INTRODUCTION TO ORGANIZATIONAL DEVELOPMENT

Result orientation starting with the people

Organisational development (OD) means that a desired change is conceived with the participation of the employees or staff within an organisation rather than by outside projects or by outside experts. The OD consultant's role is to facilitate self-development and learning by the people in the organisation that are directly affected by the change.

In OD, an organisation is understood as an "open system". To achieve sustainable growth or development in a rapidly changing environment, the personnel working in the organisation must know why the organisation exists or, in other words, have a clear understanding of the purpose of the Organisation. Furthermore, the organisation must have the ability to identify the steps it has to take to constantly improve its present performance.

The opportunities for a desired change to happen are assumed to be inherent in the individual persons or in working groups employed in the organisation. This implies that the person, group or the whole organisation must be motivated and take great responsibility in efforts to change. Change and development is built on "learning by doing" or "experimental learning".

Who are the people affected by the Khuyen Nong Lam (KNL)? To simplify, two categories of people are affected by KNL:

- Rural people and the role they play in making change happen in their own communes, villages and families. People are in control of their own lives and land. They have their own priorities, influenced by many social and economic realities, and they competence and will to identify what development they want and the support they need to carry it out.

- Staff working in (KNL) and the role they play in the creation of efficient support services to the rural people.

It is fundamental to see and understand that these two categories of people are different and separate groups. They belong to different "wholes" (people and their resources including land) and to be able to achieve the changes and efficiency desired it is fundamental to understand which "whole" we are dealing with.

Identification of "wholes"

MRDP is trying to introduce a holistic perspective to rural development. Holism is a way of looking at the world, recognizing that the world only functions in "wholes" rather than "interconnecting parts".

Apparently, there are at least two "wholes" involved in the extension system and it is important to distinguish them from each other:

- The rural community or rural household

- The extension organisation - Khuyen Nong Lam,

The rural people are the clients, customers or target group of the extension Organisation. In market economy terms, the rural people are the customers and the staff of KNL are the salesmen and providers of rural development services.

Role of the Rural people and rural local institutions: Actors in and responsible for their own
We will focus on the KNL Organisation.

**Defining the purpose**

The great value of an organisation is that people join together and accomplish tasks that would be impossible for individuals to achieve alone. In fact, $1+1=3$.

An organisation requires the co-ordination of countless activities. What ties these activities together? Usually a common cause or purpose. The real purpose is the answer to questions such as "Why does this organisation exist"? and, "Would it make any difference if it not exist"? We very seldom talk about the real purpose of an organisation. It comes up though, when we talk about what the organisation could be, the values that employees want to live by, and the aspirations they have for the Organisation'.

Without a clear sense of the organisation's purpose, we could not design it. How can we design something that has no apparent purpose or importance? We would rather be doing something important than something unimportant. We would rather be involved with something that matters, than with something that doesn't. So, what is the purpose of the KNL? Would it make any difference if KNL did not exist?

**Defining strategies and tasks to fulfil the purpose**

How do we build the organisation upon the purpose? What strategies and work methods do we choose to fulfil the purpose? How does the organisation generate its own viability and wealth? How does the organisation get funded? **Given the purpose of KNL, which are the strategies and core tasks to be undertaken?**

**Defining how to get the work done**

When the strategies and core tasks are clearly defined, the next step is to define how the work should get done through the efficient use and coordination of the various resources available to the organisation. In other words, to establish a management strategy. The management strategy creates the "infrastructure" for the core tasks to take place, and makes the needed resources available to the people implementing the core tasks.

The management strategy includes:

- Planning and management information systems.
- Organisational structure.
- Leadership, decentralisation of decision-making etc.
- Communication/information system.
- Human resources development system and programs.
- Remuneration - reward/incentive - and recruitment system.

**What would the management strategy of KNL look like in order to provide the necessary "infrastructure" to get the core tasks done in an efficient way?**

**Role of KNL:**

Supporting and facilitating rural development. Responsible for **providing support** that is coherent with the overall purpose of the extension organisation as well as with the support needed and **demanded** by the rural people.

