Knowledge Processes and Organizational Change: a Case Study in a Non-profit Organization

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**ARTICLE INFO**

Article history:
Received 12 March 2015
Accepted 28 June 2015
Available online 22 July 2015

Keywords:
Strategy
Capabilities
Information Technology
Entrepreneurship

**ABSTRACT**

Background: The importance of the attribution of value to the human element, experience exchange, generation and storage and sharing of new knowledge, as well as the identification, measurement and evaluation of intangible capital - which, in fact, should be included in the balance sheet - are fundamental to the success, credibility and sustainability of organizations. **Objective:** The purpose of this research was to analyze the way in which the practices related to knowledge processes influenced the change which took place in the NGO Pequeno Cotolengo in Curitiba-PR, from 2010 to 2013. **Results:** Based on an exploratory study with a qualitative approach, an indirect influence of three major processes of knowledge - generation, codification and sharing - was identified and connected to the change in the organization. Such change was made possible by factors such as external consultants, organizational learning culture and monthly meetings on performance evaluations, as well as training and professionalization of people. **Conclusion:** These factors led to continuous improvement of tasks which favoured change in terms of increasing the financial sustainability of the NGO. This sustainability was obtained in the form of larger and new long-term donations.

**INTRODUCTION**

The importance of the attribution of value to the human element, experience exchange, generation and storage and sharing of new knowledge, as well as the identification, measurement and evaluation of intangible capital - which, in fact, should be included in the balance sheet - are fundamental to the success, credibility and sustainability of organizations (Kaplan and Norton, 2001). It is essential to recognize the importance of quantifying and qualifying the individual knowledge of human values and its potential regarding information usage. It is necessary to change the static image of information, transforming it into a dynamic one, focused on creative interpretation of data by the individual (Edvinsson and Malone, 1998).

It is critical to trigger knowledge processes that promote organizational changes in order to generate competitive advantage for organizations in a sustainable manner. Given this fact, the assumption is that seeking further training, professionalization and, consequently, greater credibility and sustainability promotes change in non-profit institutions. In response to these arguments, this paper aims at verifying how the practices related to knowledge processes influenced the change of the NGO Pequeno Cotolengo located in Curitiba-PR, in the period between 2010 and 2013. The objective was achieved through identification of practices considered strategic regarding their respective knowledge processes. The study is based on the importance of understanding how knowledge processes relate to the process of change in non-profit organizations.

The environment on which, in a particular way, non-profit organizations operate has become not only increasingly unstable, but also interconnected (Bryson, 2004). According to Casimiro and Freitas (2008), the maintenance of NGOs as social organizations committed to civil society has caused them to operationalize actions oriented towards objectives that are external to the members that constitute it, seeking in their practices autonomy, equality and participation of the social groups they represent. For these same authors, the search for resources for the maintenance of its various reasons for being - missions - make NGOs develop...
fundraising modalities, increasingly considering membership policies for donors, which in turn force the organizations to reconsider their business models and channel their activities within a more rational and utilitarian logic.

In Brazil, despite the professionalization and corporatism-oriented practices that NGOs have adopted, studies show that there is still significant fragility in the sector. According to Instituto Brasileiro de Geografia e Estatística [IBGE] (2010), from 2006 to 2010, there has been an increase of approximately 8.8% for “Private Foundations and Non-profit Associations” in Brazil, which grew from 267 thousand to 291 thousand entities in this period. However, according to the same source, this expansion is significantly lower than that observed from 2002 to 2005 (22.6 %), and the declining trend had already been foreseen in a previous study. These data demonstrate, to some extent, that these companies present management problems which can be solved by, among other actions, the implementation of knowledge management strategies. There is, therefore, a gap in the management of this sector that needs to be filled (Vidal and Menezes, 2004; Assis, Ckagnazaroff and Carvalho, 2006; Alves Junior, Faria and Fontenele, 2009; Veiga et al., 2014).

In this sense, among other actions, the mobilization towards management of knowledge in organizations indicate the progressive belief that understanding knowledge is fundamental to the success of organizations and eventually, for their survival (Davenport and Prusak, 1998; Nonaka and Takeuchi, 1998, Earth, 2001, Senge, 1998, Ruas, Antonelo and Boff, 2005). The production capability of organizations depends on what the organizations know and the underlying knowledge on routines and production equipment. The material asset of an organization gains real value if its members know what to do with it. Understanding the role of knowledge in organizations can help answer why some organizations are consistently successful. In these terms, the knowledge management is understood as a systematic and deliberate coordination of people, technologies, processes and company structure in pursuit of value creation through knowledge resources and innovation (Dalkir, 2005). Dalkir (2005) adds that such coordination is accomplished by the creation, sharing and application of knowledge by emphasizing valuable lessons learned, continuously promoting organizational learning.

