

Pivot pathway

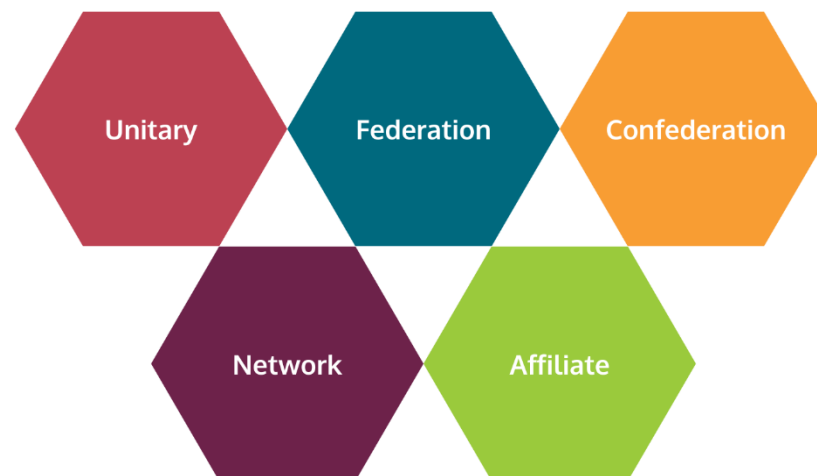
Reimagining your structural model

In 2024, a working group of leaders from Humentum member organizations co-created a practical guide to organizational models for INGOs who want or need to transform their structure.

A structural model is the skeleton of an organization. It defines how a nonprofit is set up internally—how it governs itself, how decisions are made, and how different locations or entities relate to each other. Its design should lead directly to achieving the organization's goals, which is why structure is vital. Both a rocket and a plane can fly, but they do it differently to reach different destinations.

We created the typology below for commonly understood language to compare structures, engage in internal assessment and reflection, and make decisions.

As you look at the models, it helps to recognize that each organization's structure is the result of its unique history, purpose, environment, and constraints. You may find that your organization operates primarily as one model but has elements from others that suit its needs and purposes. At the same time, even two organizations that share a primary model will vary. Don't worry if your current model doesn't fit neatly into one definition; choose the one that's most accurate.



Structural Model Typology Table

Criteria	Unitary	Federation	Confederation	Network	Affiliate
Definition Centralized structure with a single headquarters or global services function that maintains some level of control over operations. Branch offices or local chapters, if they exist, have varying degrees of autonomy and decision-making authority within agreed upon parameters and primarily implement policies and programs.	Centralized structure with a single headquarters or global services function that maintains some level of control over operations. Branch offices or local chapters, if they exist, have varying degrees of autonomy and decision-making authority within agreed upon parameters and primarily implement policies and programs.	Central body and semi-autonomous local or regional chapters. Power is shared between the central organization and its chapters. The central body typically sets the overall strategy and provides support, while local chapters have significant autonomy in day-to-day operations and can adapt to local needs.	A loose association of largely independent organizations. The central body in this model is relatively weak, serving mainly to coordinate activities and share resources. Member organizations retain most of their sovereignty and decision-making power.	A decentralized structure where multiple independent organizations collaborate towards common goals. There may be a coordinating body, but it doesn't have authority over member organizations. Instead, it facilitates communication, resource sharing, and joint initiatives.	Separate legal entities that are associated with a parent organization. They may be created for various reasons, including asset protection, expanded lobbying opportunities, or to handle specific programs or activities. Affiliates often share common goals, resources, and may have overlapping boards with the parent organization.
Purpose of the Structure <i>What is the underlying purpose behind the structure choice?</i>	This structure relies on having a common purpose and way of working.	The structure relies on a common purpose and relatively high variation in ways of working.	The structure relies on a relatively high level of variation of purpose and way of working.	The structure provides an infrastructure for shared learning and communication.	The structure meets a specific need (legal, financial, or programmatic)
Degree of Centralization	Center has significant control	Center has control	Center has minimal control	No center	Varies

