

CLP'S EXPERIENCE IN DEVELOPING A GOOD CORPORATE CULTURE



SUMMARY

After operating from 2004 – 2016, the Chars Livelihoods Programme (CLP) has accumulated vast experience working with the extreme-poor and in remote areas.

During its final year the CLP developed a series of Lessons Learnt briefs with donors and development practitioners in mind.

This brief is one in a series and shares many lessons and suggestions for those seeking to build a good corporate culture.

LESSONS INCLUDE:



Define what you mean by a successful organisational culture.



Policies are implemented by people and require political will.



Clearly set out expectations in formal contracts that are enforceable.



Good evidence-based decision-making requires having solid monitoring and evaluation (M&E) structures in place, and then using them.



Use failure as an opportunity to teach and encourage as well as to reiterate core values and principles.



Sanctions and discipline can serve as tools to reinforce elements of corporate culture, but so can reward and demonstrations of fair process.



Words and deeds must match.



Make a commitment to transparency and evidence-based decision-making.



Listen to the stories people tell about their work.

BACKGROUND

The Chars Livelihoods Programme (CLP) was a poverty reduction programme implemented in Bangladesh and co-financed by the UK Department for International Development (DFID) and the Australian Department of Foreign Affairs and Trade (DFAT). It was managed by Maxwell Stamp PLC and sponsored by the Ministry of Local Government, Rural Development and Cooperatives (MLGRD&C) and executed by the Rural Development and Cooperatives Division (RDCCD) of the Government of the People's Republic of Bangladesh.

People on the riverine islands ("chars") of north-west Bangladesh had precarious livelihoods. They were often heavily reliant on low-paid and unpredictable agricultural day labour, and there were few other stable livelihoods options open to them. They were vulnerable to environmental shocks that could have devastating effects on their livelihoods, with flooding a particular risk. Most chars-dwellers moved home several times in the last few years due to floods or char erosion. Many reported that they had lost all their possessions and assets at least once in the past.

The precariousness of their livelihoods meant that many chars households faced food insecurity and suffered from the effects of under-nutrition. Limited access to improved water sources and sanitation and low levels of services such as health, education and livelihoods support were further challenges, resulting in chars-dwellers being amongst the poorest people in Bangladesh. CLP aimed to work with these people to help them lift themselves out of poverty.

CLP operated in two phases – CLP1, from 2004 to 2010, and CLP2, from April 2010 to March 2016. Over that time, CLP accumulated substantial experience from working with the extreme-poor in remote areas.

CLP is widely recognised as having been a very successful programme. By the end of its tenure, CLP directly (and in many cases dramatically) transformed the lives of over 78,000 core participant households, and it improved the livelihoods of one million poor and vulnerable people. Moreover, it achieved this while operating in one of the most challenging environments in the world: the riverine island chars in the Jamuna, Teesta, and Padma rivers of north-western Bangladesh.

During the course of its implementation, CLP needed to undergo a number of major changes, to respond to a range of new challenges, and to test out a variety of approaches. It involved itself in many different activities, spanning everything from livelihood improvement to market development, from social protection to land reform, from education to nutrition, and from health to veterinary services. Over the years it operated, CLP learnt a number of very important lessons. These lessons are now documented in a series of Lessons Learnt briefs which are intended to share CLP's experience with donors and practitioners, both in Bangladesh and further afield.

This brief is about corporate culture and how it has played a role in CLP's success.



CORPORATE CULTURE

In a programme like CLP "corporate culture" is defined by the policies, values, principles, feelings, practices and stories that are told by its members about what the organisation is and does. These elements inform subtly, but importantly, how the project ends up performing. Corporate culture will often influence what "hard" elements are chosen. In this context, "hard" elements refer to things that can be seen or directly touched, such as documentation, policies, reporting structures and so on. Corporate culture also embraces "soft" elements, such as values, principles and mind-sets; things that are less easy to pick up and hold.