The disappointment with technologies, fads, models and traditional concepts such as total quality, reengineering of processes and accounting controls led organizations to seek something more irreducible and vital for the performance, productivity, change and innovation (Kaplan and Norton, 2001). This search had the managerial community realize that what empowers the functioning of a given organization is what its employees know. Knowledge itself deserves attention as it shows companies how they should act today and how to improve their products or services tomorrow (Davenport and Prusak, 1998). The fact that only organizations that learn actually survive has further increased the general interest in knowledge (Senge, 1998).

It is expected that this research contributes to the strengthening of professional practice regarding the execution of strategic practices directly related to knowledge processes that may be able to impact the change in Pequeno Cotolengo. The study seeks to obtain evidences that can contribute to a greater understanding on knowledge management contextualized on NGOs, filling a space in the existing gap. The study is justified by the lack of studies directly related to this theme. It is in this way that this study aims to contribute to the improvement of management practices of non-profit organizations, generating new evidences about the influence of knowledge processes on change in such organizations.

Theoretical Framework:

In the era of information and knowledge, the differential between the organizations is no longer the intensive use of physical and financial assets applied in the productive process, but rather the set of collective knowledge generated, the inventive abilities, values and attitudes of people who comprise it, the degree of satisfaction and quality of the relationship with the main stakeholders. These are called intangible assets, which integrate the tacit knowledge and the explicit knowledge, generating sustainable value for the organization. In this section the main theoretical approaches directly related to the main knowledge processes and organizational change are presented. Both phenomena are observed in a non-profit organization.

Knowledge Processes:

The cycle of knowledge management starts with the state or process of identification of new knowledge: this stage occurs when it the need to have certain knowledge relevant to the business is identified (Abou-Zeid, 2002). The process of identifying knowledge includes all activities that develop the awareness of the need to create new knowledge or update existing ones. The author cites some activities related to this process: (i) the determination of deviation of knowledge via comparison of the new knowledge needs with the existing knowledge; (ii) the identification of possible internal and external resources of the required knowledge. After having been identified, said new knowledge can have several states or processes such as: creation or generation, synthesis, externalization, maintenance or preservation, updating, evaluation and justification of knowledge (Abou-Zeid, 2002).

Nonaka and Takeuchi (1995) argue that the
The generation of knowledge should be understood as a process that expands, organizationally, the knowledge created by individuals. This process includes all activities in which new knowledge is generated within an organization. On the other hand, Davenport and Prusak (1998) highlight the possibility of knowledge generation both (i) by fusion, which is the gathering of people presenting different perspectives to work on a problem or project, forcing them to reach a joint response, and (ii) by informal and self-organized networks, which can become more formalized in time. In the first possibility, the meeting of people with different knowledge and experiences is one of the necessary conditions for the creation of new knowledge (Nonaka and Takeuchi, 1997). In the second possibility, the networks leverage common knowledge sharing in a sufficient level for communication and cooperation, continuously generating new knowledge within organizations.

For Dalkir (2005), capture or generation of knowledge can be difficult, especially when it comes to the tacit knowledge. The management of tacit knowledge is the process of capturing the experiences and skills of individuals and make them available and accessible to whomever needs it. The process of codification or classification of knowledge aims to present it in an accessible form to those who need it. The codification transforms knowledge into code to make it intelligible, clearer and organized. For Davenport and Prusak (1998), in organisations, the codification converts knowledge into accessible and applicable formats. Managers and users of knowledge can categorize it, describe it, map it, shape it and insert it into rules and recipes.

On the other hand, Abou-Zeid (2002) relates this process with the process of presentation of knowledge. For the author, this process develops the ability to present explicit knowledge and with enough flexibility to make it meaningful and applicable in multiple contexts of use. However, the main difficulty in the work of codification is the question of how to encode the knowledge without losing its distinctive properties and without turning it into less vibrant information or data (Davenport and Prusak, 1998).

Abou-Zeid (2002) also mentions the evaluation of knowledge as another process that includes all activities which aim to justify, measure and assess the value of the business in terms of knowledge. This process allows identification of gaps or deviations in terms of knowledge, offering mechanisms for their solution. In the comparison between the existing knowledge and the knowledge necessary to supply some strategic need, the evaluation process assists in identifying and heightening awareness about the need to obtain new knowledge in order to solve problems or to improve business processes. The act of reviewing, testing, evaluating and reworking the knowledge will help clarify what the organization already knows and what it needs to know (Dalkir, 2005).

