THEORIZING THE ORGANIZATION AND MANAGEMENT OF NON-GOVERNMENTAL DEVELOPMENT ORGANIZATIONS

Towards a composite approach

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Abstract

This article seeks to establish a conceptual framework for understanding the nature of 'NGO management' as a field of research and practice. It argues that NGOs have become a prominent feature of the policy landscape, but that little attention has so far been given to their organization and management. Since more is increasingly being asked of NGOs by both governments and citizens, this is a gap that needs to be filled. However, there is a high level of diversity to development NGO types and enormous complexity involved in the various tasks undertaken in the name of 'development'. The article concludes that rather than being a whole new field, NGO management can be viewed in composite terms as the flexible deployment of relevant combinations of theory and practice from the wider 'third sector', the for-profit business world and the public sector. In terms of practice, the management of development NGOs, perhaps more than other kinds of organization, can be best understood as an improvised performance that continually draws upon ideas and techniques from other fields as part of an ever-changing, ambiguous and hybrid whole.

Key words

Development management, international development, non-governmental organizations, non-profit management

INTRODUCTION

Although they are far from new, 'non-governmental', 'third sector' or 'not-for profit' organizations have in recent years become high profile actors within public policy landscapes at local, national and global levels (Edwards and Hulme 1995; Lewis 2001). Around the world, there is an increasing commitment to the delivery of social services through involving voluntary organizations which are neither government agencies directed by the state nor organizations committed to the 'for-profit' ethos of the business world (Billis 1993; Salamon and Anheier 1999). Citizen organizations are increasingly active in contributing to or challenging public policy, organizing initiatives around a wide range of interests, from self-help neighbourhood watch schemes to wider campaigning concerns with human rights or international trade. In the field of international development, there has been a growing interest in the role of non-governmental development organizations (NGOs) as effective agents for poverty reduction in the aid-recipient countries of Africa, Asia and Latin America (Edwards and Hulme 1995; Fowler 1997; Fisher 1998).[1] More and more is being asked of NGOs by citizens, governments and donors, but the organization and management of this distinctive sub-group of 'third sector' organizations has so far received relatively little attention from researchers. Drawing on and refining earlier work by the author on this theme (Lewis 2001), this article seeks to develop further a conceptual framework for NGO management based on the idea of multiple sources of management ideas and the highly improvisational nature of development NGO experience.

There have been five main inter-related clusters of reasons for the rise of development NGOs. The first was the growing sense of frustration among development practitioners with the theoretical impasse reached in the 1980s among academics and activists who had tried to explain development problems in terms of macro-level theories such as modernization ideology or radical dependency theory (Gardner and Lewis 1996). This prompted a search by activists and practically minded scholars for a more 'people-centred' vision of development action. It helped to focus attention on NGOs which, while being far from new actors in development, had until then attracted comparatively little attention. NGOs came to be seen as sources of new and alternative development theory and practice, and this contributed to a dramatic expansion in their profile. The second was the sense of disillusionment felt among many formal development agencies with the record and performance of prevailing 'government to government' development assistance, which was frequently characterized on both sides by a lack of clear results and high levels of corruption. This led to a search among development policy makers for non-state development actors that might provide some new and different vehicles for the transfer of international aid. Such policy changes were also informed by the wider ideological backdrop of privatization agendas, resonating strongly with the neo-liberal paradigms that emerged in the 1980s. These agendas emphasized free markets, a reduced state and an institutional reform agenda designed to facilitate 'good governance'.

The third set of reasons lies outside the aid industry and relates instead to the growth of the new popular development concerns such as gender, environment and social development, often expressed through the growth of 'social movements' which have evolved into, or developed relationships with, NGOs. A new set of policy actors has emerged which have demanded that their voices be taken seriously by governments and donors. Some NGOs have managed to lever open new space in the policy process for themselves and their ideas, as in the case of NGOs in the late 1980s lobbying official donors to incorporate ideas about gender and environment into their programmes. The recently fashionable concepts of 'civil society' and 'social capital' are both ideas which have emerged as part of this changing policy landscape and can be associated, at least in part, with the influence of NGOs on wider development policy discourse. A fourth cluster of reasons lies in the various post Cold War global political, economic and technological changes which have led to higher levels of inter-governmental negotiation, a powerful global media system and the spread of democratic reforms which have brought heightened expectations for participation and transparency. Finally, there is a new pragmatism by governments faced with large-scale problems such as the growth of HIV/AIDS and environmental issues and the sense that governments cannot alone deal with these issues without the support of a wide range of institutional actors.