For an organisation, establishing the right "hard" elements and technical approaches is critical, such as hiring appropriately skilled staff; paying them properly; getting the project management systems and technical basics right; and so on. While corporate culture may influence what kinds of approaches get chosen, it will also influence how those "hard" elements are then implemented.

For example, any project can have a Human Resources system which sets out how people are supposed to be hired, their conditions of employment, the performance management criteria and so on. The crucial question is: How well does this system get implemented? And, whether it's implemented well or badly, what are the reasons for this? The corporate culture of the organisation is one of the factors that can provide some answers.

CLP believes that a positive corporate culture developed among the project's stakeholders over the life of the Programme's two Phases (CLP1 and CLP2). This Lessons Learnt brief attempts to identify some of the reasons this positive corporate culture arose.

THE "HARD" ELEMENTS – CONTRACTS, POLICIES, PROCEDURES, APPROACHES

SET OUT CLEAR AND ENFORCEABLE CONTRACTS

Contracts represent one aspect of the "hard" elements that inform corporate culture. Setting out expectations, results, policies and approaches in contracts ensures that all stakeholders understand what is expected of them in a transparent manner.

The various stakeholders of CLP – the donors, DFID and DFAT; Maxwell Stamp PLC; the Government of Bangladesh (GoB); the Implementing Organisations (IMOs), and others – all contributed to the policies, procedures and approaches written into the programme's contract.

The contract had a number of prescribed outputs, i.e. elements that must be delivered. These were contractually enforceable so if they were not delivered, there were defined sanctions. Examples include policies that required "zero tolerance to corruption" as well as the requirement to deliver high-quality monitoring and evaluation (M&E) results and reports.

Under the "zero tolerance to corruption" policy, any example or potential incident of fraud had to be investigated and

acted upon. For example, during a period of political disturbance that saw reduced oversight and monitoring, several staff members of an IMO colluded to steal a substantial sum of money. Because of the contractual obligations of the zero tolerance policy in their contract, the IMO was required to replace all the stolen funds and, once this was done, the IMO's ongoing contract with CLP was cancelled. In this instance, the approach set out in the "hard" policies was followed to the letter; an indication that the project's culture placed importance on doing what it is supposed to do.

ALLOW SPACE TO LEARN FROM CHALLENGES

For CLP1, the formal contractual commitments to monitoring, evaluation and documenting lessons learnt were also actively implemented in the most practical way possible: the project was substantially re-designed. After about a year and a half of implementation, the monitoring and evaluation data increasingly indicated that certain components of the programme were unlikely to succeed, throwing the future of the whole programme into doubt. Instead of cancelling the project, the donor and consultants took the opportunity to substantially change the project, based on lessons learnt from the first months of (apparent) failure. In a culture which did not value evidence or sought only to punish rather than learn from failure, CLP would not have been given the chance to succeed.

RECRUITMENT MUST BE FAIR AND TRANSPARENT

For any organisation, getting the "right" staff is paramount. CLP's recruitment systems were based on fair and transparent processes designed to select the most appropriate candidates for any given role. Many vacancies were advertised internationally or nationally, as appropriate. Selection panels were constituted to have staff from a variety of backgrounds, so that "groupthink" or unquestioned assumptions were less likely to occur. CLP also maintained the approach of looking to promote internal candidates for roles where possible. This aimed to "lock-in" experience, show staff that good performance mattered and would be rewarded, and to help make the learning curve a little less steep. Internal candidates were generally much better informed about a job role and its requirements than someone starting from scratch.

JOB ROLES AND PERFORMANCE MANAGEMENT SYSTEMS SHOULD BE WELL DEFINED

CLP's job roles were well-defined, with regularly updated descriptions and clear training programmes as required. For example, each year front-line staff were given refresher training, which was updated annually to take account of lessons learnt during the previous year.

CLP also maintained a performance management system, which reviewed staff on an annual basis and had clear guidelines for performance-based rewards. Where concerns were identified, a clear range of performance warnings and supporting activities were set out.

