Studying Organizational Growth at the Start-up Stage of Iranian Non-Governmental Education Providers (A Grounded Theory Approach)

Babak Shahmansouri

Department of Integrated Studies in Education

Faculty of Education, McGill University, Montreal

A thesis submitted to McGill University in partial fulfillment of the requirements of the degree of Masters of Arts in Educational Leadership

Montreal, February 2012

Abstract

This thesis investigates the growth of non-governmental education providers of Iran. From a grounded theory approach, this study starts with no particular hypothesis. The study begins with a historical review of the Iranian education system in order to reveal the important role of non-governmental organizations (NGOs) in education system of Iran. Then, the theoretical concepts of NGOs as well as organizational growth are reviewed to illustrate the boundaries of study. After that the paradigm and methodology of the study are explained. The analysis is conducted in four steps: firstly the open and axial coding process together with a back and forth process of interview and literature review identifies seven growth elements. Secondly, a selective coding procedure reveals the importance of relationships among elements. Thirdly, a theoretical sampling process explains the big picture of growth dynamics. Finally, two scenarios or two chains of typical challenges of growth at the start-up stage of Iranian educational NGOs are suggested.

Resume

Cette thèse étudie la croissance des fournisseurs de l'éducation Non-Gouvernementales de l'Iran. Du point de vue théorique pur cette étude commence par aucune hypothèse particulière. Cette étude commence par une revue historique du système éducatif iranien afin de révéler le rôle important des organisations non gouvernementales (ONG) dans le système éducatif de l'Iran. Puis, le concept théorique d'ONG et de la croissance organisationnelle est passé en revue afin d'illustrer les limites de cette recherche. Par la suite, le paradigme et la méthodologie de cette étude sont expliqués. L'analyse a mené en quatre étapes: d'abord, le codage ouvert et axial en suivant un processus interactif de l'interview et ensuite les résultats de la littérature pour identifier les sept éléments de croissance. Deuxièmement, codage sélectif, pour la recherche des éléments de base, révèle l'importance des relations d'éléments. Troisièmement, l'échantillonnage théorique explique la grande image de la dynamique de croissance et des boucles de rétroaction de causalité. Enfin, la quatrième étape propose deux scénarios ou deux chaînes de défis typiques de la croissance au stade de démarrage d'ONGd'éducationiraniennes.

Acknowledgements

This thesis is the result of continues support and encouragement of my supervisors Dr. Shaheen Shariff and Prof. Gerald Scott Conrod. Thank you for your supportive approach, your belief in the purpose of this study, and your valuable ideas.

My deepest gratitude is to my family. My father, *Baba-ye azizam*, my mother, *Maman-e golam*, thank you so much for always providing me with love and peace. There is no word to appreciate what you have done in all stages of my life. My lovely sisters and my dear brother, my best friends, *Nazila jan*, *Arash-e aziz*, and *Nastaran jan* thank you for your heartwarming supports.

I would like to truly thank all great people at Asemaan Group. I am deeply grateful to Dr Ali N. Mashayekhi for his continues support, his great ideas, and his belief in the message of Asemaan Group. I am also thankful to my friends at Asemaan; I know without your emotional and technical supports I could not conduct any of the interview sessions in Iran.

I sincerely express my eternal appreciation to all respectful people who attended my interviews; I understand and truly appreciate the fact that you have dedicated your life to improve the quality of education system in our country. Thank you so much for your time and participation in this study.

Last, but of course not least, I am truly grateful to my dear family and friends in Montreal for their warm and real friendship and support.

Babak Shahmansouri
Montreal, February 2012

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

SECTION A: OUTLOOK AND CONTEXT

"Never doubt that a small group of committed citizens can change the world. Indeed, it is the only thing that ever has." - *Margaret Mead*

Chapter One

Introduction: Education, NGOs and Social Development

This thesis investigates the growth of education provider non-governmental organizations (NGOs) of Iran. From a grounded theory approach, this study starts with no particular hypothesis; instead, the objective of the study is to develop a hypothesis about a particular research question for a specific research context. The first chapter starts with explaining the importance and background of the research as well as the definition of the key terms in this study. Then it follows by presenting the research purpose and questions; and finally, the structure of the research is explained.

1.1. The Importance and Background of The Problem

Different studies claim that a higher level of education promotes economic and social development regardless of a country's stage of development (Beverly & Sherraden, 1997; Coate, Handmer & Choong, 2006; Glewwe, 2002); many researchers support this argument, especially in the context of developing countries (Glewwe, 2002; Glewwe & Kremer, 2005; Miller-Grandvaux, Welmond, & Wolf, 2002). The process of social development requires purposeful interventions from non-governmental organizations (NGOs) or government (Beverly & Sherraden, 1997); thus, promoting education, as a mechanism of facilitating social development, necessitates implementing purposeful programs by NGOs or governments. The role of NGOs may become more important where educational innovation through governments, for whatever reasons, is not a highly probable option. In this context, although educational change and innovation through NGOs is neither the only nor the entire solution, it is a fundamental part of the entire solution and consequently non-governmental education providers can be vital catalysts for facilitating the social development. This importance, together with my personal interests and 11 years of experience in Iranian educational NGOs, were the reasons I focused on educational NGOs in this research.

1.2. Definition of The Key Terms

Non-Governmental Organization (NGO). While the term non-governmental organization or NGO has a wide range of definitions, this study uses a specific definition which encompasses the particular characteristics of the Iranian situation; the term NGO is here defined as: "an independent, non-governmental, non-profit, voluntary association of group of citizens, rallying around a common community cause, and accountable to the clients they profess to serve" (Namazi, 2000, p. 19).

Educational NGOs. There are numerous studies about the role of NGOs for implementing purposeful intervention programs in order to improve the level of education (e.g., Borwankar & Velamuri, 2009; O'Dwyer & Unerman, 2007; Reichel & Rudnicka, 2009; Rose, 2009; Senge, Dow & Neath, 2006; Tanaka, 2001). These articles all indicate NGOs to be a key sector functioning within the larger social-political-economic system. Within this larger system, educational NGOs play a variety of roles, such as putting pressure on governments to fulfill their commitment to Education for All (Mundy & Murphy, 2001) and/or becoming directly involved in providing education or improving its quality (Rose, 2009). The former type, called advocate educational NGOs, is not within the scope of this research. Rather I will focus on the latter type, supporter educational NGOs, primarily because I have worked in Iran with such NGOs and I continue to have contact with them.

Organizational Growth. Generally organizational growth defines as an increase in the level of sales/service provision and/or number of employees (Weinzimmer et al, 1998). Organizational growth is divided into two clusters of organic and nonorganic growth (Dalton & Dalton, 2006): organic or internal growth is achieved by organizational strategies and tends to be internal; nonorganic or external growth is a consequence of an external element, such as new governmental policies. Because of my epistemology and methodology, this study considers the organizational growth from an internal perspective.

Organizational life-cycle. Among the different approaches to the concept of internal growth (Ven and Poole, 1995), I have decided to use the life-cycle approach which is the most common approach in organizational studies. According to the life-cycle approach, the researcher defines different stages of the organization existence in time and tries to find the main challenges and appropriate solutions for each stage (e.g., Adizes, 2004; Avina, 1993; Daft, 2004; Quinn & Cameron, 1983).

Start-up (or entrepreneurial) stage. My research study is necessarily limited to the crucial first stage of organizational life-cycle, named as the start-up or entrepreneurial stage, in which the educational NGOs is established from an idea and then achieve the collaboration of a community of interested and committed citizens and start their education provision as an NGO.

1.3.Research Purpose and Research Questions

Since 2001 I have been involved with educational NGOs as an assistant, manager and founder and I continue my participation while I pursue my studies as McGill University. Based on this experience, I have become interested in both the common challenges of educational NGOs during their life-cycle and the appropriate solutions to these challenges. While studying the available literature about educational NGOs may illustrate challenges of and solutions for organizational growth, it is a matter of debate as to what extent these findings and generalized suggestions can be applied to a specific situation such as that of Iran. This being said, some studies have considered the challenges and characteristics of NGOs in a more specific context; for example, studies about the Middle Eastern NGOs have demonstrated their unique complexity and dynamics (Bayat, 2002), and their particular expected challenges (Barakat & Strand, 1995; Bisschoff, 2009; Mok, 2008; Tanaka, 2001), of the NGOs of this particular region.

Many available studies about organizational growth life-cycle in general (e.g., Adizes, 2004; Daft, 2004; Quinn & Cameron, 1983) and NGOs growth life-cycle in particular (e.g., Avina, 1993) are based on the assumption that all organizations have almost the same characteristics and consequently face the same challenges in their life-cycle. However, the characteristics and social political situations of NGOs are not the same for specific regions or countries, such as Iran (Bayat, 2002). Therefore, my research purpose is to understand the elements and mechanisms of organizational growth of Iranian educational NGOs at their start-up stage and provide customized information facilitating the growth of potentially new Iranian educational NGOs, which may also enable my country to achieve a longstanding goal: to promote social development through a higher level of education. Thus, this research study will be guided by the following research question:

"What are the elements and mechanisms that are essential for facilitating the internal growth of educational NGOs in Iran during their entrepreneurial stage?"

From the perspective of this general question as well as the purpose of the research, more specific questions are:

1. What are the growth elements at the start-up stage of Iranian educational NGOs?
2. Among identified growth elements, what are the most important ones?
3. What are the most important growth challenges for Iranian educational NGOs?

1.4. Research Structure

All 10 chapters and three appendixes of this report are clustered into five sections: section A describes the introduction, background and context information; section B explains the theoretical concepts. Section C is about the design and methodology. Section D presents the analysis, findings and conclusion; and finally section E includes reference and appendixes.

Section A, Outlook and Context

- ***Chapter 1*** provides the introduction topics including the importance, purpose, questions and key terms of the research.
- ***Chapter 2*** provides a general overview about Iran and portrays a historical perspective on its education system in different eras.

Section B, Theoretical Concepts

- ***Chapter 3*** is about the concept and definition of NGO, the roles of NGOs as education providers, and a review on Iranian NGOs.
- ***Chapter 4*** reviews different approaches to the concept of growth in organizations and social systems and evaluates the appropriate approach for the purpose of this research, and then, reviews the main models of life-cycle theory.

Section C, Design of the Study

- ***Chapter 5*** describes the research paradigm and methodology and method and explains why constructivism epistemology, grounded theory methodology and a system dynamics approach were selected for the purpose of this study.

Section D, Analysis and Findings

- ***Chapter 6*** explains the first step of analysis, namely open and axial coding of the observation, in order to explore the main themes as growth elements.
- ***Chapter 7*** describes the second step of analysis, selective coding, which aims to find the core elements among all growth elements.
- ***Chapter 8*** is the third step of analysis, theoretical sampling, and provides a systematic review on the relationships of growth elements to reveal the big picture of growth mechanisms.
- ***Chapter 9,*** the fourth and final step of analysis, suggests the growth hypothesis through further analysis of the findings of theoretical sampling.
- ***Chapter 10*** provides a conclusion with answering to the research questions and explaining the implications for Iranian NGOs and suggestions for future studies.

Section E, Reference and Appendixes

SECTION A: OUTLOOK AND CONTEXT

Oh, Ahuramazda [God], endow me with an educated child; a child who will participate in his community, will strive for the happiness of his family, his city, and his country, an honorable child who may contribute to others' needs.

- Yasna, Nos.62-63

Chapter Two

The Context of the Study: IRAN

For readers unfamiliar with the context, the second chapter provides a general overview about Iran, portrays a historical perspective on the education system in this country, and then follows by an explanation of different organizational players of Iranian educational systems in different historical eras. The chapter ends with a summary and a conclusion that in the current situation, non-governmental organizations (NGOs) play an important role in the future improvement of education system in Iran.

Another reason that I start with a historical review of the research context, namely my country Iran, is my epistemological position in conducting this study. From a constructive approach to this study, I suppose humans generate knowledge and meaning from their experiences and consider the influence of cultural power in the construction of knowledge and views of reality.

2.1. Country Background

Iran is a country in southern and western Asia, namely the Middle East and North Africa (MENA) region. It has a population of 74 million people. This country, with a gross domestic production of US$ 400 billion in 2010, is the 29th largest economy in the world and the second largest in the MENA region (World Bank databank, 2011). Its economy is characterized by a large hydrocarbon sector and a governmental domination. Over %60 of the manufacturing sector's outputs is produced by the companies owned by government (World Bank country profile, 2011).

According to the Human Development Index (HDI) report by United Nations Development Programme (2010), the social indicators of Iran are higher than the average of the region; for example, the adult literacy rate is 82.3, number of pupils per teacher is 20 and the ratio of primary school teachers who trained to teach is 100%. The high status in human development indicators is a result of Iranian government's efforts to increase access to education and health (Arjmand, 2008). For instance, enrollment into secondary schools increased from 66% in 1995 to 80% in 2008; consequently, the youth literacy rates increases from 86% to 94%. Since the main enrollment increase was for girls, at the end of this period the number of Iranian girls entering to undergraduate university programs is twice as high as the number of boys (World Bank country profile, 2011).

In terms of ethnic and religion diversity, Iran is a multiethnic and multicultural country. According to the Arjmand (2008), The Iranian population is composed of 51percent Persians, 24 percent Azeri, eight percent Gilaki and Mazandarani, seven percent Kurds, three percent Arabs, two percent Lur, two percent Baloch, two percent Turkmen and one percent others. The Iranian population is mainly Shi'a Muslims (89 percent), and the remaining are nine percent Sunnis and two percent followers of Zoroastrianism, Judaism, and Christianity.

2.2. The History of Traditional Education Systems in Iran

Education in Ancient Iran: before 7th Century. Education has always been more than just schooling and instructions in the Persian culture. In ancient Iran, education was the main part of the socialization and personal development process (Arasteh, 1969; Hekmat, 1972; Sultan'zadah, 1985). Although there is no ample evidence for a formal educational system during the Achaemenian era (546 BC to 330 BC), the Egyptians and Babylonians under the Persian Empire had their own educational systems. Their solely boys schooling had a curriculum including reading, writing, grammar, mathematics and astronomy (Hekmat, 1972; Arjmand, 2008). There were three different education provider institutions in this era: families, Zoroastrian houses of worship and kings' court (Jundi'shapur institution, 1971; Sultan'zadah, 1985).

During the Sassanid dynasty (224 AD to 651 AD), the Persian cultural attitude towards the education was profoundly influenced by Zoroastrianism religion. Zoroastrian Iranians strongly believed in a balanced growth in both physical and mental skills; consequently, the youth daily program included two different parts for mastering in physical activities and social skills (Arasteh, 1969; Jundi'shapur institution, 1971; Hekmat, 1972). Despite of the great emphasis of families and religious norms on personal education, the formal schooling system was only available for the privileged families including nobility, clergy and secretaries (Jundi'shapur institution, 1971; Arjmand, 2008). These schools served children at the age of five to fifteen and their curriculum was composed of reading, writing, religious instruction, physical training and courtly etiquette. At this period of time, urban merchants were only familiar with writing and numeracy, and people in the rural areas were mostly illiterate (Hekmat, 1972; Sultan'zadah, 1985; Arjmand, 2008).

Education after Islam in Iran: from 7th to 19th Century. Iranians become gradually Muslims during and after the 7th century (Jundi'shapur institution, 1971); after the time that main population became Muslim, Iranian boys participated in mosque-related schooling as Islamic elementary schools (maktabs) and girls had just the in-home education by families (Ravandi, 1985; Arjmand, 2008). Because of using mosques for education purpose, the architecture of mosques in Iran main cities was changed and a series of new rooms for functionalities of library and dormitory was added to the Iranian new mosques named maktabs (Jundi'shapur institution, 1971; Sultan'zadah, 1985). There were no age restriction, assessment, and grading system in maktabs and they were the core of Iranian educational system by the 19th century (Ravandi, 1985; Arjmand, 2008). Their curricula were based on Quran, Islamic topics and educational philosophies of Iranian scholars. The activity and publications of Persian scientists and scholars between the 7th to 14th centuries were superior; and it affected Iranian education system in different aspects. The superiority of the leading men of science and literature such as Ibin Sina (Avicenna), Razy, Onsor-al-Ma'aly, Nezam-al-Molk, Ghazali, Nasir-al-Din al-Tusi, and S`adi improved all Muslim societies (Shahnazari, 1992). These scholars had different ideas and philosophies toward education; for instance, Persian Muslim theologian Ghazali (1058–1111), in his book Kimiya-e Saadat, explain different pillars of his educational philosophy including: the necessity of education for all, reward as a tool of encouraging, putting to practice, discipline and regulation, and respecting educators (Khudayvizand, 1966; Jundi'shapur institution, 1971; Shahnazari, 1992). Nasir al-Din al-Tusi (1201-1274), Persian scientist and theologian placed a profound emphasis on the role of parents in education and his ultimate educational goal is a socially well-mannered citizen (Khudayvizand, 1966; Jundi'shapur institution, 1971). Ibin Sina (Avicenna) believes the ultimate goal of education includes five important aspects of the faith, ethics, good health, knowledge, art, and profession (Khudayvizand, 1966; Ravandi, 1985). Medieval Persian Sufi poet, Sa`di, has a particular emphasis on education and the whole seventh chapter of his book Bustan (the Orchard) is about proper education and educational tips. He believes that in addition to teach children being a virtuous individual and committed Muslim, education should improve their social skills (Sa`di, 1891). In general, it can be concluded that, the ultimate goal of education system from 7th to 19th century was an individual growth in practicing the Muslim faith, ethics and social skills.

2.3. Modern Education in Iran: 1851-1979

The modern educational system started in a military institution in the early 19th century. Abbas-Mirza, the prince of Iran during 1797-1833, was fascinated by the western model reforms of Ottoman and Russia. He consequently started close diplomatic relations with Britain which resulted in establishing the first military academy in Iran. Neither the teachers nor the curriculum of this academy was Persian (Abrahamian, 1982; Sultan'zadah, 1985; Arjmand, 2008).

In 1851 the prime minister of Iran, Amir Kabir, established the first Persian modern school named Dar-ul-Fonun. He observed several Russian and Ottoman educational institutions and tried to develop an Iranian model for modern education. Amir Kabir also provided funds for translating European works in social science and teaching foreign languages to Iranian scholars. At the first advertisement for enrollment, thirty noble and rich families decided to register their children in Dar-ul-Fonun (Ringer, 2001; Arjmand, 2008). This school had an evaluation system with golden, silver and copper medals for rewarding and it had corporal punishments. Dar-ul-Fonun developed its own curriculum and administrative routines in the first year.

Although the school was originally intended for the education of wealthy families, after a while it provided the disadvantaged students with an opportunity of having scholarships and financial supports. Through this way, Dar-ul-Fonun spread the modern education beyond the boundary of aristocratic families and made a turning point in Iranian modernization process. This school provided an opportunity to challenge the traditional education and to pave the way for further modern schools in Iran (Arasteh, 1969; Jundi'shapur institution, 1971; Shahnazari, 1992; Ekhtiar, 1994; Arjmand, 2008).

About fifty years after establishing the Dar-ul-Fonun, in 1907, the Iranian Constitutional Revolution resulted in two articles about the educational system in Iranian new constitution and the establishment of the Ministry of Education in Iran. Then, in 1911the Iranian parliament ratified the education law which set a universal primary school for all Iranian children above the seven years old. Since that new educational system was a threat to the traditional religious schooling system, some of Iranian religious leaders argued that the state educational system will result in western and non-religious values (Menashri, 1992; Shahnazari, 1992; Arjmand, 2008).

The transformation from a religious schooling system to a modern educational system was ultimately achieved in the late1920s when Reza Shah seized power and started several reforms in Iran. Reza Shah had a great emphasize on spreading a secular modern educational system against the traditional religious education. He established the Supreme Council of Education and delegated the responsibility of the whole national education. He also increased the total budget of the ministry of education. Although the traditional education was practiced in rural areas, the new modern education challenged the old educational system seriously. The new centralized curriculum was a secular rather than a religious one; and also, the portion of female in the elementary level increased despite the resistance of religious groups (Sadiq, 1931; Jundi'shapur institution, 1971; Shahnazari, 1992; Arjmand, 2008).

2.4. Education after The Iranian Islamic Revolution in 1979

After the Islamic revolution in Iran, there was an immediate reform in the educational system just like many other aspects of Iranian society. Although the reform included substantial changes both in the structure and the content of the educational system, its main objective was to change the content based on Islamic ideology, and to ultimately educate “the religiously committed Muslim” Iranians. Since the revolution followed by a “Cultural Revolution” in order to Islamized Iranians’ lives, the Higher Council of Cultural Revolution was established in 1980 to modify the content of Iranian education system (Shahnazari, 1992; Arjmand, 2008). The reform started with the transformation of the curriculum through revision of textbooks especially those in social studies, humanities, and religion. The objectives of those revisions were to make the curriculum "demonarchized," and to replace "colonial and tyrannical" topics with Islamic and revolutionary ones (Mehran, 1989).

While the transformation of the curriculum continued with increasing the hours spending on religious issues and also adding the Arabic language to the courses of high school, the structure of educational system remained almost the same (Shahnazari, 1992; Arjmand, 2008). In terms of structural changes, the elementary level remained in the modern schooling structure and it was the only option for Iranian children. At the undergraduate and graduate levels, the ministry of education started recognizing the degrees of *howzeh* and *madrases* -the traditional religious school- as a higher education degree in some specific fields of study.

Despite the transformation in the content and structure, the outcomes of education system had not been evaluated in a comparative perspective for more than 10 years after the revolution. In 1992, Iranian government agreed to join the Third International Mathematics and Sciences Study (TIMSS). According to the TIMSS results, the overall performance of Iranian fourth grade elementary students was the lowest among all 25 participating countries, and fifth grade students ranked 27 out of 28 participating count. This poor performance along with the growth of population paved the way for another education reform during the presidency of Mr. Khatami.

The educational reform by the Khatami's government resulted in changes in four different areas of examination system, regulation and policies, educational content and the structure of education (Mehran, 2003; Arjmand, 2008). The main goal of examination reform was to decrease the focus on examination activities. The regulation reform was intended to address issues such as retention and drop-out problem, centralizing the policy making and de-centralizing the implementation, and resource allocation to the low-income regions.

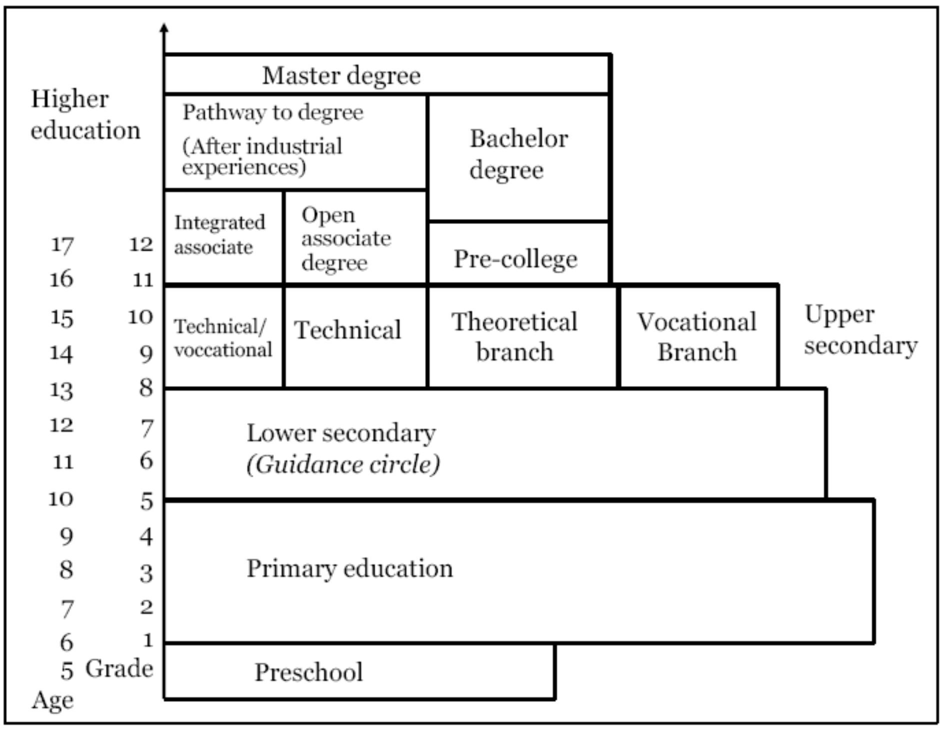

Figure 2.1. Current structure of Iranian education system: after the reform of 1997 (from Arjmand, 2008)

The reform in educational content was based on needs for addressing the requirements of the society, increasing the quality of curriculum, and considering the ethnic and cultural diversity. The main focus of structure reform was on pre-elementary education. After this structure reform, the pre-elementary education was spread widely in many regions of countries in order to address the diversities of children in different minority groups and make them ready for starting the elementary period. Another important structural change was at the technical and vocational training branches of high-school level. The aim of this change was to motivate the students about technical trainings. After the change, it was easier for technical and vocational students to join the job market and/or to continue their studies. Figure 2.1 portrays the current structure of education system, namely after the reform by the Khatami's government.

2.5. Reflection #1: Organizational Players in the History of Education System and the Important Role of NGOs in Current Situation

Table 2.1 depicts a summarized overview of education system during different historical stages. The Iranian educational system has undergone substantial changes from time to time in different aspects including the nature of the system, its availability and coverage, its organizational players, centralization of the system, and finally its ideology. Considering all these different aspect, religious schooling was the core of education system until 1851. After that, a formal nation-wide centralized schooling system has been gradually formed through the interactions of modern education system and the traditional religious one; or, in other words, the interaction among specific organizational players.

While the government has been played the most significant role as a change agent during the history of education system in the last 100 years, other organizational players also performed an important role, especially in the last three decades. For instance, as explained in section 2.4, religious schooling system performed a significant supporting role in the first educational reform after Islamic revolution in Iran (in 1979) and afterward it became a part of the formal educational system. Another example is the role of NGOs in the reform of 1997. Arjmand (2008) emphasizes that unlike the first post-revolutionary reform, which was led by the government, in the second reform in 1997 NGOs performed an active role.

Table 2.1. An Overview on the System of Education in Different Historical Stages in Iran

Period	Nature of the System	Coverage	Organizational Players*	Centralization	Ideology
Achaemenian era (546 to 330 BC)	No formal system within Iran Home education	Some schooling system (e.g. Egyptians & Babylonians) under the Persian Empire	**Families and tribes** Religious institutions Kings' court	Completely decentralized	Effective socialization
Sassanid dynasty (224 to 651 AD)	Formal system was available for a tiny portion of population	Only available for the privileged families	Government **Religious institutions** Families	decentralized	Zoroastrianism: A balanced physical and mental growth
After Islam in Iran (7th to 19th Century)	Religious schooling (Maktabs were the core of the system)	Available for all boys Home schooling for girls	**Islamic institutions** such as mosques Families	decentralized	Islamic: Islamic topics, ethics, social skills
1851-1920	Modern system together with the Religious schooling	Modern schools intended for wealthy families, but after a while it also covered some disadvantaged students	**Government** Religious institutions	Some levels of centralization	Islamic: Islamic topics, ethics, social skills
Pahlavi Era (1920-1979)	Secular Modern system	Mandatory education for all	**Government** Public & private schools NGOs Religious institutions	Centralized	Secular: Committed citizens
Post 1979 Revolution	Islamic Modern system	Mandatory education for all (with a great increase in the number of girls)	**Government** Public & private schools **NGOs** Religious institutions	Completely centralized	Islamic: religiously committed Muslim

* The agent(s) of educational change in relevant period is presented in the bold font

Therefore, understanding all of the organizational players is crucial in determining different possible alternatives of educational change and improvement. Hess (2006) suggests an educational change can be generally implemented using three vehicles, namely, *(a)* individual schools, *(b)* governments, or *(c)* NGOs. In the current situation of Iran, the first two, individual schools and the government, are less effective in initiating and implementing educational changes.