DEVELOPMENT NGOs AS 'THIRD SECTOR' ORGANIZATIONS

Any attempt to explore the contours of NGO management must begin with an examination of the factors that might make development NGOs a distinctive organizational category. This is by no means a straightforward task, since we are entering a complex area of terminological and conceptual confusion. In this section, I will argue that development NGOs draw their distinctiveness from two dimensions. First is their identity as 'third sector' organizations which, despite the blurred boundaries of institutional life, can be shown to set NGOs apart from government agencies and for-profit businesses.[2] In general terms, third sector organizations can be viewed as separate from businesses because they do not make a profit, and as distinct from government agencies since their authority is not derived from political process. Second, NGOs are distinctive in the sense that they are third sector organizations which are focused on 'development' tasks and purposes (which can broadly be taken to mean efforts towards poverty reduction) as opposed to the wide range of other value-driven activities undertaken in the third sector – such as heritage conservation, professional associational life, arts and culture or recreation. Although definitions and understandings of 'development' are vigorously debated in the literature – and range from narrower, income-centred understandings of poverty to broader conceptions inclusive of non-income factors such as access to rights and justice, environmental sustainability and freedom from violence – it is argued here that development purposes form a distinctive organizational agenda.

The concept of the 'third sector' has its roots in Etzioni's (1961) work on the theorization of organizational difference. Etzioni analysed different types of the power relationships at the heart of organizations that determine a range of organizational forms and developed a conceptual framework of three basic organizational types. This schema was based around the concept of 'compliance', which forms a central element of organizational structure, and is concerned with the relationship within organizations between those who have power and those over whom this power is exercised. People can be integrated into organizations through the exercise of power towards three different possible kinds of compliance: *coercive*, which is the application or threat of physical sanctions; *remunerative*, which is based on control over material resources and rewards; and *normative*, which is based on the manipulation of symbolic rewards and deprivations, the power of persuasion and on appeals to shared values and idealism.

While the main forms of compliance may all be found in many organizations, Etzioni suggests that in any single organization, one form tends to dominate. The dominance of each type of power relation can therefore be equated with government, business and 'third sector' organization respectively. Third sector organizations mainly use degrees of normative power to achieve compliance because they build the commitment of their workers, volunteers and members and compensate them mainly through symbolic reward, and not primarily through financial remuneration based on profit making. This analysis has led to the idea of a third sector as a loose 'family' of organizations lying largely outside the worlds of government and business and which are held together by the 'glue' of value-driven action and commitment. Writing more recently, Najam (1996) has shown how Etzioni's schema of three different ways in which organizations mobilize resources – coercion and legitimate authority (the state), negotiated exchange in markets (business) and shared values in consensus-based systems (third sector organizations) can be used to argue that – despite the frequent blurring of such boundaries, such as in the case of government-formed NGOs or NGO-based 'fair trade' business forms – broad differences do exist between these three distinctive institutional sectors.

During the 1990s, the concept of the third sector gained widespread acceptance among researchers and policy makers, and the systematic analysis of this hitherto comparatively neglected area of organizational life has grown. Salamon and Anheier (1999) argue for example that organizations in the sector can be seen to share five key characteristics in that (a) they are *organized* and possess some institutional reality, (b) they are *private* and institutionally separate from government, (c) they are *non-profit-distributing* in the sense that they do not return profits to directors or owners, (d) they are *self-governing* in that they have broad control over their own activities and (e) they are *voluntary* such that they involve a degree of voluntary participation at the level of activity or governance. Using this definition as a starting point for the collection of quantitative comparative data, Salamon and Anheier demonstrate the economic and social significance of the third sector across many countries of both the industrialized and the 'developing' world.

'Development NGOs' can therefore be understood as a specialized sub-group of third sector organizations which share a set of common structural and motivational elements with the wider third sector, but which have distinctive, shared concerns with development and poverty reduction (Vakil 1997).[3] They form a diverse group of organizations encompassing both 'Northern' NGOs (NNGOs) which have their roots in industrialized countries but which work predominantly overseas, such as Oxfam, and 'Southern' NGOs (SNGOs) which are organizations established within developing countries, such as the Bangladesh Rural Development Committee (BRAC). Development NGOs may include small informal organizations as well as larger, more bureaucratic types, and encompass a range of motivations, values and ideologies from those informed by radical Freirean grassroots-based empowerment objectives to those with a more top–down, charitable or service delivery orientation. Despite the diversity of origins, structures and motivations, it is nevertheless argued here that development NGOs do constitute a distinctive organizational category as third sector organizations focused on the task of promoting development, and as such, face distinctive management challenges. The management of development is itself an extensive field that cannot be systematically reviewed in this article, but as Thomas (1999) has argued, it draws its distinctiveness from the fact that it is a form of management directed at achieving external social goals that enhance the capabilities of the poor. At the same time, it is a style of management that alongside its instrumental purpose sets out to express a set of values about enabling and empowering the 'relatively powerless'. It can therefore be seen as a normative form of management that links wider social and economic change with the personal development of human beings to realize their potential.