RURAL DEVELOPMENT AND KHUYEN NONG LAM
President Ho Chi Minh expressed his earnest longing as follows: "Our country must be completely independent, our people must have enough food, clothing and schooling”. He also pointed out that, "to defeat the imperialists and feudalism is relatively easy, but to do away with poverty and backwardness is much more difficult". Today, Vietnam is independent but still many people, especially in the remote rural areas, live in hunger and poverty.

Ho Chi Minh's theories are based on the human value of believing and trusting people, relying on them, building on their strengths and fully developing their capacities. He believed, "once awakened, the people will demonstrate unpredicted intelligence and creativeness". These theories are similar to the principles of an organisational development process.

During the 8th National Congress in 1996, the achievements of the "renovation" process were assessed, and one of the major socioeconomic programs for the 1996-2000 five-year plan was, "To eradicate hunger and alleviate poverty and reduce the present percentage of 20 to 25% to about 10% of the population by the year 2000".

The-goals given for the continued rural development process are expressed in various ways such as, "A vital rural area with highly productive agriculture and forest and work opportunities..." and, "Agriculture, Forestry and Fishery industries modernised, small-scale industries promoted, including handicraft and tourism..." Figure 1 illustrates "The Whole-Vietnam" and its guiding ideas.

Khuyen Nong Lam

To set up the Khuyen Nong Lam (The National Agriculture and Forestry Extension Organisation) was a government strategy of the renovation process which would move the country towards a desired future situation.

KNL was established in Vietnam 1993, by Decree 13/CP, with the following objective:

"The socioeconomic situation in rural areas developed
Farmers' production improved and extended
Agriculture production, forestry and fishery increased"

From 1993 to the present, provincial extension centers and district extension stations have been established throughout the country under the provincial authorities and the Ministry of Agriculture and Rural Development. Four years of experience have been gained and it is time to make an evaluation of the achievements. From an organisational development point of view the questions are:

- are the objectives from 1993 still valid or clear enough?
- given the current reality of 1997, is KNL structured in such a way that it is efficiently contributing to rural development in Vietnam?

In the following the current reality of KNL in Mountain Rural Development Programme provinces is presented in relation to the basic principals for organisational development. The examples presented are based on interviews with the Khuyen Nong centers and stations in May-June 1997.

The identified difference between the presented organisational development principles and the current situation of KNL could serve as a basis for formulating an action plan for the continued development of KNL to meet the future needs and desires of the Vietnamese rural population.

KHUYEN NONG LAM IN MID-1997

Purpose and strategies

What services are being offered?

What is offered through setting up Khuyen Nong Lam? Does what is offered correspond to what is really
demanded by the farmers, men and women, in rural areas in Vietnam?

Who are "the customers" for the extension organisation?

Are the "customers" the same as the users of the services offered by KNL? If not, what is the relationship between the people deciding to provide these services and those who are supposed to use the service?

If the "customer" does not accept the services provided by KNL will they:

- Get it from another organisation?
- Get no other service?
- Try to get a different type of service to fulfil a similar function?

Is there a true match between what KNL is offering and what the farmers want? Is there a way to expand or deepen this match?

In Decree 13/CP (1993) on Agricultural Extension the guiding idea set out for the extension organisation is, "In order to... assist farmers to extend their production, increase agricultural production, and develop the socioeconomic situation in rural areas."

- "The sub-sectors of agriculture, forestry and fishery, together with other related sub-sectors... are annually to develop an extension programme for each ecological zone..."
- "Agriculture extension consists of the following activities:
  - dissemination of technical advances in ...as well as of methods and results achieved in successful production units
  - strengthening skills and knowledge...
  - providing farmers with information on markets and prices for agricultural products

Finance has three sources

- Government budget
- International donors, individuals, other external funding
- Share - farmers will share when the extension work have resulted in increased production

Purpose and strategies: examples from 5 provinces

During the workshop, the purpose of the extension organisation was expressed in the following definitions from participants:

- "Help farmers"
- "Help farmers with instructions - the purpose is to upgrade their knowledge"
- "Wake up knowledge and ability of farmers - now there is a change toward "do it yourself" - before the extension organisation should do it"
- "Sustainability, households higher standard of living and no shifting cultivation" "Help the farmer household - improve the economic situation for them"
The five provinces involved in the MRDP all share a similar interpretation of Decree 13/CP. They are all focusing their extension activities on the programmes decided by either MARD’s Extension Department or the Province, including:

- Model building (referring to results achieved in successful production units).
- Subsidised inputs or credits to start new or improved production
- Training courses
- Collaboration with mass media

Model building is the back-bone of extension work in the five provinces. There is a Vietnamese saying "it's better to see it once than to hear about it 100 times". The assumption is, that if there is a good successful model then it will automatically spread to other farmers. Therefore, there have to be many models so that each farmer household can identify with the model (i.e., medium, poor and very poor household models) and also models for different geographical areas (farmers cannot afford to travel to see the model).

Everybody is convinced that model building is the most important way to carry out extension. The only constraint seen is the limited budget for establishing models:

- "The models are set up to give the farmers a chance to see real results";
- "It is an invitation to try";
- "Each household should have a model to identify with";
- "First we need propaganda to make them understand and when aware, we will carry out training courses";
- "We have to establish crop structures to make full use of the land and to multiply crops. The situation is complicated since co-operatives are not functioning";
- "Technology transfer is not flexible (too many top-down programmes and models). We try to shift, we try to get ideas from farmers, but we get very little."

However, current reality is also that:

- Model building is a very expensive form of extension.
- The original concept of dissemination of successful crop production has been replaced by active establishment of models.
- Many models are never evaluated and sometimes it is difficult to convince respective farmers to continue with the model.
- Models are sometimes used in projects like MRDP as an excuse to provide subsidies.
- In many cases the real good models come from neither the ideas nor support of the extension organisation, but from individual farmers.
- Farmers are constantly changing their farming systems to adapt to changing conditions and are more used to changes than others.
- The poorer and more remote the farmer is, the more vulnerable to risks.
The extension programmes are production oriented; top down decisions on what should be grown and what models should be tested. In provincial programmes, it is easier for the district to influence what production should be tried and promoted.

There is a widespread assumption that the remote rural farmers cannot make decision on their own land use, what and how much to grow and the economy related to this. "They have no experience on how to do planning on their own land. They depend on subsidies and support from Government and services. But when farmers have the knowledge there will be another system."

One of the most critical issues is the financing of the extension services. The Government has a separate budget for extension. The budget comes to the extension centre from the 'People's Committee and MARD's Extension Department. "We can only sit and wait for allocation of money - are there other ways?" The extension centres annually might get between 10 and 50% of the budget allocation requested.

How the work gets done - management strategies

What is demand-driven?

To change to a demand-driven organisation involves a total shift in attitude. Demand-driven refers to the customer. The supplier provides the customer with what he or she wants. This means that the customer has freedom of choice to accept or refuse the services offered. In a demand-driven extension organisation the farmer is the customer. The demand-driven way is to provide the services the farmer is requesting.

What is decentralisation?

Decentralisation is to locate the decision-making and responsibilities as close as possible to the people affected by the decision. It implies that the staff closest to the customer, and accordingly the "production" or "service" also, should plan and take responsibility for that work. It also implies that the organisation is built on the belief that people can take responsibility for their own job, trusting staffs ability to take feedback and to learn in order to accomplish his or her task.

Roles in a decentralised organisation

The roles and responsibilities in a decentralised organisation can be identified in the following way:

Define the actors. Individuals directly carrying out the work and decisions related to it. The supervisors/managers of those carrying out the work and management (board of directors, project teams). This must also include people outside the organisation (NGOs, consultants, banks etc.).

Define who should be responsible that the work is carried out, who has to approve, who has to support and who has to be informed or consulted before actions are taken. The executive power is decentralised to the local level, but the work's success will depend heavily on the support and facilities provided by the central levels.
Organisational structure

Most people believe that the structure of an organisation is synonymous with the organisational chart. However, the organisational structure involves much more than the distribution of the work force in divisions or units (geographically or product based or a combination).