The knowledge maintenance or storage process has as its main objective capturing knowledge embedded in documents such as process mapping, memos, reports, presentations and all these processes’ related storage in a repository where it can be easily recovered and (re)used by people. The metaphor used by Davenport and Prusak (1998) is that of a library. For these authors, the three types of instruments or tools for knowledge storage are: external knowledge - systems of competitive intelligence; internal structured knowledge - research reports, materials on products and techniques; and internal informal knowledge - database of discussion filled with knowledge and lessons of learning. This process is called preservation for Aboud-Zeid (2002). For this author, this process should include activities such as the formalization, the codification, the organization and the storage in different media - information systems that can be accessed and shared by all organizational members - when it comes to explicit knowledge.

Regarding the process of knowledge sharing or dissemination, it can be said that the importance and implications of communities of practice where co-workers, sometimes, have complementary knowledge and end up forming a group are understood (Dalkir, 2005). These self-organized groups tend to be initiated by employees who communicate with each other because they share the same practices, interests or work objectives, thus promoting the mobilization of knowledge (Davenport and Prusak, 1998; Aboud-Zeid, 2002). For Dalkir (2005), once the knowledge is captured and encoded, it needs to be shared and disseminated throughout the organization. This process reflects the importance of spreading the available and existing knowledge in the organization. The spontaneous and unstructured transfer of knowledge are aspects that include the measurement and the sharing of knowledge (Davenport and Prusak, 1998; Dalkir, 2005).

Regarding the process of application of knowledge, the easier it is for the knowledge staff to find, understand and internalize the knowledge, the greater the effectiveness with the use of this knowledge (Dalkir, 2005). The main objective of the implementation process is to promote reductions on the time taken to complete tasks, helping to maintain high standards of quality in the work that needs to be done (Dalkir, 2005). Figure 1 summarizes and outlines the processes of knowledge presented by the abovementioned authors.
Source: Adapted from Dalkir (2005).

**Fig. 1:** The knowledge processes on the integrated cycle of knowledge management.

**Knowledge and organizational change:**

The organizations are currently facing extremely dynamic and volatile environments, which in turn change the way they are managed. The success for this deadlock is in the ability of people in the organization to learn the new and unlearn the obsolete. The organizational challenge lies in helping the knowledge flow from the individual to the group and from this group to the organization as a whole. It is necessary to make the information suitable for usage by the company collaborators. They are the ones who take action and therefore lead towards organizational change (Senge, 1999; Argyris, 1999). The process of organizational learning is part of the culture of knowledge management. Hence, the organizations in this context may do so by sharing internal information, as well as acquiring new knowledge (Quandt and Fernandes, 2003).

According to Teece (2000), the knowledge management is the basis for the construction of competitive advantages. The change can be defined as a search for maintaining and developing competitiveness, productivity and innovation in terms of uncertain markets (Ruas et al., 2005). The organizational change can occur in various ways, such as, by adaptive reaction and by continuous learning (Motta, 1997). The adaptive reaction is due to the need of solving problems: the change is characterized by an interference in the evolutionary process of the company. In this case, the problem is known, but its solution is not, and to resolve this answers are sought in past events or new ideas (Motta, 1997; Minzberg, Ahlstrand and Lampel, 2000).

On the other hand, change due to continuous learning is made possible in a propitious organizational environment, requiring incentives and ways for people to experience, take risks, have their errors tolerated, express their creativity, learn from their own experiences and clearly understand the impact of changes on the company. In this environment, informed people in any part of the organization can contribute to change the strategy process (Motta, 1997). Due to continuous learning, strategic management is no longer an administration of changes but an administration by changes (Mintzberg et al., 2000). A conjuncture of skills that allows flexibility, agility, experimentation and collective responsiveness will prevail in the context of management of change (Levine, 2001).

According to Levine (2001) argues that identifying and internalizing new ideas or new practices in the organization is not enough. It is necessary to have the ability to measure and evaluate the true impact of the change in the organization. The term "management of change" is adaptive and dynamic. The author also argues that organizations that learn have a greater ability to become experienced in managing change in situations where the environment is unstable. In this sense, an organization must have the ability to continuously manage the changes so that its strategy and its operational processes can adapt to the dynamic context (Levine, 2001).

Davenport and Prusak (2001) pointed out that the current interest in verifying how the so called flexible and agile company can keep up in a volatile and competitive environment should not obscure the fact that the responsiveness to change of any company is necessarily limited. Neither organizations nor the people who work in them are chameleons able to adapt to any change. They can only expand their inherent capabilities. An organization can make significant changes, but cannot become a completely different organization.

**Strategic Management for non-profit organizations:**

The non-governmental organizations – NGOs – are considered part of the Third Sector, for they present a logic based on solidarity and co-responsibility combined with a flexible strategic posture and a quest for efficiency that gives them
better conditions to assume responsibilities that were once considered attributions of the State (Moraes and Santana, 2012).