An understanding of the importance of the role of norms and values within management is not of course only the preserve of the third sector or of the development management field. Ever since Peters and Waterman (1982) argued that to be successful, companies need to build a strong unifying culture and shared vision, there has been considerable interest in this area. For example, Walton (1985) makes the case for businesses ensuring greater productivity through a move away from 'control'-style management towards a higher level of 'commitment' to the well being of employees expressed through a higher level of participation in decision making, flatter organizational structures and more generous compensation policies.[4] Nevertheless, the importance of values within third sector management has become widely recognized, along with the complexity of managing value-based conflict and difference. For example, Paton (1999) shows that over-zealous adherence to values by individuals within third sector organizations can also bring a 'dark side' which includes the personal abuse by staff of formal management systems, unreasonable stress for employees and the fragmentation of purposes. The combination of the relatively high profile given to the role of values within third sector management, and the need to recognize the normative dimension within development management, both help to define further the concept of NGO management and help explain its complexity and

ambiguity. The importance of the expressive role of values and symbolic rewards within development NGOs, as Etzioni's ideas about normative compliance would predict, requires that NGO management approaches go well beyond the simple transfer or replication of existing public or private sector management templates.

Like many other third sector organizations, development NGOs have tended to come rather late to the idea of 'management'. There are several reasons for this. The expressive aspect of third sector organizations may act as a barrier to the espousal of certain formal ideas about management. Some NGOs have been set up as self-consciously 'alternative' actors that have viewed management as an orthodox, mainstream concern from which they are seeking to disengage. Others have simply stressed a 'culture of action' in which formal management ideas have little scope beyond informing basic implementation. As primarily informal and person-driven, many such NGOs have considered it unnecessary to pay serious attention to their organizational aspect, especially if this has been perceived as taking attention away from their actual work (Lewis 2001). In recent years, the reluctance to engage with management has begun to fade, for several reasons. There are many organizations within the wider community of development NGOs who increasingly recognize that the complexities of the development 'task', and the pressures of organizational growth and expansion which may follow small-scale or local success, may require more of their organizational systems and staff than merely the common practice of 'muddling through' (Korten 1987). Some organizations go through several stages of an organizational life cycle and reach a point of maturity at which reflections on management issues take on stronger meaning, such as the need to learn from certain often-repeated mistakes. In the case of development NGOs that are externally funded by development donors, many of these funding agencies are now requiring organizations to develop organizational systems which can ensure performance quality – from funding conditionality to more open ended 'capacity building' programmes directed at NGOs. This has, perhaps ironically, led to another reason why some of these kinds of NGOs have resisted management ideas and advice, since it may simply come in the form of an external imposition or condition.

THE TERRAIN OF NGO MANAGEMENT

A conceptual discussion of the distinctiveness of NGO management becomes possible if we disassemble the life world and activity of the development NGO into its key aspects. First, the context in which NGOs operate is a crucial aspect of this distinctiveness. Many development NGOs work in unstable, risky or conflict-prone areas or operate alongside predatory or 'failing' states which may view their presence with suspicion. The context also includes the cultural dimensions of management, since many operational NGOs work with communities very different from themselves and may increasingly combine staff from a wide range of different backgrounds. The NGO

context also includes the aid industry and its changing practices, as well as the often precarious political and geographical environments in which development NGOs operate. Second, it is necessary to examine the development tasks that are to be managed. These can be broken down into three inter-related areas of management: (a) the activities which the development NGO is undertaking; (b) the relationships it seeks to maintain; and (c) the internal structures and processes of the organization itself. Figure 1 illustrates this framework.

