Ph.D. program at MIT. After the conference, Fonseca asked me to work as a part-time researcher during the succeeding twelve months to conduct the evaluation the Board had requested. He said I was uniquely qualified for this assignment because of my knowledge of the organization and the objectivity I would presumably have in no longer being part of the staff. Since my research plans at graduate school were indeterminate and because of my own interest in seeing what would happen at Worldwide, I agreed.

The arrangement I had with Fonseca is that during the succeeding nine months I would occasionally visit headquarters to talk with staff and review documents sent in from the field. The following summer I would conduct fieldwork and write a report for the Board. In the fall of 1987, I left to begin my doctoral studies, shortly after the experiment in change had officially begun.

So ended my first phase of involvement with Worldwide's change project first as a complete member and then as an active member researcher. In these roles I reviewed and retained materials pertaining to the planned changes and kept a record of activities and issues in which I was engaged. Subsequently, these materials became part of my personal archive allowing me to track change at WW.

A significant ramification of these roles is that they gave me an insider's knowledge of the organization. This was important in two ways. First, it made me aware of how things were done at Worldwide and who had what part in making things happen. In effect, I knew how the organization's business was conducted, how the organization was structured and worked, and which people were liked and disliked by whom. Of course I couldn't see all, since my role limited my observations to those parts of Worldwide directly linked to my responsibilities. Yet Worldwide is a relatively small organization, and after eight years as a member I believed tha* I was knowledgeable about all of its parts.

A second important aspect of being an insider is that I had established patterns of interaction with other insiders either because their work was linked to mine or because of shared personal interests. These patterns led to the building of idiosyncratic credits and debits (Hollander, 1958) both for myself and towards others which affected the exchange of information. Staff at Worldwide knew who I was, what my abilities and tendencies were, and could be biased towards or against me. The advantage I had as an insider is that I think I knew the abilities and biases of others. I would subsequently use such knowledge to interpret my interaction with informants and the stories they conveyed to me.

My insider roles also had certain drawbacks. First, having always worked at headquarters and never in the field, although I had visited often, clearly gave me a headquarter's point-of-view. Second, I was seen by field staff as part of headquarters which, along with my direct, reporting access to the Executive Director, probably biased staff in the information they shared with me. Finally, my vested interest, both professional and emotional, in the outcome of various organizational decisions was apt to make me selective in the information I retained and how I interpreted them.

As an insider-researcher, I was a marginal native. I had a functional responsibility to analyze events of an organization in which I was a full member. Over time, in becoming socialized within the organization, I lost some objectivity, and it became difficult to identify organizational characteristics that I began to take for granted. I became increasingly aware of this difficulty as I drew upon organizational culture to explain change at WW.

Peripheral Member Researcher

I had access to Worldwide as a peripheral member in order to overtly research planned change. My task was to write reports to the Executive Director and the International Board about whether the objectives from implementing change had been achieved. While the major responsibility for designing this study rested with me, I worked in close collaboration with Joe Smithson, who had become Director of Regionalization. In that role, he was responsible to Fonseca for monitoring the "experiment", coordinating staff activities, and information sharing. That included reporting to Worldwide's Board of Directors on the status of the planned changes. I was Smithson's aide in this regard.

During the winter and spring of 1988, I made weekly visits to Worldwide's headquarters to interview staff and talk with Smithson about the status of the "experiment". Throughout these occasions Smithson and I would informally discuss his experiences on the job, including his accomplishments and frustrations. He became a key informant by letting me know what he thought was going on within Worldwide, especially in how management decisions were affecting the implementation of change.

My function during this stage was to work with Smithson and other Worldwide staff in understanding how the changes were progressing and in identifying problems. I regarded this as characteristic of action

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research (Schein, 1988b: 9-12) in which a consultant's function is to increase a system's capability to handle its problems and conflicts. In some ways it also resembled Schein's (1987a) concept of process consultation as my interaction with Worldwide staff was on-going. However, since my role was specified only after the planned change had been determined and the feedback I provided batch processed on an annual basis, there was actually little process consulting going on. I was viewed as the outside expert that staff relied on for an evaluation of progress. It was a role in which I felt comfortable.

This overt responsibility reflected my status as a peripheral member researcher. I interacted with WW staff intermittently through periodic visits. Disengagement was difficult since I had many friends at Worldwide. It was also difficult to disassociate myself from WW's problems since I had once shared them as a complete member. Besides, I was still under contract.

The transition from active to peripheral researcher was an abrupt one in terms of personnel administration. One day I was on the payroll as an employee receiving full benefits, the next day I was a researcher under contract. I still had legal and professional connections, but they had changed.