The fact that all these systems and approaches were documented meant that all staff or applicants were treated similarly, thereby avoiding resentment and promoting transparency. All staff also knew what to expect, which again is an indicator of healthy corporate culture.

REGULAR MONITORING AND EVALUATION ASSISTS GOOD DECISION-MAKING

Good evidence-based decision-making revolves around having solid Monitoring and Evaluation (M&E) structures and processes in place, and then using them. If a project takes a half-hearted approach to M&E, it can end up under-funded and over-looked. M&E reports can become another tick-box chore; where they are rarely analysed, and even more rarely used to implement necessary changes in project direction or approach.

For CLP, one of the strongest indicators of a positive corporate culture was the highly effective integration of the Innovation, Monitoring, Learning and Communications Division (IMLC) into the overall management of the programme. The IMLC was headed by a Director, and it was resourced to conduct good quality surveys and analysis. The results and recommendations, in turn, were regularly used to make substantial modifications to approaches or policies – an indication that the corporate culture supported evidence, analysis and learning from challenges.

For example, during 2012, IMLC data showed that many core participants were not meeting “graduation” criteria¹ because of lack of access to improved water supplies (IWS). As a result, CLP changed its water policies, moving from a community-wide focus to one that ensured each participant got access to an IWS. This showed that senior management remained committed to transparency – even about “bad” results! – and were willing to admit that things could be done better; a vital first step in actually doing better.

In another example, the M&E system set up to monitor CLP’s three Markets-based projects showed that the Fodder project was succeeding, just not in the way expected. As a result, CLP modified its approach by amalgamating the Meat and Fodder projects² to not only save money but also protect the very positive progress already made. Again, this showed a corporate culture that was prepared to be open about challenges and use evidence to improve results and increase efficiency.

THE “SOFT” ELEMENTS

While the above “hard” elements are obviously a necessary component in promoting a positive corporate culture, it is obvious that they are not enough. Having a policy saying “we have a zero-tolerance approach towards corruption” is one thing. It is a good start. But actually implementing the policy – and doing so to high standards – is another thing entirely. Having the will and the drive to make sure that the policies are implemented also has to exist.

¹For more details on CLP’s approach to graduation and its results, visit bit.ly/GradBrief14

²The Fodder project aimed to encourage chars-based agricultural entrepreneurs to set up businesses growing fodder and selling it to cattle owners to improve their animals’ productivity.





LESSONS LEARNT

Strong political and technical will is essential for policy implementation

All policies are implemented by people; so the commitment to quality implementation comes from the personalities, characters, experience and expectations of the individuals involved.

This certainly played out in CLP. As mentioned above, the first phase of CLP (2004 to 2010) went through a radical shake-up after it was clear that major aspects of the original design were not delivering results. Stakeholders at the time, particularly in the donor organisation, could have ended the programme. However, there was clearly a strong political will to support efforts to set high standards and learn lessons, rather than simply punish failure. There was also the strong technical will to ensure that results could be achieved.

This political will was also revealed when CLP carried out its first assessments of "leakage", or funds that were being misappropriated rather than being used properly for programme purposes. In other circumstances, this kind of research might have been considered "political dynamite" that could have blown the project's foundations apart. For CLP, however, due to the political will and commitment of its stakeholders, it was an opportunity to acknowledge the problem and then implement solutions.

It meant that managers could start to show that the gap between words and deeds – i.e. what is supposed to happen vs. what actually does happen – was minimal. This is a critical aspect of setting a good corporate culture. Lack of will can be instrumental in producing or failing to challenge negative aspects of a programme or its corporate culture. Strong political and technical will can allow challenges to be turned into lessons.