According to Hudson (1999, p. 11), the third sector organizations are configured as organizations whose main objectives are social and non-economic, with "an essence that covers charity institutions, religious organizations, entities focused on arts, community organizations, trade unions, professional associations and other voluntary organizations". In this respect, Wolf (1999) argues that, because of the idiosyncrasies that they present, NGOs are not easily described. This, in part, makes managing them a difficult task in a reality full of challenges and problems. Therefore, there has been an increasing number of NGOs which has led, in some way, to an increasing competition between themselves for resources (Tude and Rodrigues, 2008). Thus, when these organizations compete for private and public donors in fundraising, the result provides a glimpse into the relative loss of autonomy, considering requirements often imposed by stakeholders, specifically during the decision-making process (Casimiro and Freitas, 2008).

For Roesch (2002), there is a relative consensus among the scholars that the management practices of NGOs should emerge from the problems that surround them, and be negotiated with different stakeholders and beneficiaries in order to maintain cohesion in carrying out the mission of these organizations. The counterpoint of this argument is the hybridism of existing management on these entities related to the paradigm of sustainability, which is related to the end of dependence on traditional sources of financing (Vidal and Menezes, 2004). These authors add that the hybridism in management of NGOs implies the need to diversify the sources of funding, develop projects for revenue generation, professionalize human resources and volunteer workers, attracting associate members of the organizations, establish communication strategies, evaluate results and develop a highly efficient managerial structure.

According to Falconer (1999), the profile of the third sector organizations in Brazil seems, at first glance, only to confirm the idea that the problem of the sector is fundamentally a problem of competence in management. These organizations operate in an unfavorable environment, characterized by lack of resources and lack of support from public authorities. Thereby, NGOs cannot break the vicious cycle that includes: want of competent human resources, inadequate management, lack of money and lack of results.

In these terms, these organizations need to develop the skills of the people who comprise it, being those professionals or volunteers, in order to achieve the social objectives established. By defining a model of knowledge management, the NGOs would be subject to change or incremental improvements by a cycle of integrated Knowledge Management - KM, diagrammed in Figure 1, constituting the following processes: identification, acquisition, presentation and codification, storage, dissemination, implementation, reuse, assessment and rebuilding of knowledge (Dalkir, 2005).

However, organizations often spend much time, resources and imagination on reinventing lines of thought, while the potential of the programs that have already had their effectiveness proven remains underdeveloped. This can often be considered a substantial loss to society (Hurley and Green, 2005). According to Waissman (2002) there is a need to demonstrate to society that the third sector organizations work seeking a form of social relations. The actions that move these organizations need to be perceived as opportunities and not as welfarism or assisitentialism (Waissman, 2002).

When seeking partners, there is a need to assure them that the social projects of NGOs will actually be carried out within ethical principles and professional standards. Knowledge management can be incorporated into existing practices in the organization and can generate new organizational practices based on knowledge. The organizational knowledge must be managed so that the NGOs do not have to "reinvent the wheel" nor despise the acquired knowledge of good practices developed. Becker, Santos and Jappur (2009), argue that the application of the acquired knowledge can be a useful tool of KM for these organizations. For these authors the challenge for NGOs is to manage information and knowledge. It is necessary to perform knowledge management considering both the aspects related to people and to processes and technologies.

Methodology:

This article resulted in a study that adopted as research strategy the case study and the exploratory typology of research, with a predominantly qualitative analysis perspective. The qualitative procedures were useful for providing the collection and analysis of information and subjective and narrative materials, revealing to the researchers the meaning of facts and phenomena in focus (Richardson, 1999; Minayo, 2001; Godoi, Bandeira-de-Mello and Silva, 2006). According to Collis and Hussey (2005), the use of exploratory research is justified by the fact that there are few previous studies on this particular research problem, aiming to seek patterns and ideas through case studies, observation, historical analysis and in-depth interviews.

According to Eisenhardt (1989) and Yin (2001), the case study is a research strategy focused on understanding the present dynamics within a unique setting, with the intention of providing answers to questions concerning the why and the how of certain aspects or phenomena. In the development of a case
study with a qualitative approach, there is a risk of producing a superficial study, limiting it to a single descriptive analysis of processes. However, Eisenhardt (1989) suggests that one should not work with hypotheses, but rather with research and data collection assumptions, using multiple methods to allow triangulation of information.

Collection Procedure:
For the collection of primary data, semi-structured interviews were selected as a method, being guided by a script. The script has the advantage of reducing the interview duration, not allowing digression to subjects that do not contribute to the study, as well as ensuring a minimum structure for comparison of different interviews (Zilber and Silva, 2010).