A well-structured organisation has a unifying thematic principle (i.e., a vision or purpose) that is reinforced throughout the organisation. It takes good structural design work to tie the different parts of the organisation together reinforcing the unifying principle.

Planning and management information systems

One of the most important "infrastructures" in which operations take place is the planning system. The planning system has to be aligned to the overall visions and end results of the organisation. Those overall results should be guiding the "grassroots level" staff on how to set up their desired end results.

To change from centralised to decentralised planning will have consequences for the role and function of financial management. It is important that financial information is managed close to the source, and that networks are established to make information available at several levels simultaneously. With a decentralised financial management the roles of the central management levels have to be redefined. What should they monitor and control?

In a decentralised or animation staff must have access to relevant information in order to make good decisions. It will become top management responsibility to set up an information management system to ensure that appropriate information is available at all levels. The information needed is for strategic management and not for technical management. Technical department managers, on the other hand, must encourage cross contacts and exchange of information among their specialist staff, as well as helping them to maintain and develop their professional expertise.

How the work gets done: examples from 5 provinces

Demand driven and decentralised organisation

Since the five provinces have introduced a planning system based on village PRA, Participatory Rural Appraisal, people have gained experience in how to work with a bottom-up approach. At the moment, PRA is seen to be too staff intensive and too costly to carry out in "ordinary" extension work. The provinces consider that the most important way to get farmers' demands is with meetings and PRA planning. However, they also say, "Investigation. After many years of work we know what they want - but to get full knowledge requires close collaboration. However, in areas not covered by any project (MRDP or other project), there is no planning of activities because there is no budget".

Figure 2: Illustration of MRDP after "People and their Land", PTC II, Lesotho
A problem when demands are identified is the poor co-operation between different sectors in rural development (extension/education/health/etc.). We hear, "Everything depends on the Department of Finance: budget work is very centralised". Most staff working with extension are also very much involved in the implementation of "the general production plan". This work is done very differently in different provinces. Some look at this plan as a recommendation or guideline from the government, while others see it as a plan that should be implemented.

When talking about decentralisation, there is no clear distinction between the extension organisation and the farmers. Both groups belong to the same "whole" or structure. The effect is that all plans and production of the farmers are included in the plans of the extension Organisation. The entire government structure is still top-down and centralised, including the extension Organisation, and many managers within the structure would welcome an easier system of working. The system today is production-oriented with central targets that are broken down and allocated to lower levels.

Information and planning systems

An APO, Annual Plan of Operation, is elaborated and approved by the province People's Committee. A more detailed quarterly lan is submitted and monthly reports are prepared.

In one province it was explained like this, "The extension centre makes allocation for all districts because if we let the district do it they will ask/require too much. We will distribute equally to the districts". However, the same happens to the province when demanding budget from the Extension Department. "We ask for one kind of production, but almost always get something else". All provinces have a well developed connection with mass media, and each year there is a budget for propaganda and contacts with mass media.

Organisation structure

From an overall with the current extension organisation has a very complex and difficult organisational structure. The Directors of the Extension Centers, have several superiors (MARD-Extension Dep., DARD Director, People's Committee, Financial Dep.). This part of the structure seems very bureaucratic and inefficient.

Regarding the lowest level of the organisational structure, filed implementation, there is a very active search for the best and most cost efficient way to carry out the work. The development in this area is very impressive although most provinces find it the most difficult part to establish a local network.

There are many solutions on how to carry out the field extension work and new ideas are tried continuously. In some cases there are contracts with good, experienced farmers, even seasonal contracts for a certain job. Contracts can also be with groups of farmers (interest groups, mass organisations, etc.). Still the question remains whether it is feasible to extend the entire extension organisation to commune level. Some provinces are focusing on commune level, or inter-commune level and some are talking about village level.