My shift in social as opposed to legal status was much more gradual. First, for the succeeding two years I was given a small work cubicle from which to set up interviews and secretarial support for xeroxing, typing field notes, and editing my reports. Second, my on-going visits and access (Personnel never took my building key away nor change the security code) continued to make me a familiar personage. I also saw staff on a social basis. So while my official status had changed, past and present idiosyncratic credits and sources of influence made the transition more

gradual to those who had once been full-time colleagues.

Of course over time these influences waned. Due to the increase in the number of employees, office space became more valued and mine was eventually taken away. My name was deleted from inter-office mailing lists and removed from employee mail slots. Administratively, I became another consultant, and I became more to feel that way. Still the influence of past ties lingered. Following my third summer of field research, I was invited to Worldwide's Christmas Party where a former colleague told my companion that "Tony is still part of the family."

My role as peripheral researcher was ostensibly a facilitating one for the organization. This gave me access to a range of respondents but associated me, no doubt, with HQ, Fonseca and Smithson in particular, since they had authorized my involvement. If a researcher is seen as a snoop for top management, it is difficult to get lower level workers to open up. I believe that my idiosyncratic credits overcame this potential liability as did my reports which, in pointing out implementation problems, did not attempt to paint a rosy picture to top management. It was easy for me to do this since I often agreed with staff laments about regionalization. I also maintained the confidentiality of my respondents.

My annual interviews gave staff a regular opportunity to ventilate their frustration, disappointment, and in a very few cases pleasure with how the implementation of Worldwide's experiment had proceeded. If staff wanted to relay a message to Fonseca, they could use me to do so while keeping themselves anonymous. This didn't bother me since I too was frustrated that the problems with regionalization seemed to be continuing. My problem was to try to minimize how these emotional attachments, my own and those of my informants, could get in the way of

understanding what was really going on. At the same time, because of my previous roles as an insider, I had a sense of who had what axes to grind and why and tried to take this into account when analyzing the interview data. For example, by knowing of a respondent's dislike for a particular individual, I was able to avoid being sidetracked by an interpersonal problem when I was seeking system-wide or patterned trends and behaviors.

The transition from complete to peripheral member, from insider to outsider, meant a shift in stakes, in the definition and ownership of the problem. Regionalization wasn't my responsibility, although studying it was. Yet it was never as clean as that. As a member researcher, I was a participant in the change and to understand change at WW would require me to understand my own contribution. While researching change at Worldwide, my focus had to encompass an awareness of self and how my work affected others. By the end of the third year of field research in this role, the distinction between me and them, the observer and the observed, had become more pronounced.

As Worldwide's structural redesign had become institutionalized, the Board no longer asked Smithson for status reports. This meant that Smithson was not obligated to seek my services, discuss my research, or negotiate a work agreement with me. Informal social contact with Smithson and former colleagues had ended. Formal contact was limited to one meeting and several brief phone conversations about follow-up to my previous report.

Making the Link from My Peripheral Research Role to This Dissertation
I had participated in a third summer of research for two reasons. First, Fonseca wanted to maintain the yearly reviews that I had written. Although the Board no longer required them, he wanted to monitor the changes and modifications that were still taking place and would affect

plans for extending the regional structure to Africa and the Far East. Second, I had come to have a research agenda of my own.

I had continued to be involved in research at Worldwide since it was an outgrowth of my previous relationship as a member in the organization, and my research agenda in graduate school was blank. After completing general exams and then writing a report on the second year of regionalization for WW, I began to search for a topic for my doctoral dissertation. I had left WW with the idea that I would go off to a business school and become involved in research in a different industry, particularly profit-oriented firms as was the norm in such schools. Yet it had been difficult for me to disengage from the research at Worldwide for emotional, intellectual, and financial reasons. I still cared about the organization, was curious as to what was happening, and found the financial rewards attractive.

As I progressed through my doctoral program, I became more and more interested in how organizations try to replicate management practices in different settings. In sharing and discussing this interest with faculty at the Sloan School, I began to think of specific practices that I might study given this framework. I also began to interpret and frame my research at Worldwide in terms of this issue.

I wrote up my ideas in a draft dissertation proposal. I also asked Smithson if there was any interest in my doing additional research on the change project. It turned out there was and I shared with them the idea that I would use Worldwide's experience with planned change as the basis for my dissertation. Subsequently, I gave Fonseca and Smithson a copy of my draft dissertation proposal and asked them to comment on it. In his own inimitable way Fonseca wrote a four page memorandum commenting, or should I say correcting, various assertions in the proposal about the

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nature of Worldwide's change efforts. Yet with only a *few* minor modifications to ensure WW's anonymity, he would have no reservations about my dissertation plans (2).