(a) The conservative approach of most Iranian schools, the scarcity of resources they require for fulfilling even their basic mandates, and the centralized policymaking by the government prevent Iranian schools from actively participating in any major change. In case of private schools, in the second educational reform during the post-revolutionary period (1997-2005), privatization of schools was encouraged and there was a boom in establishing private schools. However, even after that growth the total portion of private schools is still less than 10 percent (Arjmand, 2008). In addition, all of these private schools have a small level of autonomy in their curriculum and administration.

(b) Considering the centralization of educational governance in Iran, a top-down promotion of educational innovations by government may initially seem to be the most effective approach; however, such promotion is not a realistic solution in some cases. This is due to lack of government's interest and/or lack of implementation capability. The former may be attributable to the control process of probable misalignments of the educational innovation with the ideologies of the governments. Generally this control process takes a long time and at the same time government educational institutions are overloaded by their routine activities. In the latter case, it is difficult due to the bureaucracy of the governmental education systems. These factors make the bottom-up educational changes by NGOs a more realistic solution in some cases.

(c) During my 10 years of experience in the field, first founding and then leading an Iranian educational NGO, I observed a large number of local NGOs interested in promoting new educational contents. There are some outstanding cases of local NGOs that have sustained fundamental educational projects for a lengthy period of time, while developing their own strategies of dealing with the socio-religious assumptions and promoting decisive skills on a national scale. For instance, the Children Book Council of Iran has been active for more than 40 years in fostering the growth of literary and information resources (both in quality and quantity.) Moreover, in Asemaan Group, another Iranian educational NGO for which I have been working, after three years of developing a project called “Bringing Systems Thinking to Iranian Schools through Games and Stories,” we have just entered into an agreement to bring our program into about 60 elementary schools of Tehran in 2012-13.

Therefore, in the current situation of Iran, NGOs can be considered as a crucial part of the education system from a perspective of implementing effective changes. Although educational change through NGOs is neither the only nor the entire solution, it seems of the essence to implement an effective educational change. Generally, NGOs do not face the mentioned challenges of individual schools since they are not in charge of specific mandates. In addition, most of the NGOs are small and medium size organizations which are not suffering from the bureaucratic atmosphere of the governmental organizations; and finally, NGOs are more flexible and open to new ideas and educational innovations.

2.6. Summary and Conclusion

The context of the study namely Iran and Iranian education system was discussed in this chapter. It started with a brief profile of the country. Then it continued by a historical overview on Iranian education system. Table 2.1 presents a summary overview of Iran education system in different historical eras. Then, it was discussed that the interaction of the organizational players such as governments, religious institutions and NGOs formed the changes and improvements of education system in different eras. From this perspective, the important role of NGOs, as a change agent in the specific current situations of Iran, was argued.

This importance, together with my personal interests and 11 years of experience in Iranian educational NGOs, were the reasons I focused on educational NGOs in this research. Of course, educational change through NGOs is not the only and entire solution for the improvement of Iranian education system; considering the discussed idiosyncrasies of current Iranian education system, it is a fundamental part of the entire solution. Therefore, the next chapter is about NGOs, their role in education, and the specific characteristics of Iranian NGOs.

SECTION B: THEORETICAL CONCEPTS

"We must remember that one determined person can make a significant difference, and that a small group of determined people can change the course of history."

- Sonia Johnson

Chapter Three

Non Governmental Organization

The previous chapter revealed the important role of NGOs at the current situation of Iranian education system and presented the reasons I am focusing on NGOs in this research. From this perspective, the first section of theoretical concepts of the study, the third chapter, is about NGOs. This chapter reviews the concept and definition of NGO, portrays the roles of NGOs as education providers, presents a review on Iranian NGOs, and then follows by a reflection about the unique characteristics of Iranian educational NGO and possible policies for improving their education provision. The chapter ends with a summary and a conclusion that in the current situation, internally stimulating the growth can be an effective solution for improving the involvement of Iranian NGOs in education system.

3.1. Definition and Overview

In all civil societies three different sectors should work together to fulfill the entire needs of people: the public sector or government, the private sector or market, and the third sector. The phrase third sector refers to all activities and services which are not provided by the government or market. Salamon (1992) suggests five characteristics in order to define the organizations which represent the third sector. These organizations possess institutionalized organizational procedures; they are private (nongovernmental) organizations; there is no profit share for the founders and owners; they are self-governing which means there is no dependency in their management; and finally, they are voluntary organizations.

Non-governmental organizations (NGOs) form an important subset of the third sector. Generally, NGOs refer to the third sector organizations engaged in the promotion of human rights (Lewis, 2006), economic and social development (Lewis, 2006; Salamon, 1992). Since the term NGO is subject to a number of interpretations and therefore it is necessary to clarify its application in this thesis, this section starts with the definition and discussion of this term. It follows with an introduction to the different types of NGOs, and after that, a historical overview of NGOs during the last decades.

Definition and discussion of the term NGO. The use of the term NGO became popular with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter (UN website, 2011). That particular application of the term NGO referred to the consultancy role of NGOs in addition to the government and the private sector. In different studies on illustrating the term NGO, it has been mainly defined as diverse organizations which share common characteristics. Fisher (1997) analyses different acronyms which represent NGOs and, by organizing them conceptually, suggests three categories of designations. These categories may imply three criteria of defining NGOs. The first category distinguishes locally autonomous groups from groups of urban intellectuals; another group of acronyms differentiates fully self-governing NGOs from supported NGOs; finally, the last category distinguishes those organizations that are non-profit and voluntary from those with paid professional staff. In another definition, the Office of the Third Sector in the Cabinet Office of the British government defines all the third sector organizations, including NGOs, as diverse and active organizations which share common characteristics of being non-governmental, value-driven and not-for-profit (UK Government Website). However, such general criteria are even subject to debate (e.g., Evers & Laville, 2004). To be more precise the present research uses a more specific definition which encompasses the particular characteristics of the Iranian situation; the term NGO is here defined as: "an independent, non-governmental, non-profit, voluntary association of groups of citizens, rallying around a common community cause, and accountable to the clients they profess to serve" (Namazi, 2000, p. 19).

Different types of NGOs. NGOs are different in their mission, organizational structure and the scale of change in which they are involved. In terms of mission, NGOs may focus on various subjects such as: human rights, education, environment, women, children, and peace. NGOs classified into the categories of operational and advocacy NGOs (Guay, 2004; Kamat, 2004) in terms of the organizational structure and their desired level of change. Operational NGOs, also called Community Based Organizations (CBOs), provide social services such as education, health, or human relief (Guay, 2004). CBOs or operational NGOs refer to membership-based organizations and communities which actively participate in various social issues in a local context. These organizations interact with their members and potential audience to build relations of cooperation and trust, to understand their needs, and to plan projects that respond to these needs (Kamat 2004, p 159). In order to effectively sustain such projects operational NGOs have to mobilize financial donations, materials and volunteer laborers through an efficient headquarters bureaucracy and operational staff in the field (Mostashari, 2005). For instance, in many developing countries operational NGOs may undertake projects in order to provide local people with healthcare services, non-formal education programs or financial supports (Lewis, 2006).

While the main purpose of operational NGOs are generally small-scale changes achieved directly through projects, advocacy NGOs aim to facilitate large-scale changes promoted indirectly through influence on the political systems (Mostashari, 2005). Advocacy NGOs lobby governments, corporations, and international organizations in order to accomplish their missions (Guay, 2004). For instance, the mission of an advocacy NGO may be to change governmental education policies, or international campaigns to urge debt relief for impoverished nations (Lewis, 2006). They are supposed to be issue-based institutions which organize national and international campaigns for particular kinds of policy or legislative changes. In this way, they function more as a lobby group, entirely different from CBOs that seek to organize a mass base. These organizations, with a more dominant 'representative character' of NGOs, do not operate locally. Rather they play the role of advocates of a group of people in different regions and even countries (Kamat 2004, p 161).

Since the nature of activities is different in operational and advocacy NGOs, the governance process and management skills are not the same in these two types of NGOs. While advocacy NGOs requires management skills which maintain accountability to stakeholders, manage information and complex relationships with other agencies, the crucial management skills of operational NGOs are targeting the best consumers, developing the most proper service with a reasonable cost (Lewis, 2006). Thus, a research on the organizational mechanisms and management procedures of NGOs should be either clearly focused on one of the two types of NGOs or separately address both types.

A historical overview: global perspective. Although the term NGO formally became popular in 1945 through Chapter 10 of the United Nations Charter, voluntary activities have a much longer history; for example, the Roman Catholic Church can be considered as one of the earliest international NGOs. In a study on the history of NGOs participating in the international governance, Charnovitz (1996) suggests three stages for NGOs' activities before the formalization of such organizations in 1945:

In the emergence period (1775-1918), citizens with shared interests found issue-oriented NGOs in order to influence policymakers; for example, there is ample evidence of their participation on new international conventions regarding the rules of war, intellectual property, admiralty, prostitution, narcotics, labour, and nature protection (Charnovitz,1996).

In the engagement period (1919-1934), the participation of NGOs in intergovernmental meetings and international agencies had a significant increase. This participation occurred in two stages; in the first stage NGOs were outsiders that try to take controversial issues into intergovernmental considerations; in the second stage, NGOs were insiders that directly collaborated with governmental organizations in order to address international problems (Charnovitz, 1996).

In the disengagement period (1935-1944), NGOs played a limited role because of the few available opportunities for imitational NGOs during World War II (Charnovitz, 1996). This period finally came to an end with the establishment of United Nations and the engagement of NGOs in certain activities.

After 1945, the number of local and international NGOs has increased dramatically from the 1960s to the 1980s; for example, the number of international NGOs grew from less than 1,000 in 1960 to about 5,000 in 1980 (Simmons, 1998). Studying the NGOs' quantity and quality of service before and after these two decades illustrates three different stages: top-down development before the 1960s, bottom-up growth in the 1960s, and the globalization of NGOs during the 1980s.

There is a 'top-down' development stage before the exponential growth of international NGOs in the 1960s. In this era, social and economic growth was approached from a top-down point of view and NGOs were particularly immature in developing countries and the government played a completely dominant role in providing the social welfare, promoting the common good and redirecting self-interested political and economic policies (Kamat 2004).

After that, in the 1960s, a new stage of 'bottom-up' growth and social improvement started and national and international NGOs became the primary catalysts of the social changes rather than governmental organizations and agencies (Kamat, 2004). In other words, in this period of time, NGOs were considered as representatives of different – and almost all – groups of people, instead of religious organizations, business associations and trade unions. The basis of this global phenomenon was the new policy consensus that saw NGOs as agents of democracy rather than the products of a successful democratic culture (Kamat 2004).

Finally, in the 1980s, the process of globalization of NGOs started and the relationship between the governments, NGOs and international organizations has become different. One important event of the current era is a shift in the power and influence of some of the international organizations which are related to the third sector activities.

"While in the post-war phase of development, the United Nations was considered the most legitimate institution of global governance, in the present context of global reforms, it competes with a range of new organizations that wield more power in the international policy arena" - (Kamat, 2004, p163).

Such new institutions are the World Bank, IMF and the World Trade Organization (WTO). These organizations provide the third sector in developing countries with large amounts of money and apply leadership pressure wherever the state is absent. This new environment has had a significant impact on local NGOs. Donor monitoring systems force NGOs to implement social and economic projects in an efficient and effective manner, and make full use of available funds (Berthoud, 2001; Kamat, 2004).

3.2. NGOs as Education Providers

Almost all NGOs, with any kind of mission, such as human rights, environmental, women and peace, may provide people with education on some particular issues. For example, they may inform people about various subjects, such as HIV/AIDS, children's rights or global warming, through local projects or international campaigns. Hence, education is one of the crucial services provided by a large number of NGOs, with any kind of mission. However, in this study, the terms "educational NGOs" and "education provider NGOs" refer to those with a specific agenda for the improvement of educational systems.

Different roles of NGOs as education providers. There are numerous studies about the role of NGOs for implementing purposeful intervention programs in order to improve the level of education (e.g., Borwankar & Velamuri, 2009; O'Dwyer & Unerman, 2007; Reichel & Rudnicka, 2009; Rose, 2009; Senge, Dow & Neath, 2006; Tanaka, 2001). These articles all indicate NGOs to be a key sector functioning within the larger socio-politico-economic system.

Within this larger system, educational NGOs play a variety of roles in both advocacy and operational types, such as putting pressure on governments to fulfill their commitment to "Education for All" (Mundy, 2001) and/or becoming directly involved in providing education or improving its quality (Rose, 2009).

Advocacy NGOs have a long history in the field of education; they started making a significant impact by religious organizations in spreading Western forms of schooling (Mundy, 2001). This trend was followed by the growth of international educational NGOs in the late nineteenth century and early twentieth century. They provided a large number of programs such as child survival, children's rights, child-centered pedagogy, peace education, and teachers' rights (Mundy, 2001). For example, teachers' unions around the globe have committed themselves to a renewed internationalism, and through their newly formed organ, Education International, they are launching a campaign in support of public education for all.

Operational NGOs or CBOs can also play different roles in providing education. Some of them support government in the education provision through the participation of local people; for example, the "school adoption" programs, developed by several CBOs of India, improved the quality of governmental education in rural schools (Rose, 2009). On the other hand, with the aim of providing educational opportunities to those children excluded from government schooling, other CBOs may be directly involved in the educational system through their programs (Rose, 2009). Educational gaps that such programs intend to address can take multidimensional forms; it is often associated with being "hard-to-reach" in terms of to which minority or excluded group children belong. Street children, orphans, indigenous groups, ethnic, religious and language minority groups, the disabled and refugees are often amongst those identified as being most excluded from government provisions (Rose, 2009).

The NGO education VS governmental education. Generally the educational services of NGOs, in comparison to their counterparts in government, is reported at a higher quality and better cost effectiveness by international agencies and NGOs (Rose, 2009). A comparison between terms commonly associated with non-formal and formal approaches to education, summarized and proposed by Rose (2009) based on the available literature, obviously illustrates this tendency (available at Table 3.1).

Table 3.1. Formal Education VS NGO Education (from Rose, 2009)

Formal/State Education	Non-formal/NGO Education
• State provided	• NGO provided
• Conventional	• Alternative/complementary
• Mainstream	• Compensatory/supplementary
• Accountable to Ministry of Education	• Accountable to civil society/community
• Teacher-centered	• Child-centered
• Homogenous	• Heterogeneous
• Rigid	• Flexible/participatory
• Top-down	• Bottom-up
• Over-crowded curriculum	• Accelerated learning
• Curriculum associated with modernization	• Locally relevant curriculum
• Exam-driven	• On-going, formative assessment
• Large class sizes	• Small class sizes
• Centrally recruited teachers	• Locally recruited teachers
• Inefficient	• Cost-effective

Although there is a generally superior image of NGOs’ education provision in comparison to formal educational programs, some facts may have been neglected in this evaluation. First, data on NGO provisions are not generally collected in a systematic way and given the number of often relatively small NGO programs that exist in some countries, obtaining an overall impression of the scale and quality of education provisions by NGOs is very problematic (Rose, 2009). Second, since the available literature on educational NGOs has been developed by NGOs and aid donors, who are involved in and evaluated on the service provided, the general image of the quality of educational NGOs' programs is more positive than its reality; many of the problems and challenges are neglected and more attention is given to documenting the positive experiences (Molteno, Ogadhoh, Cain & Crumpton, 2000). Third, NGOs' educational programs may not be as effective as formal schooling programs in terms of livelihood outcomes in the long-run, such as access to higher levels of education and/or employment opportunities after graduation (Rose, 2009). Forth, estimating the costs of NGOs' educational programs for a proper evaluation is a complicated process. The opportunity costs of NGO programs, including borrowed materials and volunteer work hours, are hard to estimate; therefore, NGO programs may portray more cost-effective than their reality by misestimating the total expenditures.

3.3. *Iranian NGOs*

Since NGOs are value-driven associations of citizens aiming to address particular needs of a society, the characteristics of such organizations is highly dependent on their socio-cultural context. From this perspective, the characteristics of Iranian NGOs have some remarkable distinctive features from the general conception of such organizations. This section reveals this uniqueness by reviewing particular characteristics of Iranian NGOs and also presenting a historical overview of NGO situation during the last 50 years.

The unique characteristics of Iranian NGOs. The special cultural and political situations of Middle Eastern countries have led to certain types of NGOs in this region. Bayat (2002) categorizes the NGOs of the Middle East into four general types: first, "religiously motivated associations organized by Islamic or Christian institutions"; second, "classical traditional welfare associations"; third, "professional NGOs managed largely by upper-middle class professionals"; and fourth, "state-sponsored NGOs, such as the Iranian Foundation of Dispossessed." In Iran, the first and the last group can be considered completely governmental, as Bayat himself has shown. Iranian NGOs can therefore be categorized into two different types: traditional community-based organizations –which I will refer to as Iranian CBOs – and modern NGOs. In 2000, there were 1,500 to 2,000 Iranian CBOs and about 1,500 modern NGOs (Namazi, 2000). Iranian CBOs have a very long history. Motiee (2000) argues that some specific social and political situations of the country make the CBOs as an emergency necessity rather than an option for addressing specific social needs.

- "The survival and sustainability of the community and people-centered organizations may relate to constraints such as limitation of water supply, the long history of despotic regimes and the invasion of Iran by different groups. These difficulties contributed to the spirit of collectivism and co-operation among the people, particularly the rural population." – Motiee, 2000, p26

The characteristics of Iranian CBOs are distinctive with regards to the general conception associated with such organizations. For example, (1) the availability of funding from religious sources, such as sadaqe and nazr (purposeful personal donations), can provide the religious Iranian CBOs with the potential ability for financial self-governance (Bayat, 2002) and, consequently, they are usually not influenced by international donors; (2) Iranian CBOs are usually temporary, that is, when their given problems are fulfilled, the organizations are usually disbanded and only formed again when a new need arises (Namazi, 2000); (3) community participation can always be observed in each aspect of Iranian CBOs such as planning, decision-making and performing the actual educational activities (Namazi, 2000).

While traditional CBOs have been a significant part of the Iranian society for centuries (Motiee, 2000), Iranian modern NGOs, which are located in Tehran and a few other important cities, do not have a long history (Namazi, 2000). These organizations are similar to their international peers in terms of the goals and organizational structure; however, they are facing numerous special challenges due the political atmosphere of Iran. According to an informal consultation with over 100 representatives of the Iranian NGOs (Namazi, 2000), the key problems faced by NGOs can be summarized as: lack of understanding and appreciation; legal and institutional barriers; heavy control and restriction; government domination which limits the involvement of citizens and groups; lack of credibility and professional skills; limited financial and managerial resources; and finally, insufficient sympathy of many NGOs with the communities they profess to serve, particularly the poor and the deprived.

A historical overview of Iranian NGOs. From a historical perspective, another characteristic of Iranian NGOs is their rapid growth. In 1968, there were 377 registered NGOs in Iran; by 1999, 4,000 registered NGOs existed, and many more were not registered (Rostami-Povey, 2004). There are two distinctions between the historical trend of the Iranian NGOs and their global counterparts during the last five decades. First, the pattern in Iran is not synchronized with the three stages of the global NGO (as described in chapter 2.1). Second, the reason of shaping these stages in Iran may not be similar to the reasons suggested by general research on the trend of NGOs (e.g. Berthoud, 2001; Evers & Laville 2004; Kamat, 2004). A historical overview may identify three different stages for Iranian NGOs during the last five decades, including Iranian Educational NGOs, which I define as: (1) the era of inferior participation, before 1997; (2) the golden era, from 1997 to 2005; and (3) the era of retreat from politics, after 2005.

First, the era of inferior participation. Iranian NGOs had a low level of participation until the election of president Khatami in Iran in 1997. While one may expect a growth for Iranian NGOs in the 1970s and 80s as a result of the global growth in NGOs, available literature does not support this idea (e.g. Namazi, 2000; Rostami-Povey, 2004). Before the 1979 revolution, during the Pahlavi regime, most of the modern NGOs formed with the government's blessing to promote the regime's program; Iranian CBOs did not experience any significant growth either, because of the political isolated situation of the Pahlavi government (Namazi, 2000). After the 1979 revolution, Iranian CBOs participated in developmental processes, especially for the underprivileged and in religious contexts (Motiee, 2000). However, modern NGOs were neither present in large quantities (Rostami-Povey, 2004) nor did they participate greatly in policy making (Namazi, 2000).

The probable reason for the lack of bottom-up development in this era can be attributed to the socio-political situation of Iran. Bayat (2002) refers here to Iran's 'closed-door' policy, and believes that the country's record of development NGOs is insignificant when compared with that of other Middle Eastern countries. The socio-political environment of Iran in 1970s was unstable because of great social movements which led to the 1979 revolution. In the 1980s came the Iran-Iraq war and the third sector, consisting of both public and private sectors, was affected by war. For example, most women's communities and organizations spent their efforts supporting the soldiers and their families (Rostami-Povey, 2004). The 1990s was the post-war decade which brought about the transformation era of all three sectors. The activities carried out by NGOs during this time can be considered as one of the foundations for the golden era that followed this decade.

During this period educational NGOs, mostly in the form of CBOs, paid attention primarily to the protection of the poor and excluded children through financial support, and the most significant educational activities performed by interested people was limited to the provision of financial resources for funding school buildings (Namazi, 2000). In the case of modern NGOs, a number of educational youth organizations claiming to be part of the NGO community, such as the Centre for the Intellectual Development of Children and Young Adults, were integrated into the Ministry of Education after the Islamic Revolution and they became heavily dependent on the governmental budget and policies for sustaining their work (Namazi, 2000).

Second, the golden era. After the election of 1997 until 2005, the Iranian government adopted a more positive attitude towards the idea of involving local NGOs as partners in development (Bayat, 2002; Namazi, 2000). This was after the 1980s and there were numerous international evidences that encouraged the engagement of the NGOs. Although the government's approach shifted positively in this period, the government-NGOs collaboration was still unwell due to the rigid legal infrastructure (Katirai, 2005). The government facilitated the engagement of NGOs by developing the legal and professional environments, especially in the environmental, population and health, and children and youth fields of activity (Bayat, 2002; Namazi, 2000). Those golden years did not continue for long and Iranian NGOs entered into another era of political isolation after 8 years.

Educational NGOs experienced a significant growth in the golden era because of the considerable emphasis of Khatami's government policies and activities directed toward youth and children including their educational programs (Namazi, 2000).

Third, the era of retreat from politics. Iranian NGOs may not be de-politicized as it is in the general case which involves the dominance of international donors. The religious sources of funding and the isolated atmosphere of the country prevent such mechanisms in Iranian NGOs. They have been de-politicized in other ways. After the victory of the right-wing in 2005, NGOs entered into a new restricted era. The new government has declared many times that they are worried about the improvement of the third sector and they have set more restrictions and prevented funding for new NGOs (Tabatabaei Ardakani, 2006). The reason can be the potentially political role of NGOs, since they are often drawn into politics as way to compensate for the absence or inadequacy of political parties (Bayat, 2002). Due to this over-controlling approach, there has been less publication to portray the new situation when compared to the previous stages. Recently, the Iranian Parliament reviewed a bill that requires all current and future NGOs to register via a new supervisory structure in order to provide the government with an unprecedented power to control the NGOs (Amnesty International, 2011). According to a letter by Amnesty International that calls on the Iranian Parliament to scrap this bill, many of the current NGOs may force to close:

- "A wide range of civil society organisations in Iran – ranging from environmental and women's organisations, charities and organisations for the disabled, to employers' and professional associations – are opposed to the Bill and have been actively calling on parliamentarians not to pass it in its current form." - Amnesty International, 2011

Due to the government's overly controlling policies during this period of time, there has been less research into Iranian educational NGOs. However, my personal experiences and observations in different educational NGOs suggest a pressure by the government in different aspects of activities of such organizations. These include legal registration, collaboration with the Ministry of Education and promotion and advertisement.

3.4. Reflection #2: Internally stimulating growth for empowering Iranian E-NGOs

Expansion of education provision by NGOs implies improving and promoting current educational NGOs and/or empowering new social entrepreneurs to establish more NGOs. As reviewed in the previous section, generally the supports and funds by international and governmental policies may improve NGOs. In the case of international funds and supports, the isolated atmosphere of Iran together with the religious sources of funding makes this option less realistic for improving Iranian NGOs.

Regarding the governmental supports, remarks of over 100 representatives of the Iranian NGOs (Namazi, 2000) reveals that legal and institutional barriers, government domination, and heavy control and restriction are among their key problems; in addition, after the victory of the right-wing in 2005, new government has declared many times that they are worried about the improvement of NOGs; thus, they have limited funding for new NGOs (Tabatabaei Ardakani, 2006). In such a situation, expanding educational NGOs through governmental policies is unlikely.

While international and governmental supports seem less realistic for improving education provision by NGOs, there are some outstanding cases of local NGOs that have sustained fundamental educational projects for a lengthy period of time. These NGOs have developed organizational advantages and procedures in order to internally guarantee their growth. Thus, one realistic solution for the purpose of improving the engagement of NGOs in Iranian education system can be to empower current NGOs and potentially new ones with organizational lessons from local NGOs which have been successful in sustaining their organizations for a long period of time.

3.5.Summary and Conclusion

This chapter started with explaining the concept and definition of NGOs. Then in the second section, it followed by a review on different roles of NGOs as education providers and a comparison between NGO vs. governmental education. In order to reveal the specific characteristics of Iranian NGOs, the third section presents a brief historical review and suggests three different stages during the last five decades for Iranian NGOs. This review also revealed a number of unique characteristics for Iranian NGOs including the availability of fund from religious sources and unavailability of international grants, the temporary nature of Iranian CBOs, and community participation in all aspect from planning to the performing of all activities.

In the fourth section, regarding the unique characteristics and situation of Iranian NGOs, it is argued that one realistic policy for improving education provision by NGOs is to help them internally guarantee and stimulate their organizational growth. Certainly, internally empowering the NGOs is not the only solution for improving education provision by NGOs in Iran. Regarding my experience and observations, I believe it is one feasible policy. The presented argument as well as my research interests makes the boundary of this study to consider the growth of Iranian educational NGOs from an internal approach. Therefore, the next chapter will review the concept of organizational growth from this perspective.

SECTION B: THEORETICAL CONCEPTS

"Don't worry when you are not recognized, but strive to be worthy of recognition." - *Abraham Lincoln*

Chapter Four

Organizational Growth

The previous chapter ends with the conclusion that one effective solution for improving education provision by NGOs in Iran is to empower them internally stimulate their organizational Growth. From this perspective, the second part of theoretical concepts, namely the fourth chapter, is about organizational growth. This chapter starts with reviewing different approaches to the concept of growth in organizations and social systems; it follows by evaluating the appropriate approach for the purpose of this research, and also reviewing main models of life-cycle theory. Then there is a reflection on the fitness of the research paradigm and the life-cycle growth model for NGOs. Finally the chapter ends with a summary and the conclusion that a deep understanding of the growth of educational NGOs, from an Iranian perspective, requires a constructive research paradigm.