Environment

The context in which most development NGOs operate is likely to be resource scarce, culturally diverse and institutionally complex (Fowler 1997).[5] Operational NGOs, particularly those working in politically unstable areas of the world, may face difficult operating conditions in terms of access to communities, dangers to staff and problems with gaining accurate information. Since development work often involves a

Figure 1: The three inter-related areas of the NGO management challenge

cross-cultural encounter of some kind between locals and outsiders, cultural sensitivity between NGO staff and local communities becomes an increasingly important management issue. For example, Mukasa (1999) has written of the tensions that arise between expatriate and local staff who each bring different assumptions and expectations to an NGO programme in Uganda. Furthermore, NGOs themselves are becoming more internally complex in cultural terms requiring more attention to be paid to the 'management of diversity', which is also increasingly a feature of new management thinking within the private sector (Parker 1998). The acceleration of economic and social changes associated with 'globalization' is bringing another set of management challenges. This may require NGOs to link local action towards reducing poverty with action at the level of global processes and institutions to reduce the structural conditions that reproduce poverty. Koenig (1996) describes how new forms of 'international NGO', which are neither Northern nor Southern, such as CIVICUS, are beginning to develop new structures and systems which combine a global reach with local decision making.

Many development NGOs are part of the 'aid industry', the community of bilateral and multilateral donors, inter-governmental organizations and NGOs that support development and humanitarian action. While some NGOs participate as independently funded advocates seeking to challenge policy, many receive development funds or participate in development projects and programmes. Participation in this system brings several potential organizational consequences for NGOs. A common complaint, heard mainly from SNGOs, is a high level of vulnerability to changing donor fashions (such as the preoccupation at various times during the last decade with issues such as environment, sustainability, civil society and gender) which come and go for reasons which lie well beyond the control of the NGO. A second set of problems is administrative. Organizational learning and effectiveness among development NGOs can be reduced among organizations which become involved in the growing levels of donor-led 'contracting' work, which may place administrative demands on NGOs for which they are unprepared and shift resources away from longer term strategic management. There are financial problems of prioritization for development NGOs that may become highly dependent on funding from official donors reluctant to cover core costs and instead wish only to fund 'projects'. This can produce a situation in which development NGOs are under-administered and managed, and contributes to the unfortunate misconception that all development NGOs can do good work with almost no operating costs or overheads (Carroll 1992).

For Southern NGOs, a key aspect of their operating environment relates to the relationships that they may form with Northern NGOs either as funders or, as is more commonly described these days, as 'partners'. SNGOs may face difficulties reconciling the recipient role – which implies an asymmetrical relationship and the partner role, which implies equality and solidarity. At the same time, NNGOs may face challenges to their own legitimacy as difficult questions are increasingly asked of the NNGO/ SNGO relationship by both partners and their supporters in the country of origin. By

the late 1990s, Northern NGOs found themselves operating in an increasingly complex policy environment with three main sets of changes (Lewis 1998). The first has been the steady shift from direct implementation of projects and programmes towards the idea of partnerships with local organizations, which would implement with their support. The second was the increase in direct funding by donors of Southern NGOs which in some cases and contexts began to by-pass the Northern NGOs that had been used to acting as intermediary organizations. The third was the new emphasis by donors on relief and emergency work in the 1990s, which was often at the expense of longer-term development activities. For many of these NNGOs there has been a growing 'identity crisis' faced by organizations which find themselves caught between 'one country's concern and the problems of people in another' (Smillie 1994: 184).

The environments in which NGOs operate are therefore fraught with risk. Development NGOs are faced with the challenge of balancing their room for manoeuvre as risk-takers and innovators, in order to generate alternatives and independent thinking, with their need to ensure access to resources so that they can carry out activities on the ground. Development NGOs linked with the aid industry run the risk of being co-opted by new development orthodoxies and projects – since 'he who pays the piper calls the tune' – at the expense of more independent strategies within the complex and multi-dimensional processes required for sustainable development (Biggs and Neame 1995). A key priority for NGO management is the need to ensure that NGOs can retain their room for manoeuvre to adapt, innovate and maintain a range of accountabilities with different constituencies (Lewis and Wallace 2000).

Activities

The work carried out by development NGOs is extremely varied, but can be summarized broadly in terms of three main overlapping sets of activities and roles: implementation, partnership and catalysis (Lewis 2001). Each role is not necessarily confined to a single organization. An NGO may engage in all three groups of activities at once, or may shift its emphasis from one to the other over time or as contexts and opportunities change. As Korten (1987) has shown in his model of NGO 'generations', organizations are often established with their main objective as meeting people's immediate needs – such as after a disaster or war – but then over time develop more sophisticated agendas concerned with building capacities for sustainable development and arguing for structural change.