This led to my third summer of fieldwork at WW. An outside observer would perhaps have seen little difference in my role from past summers, but to me the engagement now served another purpose. I continued to act as a peripheral researcher under contract to provide WW management with feedback on the implementation of change. Yet in my own mind I was now playing more the role of a covert participant observer - participating and observing in an action research project. This also led me away from the problems of some hired hand researchers, who create bogus data or coding categories (Roth, 1966), because now I had an even greater stake in the process.

Since my access to WW had been decreasing, I used my overt role to collect as much data as I had in the previous years. For example, while the third summer of field research focused only on the establishment of WW's regional office in Asia, I made a point to discuss with Smithson and other informants what had transpired in South America over the preceding year. Fortunately, I still knew all the key personnel at WW since there had been no turnover in top executive staff during the previous three years. Also the regional director from South America continued to correspond with me and on two occasions gave me updates on what had transpired following my last report and my recommendations, once by phone and once during dinner when he was visiting HQ.

After the final phase of fieldwork and the submission of my third report to WW, I began writing this dissertation. Since then, I have attended only one meeting at WW. It was arranged at Fonseca's request to discuss my latest report and review how the "experiment" departed from the

intentions of its original designer. For that, Peters came down from his retirement home in upstate New York and with members of HQ senior management we spent four hours reviewing the overall experience and what WW staff had learned. I assumed that was the end of my association with the organization, but Fonseca expressed interest in some follow-up research. Nothing has yet evolved with regard to that.

Assets and Liabilities from Shifting Roles of Access

The shifting roles I have played during my years of access to Worldwide have affected two primary aspects of my research - access to information (data collected) and interpretation of information (data analyzed). My peripheral research role gave me legitimate access to interview a wide range of WW staff. These were selected, in consultation with Smithson, on the basis of who was involved with the change project.

Yet I was also able to talk informally with another set of organizational actors who knew me as a complete member (3). This set represented a skewed sampling of informants based on the interpersonal relationships that had endured my transition of status. However, access to such informants provided a cross check to ensure the validity of data gathered during formal interviews. It was also a guard against how working for Fonseca might make some staff think I was his agent who would only talk to certain people and perhaps betray confidences. By maintaining my relationships with past associates, I tried to demonstrate that I was still an independent agent who would report what I saw and not what Fonseca wanted me to see.

In fieldwork, problems with under-rapport are far more common that problems of over-rapport. My problem of having an almost unlimited access to data would be an enviable one to many fieldworkers. It is difficult, perhaps impossible and inappropriate, for me to judge how my

on-going contacts and intimate knowledge of the organization led to
problems of over-rapport. Miller (1952) explained that personal rapport
with informants may reduce the researcher's access to information that
might be embarrassing to an informant or create a conflict that would
reduce access to that informant later on. Dalton (1964) talked of this
problem and the danger of "obstructive allegiances". Over identification
with one group of informants can reduce a researcher's access to another
group because of inter-group differences and conflicts.

I know there were times when I disagreed with something an informant told
me but did not challenge it for fear that it would jeopardize our
relationship. However, I think that just as often I expressed my
disagreement. In my fieldwork the problem of over identification with a
group would have been limited because my set of informants were not drawn
from a specific occupational or functional group but created out of the
variety of reasons why people get to know one another. Several
informants and I shared a love of boating or skiing; another informant
and I had a mutual interest in Italian food.

A major advantage of my intimate knowledge of the organization as a
complete member and my on-going relationship as a peripheral researcher
meant that the ritualistic introduction of a field worker to a research
site could be dispensed with (Van Maanen, 1981). No one had to explain
to me who did what and why, what the organization was all about, or what
various acronyms represented. When those interviewed would indicate
dislike for some policy or other staff member, I could usually understand
or empathize with that person's perspective. There was also no need for
those interviewed to hide from me some problem or conflict that I already
knew about. By continuing to stay in touch with the organization since
leaving its payroll, I was able to demonstrate that I knew what key
issues and dynamics were of current concern to WW staff. Consequently,

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when I re-entered, staff only had to update me with news of the latest goings-on (4).