4.1. Definition and Different Approaches to Organizational Growth

A review, conducted by Weinzimmer, Nystrom and Freeman (1998), of about 40 published articles that focus on organizational growth leads to a general measure and definition of organizational growth as an increase in the level of sales/service provision and/or number of employees. Nearly three-quarters of the reviewed articles have used the expansion of service provision as their only measure of growth because this measure reflects an acceptable level of quality of service/product. Dalton (2006) divided organizational growth into two clusters of organic/internal and nonorganic/external growth. Organic or internal growth is considered as the core growth of an organization which is a result of the effectiveness of organizational procedures and policies. On the other hand, external/nonorganic growth reflects any scale increases from external elements (Dalton, 2006). Non-organic growth is an expansion through takeovers, acquisitions, or mergers. Generally, an organization considers a non-organic growth policy after sustaining an internal growth and empowering the organizational procedures for a certain period of time (Dalton, 2006). Thus, the nature of organizational growth in the start-up stage of organizations is rarely a non-organic one. In this study, the organizational growth is considered from an internal/organic perspective. Ven & Poole (1995) claim that there are four approaches to the concept of internal growth of organizations and social systems including evolution, dialectic, life-cycle and teleology approaches (Figure 4.1).

Lifecycle Theory. One common approach among the four growth approaches to investigate the organizational growth in management literature is considering the growth as a prescribed-single entities change and consequently studying the organizational life-cycle (Adizes, 2004; Daft, 2004; Quinn & Cameron, 1983). It is because of the fact that organizations, in both for-profit and non-profit types, aim to address a particular mission and although there are some levels of constructivism in their activities, the whole growth procedure is based on the mission of organizations which cannot be changed over their journey. In this approach of growth analysis, researchers try to find the main crisis of each stage which interrupts organizational growth and the most important solution applied by organizations in real situations in order to solve this main problem; therefore, a teleological approach can also be observed within the analysis of each stage in order to identify the challenges and solutions.

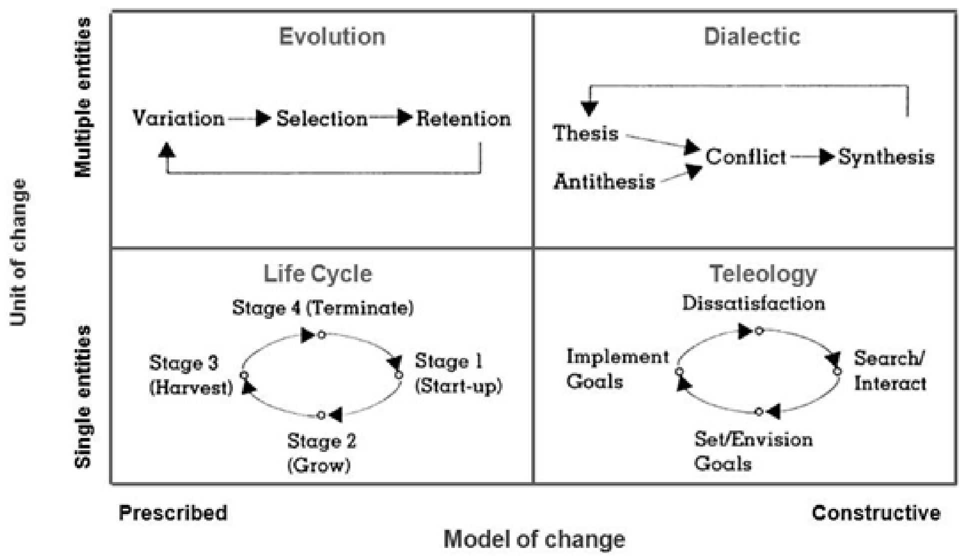

Figure 4.1. Four approaches to the growth of organizations and social systems by Ven & Poole (1995)

Teleological Theory. According to this approach, the ultimate goal of the system guides any change within the organization, and the whole organization is purposeful and adoptive. In this theory organizational development is a repetitive sequence of goal formulation, implementation, evaluation, and modification of goals based on what was learned or intended by the entity (Ven & Poole, 1995). Instead of portraying a set sequence of stages in a teleological process, the emphasis is on the essential requirements for achieving the end state. From this point of view, the requirements of the ultimate goal are used to assess the organizational development over time.

Dialectical Theory. This approach relies on the assumption that there are contradictory forces and values within an organization -or a system- that compete with each other for domination and control. According to this theory, the organizational stability and change are explained by the balance of power between opposing entities. Stability is the organizational situations that maintain the status quo between oppositions. If opposing values and forces gain enough power to damage the status quo, there would be a change in order to define a new balance. These oppositions may be external to an organization in competitions and conflicts with other organizations; also, oppositions may represent the conflicting interests of people within a single organization (Ven & Poole, 1995).

Evolutionary Theory. Ven & Poole (1995) define evolution as cumulative changes in structural forms of groups of organizations across industries or the society. They suggest that, similar to biological evolution, "selection of organization occurs principally through the competition for scarce resources, and the environment selects entities that best fit the resource base of an environmental niche." In organizational studies, the evolutionary approach is generally applied in studying the global changes in organizational populations.

4.2.The Appropriate Approach toward Growth for This Study

The dialectic and evolutionary approaches are appropriate for studying the organizational growth from the perspective of interactions within a group of organizations (multiple units of changes). Since the whole organization is considered as one unit of change in this study, the proper approach is teleological theory or life-cycle model. Unlike the life-cycle theory, teleology does not set a sequence of events or typical stages of organizational development (Ven & Poole, 1995); thus, it is not as appropriate as the life-cycle theory in suggesting typical challenges and solutions in studying the organizational growth. Moreover, in the life-cycle models, a teleological approach can be observed within the analysis of each stage in order to identify the challenges and solutions. Therefore, among the four different approaches to the concept of internal growth, as suggested by Ven and Poole (1995), this study is based on the life-cycle approach.

General organizational life-cycle models. In the life-cycle models, the researcher defines different stages of the organization existence in time and tries to find the main challenges and appropriate solutions for each stage (e.g., Adizes, 2004; Avina, 1993; Daft, 2004; Quinn & Cameron, 1983). There are a large number of organizational life-cycle models. Although these models are based on different organizational phenomena (e.g. organizational effectiveness, functional problems and structure), all of them suggest progress through similar sequential stages that occur as a hierarchical progression (Quinn and Cameron, 1983). The Greiner model (initially 1972, and revised in 1998) is one the first and basic models. Another popular model was suggested by Quinn and Cameron (1983) after reviewing nine different models of organizational life-cycle; and a more comprehensive one is the Adized model (initially 1979, and revised in 2004).

Greiner model. One of the first and basic models of organizational life-cycle is proposed by Larry Greiner in 1972 (Quinn & Cameron, 1983). This model proposes five growth stages; all of them start with an evolutionary phase -in which there is no major barrier for organizational growth- and finish with a revolutionary phase. According to this model, any organization will be faced with a series of typical crises at the end of each stage, and organizations have to resolve those crises in order to sustain their growth (Greiner, 1998). The five stages suggested by Greiner are: *(1) Creativity;* in the birth stage, the emphasis is on expanding service/product and the market through creativity. This stage eventually leads to a crisis of leadership and the

solution can be more formalized management procedures by the founders themselves or a professional manager hired by founders. *(2) Direction*; in case of passing the first stage, there would be a growth through a directive leadership which eventually leads to a crisis of autonomy. For sustaining the growth, lower level managers must be given more authority. *(3) Delegation*; the next stage of growth is a result of implementing a decentralized organizational structure and empowering middle managers. However, after a while, top-level executives sense they are losing control over the whole organization and the crisis of control will limit the growth.
(4) Coordination; resolving the crisis of control needs more organizational coordination. Coordination systems help top-managers to monitor the middle level managers. This eventually leads to a crisis of red tape through overusing coordination systems. The new bureaucratic system interferes the innovation and delays the decision making process. *(5) Collaboration*; at the final stage there is a strong emphasis on interpersonal collaboration in order to overcome the red-tape crisis. The collaboration can be facilitated through use of teams, reduction in corporate staff, and an increase in educational programs. Greiner does not clearly claim a crisis for this stage; instead, he guesses that the revolution may be a result of the psychological saturation of employees who get exhausted by the heavy pressure for innovative solutions.

Quinn and Cameron model. After reviewing nine different models of organizational life-cycle Quinn and Cameron (1983) suggest a four-stage model which has become one of the most popular life-cycle models in the literature of organizational studies. They claim that there are similar four life-cycle stages in all of the nine reviewed models; although, some authors may divide one stage into several sub-stages and others may ignore either the first or the last stage. Their model is an integration of all nine previews models with the following four stages: *(1) Entrepreneurial stage* which encompasses the early innovation, niche formation and creativity.

In this stage the main goal of the whole organization is to develop a product/service in order to guarantee its survival in the market. *(2) Collectivity stage* typifies high cohesion and commitment among organizational members. Informal communication and structure, a sense of family and cooperativeness among members and personalized leadership are the most dominant characteristics of this stage. *(3) Formalization and control stage* is the phase of stability. The organizational effectiveness, in this stage, depends on the rational goal setting, goal accomplishment, productivity and efficiency. *(4) Structure elaboration and adoption stage* is the last phase in which the organization monitor the external environment to renew itself and/or expand its domain. Another characteristic of this stage is the decentralization of the structure in order to facilitate flexibility, resource acquisition and growth.

Adizes model. Adizes (2004) suggests 10 different lifecycle stages that begin with an emphasis on entrepreneurial activity during the first and second stages, then continue with an emphasis on the producing results during the second to forth stages. After that in the fifth to seventh stages there is an emphasis on administrative activities and integration. Finally, during the eighth to tenth stages, Organizational decline occurs primarily because of an overemphasis on stability, administration, and rules and procedures.

Adizes (2004) considers the first five stage as the growing phase: *(1) Courtship*. The company is not really born at this stage; instead, it exists as the dream of its founder. *(2) Infancy.* Infant organizations, like a real baby, need two things to survive: periodic infusion (operating capital), and the unconditional love (Founders' attention). *(3) Go-Go.* Successful product or service, rapidly growing sales and strong cash flow are the main characteristics of Go-Go organizations. *(4) Adolescence.* At this stage, organizations should establish a professional management rather than the entrepreneurship leadership. *(5) Prime.* At this stage, organizations can finally come to balance between control and flexibility.

The last five stages are named as the aging stages by Adizes (2004): *(6) Stable.* At this stage, organizations start losing their flexibility, creativity, and the desire to change. *(7) Aristocracy.* The steady decline in flexibility, which has began in the Prime stage, continues and leads to focusing on short-term and low-risk goals. *(8) Early Bureaucracy.* At this stage, managers and staff focus on who caused the problem, instead of finding a solution and people involve in interpersonal conflicts. *(9) Bureaucracy.* An organization at bureaucratic stage is incapable of generating sufficient resources in order to sustain. *(10) Death.* This means none of the managers is still committed to sustaining the organization.

Life-cycle of NGOs. While there are a large number of organizational life-cycle models for business and for-profit organizations, the number of life-cycle studies on NGOs and non-profit organizations are relatively small. Some of the NGO-life-cycle models are modified models from the business organizations (e.g., Barnett, 1988); on the other hand, there are models based on real experiences and case studies of NGOs (e.g., Avina, 1993; Santora & Sarros, 2008; Schmid, 2006). The Barnett model (1988) is one the first models that suggests and describes three different stages for the growth of NGOs. Avina (1993) has developed a model based on his valuable experience with NGOs during his work at the United Nations Development Program (UNDP). Santora & Sarros model (2008) is among the more recent studies on the life-cycle of NGOs. Schmid (2006) research on NGO lifecycle models is basically based on the appropriate leadership style in each stage of the growth and does not include a comprehensive review of different organizational aspects. Bess (1998) summarizes the findings of ten different models and suggest six different stages for non-profit organization. Among the reviewed models, I will delve into Barnett (1988) model which is a good sample of modified-from-business models, and also Avina (1993) model which is a notable example of models based on particular observations. The latter type, models based on observation, is more compatible to the purpose of this study.

Barnett model of NGOs' life-cycle. Applied from a life-cycle model developed by business researchers, Barnett (1988) suggests a three-stage model for the growth of NGOs and non-profit organizations (NPOs) including the start-up, professionalization and institutionalization stages. *(1) Start-up stage:* at this stage a group of motivated individuals start to address a perceived need. Generally, they work on a part-time basis, and the administration board is active in all areas of the organization. The operating procedure is informal and flexible; and the available limited funding is based on one initial source. *(2) Professionalization stage:* the whole organization has agreed upon a particular way of service provision in order to address the perceived need; the organization has a professional full-time staff; and, the board becomes more of a financial board instead of a working board. *(3) Institutionalization:* there is a reliable, steady flow of revenue in the third stage. Moreover, there are standard operating procedures of service provision because of a well-designed, completely understood service technology. The board plays more of an advisory role rather than a financial one.

Avina model of NGOs' life-cycle. Avina (1993) suggests four different stages for the life-cycle of an NGO; he believes that although some NGOs follow all these stages in a sequence, other NOGs may skip stages or even experience a reverse direction. The Avina model includes the following four stages: *(1) Start-up stage.* According to this model, new NGOs can be clustered into two groups of self-generating start-ups and externally assisted NGOs. The internally financed start-ups, namely the former type, characterized by a charisma leadership, flexible and informal organizational procedures, low level of administration, and a small resource base. On the other hand, externally assisted start-up NGOs usually begin their activities upon a pretested model and their leadership style, administration procedures and organizational structure are more formal than their internally financed fellow organizations.

(2) *Expansion stage.* The expansion of NGOs can be either conscious or spontaneous. While, in a conscious expansion there is sufficient time for developing a formal organizational structure and absorb enough resource, a spontaneous expansion may lead to a gradual less formalized organizational adjustment. The level of success in the expansion stage depends on considering several factors including the financial feasibility, culture of the new geographical scope, optimum pace of expansion, and external social political factors. *(3) Consolidation stage.* All NGOs may consolidate their activities at various times in their evolution. During the consolidation stage, in either a planned or spontaneous manner, an NGO reconsider its development methodology, organizational structure, service focus, operational procedures, and development priorities. (4) close-out stage. Similar to the consolidation, a close-out can be either planned or unintended. A close-up can be defined as both a full-scale-termination and a partial reduction in service provision. Thus, an NGO may close-up a segment or a project in order to guarantee the success of whole organization in long run.

4.3. Reflection #3: Constructive Paradigm for Understanding the Growth of Educational NGOs from an Iranian Perspective

In section 4.2 it is argued that the appropriate approach for studying the internal growth of business or non-governmental organizations is the life-cycle theory. In addition, in explaining the details of NGO life-cycle models, it is argued that uniqueness and idiosyncrasy of NGOs success factors in their life-cycle may be more than business organizations; because NGOs, especially in developing countries, may be actively engaged with particular political, cultural and social situations which require inimitable organizational policies in addition to performing organizational activities to achieve their mission, For instance, Avina (1993) believe that switching from one stage to another one may not follow an evolutionary pattern like the life-cycle of business organizations; and NGOs sustainability in some developing countries means switching from a professionalization stage –even after decades of service provision- into a start-up stage in order to sustain the whole organization.

From this perspective, probably the findings of life-cycle models of NGOs in other sociopolitical context cannot be easily generalized to Iranian NGOs; in fact, the meaning of organizational growth is not separate from real experiences and success stories of Iranian educational NGOs which sustained the growth of their organizations for a long period of time. Placing an emphasis on the unique cultural, social and political characteristics of Iranian NGOs in studying their organizational growth fits well with a constructivist epistemology. Constructivism claims humans generate knowledge and meaning from their experiences (Crotty, 1998) and places an emphasis on the influence of cultural power in the construction of knowledge and views of reality (Kincheloe & McLaren, 2002). Thus, a constructive approach to the meaning of organizational growth for Iranian educational NGOs may enhance the quality of findings of this study.

4.4. Summary and Conclusion

The fourth chapter reviewed four approaches to the concept of internal growth of organizations and social systems including evolution, dialectic, life-cycle and teleology approaches. The dialectic and evolutionary approaches are appropriate for studying the organizational growth from the perspective of interactions within a group of organizations instead of one organization, and teleology does not set a sequence of events or typical stages of organizational development; thus, the life-cycle theory seems more appropriate for the purpose of this study.

In the second section the most popular life-cycle models including Greiner, Quinn and Cameron, and Adizes model were reviewed. In addition, since those three models are based on business organizations, a number of NGO life-cycle models introduced; some of the NGO-life-cycle models are modified models from the business organizations and others are models based on real experiences and case studies. From the former group, Barnett model, and from the latter type, Avina model were reviewed.

The third section of this chapter presented a reflection about the fitness of research paradigm and taking an Iranian approach toward the growth of educational NGOs. This revealed that a constructive approach to the meaning of organizational growth for Iranian educational NGOs may enhance the quality of findings of this study.

Thus, the next chapter, paradigm and methodology, starts with explaining my epistemological position in this study and also explains the relevant methodology and method to that epistemology.

SECTION C: DESIGN OF THE STUDY

"very early on, ... emphasis began shifting from 'meaning' to 'information', from the construction of meaning to the processing of information." – Jerome Bruner

Chapter Five

Paradigm and Methodology

The previous chapter finished with the conclusion that a constructivism paradigm would help understanding the concept of growth in educational NGOs from an Iranian Perspective. Following the previous three chapters which suggested the boundaries of my investigation, this chapter describes the paradigm and methodology used for this study and why constructivism epistemology, grounded theory methodology and a system dynamics approach were selected to address this specific research. Then, the method section provides an overview on the sampling and participants' selection, data gathering, analysis process, and the validity issues. After that, the chronological process of how the field observation was planned and conducted is reviewed, and the preparation steps, the research team, and the process of interview sessions are described. This chapter ends with a review of the limitations and risks of this study.

5.1. Paradigm and Methodology

In order to address the the concept of educational NGOs growth from an Iranian perspective, with an emphasis on the unique cultural, social and political characteristics of such organizations, the emergent design of this study is framed within a constructivist epistemology. Constructivism claims humans generate knowledge and meaning from their experiences (Crotty, 1998) and places an emphasis on the influence of cultural power in the construction of knowledge and views of reality (Kincheloe & McLaren, 2002). My research purpose is to acquire knowledge about the phenomenon of growth in Iranian educational NGOs from their points of view. I start my investigation without any particular hypothesis.

To address this research paradigm, my study is framed within the grounded theory methodologies and a systems dynamics approach in the analysis section. According to the grounded theory methodology, the researcher initially approaches an inquiry with a fairly open mind although preconceptions cannot be totally abandoned (Martin & Turner, 1986). This methodology frames my research process including data gathering and interviews and makes possible the ultimate aim of openly seeking for knowledge about the growth of Iranian educational NGOs instead of evaluating some particular hypotheses.

Added to the grounded theory methodology is a system dynamics perspective, which approaches the behaviours of complex systems, such as organizations, from an internal perspective. System dynamics approach analyzes these systems based on their internal feedback loops that affect the behaviour of system (Sterman, 2000). Because my research considers the organizational growth from an internal perspective, the systems dynamics methodology seems appropriate especially in the analysis stage of my research process. Based on the grounded theory, the process of data gathering, analysis and the construction of emerging hypothesis was not unchanging; thus, the research process has developed during the course of the research.

However, the initial design is presented in what follows in chapter five and all details of what has happened during the study is presented in chapters six to nine (the analysis sections).

5.2. Method

Sampling selection and participants. As mentioned in chapter three, educational NGOs may play two different roles: act as an advocate to put pressure on the government or act as a supporter to get directly involved in providing education or improving its quality. This research focuses on the latter type of educational NGOs in Iran. The sampling process is a purposeful intensity sampling (Patton, 2001) identifying at least five supporter educational NGOs who have more than 10 years of experience which represent surviving from their start-up stage. Rather than the statistically significant number of participants the goal is to form a sample representation with a broad-enough range of experience among the participants. Therefore, the individual participants are the cofounders and/or managers of selected educational NGOs who had the following three characteristics: (1) a high level of personal interest in participating in my research; (2) a comprehensive knowledge about the history of the NGO; and (3) a general knowledge about different organizational aspects, procedures and strategies.

The first characteristic above, personal interest, is necessary due to the wariness approach of the participants to answer the question, which is a common manner in the recent sociopolitical atmosphere of Iran. Participants may hesitate to share all of their problems and this may affect the validity of findings. However, given my participation and active role in Iranian educational NGOs, I have the advantage of utilizing already established trust in order to gather high quality information in this regard. The need for the second item is self-evident, while the third item is essential to cover organizational experiences in all different aspects including developing and promoting educational content, financial sustainability, human resource management, and strategic management. The third item may result to interview with more than one participant from one certain NGO.

Data gathering and interviews. The sampling is based on my personal network of cofounders and managers of some educational NGOs. After choosing the final sample of NGO, the data gathering is based on a series of interviews as well as observations on organizational documents.

In a series of in-depth interviews, participants and researcher work collaboratively to respond to the research questions about each NGO in order to help the participants more easily construct the meaning of growth challenges and related solutions in their organization. Therefore, a semi-structured interview seems the most appropriate way to aid the interviewees in constructing meaning through their experience. Each series of interviews includes at least three main sections; however, the third section may be performed several times based on the data analysis method.

(1) At the first step, there is an interview including two parts:

(1.1) a 10-minute section to identify some general information about the characteristics of the organization and its challenging items

(1.2) a 50-minute semi-structured interview, including open ended questions, in order to acquire/construct the participant's knowledge about the growth challenges and solutions of the organization at the start-up stage

(2) The next step occurs to check the text description of participant's interview developed during the interview and add essential left-out points. There is also an open section for the concluding remarks of participants. (15 min)

(3) The last step is performed after the analysis of data and consists of developing the findings, such as causal-loop models, that portray the growth mechanisms based on all conducted interviews; basically this section is similar to section 1.2 of interview structure. (30 to 60 min)

The aim of the last part is to perform a communicative validity of initial models by asking participants' reflections about the findings. To address the grounded theory approach, which involves constant comparative analysis, the third step conducts several times as a back and forth movement between data collection, analysis and literature review until the researcher attained the point at which there are no new ideas to be captured from interviews.

Data analysis method. Generally, in the analysis procedure of a grounded theory study, firstly, an initial scaffold of a theory is developed and secondly several stages of interview-and-analysis are conducted in order to develop a saturated version of theory. This process of collecting and analyzing data requires a theoretical sampling (Corbin & Strauss, 1990) for the last steps of interview-and-analysis.

The analysis process starts with coding and categorizing the data in search of specific themes which illustrate the main growth challenges and appropriate solutions for Iranian educational NGOs at their start-up stage. The process of data analysis involves three levels of coding: (1) open coding and (2) axial coding which generate the main themes and categories of ideas collected from interviews; and (3) selective coding whit the aim of seeking the core elements among emerged themes. In my analysis, this section has revealed the importance of a system dynamics perspective. This coding process follows by (4) theoretical sampling which integrates the themes in order to develop the initial theories for understanding the research questions. Regarding the systematic perspective in this research, the output of this step was capturing all relationships among elements and developing the main causal-loop diagram which is a visual representation of the feedback loops about the growth mechanisms of Iranian educational NGOs. Finally in (5) developing the hypothesis step, a series of interview-and-analysis has led to a saturated theory about the growth dynamics at the start-up stage of Iranian educational NGOs. At the last stage of the data analysis process, two scenarios of growth dynamics have suggested based on the information acquired from previous steps of analysis-and-interview; however, these scenarios can be a starting point of a future study in order to study the emerged hypothesis by other research methodologies. In fact, the output of a grounded theory approach is a hypothesis and not a tested conclusion.

Trustworthiness and validity. The emergent method of validation of my research includes an 'audit trail' (Anderson, 1998) through considering a chain-of-evidence in development of the findings. In my research, the effects of participants' biases and assumptions about the observed phenomena have not been reduced; on the other hand, such contextual elements are recognized by taking field notes of all communications and reflective thinking activities and are analyzed during the theory development. These reflective notes during the research process are useful for controlling the validity of findings (Anderson, 1998; Patton, 2001).

5.3. Procedure and Situation

After several months of reading and consulting with the experts about the best way of capturing original organizational knowledge from Iranian educational NGOs, I understood, from my methodological point of view, I need to understand the participant organizations instead of just interviewing them. Therefore, I came to a list of activities in order to shape my field observations. These activities include:

1. Studying the general information of the selected organization by reviewing its website, catalogues, and publications
2. In case of availability, studying the organizational constitution as well as the minutes, progress reports and procedures of the first three to five years of the organization
3. Setting a team of interviewers with a friendly relationship with the interviewees
4. Conducting interviews with people in different organizational levels
5. Being connected with the interviewees for further follow-up activities including discussing their answers, and participating in their organizational meetings

Preparation Steps: understanding the organizations. Before conducting any interview with our participants, I formed a research team and we conducted a brief study about the participant organizations. This study includes three main activities for each organization: first, we reviewed the organization's document, minutes, website or other publication. Second, we held a discussion in order to introduce the target organization to the whole research team (interviewers.) In these discussion meetings we tried to understand the organizational as-is stage in its life-cycle, to seek idiosyncrasies of the organization in different aspect and to develop our first scenarios of growth dynamics in that organization.

Third, we consulted with our friends and colleagues in the participant organization in order to target the best group of participants in our interviews. We considered several items in targeting our interviewees in each organization. These items include capturing enough information about the history of organization, making an atmosphere of trust by getting connected through common intimate, capturing information about the informal relationships and dynamics of the organization.

The whole preparation steps enabled us avoid asking questions with available answers in the organization's publications, achieving a shared perception about the target organization, having ample evidence within the participant organization for our follow-up questions.

The research team. Another important step in coordinating the field observation was to form an effective research team. I invited several researchers with technical knowledge about the NGO management and educational organization as well as personal interest to volunteer their time to conduct the interviews of this research. Fortunately, I was so lucky in forming the research team. Three of my colleagues at Asemaan Group, Mahdi, Homa and Soheil, helped me in developing the interview structure and leading the discussion meetings. A group of four colleagues of mine, Homa, Masoomeh, Mohammadali, and Marziye, actively participated in the interview sessions and all of the discussion meetings. Two of my colleagues, Najme and Zahra also helped me in discussions before the interviews. In the following paragraphs, I briefly introduce each of the team members:

Homa- She studies MBA with a special focus on human resource management at Sharif University in Tehran, Iran. Her Master's thesis is about shared leadership and her knowledge on human resource and leadership theories helped the research team. Her passion for actively participating in this research was because of her work with different educational NGOs and being active in such organizations as a volunteer, head researcher and manager. She was one of the team's assets in handing the informal relationships within the team as well as with our participants.

Mahdi- He is almost done with his MBA program at Sharif University. His field of interest and research is organizational behavior. Mahdi has been active in educational projects for two years. Management and leadership issues in voluntary organizations are among his experience and interest. The research team benefited his knowledge on NGOs' human resource management and system dynamics approach in designing the interview structure and leading the discussion meetings.

Masoomeh- She has just graduated from a management master's program at Sharif University. She has a solid background in educational projects. Her master's thesis was about developing an assessment method on systems thinking skills. She has been active in different NGOs and voluntary organizations. She has been one of a few Asemaan Group's managers who were successful in succession planning. Her passion in participating in interview sessions was because of her personal background and interest in the field of educational leadership.

Soheil- He is currently a PhD student at University of Northwestern in Chicago, USA. Soheil has been active in educational projects for more than three years. His Master's thesis was about comparing two approaches in teaching systems thinking to adults. His knowledge about the system dynamics approach helped the research team in developing the interview structure and leading the discussion meetings.

