

Seasons of Change:

Organizational Life Cycles

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Non-profit organizations experience distinct stages as they develop. These stages, like the seasons of the year, can repeat themselves in a cyclical process. Exploring these cycles offers a concrete tool to help you:

- deepen understanding of your group's current or historical problems and successes
- think ahead of the curve and prevent problems before they start
- depersonalize tensions and provide a larger context for why conflict exists
- recognize that your current organizational challenges are not unique

Your organization may not fit this description exactly; take from it only what makes sense and is useful. Typically, the full cycle takes approximately ten years to move through, although organizations move through the stages at very different speeds. These stages can be applied not just to organizations but to programs within organizations. At any given time a group may have different programs at different stages in the life cycle process.

Start-up

Organizations typically form either in response to a crisis or to advance a proactive vision.

Crisis Response

These groups form when people come together to create a project or an organization in response to an immediate need or crisis (e.g., a right-wing ballot initiative or a proposal to build an incinerator in a low-income neighborhood). Their goal is not necessarily to build a permanent institution, but rather to fix an immediate problem. Thus these groups devote only minimal attention to developing organizational infrastructure or longer-term strategy. Most often, these groups are not yet incorporated and have no paid staff.

Proactive Vision

Groups can also start with a proactive vision rather than in response to a crisis. Because the express purpose of these groups is often to build an organization, they devote much attention to thinking about structure (e.g., accountable membership and leadership structures, filing for non-profit status). These groups are more likely to be thinking long-term and so the systems and processes they create are more likely to function well as the organization grows. Still, groups of this type typically have little infrastructure or paid staff in this stage, unless they received a substantial grant as part of their formative process.

Expansion Stage

In this stage, the organization sees significant increases in membership, staffing, funding, public recognition, and institutional relationships. Often this growth is unmanaged. It happens quickly without a comprehensive plan for spending new money, supervising new staff, developing new leaders or coordinating new relationships.

This stage can be characterized by significant internal tension or frustration. Tensions can stem from unclear relationships among programs, staff or members.

Communication throughout the organization can be inconsistent and unregulated because organizational processes or structures were not developed for the current size and configuration of the organization.

In this stage, the organizational understanding of its issue-focus often broadens and deepens. Consequently, the work and niche of the organization can become either clearer or more confused. Newfound awareness of the organization's scope and potential can overwhelm a group and make it more difficult to find a strategic focus. In this stage an organization may still be working in a responsive mode rather than with a long-term, strategic agenda.



Stabilization Stage

As organizations reach the stabilization stage, they may have developed programs and hired staff but still lack organizational processes and structures that best facilitate the work. This is the stage where an organization might create personnel policies, revise its board and membership structure, and think in new ways about the interrelationship between programs. This is also a time to develop supervision skills and staff and program evaluation procedures.

Stabilization means trying to avoid the crisis and decline stage. Finding new and more dependable sources of income often requires building a base of support among a constituency that is committed to the organization and not just to an issue or a charismatic leader. This is when the organization should develop a long-range, strategic plan.

Emerging from the expansion stage may force an organization to acknowledge that its new size is, in fact, unsustainable. In this case, the organization may have to lay-off staff and cut its budget in order to stabilize.

Crisis & Decline Stage

Crisis and decline can be characterized by a loss of energy, leadership, money, and/or a sense of relevancy. It can be caused by a drought in funding, particularly if the organization has been supported by a limited number of sources. New projects and organizations, riding the wave of a trend in the funding world, often receive a large grant from one funder. After several years, foundations often lose interest in certain issues and curtail their funding.

Community support and interest can wane much like foundation interest, particularly if people don't have a sense of progress. If this happens, groups need to develop new ways to articulate or shape their work that will renew their constituency's interest. If this doesn't happen, the group may need to dissolve.

If the organization was started in a reactive mode, it can decline when the crisis passes or the campaign ends. In order to avoid this, an organization must build a sense of lasting relevancy,

capitalizing on success or evaluating and rethinking strategy in the face of defeat.

Changes in leadership can also be a source of crisis and decline. If the organization was guided primarily by one person or a small group of people without developing new leadership with shared responsibility and vision, the organization is incredibly vulnerable. Organizations should ask themselves:

- How deep is our leadership base?
- Is our board big enough to manage significant attrition?
- Are people feeling burnt out?

Dissolution or Re-Creation Stage

This is the make-or-break stage where it is critical to reexamine the mission of the organization and test the relevancy of its program goals with its constituency and funders. This is a time to envision new work or new ways to articulate old work. This is a time to build new leadership and engage new constituencies. This visioning and planning can be integrated into a long-range, strategic planning process.

If that process doesn't happen or isn't successful, it can signal a fatal lack of vision, leadership, commitment, or funding. Then it's time to fold up shop. It's not always negative for an organization to come to an end; thoughtfully dissolving the organization can be the responsible thing to do. Dissolution can be an opportunity to acknowledge that an organization has served its purpose and done its job.

Questions for Reflection

- At what stage would you place your organization? Are there any problems you have observed related to this stage of development?
- What qualities could be useful in an organizer or in leadership at each stage?
- Given your natural abilities, interests, experience and comfort zone, at what stage would you prefer to work?
- What are ways in which the worst of the crisis and decline stage can be proactively avoided?
- What is the value of knowing this framework?

A longer version of this training tool is available in both Spanish and English in the "Resources" section of the Center's web site:

www.westernstatescenter.org