The *implementer* role is defined as the mobilization of resources to provide goods and services either as part of the NGO's own project or programme or that of a government or donor agency. It covers many of the best-known tasks carried out by NGOs and includes the programmes and projects that NGOs establish to provide services to people (such as health care, credit, agricultural extension, legal advice or

emergency relief). As well as working directly with communities where there are no services being provided, or where services are inadequate, many NGOs have opted to work alongside government to strengthen overall service provision. The growth of 'contracting' in which NGOs are engaged by government or donors to carry out specific tasks in return for payment has also increased the scope for NGOs to work in this role. For example, BRAC in Bangladesh runs a large number of primary schools across the country and has become a key government partner in the public provision of education services. BRAC has become a very large NGO, relying on a set of formal management structures and systems and highly trained staff.

The much broader role of *catalyst* is defined as an NGO's ability to inspire, facilitate or contribute to developmental change among other actors at the organizational or the individual level. This includes grassroots organizing and group formation (and building 'social capital'), empowerment-based approaches to development, lobbying and advocacy work, innovation in which NGOs seek to influence wider policy processes and general campaigning work. Some NGOs have identified this role as the key to NGO development work and may be somewhat disdainful of the 'service provider' tag, because it fails to address the structural conditions for poverty. Some see the main role for NGOs as being able to innovate new approaches or policies that can then be taken up by governments more widely. However it is in practice more common for NGOs to see development work as consisting of both short-term service provision and the seeking of longer-term policy influence, and these two roles are therefore often deployed in combination. For example, the Mindanao Baptist Rural Life Centre in the Southern Philippines developed a set of agricultural technologies for marginal upland farmers to reduce soil erosion and after demonstration and lobbying efforts this technology has subsequently been adopted by other NGOs and by the Government's agricultural extension office (4) (Watson and Lacquihon 1993).

The third role of *partner* encompasses the growing trend for NGOs to work with government, donors and the private sector on joint activities as well as the complex relationships that have emerged among development NGOs, such as 'capacity building' (Lewis 1998). The rhetoric of partnership now poses a challenge for NGOs to build meaningful partnership relationships and avoid dependency, co-optation and goal displacement. As we have seen, the aid industry also poses a particularly complex set of relationship challenges for NGOs. The partnership role also encompasses the need for NGOs to balance accountability among a range of stakeholders, from community-based clients right up to funders and governments. The perceived lack of accountability to many of these constituencies has been increasingly regarded as a major limitation of development NGOs. The US NGO Katalysis has taken the logic of partnership further than many NNGOs by forming a network with its partner NGOs in Central America such that responsibility for overall decision making rotates between each partner on a regular basis and board members from each organization are exchanged in order to promote greater transparency within the relationship (Edwards 1996).

Relationships

The management of relationships is the other main area of NGO management. As Fowler (1997) argues, NGOs are not closed entities within clear boundaries, but are part of 'open systems'. This makes development NGOs highly dependent on events and resources in their environment, but it also gives NGOs the potential to influence that environment. Development NGOs usually begin as small-scale organizations operating within a limited reach, and the management of wider relationships becomes crucial if they are to deepen their impact and effectiveness through 'scaling up'. Biggs and Neame suggest that where development NGOs display creativity and innovativeness this derives mainly from such relationships as they participate in 'formal and informal networks and coalitions involving other NGOs, government agencies and the private sector' (1995: 39).

These relationships are subject to varying levels of control by any one development NGO, as work by Smith *et al*. (1980) and de Graaf (1987) sets out. De Graaf situates the development NGO within three concentric circles of ever-decreasing control. The first contains the internal factors that can be largely *controlled* such as staffing, budgeting, planning specific activities, setting objectives or choosing an organizational structure. The second encapsulates the NGO's wider relationships, which can be *influenced* or changed through active processes of persuasion, lobbying, patronage, co-option and collaboration. These include, for example, elements of government policy, the activities of an international donor or the agenda of a UN summit meeting. The third contains relationships which can usually only be *appreciated* by the NGO, such as wider political structures, the macro-economic system, the technological environment and the international dimensions of context.

The value of this framework is that it shows the ways in which NGO management is both strategic and flexible, being both a combination of purposive action in support of development and needing to be highly responsive to opportunities and constraints that emerge within the wider environment. NGOs can both seek out opportunities to influence change, as well as reacting to shifts in wider economic and political processes. For example, an NGO that is normally engaged in service delivery may, based on its reading of the environment, decide at a particular moment that an opportunity to lobby the Government over a particular issue should be exploited.