Mohammadali: He is a PhD student at Shahid Beheshti Management School in Tehran, Iran. He is also an entrepreneur who established and sustained a successful trading company. He has been active in educational projects within an NGO atmosphere for almost three years. His original knowledge of entrepreneurship and the growth dynamics at the start-up stage helped the research team in discussing the findings of preparation studies.

Marziye: She is an MBA student at Sharif University. Her field of interest and study is strategic management in NGOs and voluntary organizations. Marziye led one of the research teams at Asemaan Group for one year. Her reason for joining the research team was her strong passion for studying leadership issues of NGOs.

Najme: She has been involved with several Iranian NGOs and has been active as the board member in two of them. She is currently studying a master’s program in education and society at McGill University. Her field of interest is social entrepreneurship and social mobilization and her master’s project is to engage Iranian elementary teachers as the change agents in national provision of systems thinking. Najme was not in Iran at the time of interviews and helped me in analysis the results afterwards.

Zahra: She has been active in a number of Iranian NGOs since she was a college student. She performed as the board member in two Iranian NGOs. Zahra led an NGO of more than 50 volunteers for one year as the executive manager; and also, performed as the principal's assistant in extra-curricular activities of a leading Iranian school. She is currently studying a master’s of education and society at McGill University and her field of study and interest is curriculum studies and developing educational programs. She helped the research team in order to provide us with her intimate knowledge about the challenges of managing an educational NGO.

The process of conducting the interview and discussion sessions. Based on the criteria described in the section 5.2.2, 11 educational NGO were selected for this study. Directors of those organizations were invited by telephone to participate in this research; among them two organizations were too busy to involve, and one organizational director withdrew the interview because of an unplanned trip. Accordingly, individual participants included 21 cofounders or managers from eight educational NGOs. Two of the interviewees, both from one NGO, preferred not to continue their participation during the interview session; since they did not sign the ethics consent from, the data of that organization was excluded from the research analysis. In addition, eight of the interviewees were members of the research team who actively participated in the analysis sessions after the interviews; thus, I prefer not to consider the data of these participants in my analysis regarding the validity issues. There is only a little number of evidence from these eight participants in explaining the findings of my open coding and axial coding analysis which is labeled by research team ideas and not the participant ideas.

Totally the remarks of 11 NGO managers from six different educational NGOs are included in my analysis. The co-founders of all six involved organizations participated in the interview sessions. In five organizations, other managers and board members who have an intimate knowledge about the organization were invited to the interview sessions. In order to address the research questions, within the boundaries and considerations of the research methodology, the designed semi-structured interview was conducted (Appendix A). Although the whole sessions were audio-taped (except one upon the request of a participant), two interviewers made separate notes during the session in order to capture the interview from two points of view as well as to not lose the data.

The preparation study performed in May, 2011, and the discussion meetings about each organization as well as the interviews conducted in May and June, 2011. At the very beginning of each interview session, the participants were given a detailed description of the research. Then, they were asked to fill out the ethical consent form and make their decision about being audio-taped during the interview (Appendix B). There was only one participant who did not agree to be audio-taped.

5.4. Limitations and risks of the study

Like any other methodologies, the one chosen for this research comes with its strength and weakness. This section discusses the limitation and risks of the research in order to consciously perform the analysis. Limitations of the study can be clustered into two types of methodological limitations, and practical risks and limitations.

Regarding the methodological type, there was a limitation in my data-gathering process. Although, my interview structure was a semi structured –and not a structured- interview, in some cases I was not able to effectively follow-up the answers of interviewee. Since all my interview structure was preapproved by the McGill University Research Ethics Board, additional sections of questions could not be added to my interviews. Another methodological limitation was revealed during the data gathering and data analysis. I understood the sampling criteria of well-sustained educational NGOs may be insufficient and it would be better if would have selected some failure stories in addition to the success stories.

The main practical limitation was about unwillingness of participants to thoroughly and honestly answer the questions. It is a common manner in recent social political atmosphere of Iran that participants may hesitate to share all of their problems and this may affect the validity of findings. However, given my participation and active role in Iranian educational NGOs, I have the advantage of utilizing already established trust in order to gather high quality information in this regard. Moreover, in the contest form we ensure them that: first, their response is captured only for the sake of this research and no one will access the data in future; and second, in order to eliminate the potential risks, all of the names of the participants will be replaced with numbers or pseudonyms.

5.5. Summary and Conclusion

Chapter five presented the paradigm, methodology and methods applied in this research. This thesis studies the concept of growth of educational NGOs from an Iranian perspective and the context of the research affects the findings; thus, the appropriate paradigm is constructivism. Since I planned to start without any particular hypotheses and to consider the concept of organizational growth from a systematic approach, my research is framed within the grounded theory methodologies and a systems dynamics approach in the analysis section. My methods of data gathering are interview with the cofounders and managers as well as studying the organizational documents such as bulletins, website, minutes and etc.

Regarding the discussed methodology and methods, the following chapters include the narratives of the research interviews, evidence from observations, and my analysis and reflections on those observations. In chapters six, seven, eight and nine, I will explain a four-step process I have undertaken in order to understand and portray the growth dynamics of Iranian educational NGOs.

- **Step one,** open and axial coding, is presented in chapter six; the aim of this chapter is to explore the main themes, or the main growth elements, through my observations as well as to review the relevant literature.
- **Step two,** selective coding, is explained in chapter seven. This chapter describes the process of seeking the core elements.
- **Step three** of analysis is theoretical sampling. Chapter eight presents this step and the final big picture of growth elements and dynamics in Iranian educational NGOs.
- **The last step** of analysis is suggesting a hypothesis for growth dynamics in Iranian educational NGOs. This step is presented in chapter nine which explains the ultimate finding of the study and also suggests some detailed topics for future studies.

SECTION D: ANALYSIS AND FINDINGS

“You certainly find something, if you look, but it is not always quite the something you were after.” - *J.R. Tolkien*

Chapter Six

The First Step of Analysis

Seeking Elements of Growth: Open and Axial Coding

As I mentioned in the conclusion of chapter five, the process of analysis includes four steps in this study. My analysis starts with an open and axial coding of the observation which is explained in this chapter. The aim of this step is to find the main themes as growth elements.

In my open coding rounds of analysis, I assigned labels to the codes which reflected the main idea of the interviewee or an organizational document in the best way. Then, in trying to merge the open codes and developing the axial codes I categorized the similar items into seven groups. At the next step, I performed a back-and-forth process between the literature review, and my analysis (including axial coding and follow-up interviews). All the activities of this step include open coding, axial coding, literature review, follow-up data gathering and further axial coding. This series of activities has resulted in identifying seven main elements of growth in Iranian educational NGOs.

Step 1: Seeking elements of growth (themes from open, and then, axial coding)

At the first step, I sought the similar obstacles or facilitators of organizational growth in the interviewed organizations. In other words, I looked for the main “growth elements” which were similar in those NGOs. In this regard, the first section of interviews was asking to talk about the main types of problems encountered at their start-up stage of the observed NGOs (see: Appendix A; Interview questions and structure, Part II). The answers of interviewees to this question were coded in the open coding process.

Then, in trying to merge the open codes and developing the axial codes I categorized the similar items into some clusters (see table 6.1). After that I performed a literature review about the main concepts of each cluster as well as asking follow-up questions from the participants. Therefore, in my discussions about each element, I have reflected facts from some specific fields of the literature which is broader than the topics reviewed in chapters three and four.

In fact, the literature review I conducted about NGOs and organizational growth in chapters three and four helped me to find the boundary of my research observations. The main literature review of the study is conducted according to the findings of axial coding. This second selective literature review helped me to elaborate on the growth elements based on academic concepts. This is the reason that, in my discussion sections, I changed the name of clusters suggested during open coding. The new names are based on the findings of the relevant literature and follow-up interviews (see table 6.1).

Table 6.1 briefly presents the main growth elements revealed through the theme analysis. A detailed explanation on each cluster, namely each growth element, is available at the following sections of this chapter.

Table 6.1. Summary of Open and Axial Coding Analysis

	Themes' name after discussion	Axial Coding Labels	Times * (out of 11)	Sample of Open Coding Labels in the First Round of Analysis
#1	**Founders' Attitude and Organizational Culture**	**Founders' attitude**	**11**	(+) respect of humanity (+) high level of trust and respect by founders, managers, and then volunteers (+) great passion for the mission (+) passion and optimistic attitude toward the mission
#2	**Organizational Learning**	**Feedback, learning & flexibility**	**10**	(+) encouraging feedback (o) inevitability of being learning organization (+) being flexible and organic organization (+) feedback for flexibility (+) learning at the individual & team levels
#3	**Shared & Transformational Leadership Style**	**Organizational Leadership**	**9**	(+) shared leadership and attitude of leaders (+) building and leading balanced teams (+) communicating the shared vision (+) shared policy making & decision making (+) collective consciousness for making decision (Participative leadership)
#4	**Retention of Human Resource**	**Human Resource**	**8**	(-) Human resource conflicts (+) individual learning as a motivation policy (-) problem of favorite/dominant members (-) delegation without enough experience (-)Informal communications and trust
#5	**Externalization of Tacit to Explicit Knowledge**	**Regulations & Documentation**	**8**	(+) standards and regulations (+) regulations for feedback and evaluation (+) documentation for transferring knowledge (+) contract with volunteers (+) code of organizational citizenship
#6	**Adopting a Social Enterprise Revenue Model**	**Financial issue**	**7**	(-) Financial problems (o) making revenue through service provision (-) impossibility of international fundraising (+) creative fundraising models (o) connection between financial model and mission
#7	**Fitness of Mission and the Legal Structure**	**Legal & Registration**	**6**	(-) Legal and registration issue (-) investigate all possible options for the legal registration (-) registration the first challenge though not an ongoing one
		Other items	**4**	(+) Benchmarking from international best-practice (+) strong resource investigation (+) understanding the consumer (+) consumers' feedback as the ultimate evaluation
	Legend:	**(+)** Mentioned as a growth facilitator **(-)** Mentioned as a growth challenge **(o)** Mentioned as potentially both facilitator or challenge *** Time:** the number of time this theme mentioned by different people.		

6.1. Element #1: The Founders' Attitude

> *"my only piece of advice to you, young entrepreneur, is that never sacrifice the humanity for anything; ... not even for any achievement in your educational mission."*[1]

It was interesting for me that, in absolutely all interviews, participants placed a profound emphasis on the "attitude of founder(s)" as one of the most decisive elements for organizational growth at the start-up stage. In some instances, they voluntarily started with this issue even before asking any question. Among the narrations of four participants who talked about the significance of founders' attitude in their opening remarks, I have selected the following items:

- **Quote 1.1; P-II [2].** Before starting our interview, I would like to mention a very important point: I have been active in NGOs and social activities for more than eleven years; I've had a very positive and optimistic attitude during all these years; this is the way I am. This attitude helped me to accomplish my mission … [then, in another section of the interview:] since I believe in people, I easily become friend with my audience during my interactive workshops … even our current institution is a result of such attitude; a group of participants, in one of my workshops, persuaded me to establish this institution and we did it together.

- **Quote 1.2; P-III.** We [the founders of NGO] are all children of World War II; we grew up with a question in our minds: why war? I think since we were extremely sad about those awful situations during our childhood, we started to do something to make a better society. Regarding this background, we do respect the humanity of everyone, every single person including our colleagues, our volunteers and our audience; this attitude helped us building a group of founders, and then, running an organization and solving our problems together. Even in performing our educational mission, in selecting our references for example, we ask ourselves: does it help children to improve their consciousness of the humanity?

Generally, participants believed organizational culture develops in the wake of founders' decisions and choices. More or less, they consider some organizational characters such as the leadership style and a culture of feedback as the results of the attitude of founders.

---

[1] The sentence is a part of the concluding remarks of one of the interviewees who has initiated several national-level educational entrepreneurship during the last 55 years

[2] Names of all participants have been changed to numbers in order to maintain confidentiality.

While the attitude of founders may seem a significant element in the initial state of forming a group -and afterwards an organization- of people, this element has several ongoing effects as well. For instance, the following narration illustrates the ongoing relationship of the founders' attitude and human resource management within one of the interviewed NGOs. The interviewed person is not among the cofounders.

- **Quote 1.3 - P-I.** I believe the most important asset of our organization is its group of founders and their attitude. By this, I mean the love and passion element that I told you before. Do you know why? Because whenever organizational members become angry, tired or upset about something, the leaders' sincerity and truthfulness make them calm and motivated again. This helps volunteers become friend with organizational leaders; and consequently, they can solve all interpersonal misunderstandings instead of hiding them. Even in the interactions with the government and other organizations, I believe the attitude of founders has provided a professional image for the organization.

There are other examples about the relationship of the founders' attitude with other organizational aspects such as the leadership style, forming a culture of feedback and learning within the organization, and encouraging informal communications. For example, the following narration is a part of the interview with the cofounder of the NGO with which the participant number one (P-I) has been working. It is interesting to pay attention to the honest consciousness of the founders themselves about the ongoing effect of their attitude on organizational members.

- **Quote 1.4; P-III.** If new members find everything based on honesty and trust among all organizational members and observe that no one wants to take advantage of their time and energy, after a while they feel they belong here. They consequently consider this NGO as their own organization.
- **Researcher team:** to what level did you use informal communication to accomplish this?
- **P-III.** Actually, we are all like a family. We live together every day. If anyone encounters any problem in her life, S/he knows that we are here to help her. All members will try, in any possible way, to help that person to deal with her problem. As an another example, in your way coming upstairs, you might have seen a picture of a baby; we all, and not just her father, love that baby as the youngest member of our family; exactly like our own children.

Discussion #1: Two Aspects of Founders' Attitude Affect Organizational Culture

Since I was intrigued to understand more details about the role of founders' attitude in accomplishing an entrepreneurial mission, I tried to delve into the interviewees' personal attitude toward different aspects of their activities. In reviewing the interviewees' remarks about their attitude, I found two different aspects: first, founders' attitude toward people and second, founders' attitude toward organizational mission.

The former sounds much more important to the interviewed educational entrepreneurs; and it is among their personal core values for which they may even sacrifice their organizational mission. I believe this is presumably related to the educational character of such organizations. In other words, sacrificing the humanity of some people sounds mutually-exclusive with educating some others. The following is one of the most compelling narrations about this argument. It is a selected paragraph from the last remarks of one of the NGO founders.

- **Quote 1.5; Last remarks of P-III.** Each of us has our own experience and attitude toward the life. Based on my own experience, my only piece of advice to you, young entrepreneur, is that never ever sacrifice the humanity for anything; not for money, not for prestigious, not for any other achievement, even for your educational mission. I believe social conditioning has not changed the attitude of people of our country yet; their behavior reflects their real attitude toward humanity. They are all great human beings from whom we can learn a lot; from every single one of them we can learn priceless lessons of life.

1.1. The personal aspect: deep respect of humanity. In the preparation analysis of NGO #1, the research team thoroughly reviewed all of the minutes, bulletins and documents of the first five years of that NGO as well as some of their recent documents. We found a very surprising fact through performing a quick discourse analysis of their documents. From 15% to 30% of the words of their documents are the names of different people. They have been so serious on respecting every single person who has helped them in accomplishing their mission.

The following paragraphs reveal our conversation about this fact with two of the founders of that NGO:

- **Quote 1.6 - Research team:** in our analysis of the documents in your archive, we observed that approximately from 15% to 30% of the words in any minutes or bulletin is the name of people. Apparently, this has been a norm from the very beginning. Is there any special reason for that?
- **P-IV.** The reason is that we see, we credit, people when they are working with us. We respect every single person who has helped us. We do believe this attitude is the core competency of our institution. You can find the similar fact in our website as well. This is an honest way of compensation. It may also be interesting for you that despite having the name of all people in our bulletins, most of our articles and publication does not have a personal signature; they signed after the name of our NGO. This is a culture of being modest.

- **Quote 1.7 - Research team:** let us ask about an interesting issue we found in your document. See these documents from your archive, here when you invited 500 educational experts to join you we can find the name of members of any group. Again here in your progress report of the last 30 years; and even during our interview, you brought that book to remember the name of that scholar who helped you. Have you been mindful of this norm? What is the reason?
- **P-III.** Let us review the background of people who contributed in founding this organization. We were from families who contributed in the Iranian Constitutional Revolution and elites who aimed to improve their country at that time. All of us have such a background… we wanted to continue what our families had started … what we have learned from our grandparents was that education is not a matter of class and school. You can learn from people. We did not limit our education to books and articles. In fact, we believe in a lifelong learning from anyone
- **Research team:** and is this the reason you believe in collective consciousness that told us earlier? the example of asking opinions of anyone in the team, the writers, the painter …
- **P-III.** … and even from a respectable servant who works here. I want to say, this provided us with a deep respect to everyone, any human beings.

1.2. The organizational aspect: great passion and positive approach toward the mission. In our first three interviews, we had an interesting problem: entrepreneurs did not talk about organizational challenges and it was really hard for them to remember their growth challenges; instead, they could easily recollect the solution they had applied and the creative policies they had made. In the forth interview, the research team asked about this observation from one of the NGO cofounders who had trained a large number of leaders of Iranian CBO and NGO; his response was fascinating for us.

- **Quote 1.8; P-II.** Of course they cannot talk about their challenges; because they do not consider those as challenge or threat. They have a great passion for accomplishing a goal and almost always their optimistic approach and perseverance help them to find creative solutions.

It seems that an entrepreneur cannot think about a challenge because of his/her great passion to accomplish a mission; and most of them possess a positive approach toward their experiences. Presumably, the organizational aspect of the founders' attitude can be summarized as these two themes: a great passion, and a positive approach. We found ample evidence for this finding, among which I selected two samples. The first narration is the concluding remarks of an NGO founder and manager with about 35 years of experience. The second one is a part of our interview with the founder and manager of an NGO which has established libraries and provided educational programs in a large number of small remote villages in different Iranian states.

- **Quote 1.9; P-IV.** The first thing I would say to other "Babak"s, "Homa"s, and "Masoomeh"s *[other people who are interested in educational entrepreneurship, just like the research team]* is that you need to understand and study the content of your education. By this studying and understanding, you need to arouse a lifelong passion in your heart. This passion helps you to express their educational mission in a beautiful and effective manner. This passion helps you to explain why you believe in that mission and why you seek any possible way to accomplish that. […] This passion brings you a pleasure; and by expressing that happiness, you can persuade others to join you in carrying out that educational mission together.

- **Quote 1.10; P-V.** Among the organizational strengths of our NGO, I believe the first one is our passion. This is the most fundamental element since I believe "a good beginning makes a good ending." Without this passion we cannot sustain this organization at all.

In a nutshell, the founders' attitude toward the people as well as their mission has a fundamental effect on the initial state of the organization. It shapes the organizational culture and some significant organizational characters such as the shared leadership style, informal communication, and a culture of feedback (also see the first discussion in section 6.2).

6.2. Element #2: A culture of Feedback, Learning & Flexibility

"being an educational organization without learning to learn at the organizational level sounds unthinkable to me. It is a must, not an option."[1]

During my open coding, a large number of the labels were about feedback, individual and team learning, and organizational flexibility; in fact, 10 of the interviewees exposed various examples about feedback and organizational learning, even when they explained other issues. They mentioned feedback and learning as essential factors in both individual and team levels.

- **Quote 2.1 - Research team.** In reviewing your archive we found that at the first ten years there were some large-scale projects; but gradually your NGO approach to breaking those broad, even national-level, educational project to small units. Have you deliberately done this? What is the reason for this new approach?
- **P-III.** Let's say something more important than the reason of this specific approach. In the last 32 years we spent on the X project [with small working units], in all steps, our method and procedure has been developed by itself through a collective consciousness. This is possible when you encourage feedback within your organization. A solution developed by just one person is totally different from another solution with the feedback of five persons, you and other team members. Four more pieces of advice and feedback provides you with understanding four more aspects of the work.
- **Research team.** Isn't it time-consuming?
- **P-III.** Of course it is. But we enjoy learning; and our organization requires learning. I am still a student [at the age of 84]. For example, the other day we worked on an educational content about diesel-engine; one of our colleagues come and told me this picture is not a very good sample of diesel-engine. Then, he came back with lots of useful information about that content. Everyone in this organization would be my teacher if there is a culture of feedback.

[1] This quote is from one of the research participants, founder of an educational NGO, who has held training workshops for dozens of Iranian community based organizations during the last 11 years

Most of the interviewed founders believed that feedback and learning is an inevitable necessity in educational organizations, and especially educational NGOs, in order to evaluate themselves and develop reliable outputs. Based on this approach, they purposefully encourage a culture of feedback through certain regulations and events.

- **Quote 2.2; P-IV.** If we were talking about some rural CBOs, probably we could have considered the mechanisms of developing organizational awareness of its challenges and menace; but, we are talking about educational organization. I cannot imagine an organization, with an educational mission, in which there is no learning at the organizational level. They should be all learning organizations. In other word, being an educational organization without learning to learn at the organizational level sounds unthinkable to me. Feedback, reflection and learning are inevitable characters of such organizations because we need that based on our educational mission.

- **Quote 2.3; P-V.** One other important requirement for making the organization sustainable at the start-up stage is facilitating individual learning for all members. We provide this learning by regular workshops and professional development programs. Besides this learning, we have sessions for feedback and dialogue to evaluate ourselves and our output. In an educational NGO, although personal passion is necessary for being a volunteer, it is not enough; all members need a constant education as well.

Another reason for placing an emphasis on feedback was the necessity of organizational flexibility for Iranian NGOs. I found a number of codes labeled as feedback together with other labels about flexibility. According to the observations and interviews, flexibility is a crucial character of Iranian NGOs in dealing with their surrounding environment. Most of the NGO founders exposed –among them three persons clearly stated– that feedback within an NGO is the foundation of acting organic and flexible at the organizational level.

- **Quote 2.4; P-VII.** In another interview I said that I believe an NGO needs a very flexible organizational structure. Sometime it needs to get quickly expanded and even add some organizational departments because of one particular opportunity or downsize itself because of a challenge; like a person who need more hands in one period of time and probably less in another stage.

Discussion #2: Becoming a "Learning" Educational NGO

Learning organizations are "organizations where people continually expand their capacity to create the results they truly desire , where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together" (Senge, 1990b: page 3). In reviewing the interviews and organizational documents from the perspective of learning at the organizational level, I came to the following questions: is encouraging feedback sufficient for forming a learning organization? Generally, what is the mechanism of learning at the organizational level? What elements are essential to become a "learning educational NGO"?

The concept of learning at the organizational level has been considered from different perspectives in the literature. While some theories focus on the *mechanism* of learning (e.g. Argyris, 1977; Fiol & Lyles, 1985; March, 1975; Sravistava, 1983), other models focus on the *essential elements* in order to implement organizational learning (e.g. Kim, 1993; Senge, 1990a). There are also findings on the specific characteristics of the organizations within the scope of this research, namely educational organizations (Imants, 2003; Senge, 2000) and not-for-profit organizations (Bontis & Serenco, 2009). According to the literature as well as my follow-up observations, I suggest becoming a learning organization entails specific requirements in Iranian educational NGOs. The following three sections will explain these discussions and suggestions.

2.1. Multicultural founders and double-loop learning. Argyris (1977) introduced the concept of double-loop learning -or simply learning how to learn- as a key in improving individual and organizational learning. In a single-loop learning individuals or groups of people observe the difference expected and obtained results and accordingly, they modify their actions. However, in a double-loop learning process, they start questioning their presumptions, values and beliefs which led to the corrective actions in the single-loop learning process. These deeply ingrained assumptions and generalizations that influence how people understand the world and how they take action called their *mental models* in the literature of learning organizations (Argyris, 1977; Senge, 1990b; Senge, 1994). The most significant barrier of individuals and groups in re-evaluating their mental models is the fact that they identify themselves with those assumptions and values. People may need certain events or experiences to criticize their basic assumptions; for instance, an individual or organizational crisis may help people reflect on their mental models (Mashayekhi, 2010).

Interestingly, in the interviewed organizations, I observed that in four out of the six observed organizations there are founders who either are multicultural or have an experience of living in another country for a long time. I believe this has helped them to openly reflect on their basic beliefs and assumptions. The following narration is my conversation with one of those multicultural founders:

- **Quote 2.5 - Research team.** In our analysis and observations, we found an interesting fact that A, B, and you are multicultural (half-Iranian) and C, and D have lived in foreign countries for a long time. We believe this is not just a coincident and being multicultural has provided them with specific qualifications; do you agree?
- **P-IV.** Of course this means something. I think being half-Iranian helped me overcome prejudice and also think openly. Connecting to different cultures and different people, help us become meek and modest. Diversity assist people think in a better way; it improves their rationality. From the very beginning we were open to new ideas because of this approach. Actually, since we enjoyed thinking openly, we help everyone who joined us adopt similar approach.
- **Research team.** And this gradually became a part of the culture of this NGO?
- **P-IV.** Yes; and I can say other people who believed in open thinking, especially in educational system, they joined us because they found the attitude of this group of people in line with their interests.

Apparently, being German-Iranian or Russian-Iranian has provided the founders of this NGO with an opportunity to reflect on some of their basic assumptions about being an Iranian.

Consequently, this attitude of founders affected organizational culture in a way that facilitated double-loop learning within the organization.

2.2. Dialogue among teammates, a link between individual and organizational learning. Kim (1993) places an emphasis on the *shared mental model* as a mechanism of transferring from individual to organizational learning. By shared mental model he means making the individual mental models explicit and developing a collective mental model. Kim (1993) believes organizational documents, regulation and information are the static part of organizational memory and shared mental model is the active part of this memory; therefore, he concludes that the key in making an organization a learning one is to employ shared mental model for reflecting to the organizational culture, deep-routed assumptions and artifacts. This may actualize through a “dialogue” which is the capacity of members of a team to suspend assumptions and enters into a "thinking together" process (Senge, 1990b; Isaacs, 1993). The key agents in organizational learning are teams since the shared mental models can be achieved and modified through dialogues within teams (Edmondson, 2002; Senge, 1990; Tjosvold, 2004). In this regard, in a specific research on organizational learning in educational organization, Imants (2003) suggests learning communities, or in his words “interactions among teachers and other workers in and around the school,” are important requirements for leading an educational institution to a learning organization.

In five (out of six) interviewed organizations, team learning, team working and team decision-making were clearly observed. In some instances, NGOs’ regulations even force organizational members to perform their activities and make their decisions within a team. During my participation, as an observer, in team discussions and dialogues in two different organizations, I observed the interaction and questioning of individual mental models. However, when I asked about the problematic aspects of this team-based performing and decision-making, some founders and leaders believed it is a time-consuming policy which requires a skillful facilitator within each organizational team.

2.3. Organizational learning and other growth elements. Since I was interested to consider all essential aspects of developing a learning organization, I started reviewing the labels of open coding analysis from the perspective of Senge's (1990a) learning organization model. According to this model, five disciplines are essential for forming a learning organization. In addition to *(1) mental models* and *(2) team learning* which I explained in the previous sections, there are three more disciplines: (3) *Personal mastery* is continually clarifying and deepening a personal vision, for focusing people's energies, for developing patience, and for seeing reality objectively. Building a (4) *shared vision* involves the skills of creating and communicating the shared "pictures of the future" that foster commitment and enrollment rather than compliance. *(5) Systems thinking* is firstly seeing interrelationships rather than linear cause-effect chains, and secondly, seeing processes of change rather than snapshots.

