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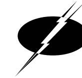
Chapter 1

The NGO management debate



LEARNING OBJECTIVES

After considering this chapter, the reader will be able to describe and analyse:

- The diversity of NGO types
- A conceptual framework for understanding the principal NGO management challenges
- The history of NGO management as an idea
- The composite model of NGO management which draws on ideas from
  - Mainstream management
  - Development management
  - Third sector management

KEY TERMS

- NGO
- Management
- Managerialism
- Third sector
- Development

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THE AIM OF THIS BOOK

The past decade or so has witnessed a spectacular growth in the numbers and scope of 'third sector organizations' around the world – organizations which are active in a vast spectrum of activities from welfare services to leisure pursuits, from political pressure groups to arts and hobby groups. Salamon (1994) writes of a 'global associational revolution' in which third sector organizations, so called because they form an important arena of social, economic and political activity alongside the state and the market, have come to play increased roles in public policy. Whether providing services, forming the basis for community self-help initiatives or campaigning on public issues, a range of different types of third sector organizations now have a high profile in most areas of the world.

An important sub-group of the third sector organizational family is that of the 'nongovernmental development organizations', commonly termed *NGOs*. NGOs are usually understood to be the group of organizations engaged in development and poverty reduction work at local, national, and global levels around the world. The profile of NGOs has increased steadily among development policy makers, activists and researchers in both the rich industrialized countries of the 'North' and among the low-income, aid recipient countries of the 'South'. NGOs now feature prominently in efforts to secure social and economic change in favour of marginalized populations by the agencies which make up the international 'aid industry', in the growing number of public interest groups seeking alternative approaches to poverty reduction through better service delivery and through advocacy and campaigning work, and in the self-help efforts of organized local communities to improve their conditions of life (Korten 1990; Clark 1991; Edwards and Hulme 1992, 1995; Farrington and Bebbington 1993; Hulme and Edwards 1997). NGOs have come to be seen by many as part of an emerging 'civil society' in many countries which may serve as a counter-weight to the excesses of the state and the market (Hadenius and Uggla 1996; Van Rooy 1998; Howell and Pearce 2001; Glasius *et al.* 2004).

The category of 'NGO' covers a wide range of organizations and activities which go beyond narrow definitions of 'development'. For example, Deacon *et al.* (1997) draw attention to the ways in which international non-state actors are increasingly contributing to transnational social policy under processes of economic, technological and cultural change which have together become loosely referred to as 'globalization'. In the field of international relations and politics, there is a new interest in the growth of increasingly active non-governmental networks of environmental, gender and human rights campaigning organizations (Keck and Sikkink 1998). Related to this is the emerging concept of 'global civil society'. Social scientists and activists have begun deploying this concept in relation to a wide range of public action undertaken by different non-state actors, including protests about genetically modified food, policy activism on climate change and opposition to international trade rules (Anheier *et al.* 2001). For example, the G8 Gleneagles summit held in the summer of 2005 generated discussion, demonstrations and policy advocacy initatives among a wide range of non-governmental actors and social movements at the international level.

NGOs are also important in relation to their roles within international humanitarian relief in the context of wars and natural disasters (Bennett 1995). From reconstruction roles in the wars in Iraq and Afghanistan – as well as strong criticism of Western policies from

some sections of the NGO community – to natural disasters such as the 2003 Iran earthquake and the 2005 floods in New Orleans, the global profile of NGOs has never been higher. The growth of non-state actors is increasing linked to the broader ways in which the economic and social ordering of modern societies is constructed. For example, anthropologists have begun to take an interest in the ways in which NGOs play a role in mediating relationships between global processes and local lives (Fisher 1997). Although many of these wider NGO roles will be touched upon in this book, the kinds of NGOs with which we will be mainly concerned are those Fowler (1997) defines as 'non-governmental development organizations', which are third sector organizations whose presence is 'legitimised by the existence of poverty'.

Much has been written in the international development literature about the rise of the NGOs, but it is a literature which has tended towards the descriptive rather than the analytical, with a focus on individual cases and which has frequently had a prescriptive or normative tone (Clarke 1998; Stewart 1997; Najam 1999; Lewis 2004). Furthermore, very little of this literature has been concerned with the structure and management of these organizations. Instead, much has been made within such work – and cast in either a positive or a negative light by researchers – of the roles played by NGOs in development processes, and for the potential of NGOs to challenge existing policy and practice (Lewis 1999a).[1] This lack of attention to management is an important gap, because

> Management capacity is the lifeblood of all organisations, irrespective of whether they are private entities, public agencies, not-for-profit concerns or non-governmental varieties.
>
> (Udoh James 1998: 229)

Where there has been research carried out on the internal management and organization development of NGOs, this work has, as Stewart (1997) points out, tended to be at the expense of wider context and politics.

In contrast, considerable attention has been given to understanding management in the worlds of business and government. Today, management is a diverse field of academic study and practice, encompassing approaches laden with high theory as wel as, at the other end of the spectrum, a rapidly changing succession of popular management fads and 'gurus' (Bate 1997; Micklethwait and Wooldridge 1996). Public administration has metamorphosed into 'public management' and much has been made of the emergence of the 'new public management' in the public sector during the past decade or two (Ferlie *et al.* 1996; Minogue *et al.* 1998).