Organization

The internal organizational structures and processes that operate within development NGOs have so far received far less attention from researchers than their activities and relationships. Where there have been writings on NGO management, these have tended to be written by NGO supporters or staff and can appear somewhat prescriptive, often combined with a certain idealism about the role of NGOs in

development. As a result, what we know about the internal workings of development NGOs tends to be informed more by practitioner anecdote and the scattered consultancy reports of funders than by systematic research.

Dichter (1989) is critical of development NGOs which he argues have often spent more time on 'fancy' ideas about participatory development than on the 'nuts and bolts' of basic management – such as hiring the right staff, planning and budgeting and ensuring effective systems for the maintenance of their vehicles. A rare early empirical study of NGOs by Stark Biddle (1984) bears out this view. Stark Biddle gathered data from more than 100 senior staff of international development NGOs. He identified as common problems a lack of leadership capacity in the NGO sector (due in part to over-dominant, charismatic NGO leaders), internal communication problems due to the geographical separation of headquarters and field offices, weak financial and institutional planning, problems in governance in relation to the functioning of boards and a frequent lack of attention to the management of human resources. At the same time, he found that most of these development NGOs tended to see themselves as somehow 'different' from other kinds of organization since they placed a high priority on being flexible and idealistic, which they saw as being in opposition to being organized and hierarchical.

Similar concerns are raised by organizational research from within the UK 'third sector' literature, which has generated wide-ranging data relating to internal organizational issues. For example, the collection of papers edited by Billis and Harris (1996) on the field in the UK explores a wide range of increasingly familiar themes, such as the confusion that arises over roles and internal structures in the form of 'fragmented accountability'; tensions between organizational aims and structures; managing or 'involving' volunteers; and issues of governance such as the relationships between headquarters and local organizations and between staff and management committees. Many of these organizational problems, the authors argue, derive from the distinctive structural characteristics of the third sector organization, requiring management ideas to be developed through further research on the sector rather than through 'one size fits all' solutions imported from the wider management field.

In all three of the types of activities undertaken by development NGOs, management issues are made more complicated by the need to balance the instrumental and the expressive aspects to ensure normative compliance. For example, Fowler (1997) argues that a key challenge for development NGOs is the struggle to link vision, mission and role clearly. Reflection and learning is necessary for ensuring the effectiveness of development NGOs, but such processes can often be subordinated by the dominance of cultures of action. This may be particularly true for SNGOs faced with the challenge of needing to manage crises, dealing with donors and continuing to carry out work on the ground. Fowler concludes that effective management requires a combination of the 'participatory' and the 'instrumental' dimensions of management, pointing out that 'decision-making must be consultative enough for shared ownership of the outcomes and directive enough to be timely' (1997: 61).

INSIGHTS FROM OTHER FIELDS

Following from this brief review of the dimensions of the NGO management task, we can now develop the argument that a composite model of NGO management is necessary which is able to draw flexibly upon existing theory and practice from a wide range of fields. All types of organization to some degree share information about management and learn from each other. However, if we consider the sectored origins of management concepts that are now understood to be central to the work of development NGOs, we find that many of these have their roots outside the immediate experience of NGOs – in the worlds of business or government organizations, or among the non-profit or voluntary sectors of the industrialized countries of Europe and North America (Figure 2).

   The first area from which development NGOs draw is the broad field of public sector management. Since many NGOs are concerned with the delivery of services to citizens, or engaging with issues of public policy, it is easy to see why ideas from the public sector have been used and adapted. The concept of public accountability, which is now an area in which NGOs are increasingly under criticism, can be traced back to earlier issues within public administration. Selznick's (1966: 220) influential study of the Tennessee Valley Authority examined the constraints to public participation in a large public sector development project and usefully distinguished between 'substantive participation' and 'mere administrative involvement'. Such work

Figure 2: The sectoral origins of selected concepts relevant to NGO management

substantially predates recent debates among NGOs about making their work more 'participatory' in character. Similarly, while many development NGOs have placed the concept of 'empowerment' at the centre of their community level relationships, the idea of challenging the balance of power between service providers and clients goes back to ideas which emerged within public sector social work practice several decades ago (Solomon 1976). Finally, NGOs concerned with seeking to embody fair practice within their human resource management practices are likely to find themselves drawing upon ideas about equal opportunities policies that have been developed within public sector agencies in the past decade or so (Osborne and Horner 1996).