<i>How centralized is control over operations and decision-making?</i>					
Autonomy of local units <i>How much decision-making power do local units have over operations and programs?</i>	Local units have minimal autonomy	Local chapters have autonomy	Local chapters have significant autonomy	Independent entities have full autonomy	Varies
Decision-making <i>Who is accountable for making the decisions? Who gets to decide how decisions get taken? Who has decision rights over strategy, decision-making, policies, and resource allocation?</i>	Centralized	Shared between center and local chapters	Consensus-based	Consensus-based	Varies
Risk and accountability <i>Who bears the risk?</i>	Centralized	Shared between center and local chapters	Local chapters	Independent entities	Varies
Resource generation <i>Who has control over resource generation?</i>	Centralized	Shared between center and local chapters	Shared between center and local chapters	Independent entities	Independent entities

Resource allocation <i>Who has control over resource allocation?</i>	Centralized	Centralized	Shared between center and local chapters	Independent entities	Independent entities
Legal structure <i>What is the legal structure holding this entity together?</i>	There is one single primary registration with potential registration of branch offices.	Local chapters may or may not be separate legal entities.	Local chapters may or may not be separate legal entities.	Coordinating body may be a separate legal entitle; independent entities may or may not be separate legal entities.	Separate legal entity

Structural Model Considerations

Organizational Goals and Mission Alignment	Tips & Lessons Learned
Does our current model help or hinder our vision, mission, and evolving business model? If it is no longer fit-for-purpose, what model will be most supportive?	A business model will always evolve, but it's best to start from your current state to inform the available options.
What model best supports our values and principles? Does this model contribute to a more equitable, locally led sector? Does it contribute to INGOs being Equitable, Resilient, and Accountable (ERA)?	A model that seems appealing but doesn't support your vision won't last, and in the meantime, it will complicate your work.
Will the model under consideration fit with our existing culture? Will it fit with the culture we aspire to?	Culture indicates the real, everyday habits, practices, and behaviors that have been rewarded, encouraged, and condoned (even through silence and inaction).
How will the model impact our results?	
Finances and Resources	
Do we have the resources to sustain an independent structure?	
What are the cost considerations?	
Is this a low, medium, or high investment?	
How much time and how many resources are we willing to invest?	
How should we distribute and manage financial and human resources across different regions and programs?	
Governance and Decision-Making	Tips & Lessons Learned
Will the role, legal position, and makeup of our board change?	
If applicable, how will the global board interact with local chapters? What are the decision rights between the two entities?	
How much central control do we want in [<i>insert area, i.e. global projects, procurement, business development</i>]?	There are a handful of levers of power, e.g., legal authority, resource allocation, decision-making authority (formal), informal authority, etc.
How much autonomy and decision rights should be given to local units?	
How do we balance global cohesion with local contextualization?	
Legal and Compliance	Tips & Lessons Learned

What legal considerations do we need to consider?	Legal realities don't have to define your structure, but you do need to know them ahead of time.
What are the relevant laws and regulations in each of the locations we operate in?	
Sustainability and Legitimacy	Tips & Lessons Learned
How will the model enable effective partnerships?	
What structure works best for each of the specific cultural, political, legal, and socioeconomical contexts of the communities we serve?	What works in one region may not be suitable in another.
Do our future plans include expanding or constricting our geographical footprint?	
What model will allow us to evolve and adapt over time as needs change?	
What model will facilitate the building of local leadership over time?	
How will the model impact our legitimacy with different stakeholders? Will it positively affect our legitimacy or undermine it?	There will be instances where legitimacy with one set of stakeholders will take priority over another (e.g. legal necessities). Organizations will need to balance pros and cons.
What checks and balances and levels of transparency need to be put in place for all stakeholders to be held accountable?	
Where are we on our brand journey? How consistent and recognized is our brand?	