In reviewing the findings of open coding analysis to observe evidence about three other disciplines of organizational learning, I found a connection between organizational learning and one other growth element namely organizational leadership. Almost all the codes I found about personal mastery and shared vision placed within the codes previously categorized in the leadership category. Therefore, I reviewed the literature to find any theoretical evidence about this linkage[1]. In 2009, Bontis performed a study to identify antecedents and consequences of effective human capital management on organizational learning in both for-profit and not-for-profit sectors. According to his findings managerial leadership is a key antecedent of

[1] The finding of this review was separately written as an article named "system as a transformational leader" which was accepted for a presentation in the 55th conference of Comparative and International Education Society.

organizational learning. The interviews and organizational documents of observed NGOs show that in only two of them organizational member have educational program for improving their systems thinking. However, I did not have a thorough observation about the systems thinking skills of other organizations.

After finding a connection between organizational learning and leadership, I also reviewed the connection with other growth elements; this review resulted in finding theoretical evidence on the linkage of organizational learning and knowledge management (Kim, 1998; Nonaka, 1994; Nonaka, 2007). I will explain this connection in details in the discussion of section 6.5.

6.3. Element #3: Organizational Leadership

"I've been always asking myself weather this is my weakness or my strength that I seek opinions of all team members in making my every single decision."[1]

Another important category in clustering the open coding labels and forming the axial codes was organizational leadership. Nine out of 11 interviewees directly named leadership as a significant growth element and in the narration of the two others there are examples and evidence related to the leadership style. In open coding analysis, the most important finding about leadership style was the collective and participative nature of leadership in almost all of the interviewed organizations. For instance, although one of the observed NGOs is a relatively large organization with 14 branches placed in four different states of Iran, they have regular monthly meeting for making shared decision at the head-quarter and similar meetings at any

[1] This quote is from the interview narration of one research participant who has cofounded an Iranian educational NGO, and has led a number of national-level educational projects in the last 35 years

branch. In fact, for the branch managers, the most effective way of coordination with the head-quarter is to participate in the monthly meetings of head-quarter.

- **Quote 3.1; P-X.** As long as a person works with this NGO s/he should be involve in all organizational aspects; because this organization is evaluated as a whole and all of us are responsible in this community.
- **Research team.** What about decision makings and policy making? Are they involved in these activities as well?
- **P-X.** I'll explain the real situation in response to this question. In our monthly meetings someone who has encountered a problem -for example in a family education program- explains that problem and all of us try to find the best solution. This helps all of us learn something new; in addition, many of our decisions and new policies have been made in these monthly meetings. … Even decisions about the budget or essential new trainings in a branch can be made in these meetings; but not all decisions. Few specific organizational policies require the approval of the steering committee of the NGO. In addition, for technical decisions, we have professional teams, again with their regular monthly meetings; however, anyone can participate in this technical meeting to present a new problem.
- **Research team.** Isn't it hard to coordinate such regular meetings and potential conflicts? How did you make it a norm?
- **P-X.** The answer is informal communication. This level of collaboration is not possible without a friendly atmosphere in the organization; and probably this differentiates our leadership style.

During the interviews, we (the research team) asked about both benefits and problematic aspects of participative decision making. According to the interviews, facilitating the process of developing a shared vision as well as building effective teams were two important beneficial outcomes of participative leadership approach. In the following paragraphs I selected a sample narration for each of these two benefits.

- **Quote 3.2; P-IV.** Through a participative approach gradually and gradually we develop and simultaneously share organizational vision with new members. This influence new members during the time just like the story of fox and little prince in "The Little Prince" by Antoine de Saint-Exupéry.

- **Quote 3.3; P-II.** You have definitely heard that many people believe Iranians do not have a team-work culture. I think the problem is not completely cultural. According to my experience, I believe they cannot build a balanced team; by balanced I mean with all essential roles (such as inventor, critic, resource investigator and etc). The key is a participative approach in building and leading the team. As the founder you should be facilitator who makes these roles clear to everyone and then help them lead their own team.

Interviews also revealed problematic aspects of participative leadership such as experiencing probable conflicts or a time-consuming decision-making process.

- **Quote 3.4 - Research team:** you said about making any decision based on collective consciousness; isn't it time-consuming?
- **P-IV.** It does; but we believe we should not make any decision in haste. As long as you are working in an NGO, every job should be done in a slow, steady pace. In addition, an effective education provision needs to develop gradually. Therefore, in choosing between working quickly and working collectively but slowly, we go for the second.

- **Quote 3.5; P-III.** We formed a council and not an institution. Everything is based on a collective consciousness. For example, legally we needed to introduce one of the board members as the head of the organization. However, neither that person nor the others consider her as the head of this organization. In making any of our decisions, we have a dialogue, a collective thinking, and a shared policy making.
- **Research team:** what if you encounter a serious conflict during this process? Even technical disagreements and not personal conflicts?
- **P-III.** We do have serious conflicts in different aspects of our activities. In such cases we try to analyze the problem to find out what is the truth; we believe truth is more important than personal matters. Hardly ever, there may be a conflict because one person wanted to persist on her personal idea. There is a culture of trust and collaboration and because of that we have a shared decision-making.

While actualizing this leadership style costs NGOs in terms of time and human asset, they strongly believed respecting collective conscious should become a characteristic of organizational culture in educational NGOs. Although nine interviewees directly mentioned the leadership style as an important element, my observations revealed, in 10 of the observed NGOs, there are some levels of participate and shared leadership style.

Discussion #3: A Shared Transformational Leadership

After I found organizational leadership as one of the key elements for facilitating the growth of Iranian educational NGOs, I became interested to understand more details about this concept. In other words, I sought the particular characters of the leadership style of such organizations. In this regard, I conducted an axial coding analysis, within the labels of leadership category, which revealed two important aspects about the leadership style in the observed NGOs: a collective nature, and a transformational approach.

3.1. A collective (rather than directive) nature of leadership. Definitely one significant aspect of the leadership style in the observed organization was its collective nature. This element has been addressed by different models and definitions in the leadership literature including collaborative leadership, participative or democratic leadership, and shared leadership. (a) A *collaborative leader* is simply someone who builds a team through influencing other people, by her behavior and communication, in order to accomplish a shared purpose (Rubin, 2009). Chrislip (2002) describes the concept in more details: “if you [a collaborative leader] bring the appropriate people together in constructive ways with good information, they will create authentic visions and strategies for addressing the shared concerns of the organization or community.” Although researchers have performed studies on collaborative leadership in both NGO context (e.g. Chrislip, 2002) and educational organizations (e.g. Rubin, 2009), this term is more assigned to collaborations at the inter-organizational level such as strategic partnerships (Archer, 2009; Kanter, 1994).

(b) A *participative or democratic leader* seek to involve and encourage all team members discover new opportunities and challenges, and to cope through sharing knowledge (Somech, 2005). This style of leadership focuses on joint-decision making; the role of leader is to provide the team with instructions after consulting with them. Because of the involvement of the team members in decision making, they have a stronger commitment. In this style, the ultimate aim is to make the most reliable decision and also increasing the level of commitment to that decision; thus, the main focus of collaboration is “during and after” the process of decision-making. Generally, participative leadership provides less focus on preparation and empowerment of members before making a decision.

(c) A *shared leader* is responsible for the education and empowerment of all team members to shape an effective team of experts to ultimately achieve a common goal (Lambert, 2002). Shared leadership is an interactive influence process among group members with the objective of leading one another to the achievement of group’s goals (Pearce, 2003). While in the participative or democratic style there is an emphasis on the join-decision making, in the shared leadership style the interaction is not just during and after making a decision. In a shared leadership process, learning and leading come together (Lambert, 2002); thus, all members accept a responsibility to empower each other in order to form a powerful team. Because of this great emphasis on the learning element together with the leading element, the literature of this style of leadership has been developed in the context of knowledge-based organizations and teams. For example, Pearce (2003) has made a connection between this style of leadership and innovation process (see chapter three of his book); or as another instance, a number of researchers study this leadership style in educational organizations (e.g. Lamber, 2002). Table 6.2 reveals the main elements of these three leadership style.

The common aspect, in all of these styles, is the focus on the leader as a facilitator who coordinates all members in participatory leading the team. While collaborative and participative styles place an emphasis on bringing, encouraging and involving people in decision-making and performing those decisions, the shared leadership style also focus on the learning element within the group.

Table 6.2. Comparison of Three Leadership Styles with Collaborative Nature

Leadership Style	Definition (leader's role)	Discussion	Main elements
Collaborative leadership	"Bring the appropriate people together in constructive ways with good information" to achieve the shred vision in collaboration (Chrislip, 2002)	Although this approach has been adopted in both NGO contexts (e.g. Chrislip, 2002) and educational organizations (e.g. Rubin, 2009), it has been more applied at the institute level rather than individual level (Archer, 2009; Kanter, 1994).	- **Constituency for Change** (Chrislip, 2002) - **Facilitative leadership** (Chrislip, 2002; Rubin, 2009)
Participative or Democratic leadership	"Encourage all team members to discover new opportunities and challenges through sharing knowledge" (Somech, 2005)	In this approach, the main focus of collaboration is during and after decision-making and less in empowering members before that.	- **Joint Decision-Making** (Philip, 2004; Somech, 2005) - **Encouragement by leader** (Bavelas, 1942; Somech, 2005; Starratt, 2003)
Shared leadership	"Facilitating an interactive process among members to educate and lead each other in achieving their common goal." - (Lambert, 2002; Pearce, 2003)	Regarding the great emphasis on education and empowerment of team members, this approach sounds more relevant to educational organizations.	- **Teams for learning and leading** (Lambert, 2002; Pearce, 2003) - **Facilitation by supervisor** (Pearce, 2003)

In reviewing the open coding analysis, I found the leadership style of interviewed Iranian educational NGOs more compatible to the shared leadership style from the perspective of collaborative nature of their leadership. In the sample narrations available in section 6.3, the profound emphasis of interviewees on both learning and leading aspect of organizational teams is obvious; among them I repeat this short sample:

- **Quote 3.6 -** In our monthly meetings someone who has encountered a problem -for example in a family education program- explains that problem and all of us try to find the best solution. This helps all of us learn something new; in addition, many of our decisions and new policies have been made in these monthly meetings.

3.2. The transformational aspect of leadership. Another important aspect of the leadership style in the observed NGOs was its transformational nature. A transformational leader, communicate and maintain a dynamic vision and inspire followers to strive for that vision (Beugre et al, 2006; Pawar & Eastman, 1997).

The transformational leadership literature which started with Burns in 1978, and followed by other basic studies (e. g. Avolio & Bass, 1995; Bass, 1985; Bass, 1998; Kouzes & Posner, 1988), identify the concept of transformational leader as a charisma leader who provides the followers with “intellectual stimulation”, “individualized consideration” and “inspirational motivation” (Ackoff, 1998; Avolio & Bass, 1995; Bass, 1985; Beugre et al, 2006; Burns, 1978; Pawar & Eastman, 1997; Yukl, 1989).

The “idealized influence” is also considered as the fourth base of transformational leadership and this four-aspect definition, named as “Four Is model”, becomes almost the most common definition of transformational leadership (Avolio & Bass, 1995; Bass, 1998). Kirby (1992) conducted a research about the “four Is” model in an educational context; he suggested people prefer leaders with intellectual stimulation and individualized consideration in such organizations. Table 6.3 is revealing my reflections on the observed NGOs from the perspective of these four elements of transformational leadership.

Table 6.3. The four-I Transformational Leadership Model in the Observed NGOs

Factors of Four Is Model	Brief Definition (Avolio & Bass, 1995; Bass, 1998)	Discussion about observed NGOs
I. Idealized influence	It means consideration for followers' needs and providing them with admiration and respect.	- According to the first discussion in the section 6.1, in the observed NGOs, the founders emphasize on deep respect of all stakeholders, including organizational members, may provide this element. - Example: see the sample narration in the first discussion (the personal aspect of founders' attitude) in section 6.1
II. Inspirational motivation	It means bringing meaning and challenge to work.	- Leaders can provide this by creating and communicating a dynamic shared vision (Beugre et al, 2006; Pawar & Eastman, 1997). Since one benefit of the shared decision-making is developing and communicating the shared vision, the idealized influence can be addressed to some levels. - Example: see the second sample narration in section 6.3
III. Intellectual stimulation	It requires a creative problem solving procedure.	- Interaction of members in making the teams' decisions and seeking solutions for their problems in implementing those decisions may result in some levels of intellectual stimulation. In addition, the special emphasis on group learning within teams may also address this element. - Example: see the first sample narration in section 6.3
IV. Individualized consideration	It refers to the attention to every single follower's growth and achievements.	- In only two NGOs there were purposeful policies for providing individualized consideration. - Example: in one NGO, there are seasonal informal meetings in which organizational members are asked to portray they personal vision and other participants try to find possible ways for helping them achieve that vision.

In a nutshell, the collaborative culture of the observed NGOs may improve elements I, II, and III of the Bass transformational leadership model; however, generally the shared aspect of organizational leadership provides more effectively than the transformational aspect in the observed organizations.

6.4. Element #4: Human Resource: Valuable Asset with Potential Challenges

"our lovely volunteers ... they are the most valuable asset to me and also make the most formidable challenges for me … this is why they are always my urgent priority." [1]

One other category shaped through the axial coding analysis was human resource. This group of evidence refers to all organizational characteristics and norms relating to human capital. The reason I did not merge this category with organizational leadership was the nature of coded observations. Generally, this cluster includes human resource issues which cannot be completely addressed by organizational leadership.

There is almost no evidence about any challenge in recruiting new members and volunteers in the interviewed organizations. According to the interviews, there are always interested people who want to join the interviewed NGOs, and the human resource issues starts after people start working with NGOs. The human resource challenges observed in this research can be clustered into three main themes of organizational conflicts, the problem of dominant members, and delegation challenges; however, all these three themes mostly result in the same problem of having a high rate of turn-over. In order to respond to these issues, the interviewees suggested various solutions, in terms of policies, regulation and informal activates of organization.

First, according to the observations, different types of conflicts are among the most significant growth menaces. In four NGOs, which are relatively larger than the two others in terms of staff population, conflict resolution mentioned as a serious challenge. There are technical and personal conflicts among team members, conflict between paid staff and volunteers, and conflicts among technical groups. In the interviewed NGOs, informal

---

[1] This quote is from one of the research participants who has been active in education for 25 years and has also led an NGO for 13 years with the mission of educating Iranian families. She told this sentence to me at the end of a long shared-decision-making meeting in which I was an observer.

communication is generally recognized more effective than organizational regulations in conflict resolution.

- **Quote 4.1; P-I.** Another important issue is human resource; fortunately we do not have any problem with the recruitment of new volunteers. There is always a high demand for working with us. However, we do have specific problems with motivation of volunteers. Specifically, I would mention two challenges that we have always had: first, most of the time two, three persons become the most popular in a group; or they become popular in accomplishing specific activities. This sounds to other volunteers that they are not considered qualified enough anymore. The second problem is the conflicts. I believe these conflicts are a part of our system. We have both technical conflicts and personal conflicts. All these conflicts affect the whole organizational achievements, outputs, image, possibility of fundraising, and etc.
- **Research team**. and what is the NGO policy for managing these two challenges?
- **P-I.** We managed the problem of "favorites" with asking the favorites themselves to help other volunteers, to hold workshops and educational sessions for others. Regarding the conflicts issue, first, I would say it may be necessary in educational activity; but, in problematic cases we managed it through informal communication with volunteers. Although this policy is hard and time consuming but we understood a lot about our organization in informal tea breaks for personal talk and nagging! In these regular tea breaks, a number of managers and I participate just to listen. Listening itself works in some cases since they understand we care about them.

The second common challenge is the dominance of so-called "favorite members", a group of staff who may become favorite or dominant members regarding their technical or personal competencies. Assigning more tasks to this group of people, make them more experienced over time; and this leads to the deterioration of situation and, in some cases, losing demotivated members. Four interviewed NGOs experienced such a problem. The solutions in those NGOs were different; in one NGO, they imposed a regulation in order to ask the more capable members spend certain time for educating and empowering others. Other policies were developing certain educational programs, rotational task assignment and asking for developing standard procedures for routine tasks in order to help new members involve in team interactions.

- **Quote 4.2; P-IX.** To me, the problem of "favorite members" is an inevitable problem in an NGO. There is always a group of people with a higher level of experience, professional knowledge, or … although we have tried both formal and informal policies, we still have serious problem with this issue; I guess this is among the most important reasons we are not successful in retention of human resource. For example, it is a must for everyone who wants to join our organization to participate in a technical workshop. This helps new volunteer to start with a higher level of knowledge and better position and I believe such an individual learning program is the best motivation policy; however, this is not enough for addressing the problems of "favorite members" and deciding to leave the organization.

Finally, while there is a basic need for delegation some parts of available organizational tasks, there are not as many experienced members as necessary. In four of the interviewed NGOs, different types of succession planning have been formulated in respond to this challenge. However, there are still problems in successfully implementing the succession plans. For instance, middle managers and volunteers of two NGOs believed there were not sufficient supports for members after taking the responsibility of delegated tasks.

- **Quote 4.3; P-VI.** In response to the problem of delegation, we have defined a mandatory *assistant* role in all of our organizational teams. It is important to know that electing the *assistant* of teams is the responsibility of all team members instead of the team coordinator or organizational leader. In this way we transfer knowledge in different generations of our volunteers.

Discussion #4: Fairness, Recognition and Work/Life Balance for Staff Retention

The literature of human resource (HR) management clusters HR functions into a number of groups including: human resource planning; recruitment and staffing; motivation and retention; training and development; performance appraisal; and finally, human resource relations, benefits and security (Bratton, 1999). All HR functions works together as a system and a problem in retention of organizational members can be a result of poor planning or performance appraisal. However, according to the definition of each HR function, the common challenges of interviewed NGOs can be placed into the motivation and retention of human resource. A literature review was conducted on this specific issue in order to first identify the most common HR challenges at the start-up stage, and second, to understand the possible policies for improving the retention of employees.

At first, regarding my interests in understanding the most common HR challenge in the start-up stage of organizations, I focused on human resource issues in small and medium sized enterprises. In a very comprehensive research, Heneman (2000) analyzes answers of 173 entrepreneurs as well as 403 relevant articles and about 129 articles specifically on small and medium sized enterprises. According to his findings, the top priority of founders and entrepreneurs is human resource retention which is completely consistent with the result of my observations. Heneman's (2000) findings reveal within the publications on human resource issues, retention is the second top priority after the human resource strategy.

In the second step, I conducted a literature review about the key factors affecting employee retention and possible solutions for addressing staff turn-over. Through reviewing the previous works on the retention issue, Sheridan (1992) indicates that there are different paradigms in considering the retention of staff. While a group of traditional research focus on the individual variables and job termination, new scholars suggest a macro perspective in the analysis of this issue. From this perspective, in a more recent research, Ramlall (2004) conducted a comprehensive review on the implication of motivation theories on retention of staff. He reviewed the literature of different motivation theories including need theory of motivation, Maslow's need hierarcy theory, Mcclelland theory, equity theory and expectancy theory; then, based on his thorough analysis, he suggest a number of critical factors for enhancing the retention. Ramlall (2004) suggestion for employee retention practices includes: (a) needs of employee; (b) work environment; (c) supervision style; (d) fairness (being rewarded regardless of age, gender, ethnicity, sexual orientation and …); (e) employees development; and (f) feedback.

Similar to the Ramalall (2004) article, Munsamy (2009) conducted a research to find retention factors of management staff in local government institutions. He suggest six key factors including: (a) affiliation, which refers to organization commitment, support, management style, and recognition of employee; (b) direct financial, which refers to salary; (c) indirect financial, which refers to benefits and awards; (d) career, which refers to advancement, personal growth, training and security; (e) work content, which refers to variety, challenge and feedback; and (f) work/life balance, which refers to flexible work arrangements and access to family.

In a number of the follow-up interviews, we (research team) asked about the suggested factors affecting on employee retention. According to the opinions of both founders of NGOs and volunteers working with NGOs, in those organizations the most significant critical factors are fairness, affiliation (by a focus on recognition of employee), and work/life balance.

- **Quote 4.4; P-IX and P-X.** I remember when we accept the responsibility of leading an organizational team, there was almost no support for us. At first, we interpreted it as a high level of trust and it was really interesting for us; however, just after evaluation of our output, we understood that our mistakes were results of a lack of support. We had not even understood our responsibilities very well! There was not enough support for us and the disappointing feedback did not sound fair to us. We believe this is the main reason that a number of excellent members decided to leave the organization. In our case, our informal communications and level trust helped us to disregard that experience and continue working with the NGO. As we told another important reason is the voluntary nature of the work which affects the work/life balance. We know that, in some cases, our colleagues sacrifice their personal life to be on-time in delivering their responsibilities.

6.5. Element #5: Standard, Regulations and Documentation

"despite our oral history and culture, we have to believe that forming and sustaining a group or NGO necessitate written words"[1]

One other category formed during the open coding was standard, regulations and documentation. In all of the observed NGOs, there are detailed standards and regulations for different organizational activities. Interviewees believed both the educational nature and voluntary base activities imply having a thorough set of standards for any activity. In two of the organizations, volunteers are asked to sign a contract and they should work exactly like a formal job with serious work standards. One other NGO had even a code of citizenship which is regularly promoted by founders and top managers through informal interactions with staff. By organizational citizenship I mean optional individual behaviors which are not "directly recognized by the formal reward system and in the aggregate promote the effective functioning of the organization" (Organ, 1997).

- **Quote 5.1; P-I.** After two-three years of working with volunteers we understood we need to support them in the very beginning stage of working with our NGO. The reason was the type of activities; we develop educational material and for this mission almost all members need to be qualified in a specific field. Thus, as you see the other day, three of the founders wrote comprehensive books about how to join us and start working in our NGO. Currently, it is a must for every new member to read the book relevant to his/her activity and also follow our detailed standards and regulation in performing activities.

- **Quote 5.2; P-II.** One of our key strength is our regular weekly staff meetings; and at the same time making detailed minutes from those meeting. Mr X designed us a very organized procedure for holding those stuff meetings which helped us document our decisions and constantly evaluate our organization.

[1] This quote is from one of the research participants, founder of an educational NGO, who has held training workshops for dozens of Iranian community based organizations during the last 11 years

In the follow-up questions, the research team asked about the reason of this profound emphasis on standards and documentation. The answers of NGO managers to that question basically reveals two main themes: (a) this facilitate accumulating organizational knowledge and transfer it to new organizational generations (b) it is essential for facilitating organizational feedback which improves the output.

- **Quote 5.3; P-VI.** I believe detailed written and easily accessible standards and regulation are essential for an NGO in order to support new members engaging with the organization. In our organization, regulations provide a systematic and ongoing feedback and self-evaluation which improves the quality of outputs … for instance, any educational workshop has to be documented as well as to provide a feedback on our standard procedure for designing and implementing a workshop.

- **Quote 5.4; P-IV.** One other important aspect of our NGO is the documentation. From the very beginning weeks of forming the organization we started to document everything. The whole content of the board meeting and steering committee has been regularly published and been available to anyone. Because the board and steering committee are responsible to all organizational members.
- **Research team.** Wasn’t it an inevitable -but fortunate- consequence of your problem of not having a physical office? Probably, these documents had reflected the identity of your organization in those years.
- **P-IV.** No. I do not believe that. The reason is our need to feedback. The whole organization wanted to reflect on itself, to clarify its obligations, to modify itself. That great emphasis was, and still is, because of an absolute need for feedback within our organization. We published those minutes and bulletins to evaluate ourselves; to understand in what aspect we had been successful and in what others we had not.

Discussion #5: Externalizing Tacit Knowledge to Explicit Knowledge

Since knowledge is one important input in performing organizational activities, all institutions need to perform a knowledge management process including knowledge creation, knowledge storage and retrieval, knowledge transfer, and knowledge application (Gottschalk, 2005). There are two types of tacit and explicit knowledge in organizations. Tacit knowledge is subjective and experience-based; and it is not easy to express in sentences or formulas. Cognitive skills such as beliefs, images, intuition and mental models are among organizational tacit knowledge. Typical examples in the observed NGOs are communities of practice and post-project reviews (Nonaka, 1994; Carrillo, 2006). Explicit knowledge, on the other hand, is objective and rational knowledge that can be expressed in sentences or formulas; it includes theoretical approaches, problem solving, manuals and databases (Nonaka, 1994; Nonaka, 2007).

In the literature of knowledge management there are different paradigms that focus only on explicit knowledge, or focus on both tacit and explicit knowledge (Christensen, 2003). For instance, models and tools generally based on IT and documentation (e.g. Carrillo, 2006), models describing products for transferring information (e.g. Orna, 1996), and also models for transferring knowledge between two different organizations (e.g. Parise, 2001) are basically focusing on explicit knowledge. On the other hand, knowledge management models considering the human resource management focus on both tacit and explicit knowledge (e.g. Nonaka, 1994; Hall et al., 2000). From the latter perspective, Nonaka (1994) suggests a spiral process for knowledge creation and transfer which starts from either tacit or explicit form. According to this model, through the externalization process tacit knowledge transfer to an explicit form and get prepared for storage/accumulation and transfer to the future organizational members.

There was ample evidence for the socialization, combination and internalization procedures in the observed NGOs; however, there are precious few organizational norms for the knowledge creation stage and this step happens by organizational founders on an individual base rather than an organizational procedure or norm. In fact, the observed NGOs are generally depended on their founders in knowledge externalization process. When the research team asked about this conclusion in the follow-up interviews, participants cited examples that revealed the knowledge creation is still depended on organizational founders.

- **Quote 5.5 - Research team.** If the founders decide to retire themselves now, do you think this NGO would works well? Which aspects may affect the most?
- **P-I.** I would say in some specific aspects we still highly depended on them; for instance, in particular conflict resolutions and definitely in improving organizational knowledge. I say, even in accumulating our current generating knowledge.

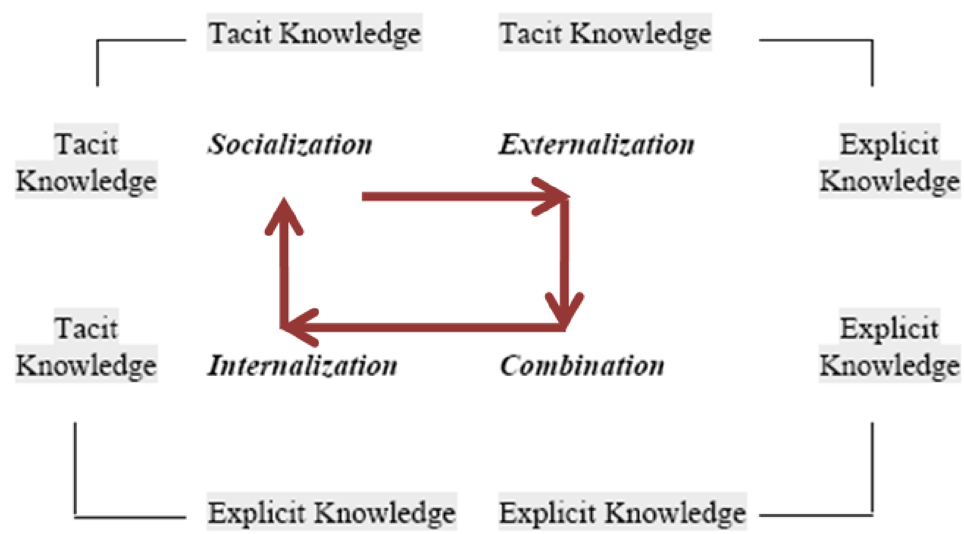

Figure 6.1. Four Modes of Knowledge Conversion (Nonaka, 1994)

6.6.Element #6: Financial Resource

"although we have had a serious problem in applying for international grants, this helped us develop lots of creative methods of fundraising."[1]

During my open coding, I found a number of labels about financial issues such as financial problems, fundraising models, and a connection between financial model and organizational mission. In seven interviews, participants talked about different financial topics,

[1] This quote is from one of the research participants who has been active as volunteer, manager and board member in different educational NGOs in the last 20 years

and the importance of financial resource for sustaining the organization; however, only two persons believed that financial resource is the most important growth element.