Semi-open questions with a questions guide that would allow the exploration of concepts, ideas and behaviours that arise in the course of the conversation were deliberately selected. The elaboration of the interviews’ itinerary was driven by categories of analysis presented in section two, in an attempt to achieve the research objective defined in the introduction.

On what concerns the universe of interviewees, a group of four employees were selected; one from the strategic level (Financial manager and Human Resources) and the rest from the tactical-level (supervisor of Government Relations, IT and Institutional Development). This choice was justified by the long time these had been working at the institution, since before 2010, having thus experienced, through the activation of their strategic actions, the process of change that this study aims to understand. Such choice is also justified by their involvement on the maintenance of the mission and values of the organization.

The research script has been prepared in order to obtain data on what the strategic actions that have driven organizational change. This change will be analyzed when allocating said actions in the respective processes of knowledge explicit in the theoretical framework. In doing so, the study intends to make a conjunction between knowledge processes and change in this NGO. Therefore, the script was designed to allow the collection of data around the following categories of analysis: processes of knowledge and organizational change. The same research script was applied on different hierarchical levels in order to verify if these interviewed members share the same perception of the change occurred and of the knowledge processes that have led to it. The interviews took an average of ninety minutes.

As for the secondary sources, support documents made available by the NGO were analyzed, such as: (i) organizational chart to understand the business structure, (ii) document that highlights the guidelines of the strategy - mission, vision, values and definition of social business, (iii) strategic map, generated by use of the management control tool BSC, in order to verify the relationship of the intangible assets with the generation of financial results; (iv) flowchart or mapping of each internal process of the NGO; (v) balance sheet and statement of social outcome covering the years of 2009 to 2013 to examine possible financial differences before and after the change, (vi) management report developed by strategic consultancy in the NGO; (vii) strategic planning with: the definition of social business, customer diversity, positioning, scenarios analysis, industry analysis - the five forces of Porter - critical success factors and SWOT analysis.

All collected documents were considered relevant to this research theme in order to find possible corroboration with the information obtained in the interviews. The collected documents were analyzed through document analysis technique. Bardin (2006, p. 45) defines this technique as "an operation or set of operations to represent the contents of a document in a different form from the original in order to facilitate, in a subsequent study, consultation and referencing".

Analysis Procedure:
Analysis of the data collected in the interviews was guided by the theoretical basis and by the objectives outlined in the introduction. The method employed was the content analysis technique, which consists of message analysis techniques through objective and systematic procedures, which can be qualitative or quantitative. Those procedures allow inference about the message content (Bardin, 2002).

The semi-structured interview was fully recorded and subsequently transcribed in an integral way for analysis in text documents with the help of the software Atlas.ti 7.0. (Bischof-dos-Santos et al., 2015).

All data, consisting around 56 pages, was inserted into a single document or hermeneutic unit of said software, which was used as a support tool in the management of the documentation, facilitating the process of analysis, storage and control of data collected. The software also allows coding text fragments judged as relevant. These fragments were allocated to the relevant analytical category and consequently linked to the exposed theory. These fragments, grouped in their categories, were interpreted in order to construct the paper report.

From the identification of the analytical categories the process of articulation of these elements was initiated in order to interpret the results. This was done by locating and analyzing 43 codes or categories related, directly or indirectly, to the theme of this study. From these 43, six categories - Knowledge Sharing Process; Knowledge Generation Process; Monthly Meetings Between Top Managers; Continuous Improvement of Tasks; Importance of External Consultants and Change in the Organization – were found to be the most cited
codes, that is to say, most interview excerpts judged as relevant were allocated in one of these six categories.

The Atlas.ti allowed the inclusion of comments, quotes and generation of networks or graphic schemes of inter-relationship between codes. These networks were the final results generated by this software. As for the treatment and interpretation of data in the content analysis, it was necessary to carefully review the exposed theory and the analytical categories presented in the theoretical framework. These categories provided the foundation and significant perspectives for the study. The aggregation of the data obtained from interviews and the theoretical foundation conferred meaning to the interpretation.

The Case Study Presentation and Analysis of the Results:

The target NGO of this study is a non-governmental entity from the Brazilian state of Paraná called “Pequeno Cotolengo”. This organization has been developing its activities for forty years, receiving and accommodating people from zero to 60 years old, whether presenting multiple disabilities, abandoned by their families or coming from families in situations of risk, providing services in social welfare and education. This NGO’s mission is to improve the quality of life by providing social inclusion for these people. The values of this NGO are based on faith, charity, transparency and commitment. The NGO’s vision is to be a reference in management in the areas of welfare, health and education as a specialized institution by the year of 2015.