One of the curious aspects of my continuing relationship with WW whose impact is difficult to determine is that my informants and interviewees would sometimes inquire about my future plans. Would I continue to do peripheral research for WW or might I return as a full-time employee? (My response was that I was working on my doctorate and would then pursue a career in teaching and research.) I know to some extent this was a matter of curiosity, but I also sensed that many were wondering about how my status might change and affect them once my doctoral studies were over. Yet I was never sure who was thinking what and how that influenced the information they shared with me.

Shifting access to a field site creates special circumstances not only for the collection of data but in their analysis and interpretation as well. Knowing the backgrounds of my interviewees and informants and the context of their activities facilitated my interpretation of their experiences as they related them to me. One result was that it was easy for me to do the *au courant* prompting and probing required of a fieldworker. WW managers claimed that one of the reasons why they liked to work with me was because I knew the organization so well that they didn't need to spend time giving me the big picture (5).

The problem I have had with analysis was not so much understanding the information given to me by individuals but in putting their stories together to convey Worldwide's experience to an audience unfamiliar with the organization. In discussing what had transpired in regard to Worldwide's experiment, informants and I would not review contextual information since we would assume our knowledge of it. In analyzing the story of regionalization at Worldwide, I have come to realize that what I

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and my informants took for granted, because of our native knowledge of the organization, was not only important to the story but also difficult for me to surface. In effect, my own cultural membership created its own sort of blindness. The struggle has been how to treat myself at times as an informant.

In retrospect, the annual task of preparing reports for Fonseca and Smithson reinforced a tendency to gloss over the familiar. This happened because I and the audience for those reports, Worldwide staff, assumed a shared knowledge about the organization and the history of regionalization. In preparing this dissertation, I have become all too aware of how my member knowledge has been a constraint on my ability to pull back and prepare an analysis that can be understood by a lay (non-Worldwide) audience.

Another aspect of this particular research project that creates potential problems in the analysis of data is the emotional attachment to the site that I have built up over time. My feelings about informants and the situation under study may have affected the interpretation of data in ways that were unknown to me. Yet the essence of fieldwork is the creation of this emotional bond with those studied. One of my major difficulties has not been to create that bond but rather to not be consumed by it.

Over the course of my eleven year association with Worldwide, I have had to struggle with a variety of feelings pertaining to the roles I have held. For example, as a complete member, I had a great deal of vested interest in organizational outcomes and would feel frustrated when activities did not proceed as smoothly as planned. This carried over into my role as peripheral member when it became difficult for me to witness Worldwide staff became frustrated with each other and their

efforts to institute change.

It was upsetting for me to watch my recommendations on how to expedite regionalization go unheeded, and as implementation problems continued I began to feel that I too was part of the problem. Subsequently, I thought that these difficulties could be overcome if I took on a more process consultation (Schein, 1987a) or clinical role (Schein, 1987b). Although my interaction with Smithson and Fonseca fit aspects of these styles, I was given only technical tasks and over time I had become more concerned about my own problem of writing a dissertation than Worldwide's difficulties with regionalization.

As I have passed through the phases of this research to the final one of interpretation and write-up, I have struggled to leave my emotional attachments behind me. This detachment is necessary to present an interpretation of events that goes beyond a native's view. The struggle has been to not let the emotional baggage of previous roles interfere with the performance in my current one. However, over time through decreased contact and a focusing of my own personal and professional life elsewhere, I have been able to reduce my emotional involvement. That is inevitable when a fieldworker disengages from a site of which he was once a part and then studied.

There have been clear trade-offs between my credits and liabilities from knowing Worldwide as a complete member with an established pattern of social interaction and then becoming involved in action research as a peripheral member. These shifting roles, I believe, clearly expedited my access to a wide range of data while inhibiting my ability to be fully cognizant of all that I came to take for granted. Fortunately, as the problems stemming from familiarity and attachment wane further, there will be more time ahead for reflection.

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1. This will be especially pertinent to doctoral students who have returned to academe after years of work experience and find access to former employers an attractive aid in pursuing their dissertations.

2. For example, he asked me to change the locations of the regional offices to camouflage their location, and I did so.

3. Of course so did most of those whom I formally interviewed.

4. I surmise that staff discussed such happenings with me for a variety of reasons. First, they suspected that I would be personally interested in the information. Second, it gave them the opportunity to share what they knew with another person and to solicit a reaction. They would also ask for my interpretation of what someone had said or done. Finally, since I knew the people involved and the history of what has transpired at WW over the last ten years, such informants figured I could appreciate the value of the information they shared.

5. At one time or another Fonseca, Smithson, and Hartley have all commented upon my unique knowledge and relationship to WW and its advantage in conducting research. Desai once referred to me as Worldwide's "inside-outside consultant".

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