- **Quote 6.1; P-I.** As you know I participate in different projects of different educational NGOs. I believe the financial issue is different in these organizations. Their total financial needs and even the appropriate revenue model for them is totally different. It is depended to the organization's mission I guess.
- **Research team.** What are the challenges? And what are the common revenue models?
- **P-I.** One important challenge is few available governmental grants and almost no international funding source. This leads to innovative revenue models in educational NGOs. For example, in our NGO there is a very wide range of revenue source from publication to supportive concert by music celebrities who believe in the mission of this organization.

Among different financial problems, almost all participants focused on the unavailability of governmental and international funds. They believed this problem forced NGOs to develop creative revenue models. Among six observed NGOs, in two of them essential financial resource comes from their direct service provision; in three NGOs there was a mixed revenue model including funds/grants and service/products. In one of the observed NGOs, the financial source was completely based on grants; however, they were in the process of designing a mixed revenue model.

- **Quote 6.2 - P-II.** I guess, regarding your background, you know that international fundraising is absolutely impossible. I believe this helps educational NGOs in addition to makes them problems. I mean, this situation helps educational NGO and let's say all NGOs to find other source of funding; thus, many of them develop a revenue model instead of just rely on grants and funds.

When the research team asked about the three types of revenue models in the follow-up interviews, two participants believed that there is connection between organizational mission and the financial model of NGOs. They said there are two groups of educational NGOs the first group's mission is to develop an educational content and the mission of the second group is to duplicate and promote an already developed educational service or product. According to those two participants, it is easier for NGOs with the latter type of mission to make revenue just through service or product provision. The reason is that in NGOs with the former type of mission, a major part of organizational activities is research and development which imply greater amount of financial needs. According to the observations of this research, there is no counterexample to disprove this argument; however, it may need observations from more NGOs.

Discussion #6: Unavailability of Grants Necessitates a Social Enterprise Approach

In reviewing and analyzing the participants' remarks about financial issues and the revenue model of interviewed NGOs, the research team observed that only one NGO is completely grant-funded and all other NGOs have other sources of revenue. That NGO had also an in-progress plan for designing a revenue model. In fact, problems and limitations of fundraising in the current situations in Iran forces NGOs to develop a sustainable source of fund.

In the literature, this approach toward NGOs' financial model was introduced by Nobel-Prize winner Muhammad Yunus who presented the concept of social enterprises or social businesses and their role in social development (Yunus, 2007; Yunus, 2010). A social entrepreneurship may have different financial sources; in one extreme it is completely voluntary based and in another extreme it may be a social business. While a social business never compromise its social mission, it seeks alliances and sources of revenue exactly like a business organization (Nicholls, 2006). In fact, a social business is basically the same as the existing profit-maximizing businesses (PMB) in its organizational structure; but it differs in its objectives (Yunus, 2007). Figure 6.2 reveals the difference of a social business with both common PMB and non-profit institutions (including NGOs).

Figure 6.2. Difference of a social business from a business or non-profit (from Yunus, 2010)

Among the observed NGOs, at least two of them were notable examples of social business. In the follow-up interviews the participants asked about essential organizational specifications for developing such a financial model. Their answers revealed two main items of trust and network. They believed the first step in forming a social business is persuading investors and partner organizations to invest or collaborate in such an organization instead of a common profit-maximizing business and this needs a high level of trust. Other important element, network, is essential regarding the innovative nature of such fundraisings; in the observed NGOs, accomplishing their revenue targets was absolutely impossible without their network with other people and organizations.

Regarding the essential organizational qualifications, Dowla (2006) conducted an analysis on Yunus activities in Grameen Bank in Bangladesh. He suggests three essential aspect for creating a social business including trust, norms, and network. His ideas on trust and network is similar to the interviewees of this research; by norms, Dowla (2006) means organizational norms such as transparency, discipline in repayments, group liability, and other norms which are contex-related items guaranteeing the sustainability of this financial model over time.

Yunus (2010) himself introduce five lessons for building a social business. He believes there are three similarities with conventional business model innovation including: (a) challenging conventional wisdom and basic assumptions; (b) finding complementary partners; and (c) undertaking a continuous experimentation process. He also introduce two important specificities of social business models including: (d) favoring social profit-oriented shareholders; and (e) clearly specifying the social profit objective.

6.7. Element #7: Registration and Legal Issue

"I suggest you should study all possible legal structures at first; what really matters is the fitness of your mission and the legal registration structure."[1]

In response to the question about challenges and problems, six respondents pointed out the registration and legal issues among their first answers. They noted one of the most crucial challenges in establishing an educational NGO in Iran is the registration process.

- **Quote 7.1; P-I.** I would say our first problem was our interaction with governmental organizations in registering the organization. Every single member of board of trustees should be background checked. We revised our organizational constitution several time. Although in the end there was no problem, the whole process was really time-consuming.

- **Quote 7.2; P-V.** The first major challenge was the registration. We, the group of founders, spent a long period of time on finalizing our constitution. There were debates and conflicts and even some members decided to leave the organization at the very beginning step.

According to Article 584 of Iranian Commerce Law, NGOs can be registered as foundations, councils, or centers. However, registering an NGO is a vexing procedure which

[1] This quote is from one of the research participants who has founded a relatively large educational NGO with 14 branches placed in four different states of Iran; this organization has less legal-related challenges in comparison to the other NGOs.

might take up to several years. For instance, two members of our research team who served as the board members of an educational NGO, recollect the three-year-long registration period as a marathon:

- **Quote 7.3.** We finally finished the job after three years, but it was quite a marathon. We spent lots of our time and energy during those years on registering the organization instead of working on our mission. If we wanted to do this again, we would have registered an institution instead of an NGO.

Because of the persecution of NGOs in the current political situation of Iran, most of the organizations which can be identified as an NGO, prefer to be registered in less-controversial legal structures such as cultural or research institutions. For example, in the seven interviewed organizations, four of them are *de-facto* NGOs which have been registered as institutions and only three of them are legally NGOs.

- **Quote 7.4; P-I.** I would suggest new interested groups should investigate all possible options for the legal registration and then select one. For example, I know our colleagues in other organizations with a board of founders instead of board of trustees and board of directors have fewer problems; because their board does not need to be approved every other year.

Discussion #7: The First Challenge though not an Ongoing One

During the discussions of research team, we understood although registration is among the first important challenges of the observed NGOs, it is not an ongoing problem. In many legal structures, after finishing registration, there are few problems regarding the legal issues unless the organization aims to publish or sell its educational products. In particular legal structures, community-based organization and council, the board of trustee should be evaluated and approved by the government every other year (Katirai, 2005). This kind of problem may disvalue CBO and council structure; however, donors generally prefer to allocate their funds to these organizations rather than institutions or other structures with no regular approval by the government.

After registering an NGO, other than the approval process in some legal structures, there are not many other ongoing essential activities; thus, participants did not consider the registration as a dynamic challenge such as human resource retention or leadership challenges. In our follow-up interviews we asked about the reasons underlie choosing particular legal structure for registration. Participants' responses can be clustered into two main topics. First, choosing the specific legal structure in the observed NGOs has been depended on the founder's attitude. Second, majority of participants strongly recommended that potentially new NGO founders should thoroughly investigate the fitness of legal structures with their organizational mission.

- **Quote 7.5; P-II.** Registration is the first challenge though I do not consider it as an ongoing problem in the start-up stage. It is just a problem before establishing your organization. After that your main consideration would be sustaining the organization.

- **Quote 7.6 - Research team:** your colleagues told us that one of your major challenges at the starting point was the registration procedure; do you consider the registration as a challenge as well?

- **P-III.** We follow the regulations of our country and, in this case, there was a whole legal procedure to follow. We did all they asked and finally registered the organization. I do not consider it as a major challenge; but it might be interesting to know: when the government agents understood our honesty and truthfulness in accomplishing our mission of educating Iranian children, they responded us favorably and those officers became our supporters. Do not forget, they are all human beings and they recognize that we are not in this for any personal profit.

6.8. Summary and Conclusion: Seven Main Growth Elements

This chapter explained the open coding and axial coding findings. Results of open coding analysis were clustered into seven groups; then, for each group a series of back-and-forth process of reviewing literature and conducting follow-up observation helped get to a saturated main theme for each cluster.

The first growth element is the founders' attitude. Both personal and organizational aspects of founders' attitude are important in facilitating the growth of an educational NGO. The former is related to their attitude toward people and the latter, organizational aspect, is about their great passion and positive approach toward the mission.

The second element is a culture of feedback, learning and flexibility or, in specific technical term, becoming a learning NGO. Evidence about double-loop learning and team-dialogue as a link between individual and organizational learning were discussed about this element.

The third item is organizational leadership. It is revealed that there are two important aspects in the leadership style of the observed NGOs: collective nature of leadership and transformational style of leadership.

The fourth growth element is human resource challenges. It is revealed that the exact human resource problem of the observed NGOs is the retention problem. The literature of human resource management in NGOs together with follow-up interviews suggests work/life balance, fairness and recognition as key solutions of retention problem in such organizations.

The fifth introduced element is organizational standards and documentation or the knowledge management. According to the literature review and follow-up observations, the specific knowledge management problem of the observed NGOs is in externalizing tacit knowledge into explicit knowledge.

The sixth growth element is financial resource. It is discussed that unavailability of external sources of money forced the observed NGOs to adopt a social-enterprise approach toward their revenue model.

Finally, the seventh element is the registration and legal issues. Although registering an NGO is among the first challenges of founding an NGO and it may be a time consuming problem, it is not an ongoing challenge. It is important to study the fitness of organizational mission with legal structure of an educational NGO.

After finding the seven main growth elements, the next question would be: which elements are the most significant ones during the start-up stage. The next chapter aims to address this question, as the second step of the analysis, through a selective coding process.

SECTION D: ANALYSIS AND FINDINGS

"we could not establish this NGO without the initial registration and fundraising; however, I did not explain those two elements because [after registration,] in the last 10 years I have been dealing with other challenges" [1]

Chapter Seven

The Second Step of Analysis

Finding the Core Elements: Selective Coding

The previous chapter, the first step of analysis, explained my open and axial coding process which led to identifying seven growth elements. The second step of analysis, selective coding, aims to find the core elements among all growth elements. There was a direct question about the core elements in the second part of the interviews. Seeking the core elements starts by analysis of participants' answer to this direct question; however, I observed an interesting fact that the amount of time allocation to the growth elements -which may reveal the importance of elements to the interviewee- is not consistent with participants' direct opinion about the significance of elements. This fact helped me realize two different types of static and dynamic growth elements which have different impact on the organizational growth. Therefore, this chapter ends with the conclusion that it is more functional to discover the relationship and harmony of elements instead of the core elements.

[1] This quote is from one of the research participants, founder of an educational NGO, who has held training workshops for dozens of Iranian community based organizations during the last 11 years.

7.1. Direct Question about the Significance of Elements

The second section of the interview sessions ended with a questions about the most, the second most and the third most worrisome organizational challenges which prevents the growth. In response to this question, some participants provided direct answers while others explain their reasons and ideas on the significance of the elements. Four participants believed the sequence they talked about the elements illustrated the priority of element. Table 6.4 reveals the result of direct question about the significance of elements which suggests the most significant elements as: first, registration; second, financial issues, and third, human resource.

Table 7.1. The Significance of Elements Based on the Direct Question

Interviewee	First significant	Second significant	Third significant
P-I	Registration	Financial issues	Leadership style
P-II	The founder’s attitude	Leadership style	Regulation and standards
P-III	Registration	Financial	Leadership
P-IV	Leadership style	Organizational learning	Financial issues
P-V	Registration	Financial	Leadership
P-VI	Financial	Registration	Human resource
P-VII	Registration	Documentation	Human resource
P-VIII	Financial resource	Human resource	Leadership style
P-IX	Registration	Financial	Human resource
P-X	Registration	Financial	Human resource
P-XI	Financial	Registration	Human resource

7.2. Time Allocation as a Measure of Significance

During my open coding and axial coding analysis, I observed an interesting fact that the time allocation of participants was not consistent with their opinion about the significance of element. For example, interviewee number one (P-I) mentioned registration and financial issues as the most and the second most important elements; however, during her interview she spent less than 10 % of her time on explaining these two elements. Moreover, while she did not place founders' attitude and organizational learning issues among the most important elements, she spent about 50% of her time on these two topics.

Table 6.5 reveals the most significant elements based on the approximate percentage of time allocated to each item during the interview; this table suggests the approximate significance of elements as: first, leadership style; second, organizational learning, and third, human resource.

Table 7.2. The Significance of Elements Based on the Time Allocation

Interviewee	First significant	Second significant	Third significant
P-I	The founder's attitude	Organizational learning	Leadership style
P-II	Leadership style	Organizational learning	Human resource
P-III	The founder's attitude	Leadership style	Human resource
P-IV	Leadership style	Organizational learning	Human resource
P-V	Leadership style	Organizational learning	Financial issues
P-VI	Leadership style	Knowledge management	Human resource
P-VII	Leadership style	Human resource	Organizational learning
P-VIII	Human resource	Organizational learning	Knowledge management
P-IX	Leadership style	Human resource	Organizational learning
P-X	Leadership style	Knowledge management	Human resource
P-XI	The founder's attitude	Leadership style	Human resource

7.3. Two Types of Static and Dynamic Elements with Different Significance

Since this observation was interesting to the research team, in our follow-up interviews as well as some of the later conducted interviews, we asked about this observation. In response, participants generally indicated that those directly aforementioned most significant elements may affect the establishment of organization at the initial state; however, the topics, on which they spent more time, are among the highest priority of their day-to-day challenges.

For example, registration is one of the first steps for establishing an NGO and many of other organizational activities comes after this step. While the registration structure of an NGO may cause both benefits and detriments over the time, the whole activity should be managed during the establishment stage of NGO. Thus, the nature of registration is more static than dynamic. On the other hand, the leadership style of an organization is among dynamic and ongoing elements which should be managed in every single day of the NGO's life-cycle.

One participant believed two of the growth elements, namely financial resource and knowledge accumulation through standards and procedures, have both static and dynamic nature. She believed the attitude toward financial resource and organizational procedures is different during the stage of formally establishment of organization and the next stage of running a start-up NGO. For instance, at first, NGO founders should develop a series of standards and regulations to start working on the mission; however, later during the time they consider the standards and regulations as a powerful tool of enhancing organizational performance. In this regard, they need regular feedback to edit regulations and standard to achieve the optimum effectiveness.

In general, while interviewees admit the importance of static elements such as registration and initial funding, they believed the dynamic and ongoing growth challenges are more significant for sustaining the NGO during its start-up stage. Considering the purpose of this research, which is capturing organizational lessons to help other Iranian educational NGOs, the dynamic growth challenges are more complicated to understand through observing sustained NGOs; thus, focusing on the complexity and dynamics of growth may develop more original findings.

7.4. Summary and Conclusion: Finding the Core Elements or the Harmony of Elements

Generally, the nature of founders' activity and decision making during the very initial stage of legally and formally registering the NGO is different from the type of their activities and decisions after registration. During the latter stage, growth elements have an ongoing impact and NGO managers have to continuously deal with a number of interrelated challenges emerging from more than one growth element. In the course of sustaining a start-up NGO, the most important activity of founders is none of the seven growth elements; instead, it is the relationship of elements and directing the whole system by making a balanced harmony among all growth elements.

In this regard, in the third step of analysis, which will be explained in the next chapter, my approach toward organizational growth has switched from finding the core elements to seeking the interrelationships of elements or, in other words, growth dynamics.

SECTION D: ANALYSIS AND FINDINGS

"having a well-established educational NGO is not a destiny,
it is an ongoing journey" [1]

Chapter Eight

The Third Step of Analysis

Shifting from Elements to Dynamics of Growth: Theoretical Sampling

In the second step of analysis, selective coding, with the purpose of finding the core elements I understood the key to organizational growth is the relationships and dynamics of elements rather than any of the seven elements themselves. Thus, in the third step of analysis, theoretical sampling, I conduct a systematic review on the relationships of each of the seven growth elements to the others. In this analysis I found similar stories about the relationship of elements in different interviews and different NGOs. After capturing all revealed relationships through my theoretical sampling, I developed a big picture of all growth elements as well as their relationships. This big picture revealed three internally reinforcing dynamics, called growth engines, which demonstrate the underlying structure of growth in the interviewed NGOs.

[1] This quote is from one of the research participants who has been active in education for 25 years and has also led an NGO for 13 years with the mission of educating Iranian families.

8.1. Similar Relationships of Dynamic Elements in Different Organizations

The selective coding revealed the importance of relationships and dynamics among seven elements. In order to systematically review the interviews for finding the relationships, I focused on each of the seven elements one by one and sought its mentioned relationships with other elements. It was interesting that the mentioned relationships were almost the same in different interviews and organizations.

For example, in seven interviews there were evidence about the relationship of organizational learning and knowledge accumulation. In fact, team learning and teammates' dialogue have a profound impact on internalizing knowledge within the observed NGOs. This observation is also consistent with Kim (1998), Nonaka (1994) & Nonaka (2007) works on the linkage of organizational learning and knowledge management, and Senge (1990b) and Isaacs (1993) arguments about "thinking together" process.

Table 8.1 reveals all possible relationships among elements based on evidence found in the interviews and table 8.2 presents details of relevant evidence for each causal relationship. For example, in table 8.1, the relationships of the seventh element, registration, is simply presented by two icons ("d" and "m") revealing which growth elements has a causal relationship with registration; moreover, the direction of arrow presents the direction of causality between them. In case of seventh element, the first element, founders' attitude has an effect on the registration and the type of registration has an impact on financial resource of NGOs (see the last row of table 8.1). Then, the details of these two relationships are explained in table 8.2 under the same labels in table 8.1, namely "d" and "m." This detail includes both evidence from research observations as well as verifications from the relevant literature.

Table 8.1. The Relationships of Elements Based on Interviews

Summary of all relationships between growth elements	#1-Founders' Attitude	#2-Organizational Learning	#3- Leadership Style	#4- Human Resource	#5-Knowledge Accumulation	#6-Financial Resource	#7-Legal & Registration
#1-Founders' Attitude		*a*	*b*		*c*		*d*
#2-Organizational Learning	*a*		*f*	*e*	*j*		
#3- Leadership Style	*b*	*f*		*g*	*k*		
#4- Human Resource		*e*	*g*		*h*	*i*	
#5-Knowledge Accumulation	*c*	*j*	*k*	*h*			
#6-Financial Resource				*l*			*m*
#7-Legal & Registration	*d*					*m*	

Table 8.2. The Relationships of Elements Based on Interviews

	Sample evidence from observations	Sample evidence from the literature
a	Quotes 1.4; 1.7; 2.1; 2.2; 2.5	Discussion #2.1: remarks of Argyris (1977) and Senge (1990b, 1994) on double-loop learning and mental models
b	Quotes 1.1; 1.2; 1.4; 1.5; 1.6; 1.9; 2.5; 3.1	Discussion #3.1: Somech (2005) remarks on democratic leadership and Lambert (2002) & Pearce (2003) ideas on shared leadership; Discussion #2.1: remarks of Argyris (1977) and Senge (1990b, 1994) on double-loop learning and mental models
c	Quotes 1.7; 2.5; 5.2; 5.4; 5.5	Discussion #3: Lambert (2002) & Pearce (2003) ideas on teams for learning and leading; Discussion #2.1: remarks of Argyris (1977) and Senge (1990b, 1994) on double-loop learning and mental models
d	Quotes 1.3; 1.8; 7.1; 7.2	See Katiraei (2005) explanations on really ambiguous and hard to achieve process of registering an NGO in Iran.
e	Quotes 2.1; 2.3; 4.2; 4.3; 4.4	Discussion #2: remarks of Senge (1990b); Discussion #2.2: remarks of Kim (1993) and Isaacs (1993) on dialogue; and Imants (2003) ideas on learning communities; Discussion 2.3: remarks of Bontis (2009) on HRM on organizational learning;
f	Quotes 2.1; 2.3; 2.4; 3.3; 3.5; 3.6	Discussion 2.3: remarks of Bontis (2009) on leadership for organizational learning; Discussion #2.2: remarks of Edmondson (2002), Senge (1990) & Tjosvold (2004) on dialogue; and Imants (2003) ideas on learning communities; Discussion #2: remarks of Senge (1990b); Discussion #3: Lambert (2002) & Pearce (2003) ideas on teams for learning and leading
g	Quotes 3.1; 3.2; 3.3; 3.5; 4.4	Discussion #3.2: the four I model (Avolio & Bass, 1995; Bass, 1998) and specific findings of Kirby (1992) in educational organizations.
h	Quotes 4.2; 4.3; 4.4; 5.1; 5.3	Discussion #4: the importance of staff retention in knowledge accumulation in start-up stage in Heneman's (2000) findings
i	Quotes 4.1;	
j	Quotes 2.1; 2.3; 5.1; 5.3; 5.4	Discussion #5: Kim (1998), Nonaka (1994) & Nonaka (2007) works on the linkage of organizational learning and knowledge management; Discussion #2.2: remarks of Kim (1993) on dialogue; Discussion #2: remarks of Senge (1990b);
k	Quotes 3.5; 3.6; 5.2; 5.3	Discussion #3.1: Somech (2005) remarks on joint decision-making and Lambert (2002) & Pearce (2003) ideas on teams for learning and leading;
l	6.1	
m	6.1	Discussion #6: Yunus (2007, 2010) arguments on different revenue models in different approach to establishing NGOs. Also, see Katiraei (2005) explanations on absorbing international grants by Iranian NGOs.

8.2. Causal Relationships and Three Engines of Growth: the Big Picture

After capturing the relationships among the seven growth elements, the nest step in my theoretical sampling was to develop a meaningful big picture from all seven elements and their relationships. In other words, this section is the explanation of the simple story of organizational growth of the observed NGOs in order to reveal the main growth dynamics.

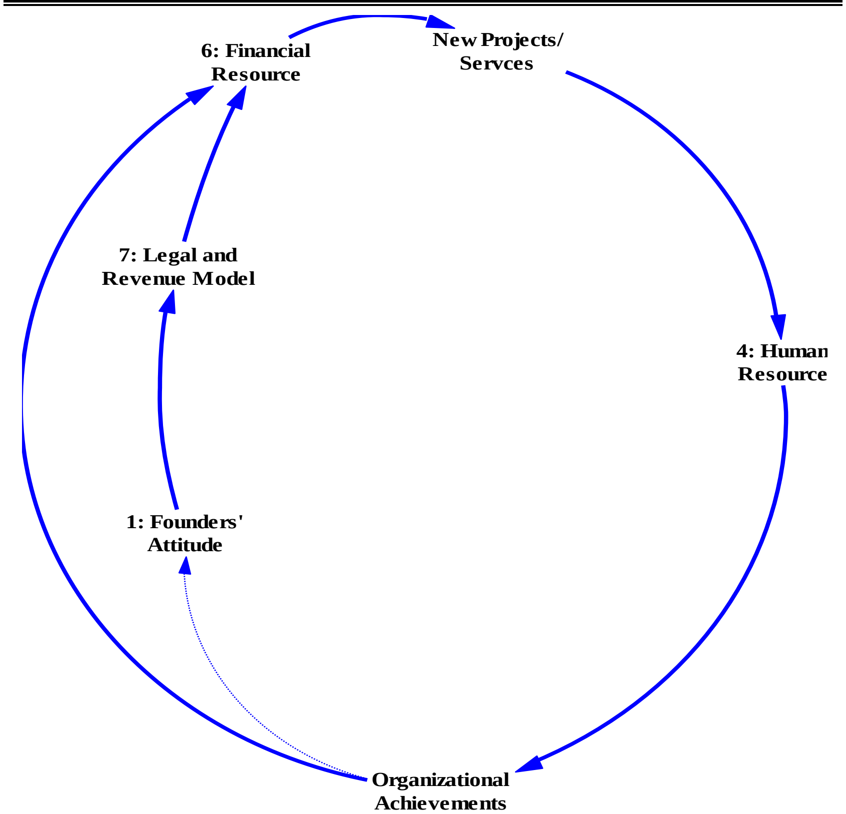

Figure 8.1. The Resource Absorption Growth Engine

Activities of an educational NGO starts with its legal registration and initial financial resource; then, by focusing on the first project or service provision for a while the human resource will be shaped. This human asset facilitates accomplishing more organizational achievements which will also lead to more financial absorption, more new projects, and consequently, more human asset. This continues reinforcing feedback loop forms the resource absorption engine of organizational growth. Figure 8.1 reveals this causality. In the figure 8.1, the causal loop describes that the more a firm carries out educational projects and achieves outputs, the more the *financial resource* of the firm will be enhanced to ultimately result in defining new projects and accordingly recruit new *human resource.* Then, the absorbed financial and human resources will enhance the forthcoming organizational achievements and continues on. As presented in the figure 8.2, the legal registration type of NGO (see section 6.7) and its revenue model (see section 6.6) form the initial state and the financial absorption capacity of the organization. This is the reason that several participants believed registration and financial/revenue model is among the most significant elements.

Since one important element in performing organizational activities and accomplishing its mission is the performance and knowledge of human asset, founders should play their leadership role from the beginning of establishing their NGOs. As mentioned in explaining leadership element (see section 6.3), during the first years of activities, founders may change their attitude toward the optimum leadership style; in fact, in the beginning there may be a situational leadership style in most NGOs. However, necessity of respecting collective conscious and transformational nature of leadership will ultimately lead to a shared and transformational leadership style. According to the interviews, this leadership style provides a culture of trust and respect and shapes a reinforcing dynamic within the organization (see discussion 3). Figure 8.2 reveals this growth dynamic named leadership growth engine.

The highlighted feedback loop in figure 8.2 expresses that respecting all organizational members and engaging their ideas in decision-making improves the performance of human asset and their ability to ability to absorb technical knowledge (see discussion 3.1) so that the NGO can enhance its service provision level. More organizational achievements, in addition to higher level of staff performance, persuade founders and organizational leaders to continue this leadership style. There are different challenges in implementing this style of leadership which discussed in section 6.3.