From the relationships among the 43 codes one can observe indirect influence between the knowledge processes and organizational change. This relationship is mediated by several observed codes or factors. All categories were analyzed by inspecting the network maps available in Atlas.ti. The interpretation of the relationship between the categories, outlined in Figure 2, occurred by the combination of two procedures: reading the relevant passages of interviews and visualizing Atlas.ti’s graphic schemes.

Based on the perceptions of all the interviewees, it could be observed that the NGO considers the importance of continuously obtaining and disseminating new information and knowledge in order for such to be internalized and applied in the institution. To exist in a sustainable way, the NGO is aware of the need to obtain new information and knowledge to cope with the changes its external environment presents. These changes include changes in laws, new government and tax requirements, changes in the volunteer and donor profiles, entry of new institutions which have similar social purposes, among other threats.

The latent need for change via acquisition of new knowledge in order to adapt to new environmental threats and opportunities was presented by the top managers of the NGO. With the identification of this need, the NGO searched external help from consultancy firms, which in turn had an important function. These consultancies promoted significant improvements not only on the daily activities of employees but also on bringing and incorporating new strategic management tools. The consultants also promoted training and professionalization of employees. Because of these services the NGO benefited from the use of training programs, strategic planning and the BSC tool - Balanced Scorecard - in the monthly execution and control of the strategy that began to take place in a deliberate way.

The knowledge processes reported in Table 1 are presented as the main ones, since most of the

Fig. 2: Results of the Research related to the Main Knowledge Processes Found.
strategic practices considered were allocated in one of these three processes.

Table 1: Key processes of knowledge found in the NGO under review.

<table>
<thead>
<tr>
<th>Knowledge Process</th>
<th>Examples of Strategic Practices in the NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing</td>
<td>• Use of information systems</td>
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<tr>
<td></td>
<td>• Communities of Practice</td>
</tr>
<tr>
<td></td>
<td>• Information exchange through monthly, weekly and annual meetings</td>
</tr>
<tr>
<td></td>
<td>• Synergies and cooperation among employees</td>
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<tr>
<td></td>
<td>• Exchange of ideas, perceptions and experiences among employees</td>
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<tr>
<td>Codification</td>
<td>• Use of external consultants</td>
</tr>
<tr>
<td></td>
<td>• Mapping of social business processes</td>
</tr>
<tr>
<td></td>
<td>• Structuring, allocation and organization of the attributions of employees</td>
</tr>
<tr>
<td></td>
<td>• Organization and formalization of tasks</td>
</tr>
<tr>
<td></td>
<td>• Documentation of all strategic activities</td>
</tr>
<tr>
<td>Generation</td>
<td>• Continuous improvement of tasks, training, creation of the Strategic Plan promoted with the help of external consultants</td>
</tr>
<tr>
<td></td>
<td>• Use of external sources to gain new knowledge</td>
</tr>
<tr>
<td></td>
<td>• Use of internal sources such as: weekly and monthly meetings of performance evaluation and the BSC management tool</td>
</tr>
<tr>
<td></td>
<td>• Courses and ways of training people that led to a learning culture</td>
</tr>
<tr>
<td></td>
<td>• New information by article, law and book reading</td>
</tr>
<tr>
<td></td>
<td>• Use of information systems</td>
</tr>
</tbody>
</table>

Fonte: Prepared by authors (2014).

It is assumed that these consultancies were responsible for implementing training practices and business management practices in the NGO, which in turn, according to the supervisor of Government Partnerships, triggered a transformation in the organization, morphing its structure as a welfare institution to that of an organization employing business practices. Before the appearance of external consultants, the NGO had a welfare character and now the organization uses business practices. On such context, a stage in which at least three main knowledge processes were highlighted began: sharing, generation and codification processes.

On 2009, with the substitution of the former director, the institution entered a new period of maintenance of its mission, adopting corporate practices in order to compete more professionally with their peers to raise more revenue to the NGO. Between 2010 and 2012 the organization began to feel the effects of the changes caused by the implementation of new strategic actions based on obtaining new knowledge and its subsequent sharing to ensure a higher quality of the activities developed by the organizational members. Alongside the change in the superintendence there was also the acquisition of services from these consultancy firms by means of donation. Such are the reasons behind the changes that the NGO has lived through.

For the Institutional Development Manager, the first major factor in terms of relevance that fostered change in the NGO was the entrance of these consultancy firms and the actions taken by the new priest-director. Non-integrated information systems and their usage were identified for each department as tools to promote the absorption, storage and the consequent sharing of knowledge by organizational members. The learning promoted by training and qualification of NGO members, as well as the external consultants and all their contribution are also expressive elements to explain organizational change.