The sub-field of 'development management' is another area of public management theory and practice from which the development NGO management repertoire draws ideas and inspiration. While development management may in a general sense include NGOs, it is a wider field which encompasses project management projects, public sector reform in developing countries and the enablement of small and micro-enterprise development. What makes development management useful to NGOs is the explicit recognition of both context (the 'developing' world) and management task (poverty reduction and social justice), both of which are highly relevant. Thomas (1999) suggests that development management needs to consider both the outcomes of activities undertaken as well as the ways in which such work is carried out. This is important for development NGOs that necessarily need to ensure that the implementation their work is done in such a way as to reflect their core values.

The second distinctive area relevant to development NGOs, as we have already seen, is third sector management, which in recent years has emerged as a new specialized area of management studies in Britain and North America, which in a sense, constitutes a 'parallel world' in relation to research on NGOs since it is preoccupied with a range of overlapping issues (Lewis 1999). Central to this body of research, at least in the UK, has been the need to develop ideas based on empirical research which reflect the organizational differences between voluntary and other types of organization. Billis (1993) for example takes public sector administration concepts as its starting point – such as Weber's theory of bureaucracy – but goes on to argue that third sector organizations have important structural differences which require a set of new models and concepts, for example in relation to governance, accountability and evaluation. Such models need to be based on new research and related to the specific needs of third sector organizations, not simply 'recycled' from other sectors, as set out in the previous section. The problems of governing body effectiveness, and the strategies which can be used to enhance their performance, are other areas of third sector management studies which can be related to development NGOs. The use of volunteers, which while a higher profile aspect of the third sector in the North than perhaps in some Southern contexts is another area which – particularly as our conception of 'volunteering' is widened to include both the formal and the informal role – is gathering relevance.

Finally, we come to the world of mainstream business management. For many people within development NGOs, this is the place where the latest management ideas and tools are to be found (Leat 1995). While development NGOs may do well to keep abreast of this field, there are pitfalls for the unwary. For example, it was common during the 1990s for development NGOs to adopt the technique of 'strategic planning' and Fowler (1997) proposes its relevance for development NGOs seeking to strengthen the effectiveness. The concept of strategic planning originated in the business sector in the 1970s, where its subsequent history has been somewhat chequered (Mintzberg 1994). Strategic planning has been taken up by third sector organizations in the USA, but research suggests that for US organizations this interest was merely part of a 'new orthodoxy' which sent a message of professionalization to influential stakeholders, but did little in practice to improve effectiveness in terms of services provided to users (Mulhare 1999).

Similarly, there has been a growth of interest by NGOs in the need to judge effectiveness, accountability and impact more effectively. Some have turned to the 'social audit' as a way of involving a full range of stakeholders in the assessment of an NGO's work (Zadek and Raynard 1995). This tool also has its roots in previous long-standing debates about business practice and social responsibility (Goyder 1961). Rather than straightforward application, it is an improvisational process of innovation and adaptation by NGOs that makes the flexible use of management ideas and tools succeed or fail. Although the social audit technique has business sector origins, the complex social auditing approaches recently developed at the New Economic Foundation (itself an NGO) and applied to organizations such as Traidcraft take the technique much further than its early advocates in the business sector may have anticipated. In a process which is more akin to an improvised performance than the straightforward application of a set of management ideas and techniques, development NGOs are themselves adapting and developing new ideas and approaches all the time. For example, some Latin American NGOs now elaborate the concept of 'accompaniment' in relation to the management of improved inter-agency relationships as a reaction to what they see as the one-sided 'partnership' sometimes preached by NNGOs (Hoyer 1994). Such innovations frequently go undocumented and more systematic research is therefore needed in order to understand the production and operation of these emerging, distinctive features of NGO management.

It is not therefore useful to see NGO management as a completely separate field of practice with its own concepts, rules and practices. At a conceptual level, it is more accurate to see it in composite terms. At the level of practice, it can be viewed as an improvised process involving the importation of techniques and ideas from a wide range of other fields, which if carried out effectively brings powerful combinations but which, if mishandled, may not in the end serve development NGOs well. For example, the Logical Framework Approach (a variant of 'management by objectives' frequently used in the planning and implementation of development projects and programmes by the Department of International Development and other development agencies) has its

roots in North American culture, where challenges to persons in authority are relatively socially acceptable. However, such tools may not work well in contexts where 'power distance' norms are more dominant and may, in some cases, actually add to conflict and tension within the planning process (Hofstede 1991).