Figure 3: Organisational structure and roles in KNL - MRDP Provinces
The questions most debated regarding the local extension organisation are:

- Should staff be state employees or not?
- Should government pay honoraria and allowances?
- Commune level, inter-commune level or village level?
- VMGs (MRDP), Interest groups, NGOs, mass organisations?
- Related to the respective group, what kind of network contracts and roles and responsibilities?

LEADERSHIP AND MANAGEMENT SUPPORT SYSTEMS

Leadership

Clear leadership is a vitally important element within any organisation. With leadership, the organisation can focus its efforts towards a common direction, align its collective actions, and adjust and learn over time.

The result of true leadership within an organisation is clarity. People understand what there is to do and why it is important to do it. They also want personally to support the organisation's vision and values by translating them into action. They are involved and they care. Clarity does not just happen to an organisation. It is consciously and carefully created by a leader who begins with personal clarity. Clarity of vision but also clarity of reality is essential.

How can the leader support the vision and the direction of the organisation in light of the many pressures on them to do otherwise? They are required to take a stand for the organisation through the choices they make, the policies they design, and the ways they structure the organisation.

The leader must take the decision that support the vision and overall end results. If there are many competing goals, the needs to determine which is the most important, and then support that one over the other. If not,
none of the goals will be adequately achieved.

The leader's role is also to infuse the organisation with the desire to accomplish its aims and to reward performance that contributes to this. Clarity of direction, purpose, structure and spirit begin with the leaders own good example. If the leader is not a good example, it will be difficult for the rest of the organisation to follow.

**Human Resources Development and Training**

If an organization hopes to involve people in its purpose, two factors must be in place:

- The organisation must be motivated by a vision, the desired state must be clear.
- The organisation must encourage its members to shift from a focus on return on investment to a focus on the desired results of the organisation.

Creating results that matter to people (staff) gives learning a focused purpose. Learning and competence (proficiency) development is self-generating because people want to have the skills, principles, etc. that will help them to accomplish their aims. They also want to learn and know more about the current reality. Training is a powerful instrument for change and expanding capacity.

In a decentralised organisation "proficiency talks" is one of the most important activities in respect of human resources development. Based on the overall vision and end results, desired future proficiency requirements for the staff are identified. In individual talks, the managers at different levels will talk to each staff member about needed actions and needed training to be provided to him or her. Individual development plans will describe short term (1 year) and long term (>3 years) desired results and development activities. Learning by doing, or "on-the-job training", including learning from others, is central in proficiency development.

**Rewards**

Why do people do what they do? What is their motivation? Without understanding what truly motivates people, it is easy to design rewards that do not help to create what is desired.

When there is a clear vision of what the organisation wants to build, the reward systems and resource allocation mechanisms including access to proper information, are very important. How should these reward systems and resource allocation mechanisms be designed to support the vision?

In organisations where motivation of the organisation and of individuals are aligned with each other, the construction of rewards is to consistently reinforce this motivation. If organisations build reward systems that reinforce the values and aspirations of the organisation, and if they eliminate rewards that contradict those factors, they can better reinforce what they want.

**Leadership and management support systems: examples from 5 provinces**

**Leadership**

There is strong leadership at the top level and the provinces recognised the benefits of having a People's Committee that is interested. "It is a direct support to our work and all problems can easily be settled".

**Human Resources Development**

The most important skills for staff in extension are:

- Working style and language.
- Understanding the socioeconomic situation.
- Understanding the mountain area.
- Good method-good 'know how'.
"This means that staff have to improve their skills in talking to farmers and learn the main ethnic minority language", was said in one province and similar ideas were expressed in other provinces, "It is only recently that emphasis has been on listening to the farmer; and understanding the poor and women. We need to learn that".

**Rewards and remuneration**

Rewards seem to be mainly linked to models. The farmer who established, or the extension worker who promoted, a "successful model" can be rewarded. The reward will be given as a diploma or a limited sum of money (maximum 200,000 dong)

The criteria for rewards include:

- Plan has been implemented at local level.
- Positive impact of the activity confirmed by the farmer as well as by the district.
- Communication skills of the person including contact with farmer, keeping on schedule, works efficiently, a good model.