The perception of the importance of obtaining knowledge brought by the consultants boosted a range of interconnection factors – represented in Figure 2 – which further propelled the process of knowledge generation. The organization considers the use of external sources critical to propitiate such generation. These sources include consultants and other sources of knowledge such as courses and lectures given outside the NGO where employees participate on their own initiative or by the initiative of the institution.

Besides external sources, there are internal and formal sources of knowledge, such as: the information generated by the weekly and monthly meetings on performance reviews of each department, the BSC management tool, the (re) formulation of the strategy through the strategic plan and process modelling. Internal and external sources were considered facilitators of the acquisition of new knowledge by the organization. As for the generation of knowledge through internal sources, the consultants provided training to the employees from strategic level - by executing “leader coaching” and presenting and implementing the strategic plan and BSC to a managerial level, as well as to the employees of operational levels, through health and telemarketing training programs.

These trainings are part of the staff capacity or qualification and professionalization practices. Such practices enabled the development of an organizational learning culture. The generation process indirectly explains the change in the organization. This relationship is mediated by organizational learning which was promoted not only by training and professionalization of people, but also by the experience exchange which took place at the meetings, as well as by the knowledge sharing.
process among members of the NGO. The role of consultancies is not only associated with the process of knowledge generation, but also with the codification process. It was because of a particular consultancy that the effort to map the processes of the social business was initiated. Before the arrival of this consultancy there was no structuring, no allocation and no organization of duties and responsibilities of employees. With mapped processes, the responsibilities, capabilities, authorities and limitations of each department became clearer. The mapped processes improved the execution of tasks, providing greater organization and formalization of them. The importance of this process mapping which enabled the acquisition of greater credibility and improvements in the social image of the NGO was duly recognized. Countless practices which led to the construction of greater credibility of the NGO to society were observed. Some of these are: (i) the achievement of a greater organization and structuring in the flow of activities in each department through process mapping; (ii) development of social projects and social models with a more solid background and construction; (iii) continuous generation of new information by article, book and law reading; (iv) generation of greater efforts to document all relevant activities such as the elaboration of monthly meeting logs that occur at the strategic level about the reviews of each department’s performance and the identification of problems and how to solve them. The knowledge codification process boosted the NGO’s credibility even further in the face of its diversified external public. With the professionalism of its staff and with better organization and development of its projects and activities, the NGO created itself an image of transparency, seriousness and commitment with its social purpose, having become a more credible, reliable and responsible organization. The importance of documenting what is done by and what happens in the NGO leads to an accountability to society. The NGO can demonstrate with proper documents all destination or allocation of donations in each of its social projects. This accountability leads to a fortification of relationships with various external stakeholders - donors. The achievement of greater credibility was another factor that led to change in this organization concerning the achievement of larger donations. As for the knowledge sharing process, a series of relations outlined in Figure 2 were found. Such process occur in ways both formal and informal. In the case of formal sharing, there is information exchange: (i) through monthly meetings on performance evaluations between managers of each department and the board; (ii) through weekly meetings in each department involving the manager and his subordinates about the discussions of the main news, problems identified and evaluations of goals for each department; (iii) and through annual meetings to review and reformulate the strategy for the next year. These three meetings are related to problem solving and experience exchange to promote, on such regard, feedback from management to operational level. The training of people not only boosted the learning, but also resulted in a better quality of life for needy residents of the NGO, which began to have a better qualified service. The strategy the NGO aims to achieve presents a dynamism because it changes, especially on an annual basis due to changes in the external environment and because of the deviations or problems identified by the performance evaluation of the results. It is through participatory discussion of the problems identified and of the strategic uncertainties that new ideas emerge collectively to solve such problems and minimize the impact of threats.

Knowledge sharing occurs informally through synergy and cooperation between employees from different sectors and levels as well as by the integration between departments. This synergy and cooperation demonstrate the importance given to frequent and informal relationships that occur between people of the same department or hierarchical level and among people from different departments and levels. This interaction between people from the NGO so that they can share insights and experiences obtained creates a climate of employee motivation and greater involvement with the social cause. This integration between people creates a more comprehensive and sound vision about the reality of the NGO. This sharing transforms the employees into experts not only of their own department but also in other areas of the NGO. The existence of communities of practice in the institution was also taken under account; such were born from situations of information and experience exchange as well as from situations where employees helped each other. Experience exchanges lead to learning and instigate the exposure of strategic problems and their subsequent solution. It was observed as well that knowledge is disseminated and discussed both internally - between managers of each department - and also externally - to external stakeholders such as people, companies and Governments as resource donors. This dissemination to the external public is related to the frequent accountability to society, creating greater transparency of the NGO’s actions, greater credibility and a better image for the organization. The improvement in everyday tasks generated strategic results for the NGO. Better performed, more organized, better documented, monthly evaluated and more firmly based on complete and updated information, tasks presented new results in terms of greater attainment of tangible resources - financial, food, equipment, clothing and others. The improvement of tasks is associated with obtaining financial sustainability. It is from this sustainability
that the NGO achieves its greatest purpose which is to provide better quality of life for all its needy residents through higher resource collecting. This strategic objective in the financial perspective, present in the BSC tool - achieving greater tangible resources - was observed in the strategic map built with the help of consultants, and has helped run the business processes. The achievement of this strategic outcome is part of the change that the NGO has undergone.