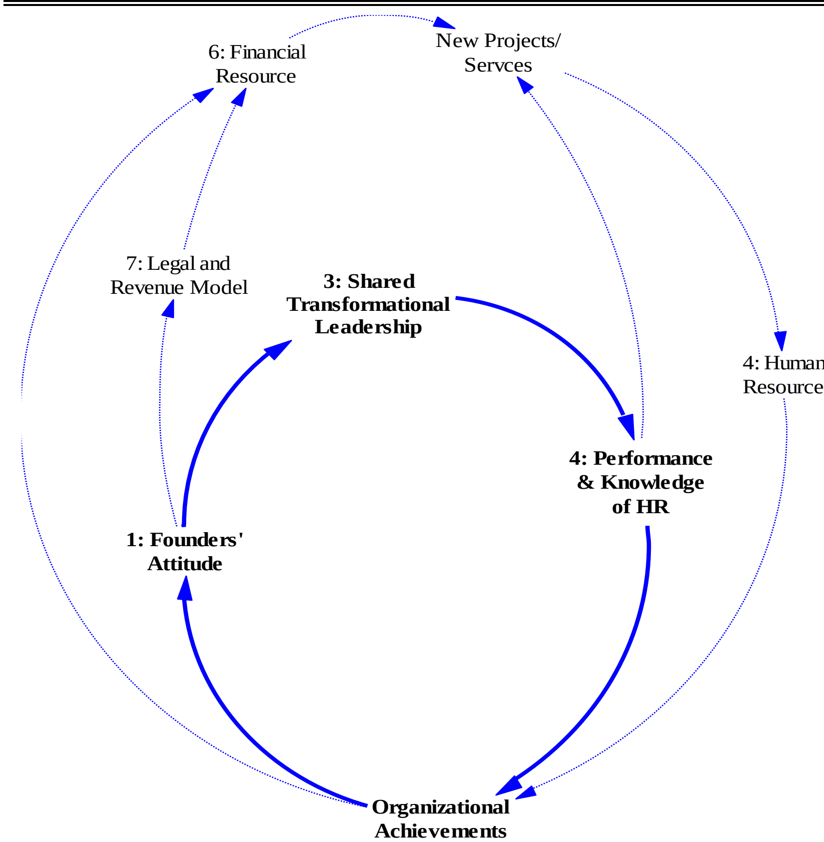

Figure 8.2. The Leadership Growth Engine

One other reinforcing dynamic within the observed NGOs is the accumulation of knowledge and learning at the organizational level which is presented in figure 8.3. Since educational mission necessitates a wide range of professions, there is a profound emphasis on standard and regulation in those NGOs (see section 6.5). This thorough documentation process together with organizational leaders' attitude toward the importance of feedback and learning will ultimately help those NGOs become learning organizations. Leaders' emphasis on feedback will also improve the performance of staff. Being a learning organization as well as possessing qualified staff will result in more efficient and effective organizational achievements. Accomplishing more outputs provides those learning organizations with more opportunity to learn and improve their standards and regulations; and this feedback loop continues on.

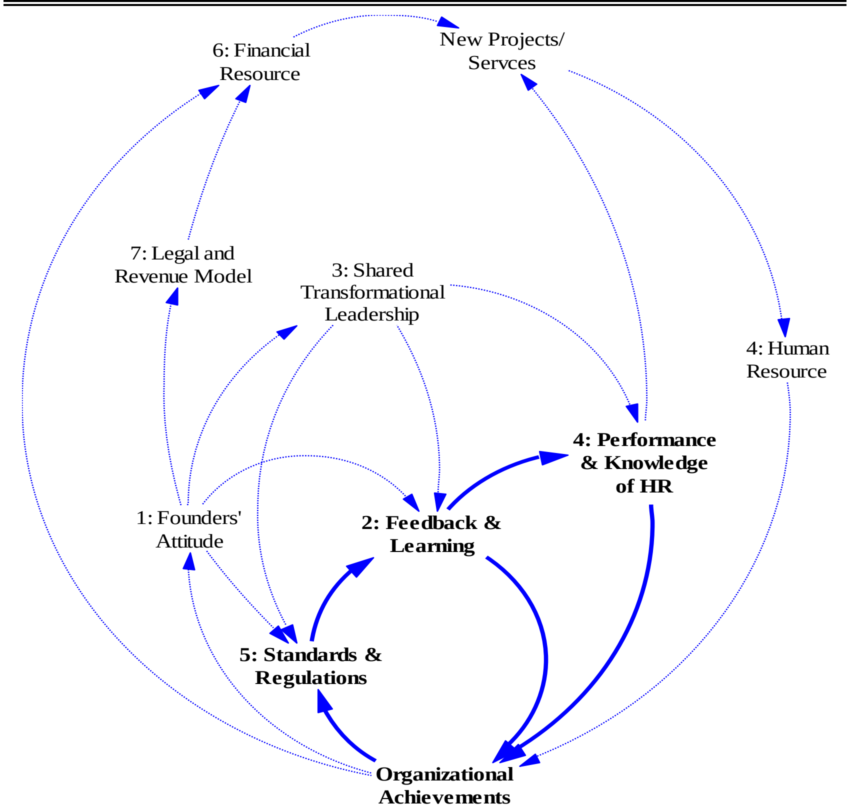

Figure 8.3. The Knowledge Accumulation Growth Engine

8.3. Summary and Conclusion: Finding Challenging Scenarios of Growth Engines

In a nutshell, the captured relationships in the first phase of theoretical sampling help me realize three reinforcing mechanisms of growth in the observed NGOs. These three growth dynamics -or growth engines- are the resource absorption engine, the leadership engine, and finally the knowledge accumulation engine. All seven elements together with all captured relationships, which shape the big picture of growth dynamics, are presented in figure 8.4.

In the last series of follow-up questions of my interviews, I introduced this big picture and the three growth engines in order to explore the most challenging scenarios at the start-up stage of Iranian educational NGOs from a perspective of dynamics among seven elements.

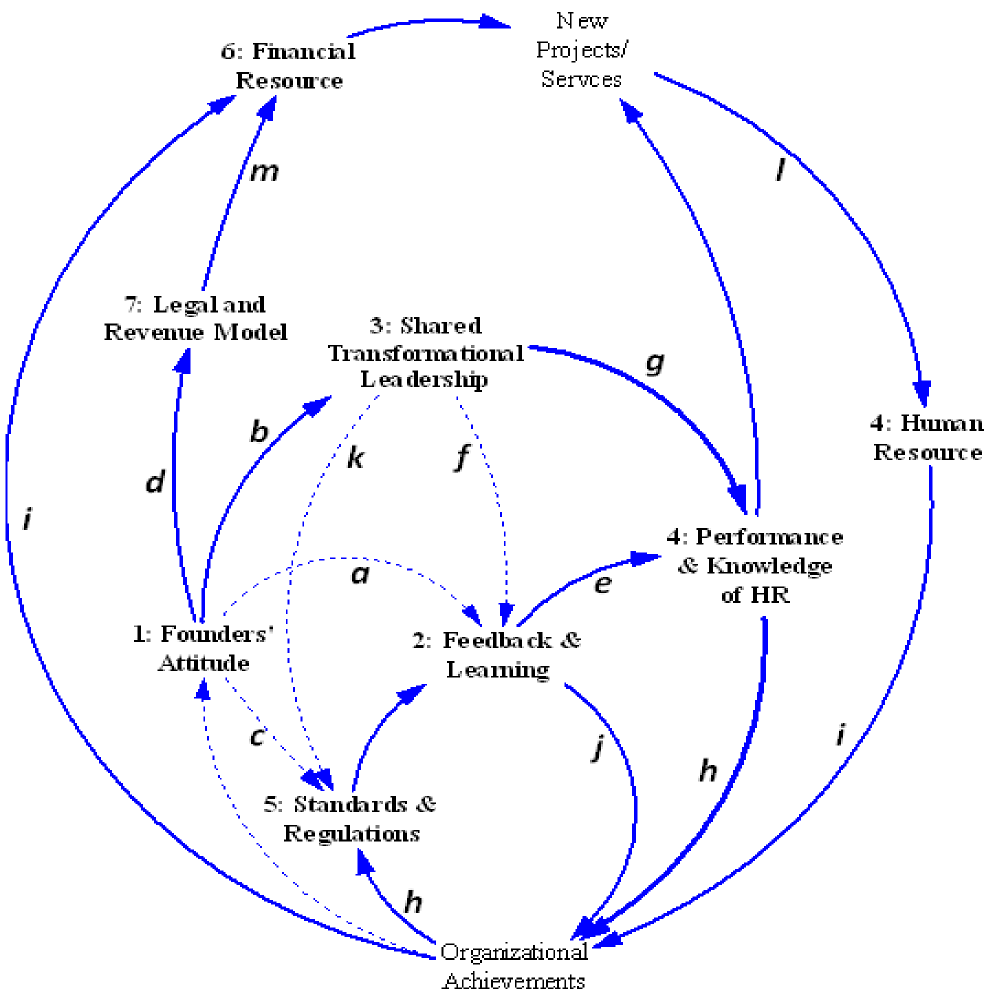

Figure 8.4. The Big Picture of Growth Dynamics

SECTION D: ANALYSIS AND FINDINGS

Chapter Nine

The Fourth Step of Analysis

Suggesting the Main Growth Scenarios: Hypothesis for Growth Dynamics

According to the third step of the analysis, theoretical sampling, there are three reinforcing growth dynamics at the observed educational NGOs. This chapter explains the final step of analysis and suggests a growth hypothesis at the start-up stage of Iranian educational NGOs. In this regard, from a balanced growth perspective, I focus on the interrelationship of growth engines to find the leverage points of the system. This suggests two specific scenarios based on the interactions of leadership issues and knowledge accumulation or absorption at the start-up stage. According to the methodology of this research, the ultimate output of this study is an untested hypothesis; thus, the two suggested growth scenarios can be subjects for further investigations in future studies. One scenario is about the leadership issues and accumulation of internal knowledge and the other one is about leadership issues and absorption of external knowledge.

9.1. A Balanced Growth and Interaction of Growth Engines

Based on the big picture of growth and the three growth engines revealed in the theoretical sampling, I started studying the interactions of three growth engines at the final step of analysis. Since the three growth engines are completely interrelated with each other, I focused on challenging scenarios and its relevant structure. Each scenario contains a chain of previously mentioned problems which are interrelated to each other.

The whole organization is a system and it needs a balanced growth. The whole development of an organization is moving from one balancing situation–which can include the three engines in my study- to another balancing situation (Exelby & Warren, 2002). From this point of view, I reviewed the open coding one more time to find the unbalancing situations of the NGOs at their start-up stage. The main challenging topics were placed in the interaction of leadership engine and knowledge engine.

Reviewing the findings of theoretical sampling from a balanced-growth perspective suggested focusing on the interaction of leadership issues and organizational knowledge to identify the growth hypothesis. Thus, in a number of follow-up interviews, I delved into the interactions of these two growth engines to search the significant scenarios or stories of challenging situations. For instance, in one of those follow-up interview sessions, two participants allocated six hours for explaining the scenario of compulsory delegation which illustrates how leadership issues make a retention problem and that problem prevents accumulation of internal knowledge in organization and gradually impedes organizational growth.

Generally, in a majority of the observed NGOs, the most significant scenarios were about leadership and human resource management issues which prevent the creation of internal knowledge or acquisition of external knowledge. In the following two sections, I will briefly explain the two main scenarios, suggested by research participants, by which the organizational growth of Iranian educational NGOs is challenged at the start-up stage. According to my research methodology, the finding of this study would be an untested hypothesis for further research. Thus, these two scenarios are just introducing the growth hypothesis revealed by my analysis; and they need to be tested in a separate research. For interested readers, the detailed causal model of each scenario is available in the Appendix C.

9.2. #1 Internal Knowledge and Leadership: Compulsory Trust-and-Delegation

One important challenging scenario at the start-up stage of the observed NGOs is about how leadership issues decrease the level of motivation of new members and this may result in leaving the NGO or adopting a passive manner in performing organizational activities. I start explaining the scenario from the perspective of new managers promoted [or new recruited members who are asked] to perform a certain activity.

- **Q 9.1; P-IX & P-X.** When we promoted as the middle managers, the level of trust in the NGO was interesting for us. After two years of working with the organization, they asked one of us to manage the school affairs department and another one to coordinate the research team. For almost six or seven month we really did our best and we worked for many hours more than what they asked us to do. However, after that and when we presented our first version of output, the executive manager of the NGO said this is not what we want and this is totally unacceptable and she blamed us for not developing an output based on the real needs of the organization. While we were thinking that our creativity may improve the whole service provision and no one disagreed during the process, at the end we blamed just for trying to be the best we could at the time.

Generally, new managers may find insufficient support after accepting a responsibility. The reason is usually the large amount of unfinished tasks for top managers during the start-up stage. This overload situation may also result in evaluating the qualification of performers more easily while the tasks are delegating. The problem would not start until promoted members deliver their first output or the time that organization needs to utilize their specific output. From new managers' point of view, at this time they would be blamed for an undone mistake and it may decrease their motivation and accordingly future performance of this new managers.

On the other hand, from the NGO founders or top managers' point of view, there is a serious gap between the real output and what they wanted at the time of delegation; thus, they may find a need for providing the new manager with feedback and interaction. Generally, this task would be an extra time-consuming task for an overloaded top manager; hence, s/he may delegate more parts of his/her activity to new managers without supporting them about how to do that or providing them with exact description of the desired output. (See Appendix C for a causal model of the scenario).

In this way, the problem of "delegation without a support" continues on and the whole situation has serious consequences for creation and accumulation of internal knowledge within an NGO. Regarding Nonaka's (1994) four modes of knowledge conversation (see discussion #5 and figure 6.1), this scenario decrease the knowledge created through socialization mode by reducing conversation of tacit to tacit knowledge that may happen during the interaction of top managers and new managers. This also prevents the process of externalization by reducing the total amount of time available for top managers and consequently the time available for externalizing their tacit knowledge and developing organizational regulations and standards. In addition, the problem of less availability of explicit knowledge reduces the rate of combination of knowledge within the NGO. This problem would seriously prevent accumulation of internal knowledge.

As it can be seen in the sample quote, in such a situation, less availability of explicit knowledge, in terms of regulations and standards, would also reduce the rate of knowledge internalization for new managers. Thus the whole reinforcing scenario would prevent the creation and accumulation of internal knowledge within an NGO.

From a systematic perspective, this scenario may gradually affect the quality of service provision and consequently affect the resource absorption of the NGO in terms of money. The low level of motivation within the organization may result in problems in recruiting new organizational members and cause problems in resource absorption in term of human asset. Thus, the whole NGO may be stuck in an undesired balance which would delay organizational growth or lower the growth rate.

9.3. #2 External Knowledge and Leadership: Absorptive Capacity

One other important challenging scenario is about the leadership issues which reduce the adsorptive capacity of an NGO for knowledge acquisition from external sources. In almost all observed organizations there was a leadership case we called it the case of “favorite members” (see section 6.4). This problem happens when a group of organizational members become the more dominant members because of their technical knowledge; and because of their superiority, organizational tasks will be assigned to this group and they will become more experienced and skillful; and this situation continues on.

This scenario affects the turn-over of members and retention of human asset, specifically during the start-up stage of NGOs (see discussion #4). The scenario of “favorite members” also impacts the observed NGOs in their capacity of absorbing external knowledge. According to the interviews, in many cases, organizational technical tasks can be done by qualified experts and consultants from outside the organization, such as academic scholars, experienced artists, knowledgeable teachers, and etc. However, observed NGOs generally had a problem, at their start-up stage, in gaining benefit from the external knowledge of such qualified experts even though it is easily available.

The key to this problem is the concept of absorptive capacity which explains the fact that external knowledge, even if it is in the public domain, cannot be effortlessly absorbed by an organization. In fact, the available level of internal knowledge about a specific subject would empower the firm to recognize valuable information, absorb it, and then utilize it in organizational activities (Cohen, 1990; Zahra, 2002). This organizational capability forms its level of inter-organizational learning (Lane, 1998).

Undertaking more technical activities as well as possessing more qualified experts will improve the absorptive capacity of an organization and its ability to acquire knowledge from external sources. The scenario of favourite member results in forming a small group of experts in an NGO, and consequently, possessing a low level of absorptive capacity. This situation leads to performing fewer projects, and consequently, reducing the total amount of technical activities (See Appendix C for a causal model of the scenario).

From a systematic perspective, this scenario may gradually affect the total number of educational projects developed in an NGO as well as the quality of service provision. This would affect the resource absorption of the NGO in terms of money; and the favorite member scenario may increase the turn-over and cause problems in resource absorption in term of human asset. Thus, similar to the first scenario, the whole NGO may be stuck in an undesired balance which would delay organizational growth.

9.4. Summary and Conclusion

This chapter explained the final step of analysis, namely suggesting the growth hypothesis. According of the findings of selective coding and theoretical sampling, understanding the concept of growth at the start-up stage of Iranian educational NGOs includes considering the relationship and dynamics among growth elements. The whole growth dynamics happens within a structure including three growth engines. From a perspective of a balanced growth for all three growth engines, this chapter suggested the main challenging scenarios of growth take place in the interaction of leadership and knowledge engines; and specifically, the last step of analysis introduced two challenging scenarios through which leadership issues may prevent creation and accumulation of internal knowledge or acquisition of external knowledge and consequently affect the resource absorption engine and ultimately stuck the whole NGO within an undesired balancing situation and delay the growth of organization.

SECTION D: ANALYSIS AND FINDINGS

Chapter Ten

Conclusion, Implications, and Recommendations

Based on the four steps of analysis, presented in chapters six, seven, eight and nine, in this final chapter I discuss my conclusion about the growth elements and mechanisms of Iranian educational NGOs at their start-up stage and make recommendations for practice and future studies.

10.1. Conclusion

As mentioned in the first chapter, this research study is guided by the following research question: “What are the elements and mechanisms that are essential for facilitating the internal growth of educational NGOs in Iran during their entrepreneurial stage?” In order to better reflect on this general question and better address the purpose of the research, I suggested three more specific questions. In this section, I will address each of the three questions based on the findings of this study.

Question One. “What are the growth elements at the start-up stage of Iranian educational NGOs?”

The findings of open and axial coding revealed seven growth elements for Iranian educational NGOs at their start-up stage. These elements include: (1) *founders’ attitude* which contains their deep respect for people as well as their passion toward organizational mission; (2) becoming a *learning organization* with a specific emphasis on team-dialogue within the NGO; (3) a *shared transformational leadership* style which contains two important aspects of a collective nature and a transformational style of leadership; (4) human resource management with a particular emphasis on policies for the *retention of human assets*; (5) organizational *knowledge management* and especially externalizing tacit knowledge into explicit knowledge; (6) *financial model* and particularly adopting a social enterprise approach toward organizational revenue model; and finally (7) *legal and registration issues* which requires studying the fitness between different legal structures and organizational mission at the beginning step of establishing the NGO.

Question Two. Among identified growth elements, what are the most important ones?

According to the findings of selective coding and theoretical sampling steps of analysis, in the course of sustaining a start-up NGO, the most important activity of founders is none of the seven growth elements; instead, it is the relationship of elements and directing the whole system by making a balanced harmony among all growth elements. Thus, the approach of study toward organizational growth has switched from finding the core elements to seeking the interrelationships of elements in order to better understand them as a whole system (see table 8.2). The captured relationships in theoretical sampling revealed three reinforcing mechanisms of growth in the observed NGOs which named growth engines: (1) the resource absorption engine, (2) the leadership engine, and (3) the knowledge accumulation engine (see figure 8.4)

In a nutshell, the most important role of the founders of Iranian educational NGOs at the start-up stage is, firstly, to develop, and secondly, to manage the relationships of the three introduced growth engines in order to provide the whole system with a balanced growth.

Question three. What are the most important growth challenges for Iranian educational NGOs?

During the open and axial coding, a number of challenges, such as team-dialogue, retention of human assets, externalizing tacit knowledge into explicit knowledge, and adopting a social enterprise revenue model were introduced. However, it is revealed in theoretical sampling that the dynamics and relationships of events are more significant than each sole problem; moreover, the whole growth dynamics happen within a structure including three growth engines of resource absorption, leadership and knowledge accumulation. From a perspective of a balanced growth of all these three growth engines, the last step of analysis searched the main *challenging scenarios* for Iranian educational NGOs at their entrepreneurial step. Each scenario contains a chain of previously mentioned problems which are interrelated to each other.

According to the conducted analysis, this study suggests the most significant challenges are two scenarios through which leadership issues may prevent creation and accumulation of internal knowledge or acquisition of external knowledge; and consequently, affect the resource absorption engine and ultimately stuck the whole NGO within an undesired balancing situation and delay the growth of organization.

10.2. Implication for Practice

The findings of this study may help both already established and potentially new educational NGOs of Iran in several ways. First, NGO founders can be informed about the lessons of the observed NGOs in a systematic way in order to avoid encountering the same problems and challenges. For example, the findings may help designers of professional development programs for Iranian NGO managers in order to focus on the most significant set of concepts and skills.

Second, the findings of this study may help already established NGOs to develop more effective plans through considering their organizational capabilities from the perspective of introduced growth engines. For instance, the educational NGO for which I have been working conducted a restructuring plan according to the three growth engines introduced in this study; the purpose was redesigning organizational structure in order to more effectively achieve a set of objectives for the next five years. In January 2012, a group of managers of this NGO were admitted to a professional program at Harvard University in order to develop a series of action plans for the organizational restructuring suggested based on the findings of this study.

10.3. Recommendations for Future Studies

At the final step of analysis, two main scenarios are suggested through which the organizational growth of Iranian educational NGOs is challenged at the start-up stage. According to the research methodology of this study, this finding is an untested hypothesis for further research. In this regard, these two scenarios are two implications of considering the suggested growth elements from a balanced-growth perspective and the scenarios should be tested in future research studies.

In addition, I would also suggest the following topics may help better understanding and portraying the growth of Iranian educational NGO: (a) this study focused on successful NGOs in sustaining their organizations for more than a decade, and did not consider and analyze failure cases. One other helpful study can be studying a number of failure experiences in establishing educational NGOs in Iran. (b) Other future studies may consider the suggested growth engines or challenging scenarios as the selecting criteria to introduce best practices and outstanding organizations to help new NGOs adopt suggested policies based on real Iranian experiences.

SECTION E: COMPLIMENTARY INFORMATION

Appendix A: Interview questions and structure

1- Start (3 min)	
Introduction	- The interviewers and Asemaan Group - The research topic
Ethics	- **There is no name on the thesis report** - **Ask to read and sign the consent form**
Key words	- Organizational growth; Entrepreneurship stage
2- List of problems and their priority (7 min)	
Identifying the main themes	- Can you tell us about the main types of problems encountered in your organization at the start-up stage? **OR** - Which kinds of problems affect your organization at the forming stage?
Priority of the themes	- According to the literature, there are other themes of challenges in addition to what you have mentioned: o Organizational Leadership ▪ Recruitment of new members ▪ Motivation of members o Financial issues o Knowledge management and documentation o Networking with other organizations o Marketing and promotion of products/services - In your experience, which organizational challenge prevents the growth the most? - In your opinion, what is the second most worrisome organizational challenges? - Which one is the third important?

3- Description and analysis of each challenge (about 5 items depends on the time availability - 10 min for each)		
Main questions	**Follow-up questions**	**Clarifying questions**
▪ **How do you explain this problem?**	• How did you learn about these problems? /Which were the complaints in your organization after this challenge? (Signs of problem) • Under what circumstances does the problem arise? (the structure that leads to the problem) • Have you noticed any changes in other organizational aspects based on this problem? (the consequences of the problem) • What solution did you developed to address this problem?	• Can you expand a little on this? • Can you tell me anything else? • Can you give me some examples?

4- Strengths, opportunities (core items depends on the time availability - 5 min for each)		
Main questions	**Follow-up questions**	**Clarifying questions**
▪ **In your experience, which opportunities are available for Iranian organizations?** ▪ **In your organization what strengths were the most important in facilitating the growth?**	• How did you explore these opportunities? How did you benefit from these opportunities? • Under what situations can the organization sustain these strengths? (the structure that leads to the strength)	• Can you expand a little on this? • Can you tell me anything else? • Can you give me some examples?

5- Conclusion (8 min)	
Remained items (3 min)	- Are there any other problems, challenges, opportunities or strengths that we have not discussed and that you find important to add?
The last section (5min)	- In this last section there is no questions, please feel free to talk about your experience: - What are your suggestions for new Iranian non-governmental education providers?

Appendix B: Participants' consent from

McGill University, Faculty of Education,
Department of Integrated Studies in Education

Title of Research: "Studying Organizational Growth at the Start-Up Stage of Iranian Non-Governmental Education Providers"
Researcher: Babak Shahmansouri, Master's student, under the supervision of Prof. Shariff and Prof. Conrod, in the Department of Integrated Studies in Education.
Contact Information:
Prof. Shariff email: shaheen.shariff@mcgill.ca
Prof. Conrod: email: scott.conrod@mcgill.ca
Babak Shahmansouri email; Babak.shahmansouri@mail.mcgill.ca tel# (514)663-1358;

Purpose of the research: To explore and explain the growth dynamics of Iranian non-governmental education-provider organizations. In particular, the study investigates the reasons and mechanisms helps educational NGOs survive in the specific context of Iran. The information may also be used in a research article that I will write on this subject.

What is involved in participating: I will ask you a few questions relating to your experience in Iranian educational NGOs. Your participation in the study will entail a series of oral interview in three-to-five steps, lasting approximately 2-to-2.5 hours. The time and length of the interview can be flexible and will be at your own convenience. In this interview, you will be asked to provide general data about your organization (e.g. its mission, history, outputs and services); you will be asked to share your ideas and evaluation about advantages that have guaranteed the survival and growth of that organization. You will also be requested to evaluate the main findings of the researcher about the growth dynamics of educational NGOs in Iran.

Your signature below serves to signify that you agree to participate in this study.

Your participation is entirely voluntary and you can choose to decline to answer any question or even to withdraw at any point from the project. Anything you say will only be attributed to you with your permission; otherwise the information will be reported in such a way as to make direct association with yourself impossible. My pledge to confidentiality also means that no other person or organization will have access to the interview materials and only I have access to this information. All information will be kept on a password-protected computer for 15 years and after finishing this study, it may be used for possible future studies. In publishing the results, the information will be coded in such as way as to make it impossible to identify them directly with any individual and/or organization. (e.g. they will be organized by number or pseudonym rather than by name).

Consent: I wish to be identified in the report ____YES _____NO

I agree to be recorded during the interview ____YES _____NO

(The audio-records will be used for transcription purposes only and the recordings will be destroyed.)

I have read the above information and I agree to participate in this study

Signature: __________________ Researcher's signature: ________________

Name: ______________________ Date: ____________________________

Appendix C: Complementary Information on Growth Scenarios

C.1. The causal model of compulsory trust and delegation scenario

This scenario reveals how leadership and human resource management issues prevent accumulation and creation of internal knowledge in Iranian education NGOs. According to the interviews, in majority of the observed NGOs, this scenario is among the most significant scenarios which have made serious challenging situation for organizational growth at the start-up stage. For details about description of model see section 9.2.