CONCLUSION: UNDERSTANDING NGO MANAGEMENT

Back in the late 1980s, a debate took place in the pages of the NGO Management Newsletter of the International Council for Voluntary Agencies (ICVA) in Geneva. In essence, the debate centred on a discussion between those who argued that NGOs needed to learn from mainstream management if they were to raise their level of effectiveness and live up to the new expectations of their performance and roles, and those who took a more 'purist' view that development NGOs were different and needed distinctive management ideas which challenged the existing way of doing things. One draft paper which emerged from this discussion was work by Campbell (1987) which set out the argument for NGO managers to draw selectively from 'generic' management, public sector management and third sector management. Drawing upon this earlier insight and by developing it further, it is possible to construct a framework that sets out more clearly the terrain of NGO management. Within the 'composite' framework that emerges, it becomes apparent that there are four sources of management ideas and practices relevant to NGOs, set out in Figure 3.

First, what might be termed *generic management* is important because in many respects NGOs are organizations like any other and should give priority to well-established management principles, most of which are drawn from the business world. An NGO will need sound accounting systems, and systems for recruiting and training staff. Second, *third sector management* ideas are useful because third sector organizations – of which NGOs are a sub-set – face distinctive challenges of structure and context which means that generic management ideas may not always apply. For example, the use of volunteers, strategies for fund-raising and the management of governing bodies requires specialized approaches which may not be provided from among generic management ideas. Third, many of the principles of *public management* – such as the need to build effective accountability mechanisms – will be drawn upon by NGOs, particularly those which are engaged in the delivery of public services. Fourth, and related to the third, is the concept of *development management*. NGOs need to learn the lessons from poverty reduction efforts of different kinds – such as the techniques of managing micro-credit programmes, organizing community-based self-help groups or putting pressure on policy makers in support of poverty reduction. Finally, as for any organization, an appreciation of the NGO's operating environment and an ability to interpret that environment, are crucial to the building of effective management systems and choices. This includes the institutional context, the level of political stability, the

Figure 3: A conceptual framework for understanding NGO management

availability of resources and the cultural norms that exist within and beyond the organization's boundaries.

 While development NGO management is a complex, diverse field, it represents an area of public management which requires more research. As some development NGOs become more professionalized and as expectations of NGOs continue to grow, the management demands that they face will become more pressing. While the 'family' of development NGOs became prominent in development during the 1980s and 1990s, there has also now been a growth of hybrid organizations. These blur the boundaries between the sectors, such as 'social businesses' seeking to improve the livelihoods of the poor through fair trade, or government-organized NGOs seeking to strengthen grassroots participation in public service provision. These hybrids will require the continual adaptation of and experimentation with management ideas from across a wide range of sources, and may bring even more ambiguity to the terrain of NGO management. Such a trend can only reinforce the relevance of this composite model.

 NGO management is therefore best seen not as a rigid public management sub-field, but as an area of improvised performance in which a diverse group of development NGOs each seek to build and enact repertoires of ideas, tools and techniques drawn, magpie-style, from this wide range of sources in order to deal with the demands of their activities, relationships, organization and environments. In a recent review of NGO management issues in large South Asian NGOs, Smillie and Hailey (2001: 160)

refer to the 'chameleon-like' quality of NGO leaders and managers, acknowledging this role of improvisation. As Richards has suggested, in the rather different context of analysing the role of the farmer in processes of cultivation, NGO management may be less of a free-standing system of ideas and approaches and more 'the product of a set of improvisational capacities called forth by the needs of the moment' (1993: 62). However, a key danger for development NGOs, as Wallace (2000) points out, is that the uncritical importation of management techniques from other sectors, and particularly from business, could bring a new 'apolitical' managerialism which could compromises NGOs' abilities to provide critical voice and promote good development practice.

NOTES

1   The subject of this article is non-governmental development organizations broadly defined, and the article does not engage with the specialized management concerns of NGOs that are engaged in broader human rights or environmental work.

2   The term 'third sector' is preferred because it is less culture-specific than similar terms such as the 'voluntary sector' – which is commonly used in the UK but which causes confusion because it is sometimes taken to imply a strong role for volunteers as opposed to paid sta – or the 'not-for-profit' sector – which is commonly used in the USA but which can be taken to imply that an organization's relationship with the market is the key to its identity rather than its values and wider purposes.

3   This article focuses on 'development NGOs' rather than those NGOs which are engaged in emergency relief and humanitarian work, which may share some of the concerns outlined here but which also by the nature of their work may face dierent management challenges requiring separate treatment than the general overview oered here.

4   The importance of values has become a theme that is now widely debated within wider business management circles.

5   On the other hand, there are certain contexts where the abundance of *resources* in the form of certain kinds of foreign assistance has led to the 'mushrooming' of NGOs, many of which may be of dubious character, generating a very dierent set of problems.

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