Rewards are distributed from the People's Committee (Province or District) or from DARD and acknowledgement of a "good job" is based on reports from villagers and commune. Because government salaries are very low, there is a need to have extra income to manage the individual or family economy. This makes it difficult to travel to remote areas without additional funds in the form of allowances. Since it is only specially-funded projects that can afford allowances, there is not enough fieldwork done today. There is an urgent need to increase government staffs salaries, but "we have to suffer until the economic situation is better".

**Work support systems**

In general, most staff find it very difficult to go into the mountain areas. Most of them are not equipped to steep and work there and access to vehicles is poor. The 5 provinces have different policies on buying motorcycles. There is a big difference between MRDP conditions and ordinary conditions for extension staff. In the MRDP, the extensionists are trained and they have a budget.

Forms are sometimes distributed to farmers about training needs in the village and household. There is a lot of focus on the budget in the MRDP area. For example, people say, "If villages start up VMGs they need some project so they can get allowances", or, "There is a need for a project in that village, otherwise farmers have nothing to work on", "A lot of farmers will not come if they don't get allowances. They cannot afford to come without an incentive".

**CONCLUSIONS AND RECOMMENDATIONS**

What does it mean to use organisational development and a deep learning cycle as a tool for sustainable rural development and for the continued development of KNL? It means that the organisations involved will produce dramatically improved results. Whether the results include time, profit, quality, new innovations, it is ultimately these results that should be assessed: "Did we create the desired end results"? and, "Are we creating results that reflect our true values and aspirations?"

- The overall goals expressed in the renovation process in Vietnam, could, with some clarification, be used as the overall vision and desired state in an organisational development process for KNL. In relation to this, the purpose of KNL also could be spelled out more clearly.

- The present government extension programmes are launched in a very top-down structure with centralised target setting and budget allocation. There is not much room for local flexibility. In organisational development, the overall desired end result is set out clearly and the local actors have to find the best way to get there. The task of KNL has to be redesigned and aligned with the overall vision and purpose of KNL as well as reflecting the important values - trusting and relying on people and acknowledging that people can take responsibility for their own development if given the opportunities.
The work is managed by detailed targets and control where the Central and Provincial headquarters have the power. Based on organisational development principles this would be changed to "leadership by vision" and decentralised planning and - decision-making, where headquarters supports and facilitates the work. Decentralised planning - means also a need to change from a very restricted information flow and one-way communication, to a fully open flow of information and a two-way communication.

"Model thinking" is built on the idea that you create a change “outside” and then the household/village etc. will do the same or similar on his/her land or in his/her household economy when they see it. Organisational development is built on the notion that change is perceived “within”. The starting point in KNL is a technology message and the starting point in organisational development is the people. People are the key and the fixed models are changed to flexible processes.

Extension work is currently very limited to agriculture and forestry, with an emphasis on agriculture and animal husbandry. So far, it has been difficult to find ways to collaborate with other sectors. Organisational development implies a marked change to a "cross pollination" approach with other sectors and moving from specialisation to interconnectedness. This means also that the focus is broadened, from only looking at technical, physical and biological factors to include social, economic and cultural factors.

Training, information and mass media communication, is also focusing on transfer of technology, results and new technology. In organisational development training and information is aligned with the overall vision and has to be built on a demand-support concept. What training courses and other kind of support do the staff demand to carry out their tasks? What kind of information are the farmers asking for in order to build up their capacity and develop their production? This means going from delivering a pre-prepared extension message to listening and responding to demands.

1 Laws of Organisational Structure, Robert Fritz, Berrett-Kochler Publisher 1996
2 Ho Chi Minh A Man A Nation, an Age and a Cause - Pham Van Dong
3 In MRDP the organisational development process is built on OTFC®, Organisational Technologies for Creating (The Creative Process)
4 Vietnam Law and Legal Forum June 1996
5 Corporate Tides - The Inescapable Laws of organisation Structure, Robert Fritz, B-K Publishers