The three main knowledge processes, outlined in Table 1, were responsible for change in the NGO, but this relationship was indirect. This indirect relationship between the constructs can be seen by the analysis of Figure 2 - links between key knowledge processes in the NGO - with the analysis of Figure 3 - links between the change in the organization and the factors that are directly related to this change.

Source: Prepared by authors with the help of Atlas.ti 7.0 software.

Fig. 3: Research results concerning the factors that directly fostered the change in the NGO.

Countless factors judged as key were observed. To quote some: the change in the board of directors by the entrance of a new priest-director; the monthly meetings between the top managers to discuss performance evaluations in each functional area; the synergies and cooperation between people; the organizational learning; the entry of outside consultants; the creation of the strategic plan and BSC. These factors intermediated the relationship between knowledge processes and change in “Pequeno Cotolengo”. Since this study analyzed the change in terms of increased net revenues and operating results, it was noted that in the documentation of the NGO - Social Report from 2009 to 2013 - there was highlighted a significant increase in this period: 153% in net revenue and an 7415% in operating results.

Final Considerations:

From the evidence found in this study, which were outlined in Figure 2 and 3, this paper successfully achieved its research objective. Relevant influence of knowledge processes - generating, codification and sharing - on the change in the NGO Pequeno Cotolengo was found and properly discussed. This change led the NGO to execute tasks oriented towards the achievement of its social mission and vision. These knowledge processes led to an increase and improvement of the donations received by various donors, promoting better quality of life for its needy residents.

It was inferred that organizational change was boosted by the presence of external consultants mediating the monthly meetings and promoting professional training for many different purposes, raising awareness about the need to document models and developed projects and to map business processes. The change was also instigated by the synergies and cooperation among members of the NGO, the latter having been facilitated by the culture of knowledge sharing present among them.

This change was an adaptive and continuous one. The organizational change did not reach a still state after the alteration on the board of directors or the moment that the help of consultants was introduced. It has rather had a persistent character, justified by the learning culture that developed in the NGO along the 2010-2013 period.

The process of change has occurred in a more intentional and planned way. The NGO was aware that to stay competitive and sustainable it needed to get new and greater resources from various types of donors. For this to happen, the organization needed to go through a change in terms of training and professionalization of its staff to improve the way tasks were executed. This change also came with the help of partners-consultants and in terms of better preparation of social projects via: (i) the help of
better relationships with government officials, (ii) the search for further clarification on other external sources of information such as articles, books, laws and websites. It was perceived that the consultants came to meet this end of awareness heightening of NGO, strategically orienting it on such matter.

This paper contributed to the strengthening of professional practice, since the study showed evidence for the relevance of strategic actions related to knowledge processes that promoted change on a non-profit organization. The study presented and discussed evidences on how the knowledge processes can help in the competitive management of a non-profit organization, subjecting it to change in order to suit the new demands of the environment.

The study showed that it was through the process of knowledge generation, codification, and especially knowledge sharing that the NGO was able to acquire the desired financial sustainability, maintaining credibility and living standards for its needy residents. Through management practices of knowledge, the NGO was able to achieve its social mission. All things considered, this study was able to fill a research gap on the implications and level of importance of knowledge processes contextualized in NGOs.

All information interpreted in this study is limited to the case studied qualitatively, not allowing generalizations without the execution of additional studies in other organizational analysis units. For simplification purposes, the study focused only on presenting the main relations. In a summarized form, the categories of analysis that showed higher density or greater relevance were analysed in order to achieve the research objective. The other categories found, which are part of the total 43 codes, have not been included in Figure 2 and 3 nor in Table 1, but were articulated succinctly in the data analysis.

It is suggested that such research topic be covered in other companies and explored in other socio-economic sectors beyond NGOs, generating thus a larger sample and enabling the verification of the degree of conformity of the influence between knowledge processes and organizational change as well as the verification of how this influence can impact on organizational performance using other methodologies. The range of organizations with different purposes is very large and offers potential for publication. As continuity for this paper it is suggested that researchers attempting to verify the efficacy of monitoring and control tools – such as the BSC proposed by Kaplan and Norton (1997) – in NGOs.

REFERENCES