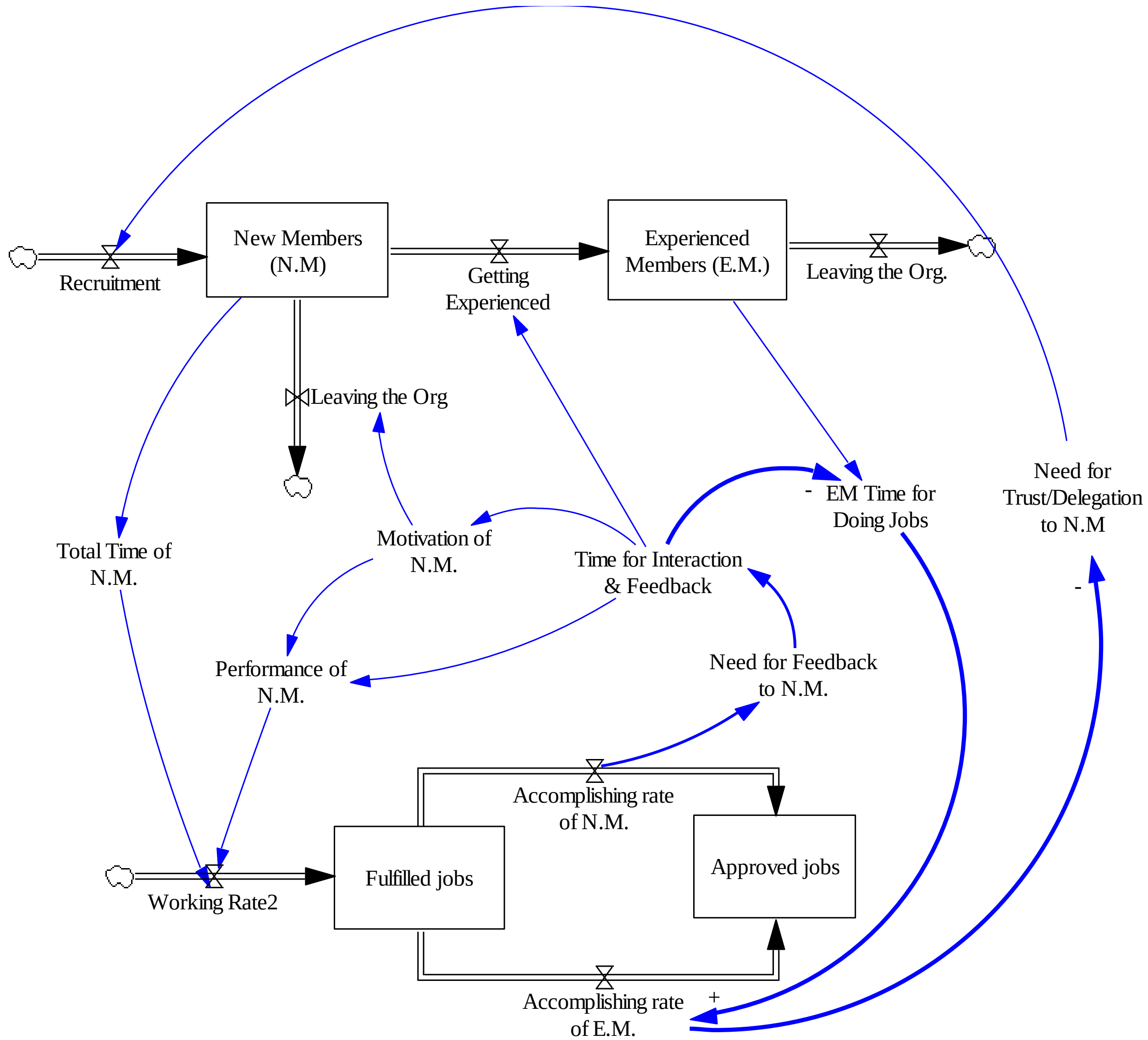

Figure 11.1. Compulsory Trust & Delegation Scenario (Leadership & Internal Knowledge)

C.2. The causal model of Absorptive capacity scenario

This scenario reveals how leadership and human resource management issues prevent acquisition of external knowledge in Iranian education NGOs. According to the interviews, in majority of the observed NGOs, this scenario is among the most significant scenarios which have made serious challenging situation for organizational growth at the start-up stage. For details about description of model see section 9.3 and 6.4.

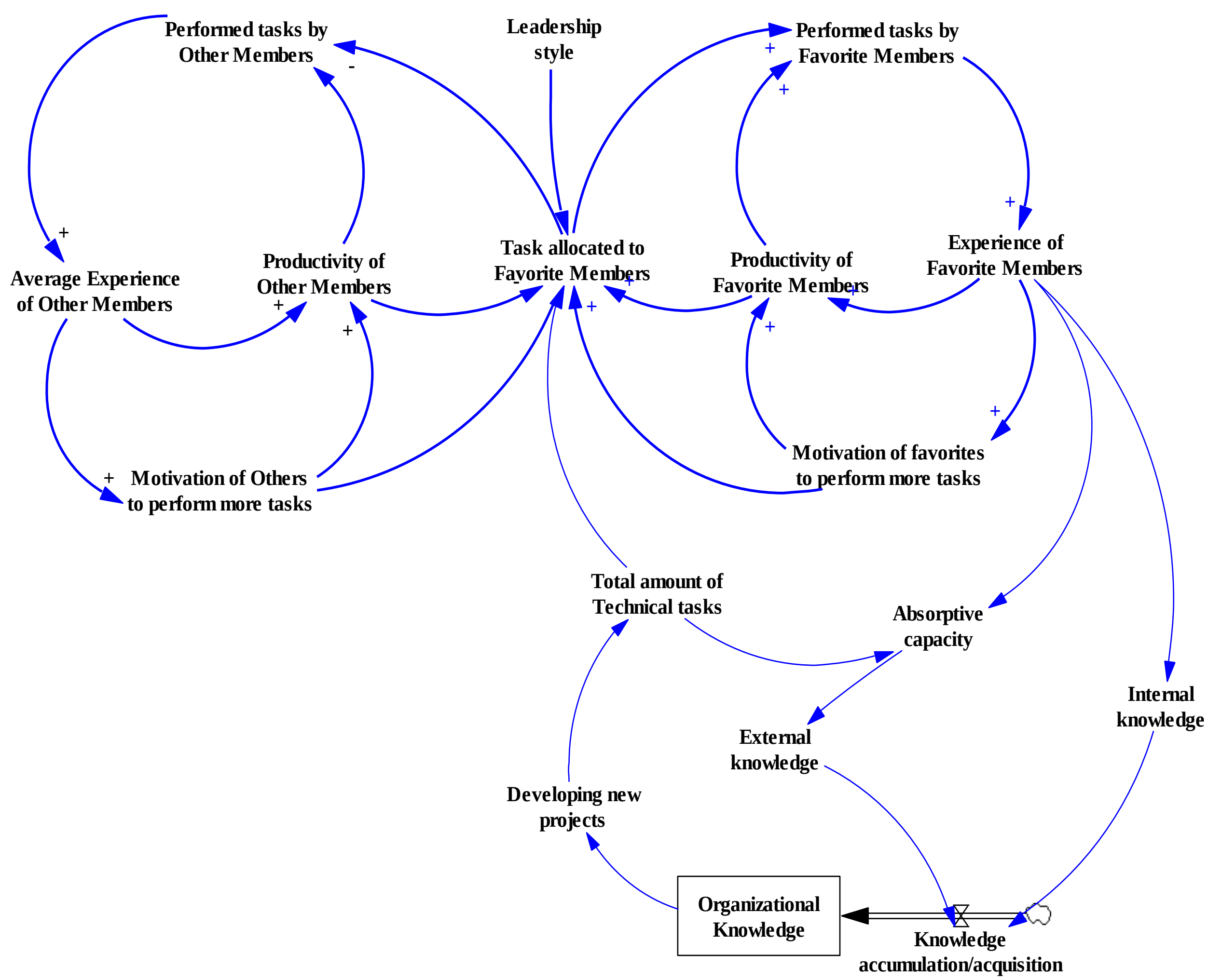

Figure 11.2. Absorptive Capacity Scenario (Leadership & External Knowledge)

REFERENCE

Abrahamian, E. (1982). *Iran between two revolutions*. Princeton, N.J.: Princeton University Press.

Ackoff, R. L. (1998). A systemic view of transformational leadership. *Systemic practice and action research*, *11*(1), 23.

Adizes, I. (1979). Organizational passages--Diagnosing and treating lifecycle problems of organizations. *Organizational dynamics, 8*(1), 3.

Adizes, I. (2004). *Managing Corporate Lifecycles*.

Amnesty-International. (2011, 2011/04/05). Iran: Independent civil society organisations facing obliteration, from http://www.amnesty.org.uk/news_details.asp?NewsID=19378

Anderson, G. J. (1998). *Fundamentals of Educational Research*.

Archer, D. (2009). *Collaborative leadership : how to succeed in an interconnected world*.

Argyris, C. (1977). Double loop learning in organizations. *Harvard business review, 55*(5), 115.

Arjmand, R. (2008). *Inscription on stone: Islam, state and education in Iran and Turkey*.

Avina, J. (1993). The evolutionary life cycles of non-governmental development organizations. *Public Administration and Development*, *13*(5), 453-474.

Avolio, B. J. (1995). Individual consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *The leadership quarterly, 6*(2), 199.

Barakat, S., & Strand, A. (1995). Rehabilitation and reconstruction of Afghanistan: a challenge for Afghans, NGOs and the UN. *Disaster Prevention and Management*, *4*(1), 21–26.

Barnett, J. H. (1988). Non-profits and the life cycle. [doi: DOI: 10.1016/0149-7189(88)90029-8]. *Evaluation and Program Planning, 11*(1), 13-20.

Bass, B. M. (1985). *Leadership and performance beyond expectations*.

Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational dynamics, 18*(3), 19.

Bass, B. M. (1994). *Improving organizational effectiveness through transformational leadership*.

Bavelas, A. (1942). Training in democratic leadership. *The Journal of abnormal and social psychology*, *37*(1), 115.

Bayat, A. (2002). Activism and social development in the Middle East. *International journal of Middle East studies, 34*(01), 1.

Berthoud, O. (2001). NGOs: Somewhere between Compassion, Profitability and Solidarity. *Envio Digital, 241*(August). Retrieved from Envio website: http://www.envio.org.ni/articulo/1526

Bess, G. (1998). A First Stage Organization Life Cycle Study of Six Emerging Nonprofit Organizations in Los Angeles. *Administration in Social Work, 22*(4), 35 - 52.

Beugré, C. D. (2006). Transformational leadership in organizations: an environment-induced model. *International journal of manpower, 27*(1), 52-62.

Beverly, S. G., & Sherraden, M. (1997). Investment in human development as a social development strategy. *Social Development Issues, 19*(1), 1-18.

Bisschoff, T. (2009). Mandated change gone wrong? A case study of law-based school reform in South Africa. *International Journal of Educational Management, 23*(4), 336-347.

Bontis, N. (2009). A causal model of human capital antecedents and consequents in the financial services industry. *Journal of intellectual capital, 10*(1), 53.

Borwankar, A. (2009). The potential for management development in NGO-private sector partnerships. *Journal of management development, 28*(4), 326.

Bratton, J. (1999). *Human Resource Management*.

Burns, J. M. (1978). Leadership Harper & Row. *New York*.

Carrillo, P. M., Robinson, H. S., Anumba, C. J., & Bouchlaghem, N. M. (2006). A Knowledge Transfer Framework: the PFI context. *Construction Management and Economics, 24*(10), 1045-1056. doi: 10.1080/01446190600799224

Charnovitz, S. (1996). Two centuries of participation: NGOs and international governance. *Michigan journal of international law, 18*, 183.

Chrislip, D. D. (2002). *Collaborative Leadership Fieldbook : A Guide for Citizens and Civic Leaders*.

Christensen, K. S. (2003). Knowledge management in a project-oriented organization: three perspectives. *Journal of knowledge management, 7*(3), 116.

Coate, B., Handmer, J., & Choong, W. (2006). Taking care of people and communities: Rebuilding livelihoods through NGOs and the informal economy in Southern Thailand. *Disaster Prevention and Management, 15*(1), 135-145.

Cohen, W. M. (1990). Absorptive capacity: a new perspective on learning and innovation. *Administrative science quarterly*, 128.

Corbin, J. M., & Strauss, A. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative sociology, 13*(1), 3.

Crotty, M. (1998). *The foundations of social research: Meaning and perspective in the research process*.

Daft, R. L. (2004). *Essentials of Organization theory and design*. Mason, OH: Thomson South-Western.

Dalton, D. R., & Dalton, C. M. (2006). Corporate growth: our advice for directors is to buy "organic".(Corporate governance). *Journal of Business Strategy, 27*(2), 5(3).

Dart, R., Bradshaw, P., Murray, V., & Wolpin, J. (1996). Boards of directors in nonprofit organizations do they follow a life-cycle model? *Nonprofit Management and Leadership, 6*(4), 367-379. doi: 10.1002/nml.4130060406

De Vita, C. J. (2001). *Building capacity in nonprofit organizations*.

Douglas, H., Mort, G. M., & Cuskelly, G. (2006). *Analyzing elements affecting the survival of new nonprofit organizations in the context of social entrepreneurship ventures*.

Dowla, A. (2006). In credit we trust: Building social capital by Grameen Bank in Bangladesh. *The Journal of socio-economics, 35*(1), 102.

Edmondson, A. C. (2002). The Local and Variegated Nature of Learning in Organizations: A Group-Level Perspective. *Organization Science, 13*(2), 128-146.

Edwards, M., & Hulme, D. (1996). *Beyond the magic bullet : NGO performance and accountability in the post-cold war world*. Conn: Kumarian Press.

Ekhtiar, M. (1994). *The Dar al-Funun: Educational Reform and Cultural Development in Qajar Iran.* PhD, New York University New York.

Evers, A., & Laville, J.-L. (2004). Distinct realities and concepts. In C. a. Northampton (Ed.), *The Third Sector in Europe* (pp. 11-45). MA: Edward Elgar.

Exelby, D., & Warren, K. (2002). Strategic Growth Dynamics - the Challenge for Smaller Firms 14. Retrieved from http://www.vanguardstrategy.com website:

Fiol, C. M., & Lyles, M. A. (1985). Organizational Learning. *The Academy of Management Review, 10*(4), 803-813.

Fisher, W. F. (1997). Doing Good? The Politics and Antipolitics of NGO Practices. *Annual Review of Anthropology, 26*(ArticleType: research-article / Full publication date: 1997 / Copyright © 1997 Annual Reviews), 439-464.

Glewwe, P. (2002). Schools and Skills in Developing Countries: Education Policies and Socioeconomic Outcomes. *Journal of Economic Literature, XL (June 2002)*, 436–482.

Glewwe, P., & Kremer, M. (2005). Schools, Teachers, and Education Outcomes in Developing Countries *Handbook on the Economics of Education*: *Harvard University, Brookings Institution, Center for Global Development*.

Gottschalk, P. (2005). *Strategic knowledge management technology*.

Greiner, L. E. (1998). EVOLUTION AND REVOLUTION AS ORGANIZATIONS GROW. [Article]. *Harvard business review, 76*(3), 55-68.

Guay, T., Doh, J., & Sinclair, G. (2004). Non-Governmental Organizations, Shareholder Activism, and Socially Responsible Investments: Ethical, Strategic, and Governance Implications. *Journal of Business Ethics, 52*(1), 125-139. doi: 10.1023/b:busi.0000033112.11461.69

Hall, J., Williams K., & Sapsed, J. (2000). *Barriers and facilitators to knowledge capture and transfer in project-based firms*. Paper presented at the 4th international conference on technology policy and innovation.

Hekmat, A. R. (1972). *Amuzish va parvarish dar Iran-i bastan*. Tihran: Muassasah-i Tahqiqat va Bar'namah'rizi-i `Ilmi va Amuzishi.

Helmich, D. L. (1974). Organizational Growth and Succession Patterns. *The Academy of Management Journal, 17*(4), 771-775.

Heneman, R. L. (2000). Human resource management practices in small and medium-sized enterprises: Unanswered questions and future research perspectives. *Entrepreneurship theory and practice, 25*(1), 11.

Imants, J. (2003). Two basic mechanisms for organisational learning in schools. *European Journal of Teacher Education, 26*(3), 293-311. doi: 10.1080/0261976032000128157

Isaacs, W. (1993). Dialogue, collective thinking, and organizational learning. *Organizational dynamics, 22*(2), 24.

Joseph, C. S., & James, C. S. (2008). Founders, leaders, and organizational life cycles: the choice is easy - learn or fail! *Development and Learning in Organizations, 22*(3), 12.

Jundi'shapur. (1971). *Amuzish dar Iran az `ahd-i bastan ta imruz : bi-munasabat-i barguzari-i jashn-i du hazar va pansadumin sal-i bunyanguzari-i shanshahi-i Iran*. [Ahvaz]: Intisharat-i Danishgah-i Jundi'shapur.

Kamat, S. (2004). The privatization of public interest: theorizing NGO discourse in a neoliberal era. *Review of international political economy, 11*(1), 155.

Kanter, R. M. (1994). Collaborative advantage: the art of alliances. *Harvard business review, 72*(4), 96.

Katirai, N. (2005). NGO Regulations in Iran. *The International Journal of Not-for-Profit Law 7*(4), 15.

Khudayvizand, M. M. (1966). *Usul va mabani-i amuzish va parvarish*. Mash'had: Zuvvar.

Kim, D. H. (1993). The Link Between Individual and Organizational Learning. *SLOAN MANAGEMENT REVIEW, 35*(1), 37.

Kim, L. (1998). Crisis construction and organizational learning: Capability building in catching-up at Hyundai Motor. *Organization Science*, 506.

Kincheloe, J. L., & McLaren, P. (2002). Chapter five: Rethinking critical theory and qualitative research. In Y. Zou (Ed.), *Ethnography and schools: Qualitative approaches to the study of education* (pp. 87-136). Lanham, Md: Rowman & Littlefield Publishers.

Kirby, P. C. (1992). Extraordinary leaders in education: Understanding transformational leadership. *The Journal of educational research, 85*(5), 303.

Kouzes, J. M., & Posner, B. (1988). The leadership challenge Retrieved from http://mclink.library.mcgill.ca/sfx?sid=google&auinit=JM&aulast=Kouzes&title=The%20leadership%20challenge&genre=book&isbn=0787968331&date=2003

Kreutzer, K. (2009). Nonprofit governance during organizational transition in voluntary associations. *Nonprofit Management and Leadership, 20*(1), 117-133. doi: 10.1002/nml.244

Lambert, L. (2002). A framework for shared leadership. *Educational leadership, 59*(8), 37.

Lane, P. J. (1998). Relative absorptive capacity and interorganizational learning. *Strategic Management Journal, 19*(5), 461.

Lewis, D. (2006). *Management of Non-Governmental Development Organizations, The*: Taylor & Francis.

Martin, P. Y., & Turner, B. A. (1986). Grounded Theory and Organizational Research. *Journal of Applied Behavioral Science, 22*(2), 141-157. doi: 10.1177/002188638602200207

Mashayikhi, A. N. (2010). *Improving the Learning Capacity: The Challenge of Managers and Leaders*. Tehran: Sadat Foundation.

Mashayikhi, M. (1965). *Sazman va idarah-i amuzish va parvarish : amuzish va parvarish-i tatbiqi*. Tihran: Sazman-i Tarbiyat-i Mu`allim va Tahqiqat-i Tarbiyati.

Mehran, G. (1989). Education in post-revolutionary Persia 1979-95 *Encyclopedia Iranica*. Costa Mesa: Mazda Publishers.

Mehran, G. (2003). Khatami, political reform and education in Iran. *Comparative Education, 39*(3), 311.

Mehran, G., & Mehran. (1999). Lifelong learning: New opportunities for women in a Muslim country (Iran). *Comparative Education, 35*(2), 201.

Menashri, D., & Merkaz Dayan le-heker ha-Mizrah ha-Tikhon, v.-A. (1992). *Education and the making of modern Iran*. Ithaca: Cornell University Press.

Miller-Grandvaux, Y., Welmond, M., & Wolf, J. (2002). *Evolving Partnerships: The Role of NGOs in Basic Education in Africa*. Washington, DC.: *Academy for Educational Development*.

Mok, K. H. (2008). Changing education governance and management in Asia. *International Journal of Educational Management, 22*(6), 462-463.

Molteno, Ogadhoh, Cain, & Crumpton. (2000). *Towards responsive schools supporting better schooling for disadvantaged children. Education Research Paper No. 38*. London: Department for International Development.

Mostashari, A. (2005). An Introduction to Non-Governmental Organizations (NGO) Management. *Iranian Studies Group at MIT, June, 2005*.

Motiee, N. (2000). Traditional Community-based Organizations in Iran. In M. B. Namazi (Ed.), *Non-governmental organizations in the Islamic Republic of Iran: a situation analysis*.

Mundy, K. (2001). Transnational advocacy, global civil society? Emerging evidence from the field of education. *Comparative Education Review, 45*(1), 85.

Munsamy, M., & Bosch, V. (2009). Retention factors of management staff in the maintenance phase of their careers in local government. *SA journal of human resource management, 7*(1), 9.

Namazi, M. B. (2000). *Non-governmental organizations in the Islamic Republic of Iran: a situation analysis*. Tehran: United Nation Development Programme.

Nicholls, A. (2006). *Social entrepreneurship : new models of sustainable social change*.

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science,* 14.

Nonaka, I. (2007). The knowledge-creating company. *Harvard business review, 85*(7/8), 162.

O'Dwyer, B. (2007). From functional to social accountability: Transforming the accountability relationship between funders and non-governmental development organisations. *Accounting, Auditing & Accountability Journal, 20*(3), 446.

Organ, D. W. (1988). *Organizational citizenship behavior : the good soldier syndrome*. Lexington, Mass.: Lexington Books.

Organ, D. W. (1997). Organizational citizenship behavior: It's construct clean-up time. *Human performance, 10*(2), 85.

Orna, E. (1996). Information products and presentation in organisations: Accident or design? *International journal of information management, 16*(5), 341.

Parise, S. (2001). Knowledge resource exchange in strategic alliances. *IBM systems journal, 40*(4), 908.

Patton, M. Q. (2001). *Qualitative research and evaluation methods (2nd Edition)*. Thousand Oaks, CA: Sage Publications.

Pawar, B. S. (1997). The nature and implications of contextual influences on transformational leadership: A conceptual examination. *The Academy of Management Review*, 80-109.

Pearce, C. L. (2003). *Shared leadership: Reframing the hows and whys of leadership*.

Philip, A. W. (2004). Democratic leadership: drawing distinctions with distributed leadership. *International journal of leadership in education, 7*(1), 3.

Quinn, R. E., & Cameron, K. (1983). Organizational Life Cycles and Shifting Criteria of Effectiveness: Some Preliminary Evidence. *Management Science, 29*(1), 33-51.

Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American Academy of Business, Cambridge, 5*(1/2), 52.

Ravandi, M. (1985). *Sayr-i farhang va tarikh-i ta`lim va tarbiyat dar Iran va Urupa*. Tihran: Nashr-i Guya.

Reichel, J. (2009). Collaboration of NGOs and business in Poland. *Social enterprise journal, 5*(2), 126.

Ringer, M. M. (2001). *Education, religion, and the discourse of cultural reform in Qajar Iran*. Costa Mesa, Calif.: Mazda Publishers.

Rose, P. (2009). NGO provision of basic education: Alternative or complementary service delivery to support access to the excluded? *Compare Compare, 39*(2), 219-233.

Rostami-Povey, E. (2004). Trade unions and women's NGOs: diverse civil society organisations in Iran. *Development in practice, 14*(1-2), 254.

Roth, W.-M. (2001). 'Enculturation': Acquisition of Conceptual Blind Spots and Epistemological Prejudices. *British Educational Research Journal, 27*(1), 5-27.

Rubin, H. (2009). *Collaborative leadership: Developing effective partnerships for communities and schools*.

Sa`di, Rogers, A., & Platts, J. T. (1891). *The Bústán of Shaikh Muslihu-d-dín Saadí*. London; Calcutta: W.H. Allen and Co.

Sadiq, I. (1931). *Modern Persia and her educational system*. New York: Teachers College, Columbia University.

Salamon, L. M., & Anheier, H. K. (1992). In search of the non-profit sector. I: The question of definitions. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 3*(2), 125-151. doi: 10.1007/bf01397770

Santora, J. C., & Sarros, J. C. (2008). Founders, leaders, and organizational life cycles: The choice is easy - Learn or fail! *Dev. Learn. Organ. Development and Learning in Organisations, 22*(3), 12-15.

Schmid, H. (2006). Leadership styles and leadership change in human and community service organizations. *Nonprofit Management and Leadership, 17*(2), 179-194. doi: 10.1002/nml.142

Senge, P. M.(1990). The fifth discipline: The art and practice of the learning organization. *New York*.

Senge, P. M. (1990). Give Me a Lever Long Enough … and Single-Handed I Can Move the World. In M. Fullan (Ed.), *The Jossey-Bass reader on educational leadership* (pp. 3-15). San-Francisco: Jossey-Bass Inc.

Senge, P. M. (1994). *The fifth discipline fieldbook: Strategies and tools for building a learning organization*.

Senge, P. M. (2000). *Schools that learn: A fifth discipline fieldbook for educators, parents, and everyone who cares about education*.

Senge, P. M. (2006). Learning together: new partnerships for new times. *Corporate governance, 6*(4), 420.

Shahnazari, F. (1992). *Modernization of education : a comparison of Japan and Iran*. Yamato-machi, Niigata-ken, Japan: Institute of Middle Eastern Studies, International University of Japan.

Shakeri, M., Samkhani, S., Farhangi, A., & Asghari Zade, E. (2010). A Life Narrative and Game Theory Approach: Opting Leadership Style. *European Journal of Social Sciences, 14* (4), 16.

Sheridan, J. E. (1992). Organizational Culture and Employee Retention. *The Academy of Management Journal, 35*(5), 1036-1056.

Shorish, M. M. (1988). The Islamic Revolution and Education in Iran. *Comparative Education Review, 32*(1), 58-75.

Shrivastava, P. (1983). A typology of organizational learning systems. *Journal of management studies, 20*(1), 7.

Simmons, P. J. (1998). Learning to live with NGOs. *Foreign policy*, 82.

Somech, A. (2005). Directive versus participative leadership: Two complementary approaches to managing school effectiveness. *Educational administration quarterly, 41*(5), 777.

Starratt, R. (2003). Democratic Leadership Theory in Late Modernity: An Oxymoron or Ironic Possibility?

The Ethical Dimensions of School Leadership. In P. Begley & O. Johansson (Eds.), (Vol. 1, pp. 13-31): Springer Netherlands.

Sterman, J. (2000). *Business dynamics : systems thinking and modeling for a complex world*. Boston: Irwin/McGraw-Hill.

Sultan'zadah, H. (1985). *Tarikh-i madaris-i iran : az `ahd-i bastan ta tasis-i dar al-funun*. Tihran: Intisharat-i Agah.

Tabatabaei-Ardakani, S. (2006). Non-Governmental Organizations, Criterion of Democracy, *Etemadmelli Newspaper (in Persian)*.

Tanaka, S. (2001). Corruption in education sector development: a suggestion for anticipatory strategy. *International journal of educational management*, *15*(4), 158.

Tjosvold, D. (2004). Team Learning from Mistakes: The Contribution of Cooperative Goals and Problem-Solving*. *Journal of management studies, 41*(7), 1223.

UK-Government-Website. (2011). OTS (The Office of the Third Sector). *The Cabinet Office of UK government*, from http://www.cabinetoffice.gov.uk

UN-Website. (2011). Chapters of United Nation. *United Nation*, from http://www.un.org/en/documents/charter

Ven, A. H. v. d., & Poole, M. S. (1995). Explaining Development and Change in Organizations. *The Academy of Management Review, 20*(3), 510-540.

Victor, D., & Malcolm, H. (2005). Assessing leadership styles and organisational context. *Journal of Managerial Psychology*, *20*(1/2), 105.

Weinzimmer, L. G., Nystrom, P. C., & Freeman, S. J. (1998). Measuring organizational growth: Issues, consequences and guidelines. [doi: DOI: 10.1016/S0149-2063(99)80061-0]. *Journal of Management*, *24*(2), 235-262.

Young, D. R. (1993). The first three years of NML: Central issues in the management of nonprofit organizations. *Nonprofit Management and Leadership, 4*(1), 3-22. doi: 10.1002/nml.4130040103

Yukl, G. (1989). Managerial leadership: A review of theory and research. *Journal of Management*, *15*(2), 251-289.

Yunus, M. (2007). *Creating a World Without Poverty: Social Business and the Future of Capitalism*.

Yunus, M. (2010). Building social business models: lessons from the Grameen experience. *Long range planning, 43*(2-3), 308.

Zahra, S. A. (2002). Absorptive capacity: A review, reconceptualization, and extension. *The Academy of Management Review*, 185.