Demonstrate effective and fair performance management

While getting the "right" people in place is important by using the well-designed HR systems mentioned above (a "hard" element in setting a good corporate culture), it is also critical that the next step in the process is also given attention: good performance management processes that are fairly and effectively implemented. If someone doesn't come up to the standards expected, they need to be told and to get appropriate support. If they continue to demonstrate inadequate performance, they need to be replaced by someone who will perform. In CLP, this commitment to high standards and good staff was regularly tested. CLP1 saw the departure of several staff that had not been performing. According to Mr Hodson (Team Leader during the first four years of CLP1), "When national staff and other international staff saw that the project was able to actually live up to its declared values, even to the point of terminating people, then there was a chance to begin to build a culture around performance and truth telling. If there are no penalties for not adhering to high standards, a good organisational culture has no chance to develop." CLP2 maintained this approach.

However, it is not just about sanctions and discipline – there needs to be a commitment to fair processes. Accordingly, CLP ensured that both its investigations and performance management processes adhered to best practices and were as transparent as possible, so people could see that the programme lived up to its principles.

Another important step was to value staff and show them that good performance would be rewarded. CLP regularly promoted internal candidates who had performed well. This meant that staff moved up the ranks, gaining valuable experience, while also letting everyone know that merit was a principle that the project took seriously.

Commit to transparency and evidence-based decision-making

A commitment to transparency and evidence-based decision-making is an extremely important part of the "soft" element of good corporate culture. Lack of transparency allows negative practices or attitudes to continue unchecked, while a lack of concern for evidence results in decision-making that may not be informed by realities on the ground. A corporate culture that is not dedicated to making the best possible decisions cannot be thought of as healthy.

An example of CLP's commitment to transparency and evidence-based approaches comes from its approach to the "zero tolerance to corruption" policy.

From early 2007, CLP started running "customer satisfaction surveys" to gauge the extent of potential corruption or malpractice. What's more, the results were published on the website.

³Read more from the first report of Feb 2007 here <http://bit.ly/2007Leakage> and the follow-up report in 2008 here <http://bit.ly/2008Leakage>.

⁴Research reports can be accessed here: <http://bit.ly/clp-reports>.

⁵Quarterly and Annual Reports can be accessed here: <http://bit.ly/clp-reporting>

This commitment to both investigating and transparently reporting on this sensitive topic continued. All incidents – whether fraud-based or not – were recorded, reported to the donor, and fully investigated. So, for example, during the calendar year 2014, CLP recorded 27 incidents, of which 10 turned out to be fraud with a total value of £81,756. As a result of these cases, seven people's employment contracts were terminated; three staff were reassigned out of CLP by the relevant organisation; and one IMO contract was cancelled. All the money was recovered.

In addition, almost all of CLP's research was published and freely available online as well as the Quarterly and Annual Reports, which showed that CLP took this commitment to transparency seriously.

Listen to the stories that are told

A good indicator of corporate culture is to listen to the stories that people tell each other about their work and the organisation. For example, if a project has a "theoretical policy" of not tolerating corruption, but the senior managers and other staff tell stories of times when people were not removed, or where incidents were not investigated, there is probably a mismatch between the policy and the culture. When words and deeds don't match it is a clear indicator that the corporate culture is probably less-than-healthy.

What did newcomers first hear about CLP when they arrived? When the author of this paper first joined the Programme, he noted that the stories senior managers told revolved heavily around learning, transparency, looking squarely at the evidence and doing what was necessary to achieve the right results.

The stories were also of the times that staff and organisations did not come up to scratch: how they were initially supported, but when they proved they were not able to deliver the quality expected, their contracts were terminated. Where there was corruption, the zero tolerance policy was implemented: it was real and not to be compromised.

It was clear that the Programme walked the talk. These stories let the newcomer know that the corporate culture was valued and they were expected to fit in. The gap between words and deeds was vanishingly small. This was a prime indicator that the corporate culture that had developed was a healthy one.

If you wish to learn more about the CLP or the lessons learnt series of briefs please visit the CLP website www.clp-bangladesh.org.

Author: Mat Pritchard
Editor: Tanya Goodman