This book argues that there is an emerging field of NGO management. It examines the key management challenges faced by development NGOs, by focusing on both internal and contextual issues. These NGO management challenges follow from the types of roles and strategies being undertaken by different kinds of NGOs in the struggle against poverty, and these can be summarized in general terms as

(a) the delivery of new or improved services to sections of communities which are in need,

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(b) efforts to catalyse social, economic and political change processes at the level of group or individual action, and
(c) the attempt to create 'synergies' among different agencies and initiatives through the building of 'partnerships'.

As many people who have studied NGOs or worked within them will know, there is much discussion and debate about the various types of roles that NGOs play in development, but relatively little attention generally given to the ways in which these roles can be managed. It is therefore the objective of this book to build a conceptual framework in which the distinctive challenges of the management of NGOs might be better understood and analysed. In a modest way, it is hoped that this approach can cast some new light on the subject of NGOs and offer some critical perspectives on the concept of 'management'.

NGOs vary very significantly in their structure and in the nature of their operations. The term 'NGO' includes large, bureaucratic organizations with multi-million dollar budgets as well as small, informal local initiatives. Some NGOs are engaged in long-term community development work, others provide short-term emergency relief in response to natural disasters or human calamities created by conflict. Many NGOs are active in long-term humanitarian work in locatations characterised by what has come to be termed 'complex political emergencies', such as Sudan or Afghanistan.

There are many voices that are critical of NGOs. From within the development field, many people have criticised the shift away from donor support to state institutions towards a more privatised – and potentially less accountable – form of development intervention (Hanlon 1993; Tvedt 1998). Such criticisms are wide-ranging and are made from many different political viewpoints. Critics from the left have long seen NGOs as broadly supporting or facilitating neo-liberal policy orthodoxies, clearing up the mess left by what they see as destructive policies such as structural adjustment, and as sapping the potential of more radical grassroots action from social movements or organised political oppositions. For example, Yash Tandon (1996) is a longstanding critic of the ways in which NGOs play a role in sustaining and extending neocolonial relations in Africa. There has also long been criticisms of NGO roles in humanitarian and emergency work – particularly in relation to African contexts. Many of the earliest criticisms came from those observing NGO work that did not live up to expectations in the context of humanitarian assistance in emergency situations (e.g. Abdel Ati 1993; de Waal and Omaar 1993).

These critiques of NGOs are not confined to the 'developing' world. More recently, critics on the neo-conservative US right have seen NGOs as potentially harmful to US foreign policy and business interests. For example, The American Enterprise Institute (AEI), a think tank close to the current US administration, made headlines in June 2003 when it outlined its critique of international NGOs. The AEI and others have set up an NGO 'watchdog' website (www.NGOWatch.org). It lists a set of grievances in relation to NGOs that includes their support of 'global governance' agendas, their efforts to restrict US room for manoeuvre in foreign policy and their attempts to influence the power of corporations and by extension, the 'free market'. The increase of this anti-NGO ideology in the US may in the future narrow the 'room for manoeuvre' of Northern NGOs, which may have to defend their right to undertake campaigning and advocacy work more vigorously in the future. There have

been related moves by the US administration to use private contractors in place of NGOs in Afghanistan and Iraq for reconstruction and relief work, and reports of tighter regulations governing contracting between USAID and NGOs in order to reduce the latter's independence. One report suggested that Andrew Natsios, Head of USAID, was unhappy that NGOs were not giving sufficient credit to the US government as the source of their funds. Another quotes Jeremy Rabkin, a Cornell University government professor, who suggests that NGO influence of corporations is a form of 'protection racket' and that the global governance agenda is 'anti-national' and essentially a 'left-wing programme'. The fact that NGOs have now become the focus of criticism from many different political perspectives is also of course a reflection of the wide diversity of NGO types and roles.

But one general consequence of this trend is the need for NGOs to protect their own credibility against a growing number of criticisms. Some criticisms are ungrounded and based on misinformation, others may be primarily ideological in nature. However, many of the criticisms made of development NGOs are quite reasonable. Even long-term pro-NGO writers such as Edwards *et al.* (2000) conclude a general paper on NGO trends with

> few NGOs have developed structures that genuinely respond to grassroots demands. Although NGOs talk of 'partnership', control over funds and decision-making remains highly unequal ... The legitimacy of NGOs (especially those based in the North) is now an accepted topic of public debate ... NGOs must be leaders in cultivating a global moral order that finds poverty and violence unacceptable. They must be exemplars of the societies they want to create, and work much harder to mainstream civic values into the arenas of economic, social and political power.

Long gone are the days when NGOs could simply rely on the 'moral high ground' to give them legitimacy and justify their work. This is entirely as it should be.

NGOs have not continued to be as openly 'flavour of the month' in mainstream development circles as they once were in the 1990s.[2] The idea of NGOs as a 'magic bullet' that can easily solve development problems is one that has now passed. In some quarters of the media NGOs have recently become 'fair game', variously criticised as ineffectual do-gooders, over-professionalised large humanitarian business corporations or self-serving interest groups (see Box 1 for some examples). At the same time, international donors are a little more shy about NGOs than they were in the 1990s. It is more common these days to hear donors and governments speak more indirectly about NGOs in terms of 'civil society', 'citizen organisations', 'community associations' or 'faith-based groups'. There is a faint sense in which NGOs are thought to have disappointed in some way, or that they were over-rated in the past. These changes of language and emphasis nevertheless continue to reflect the fact that non-state actors play increasingly important roles across both developing, transitional and developed societies. The amount of international assistance going to NGOs in both development, humanitarian and post-conflict reconstruction contexts is still very high. The Newsweek article referred to in Box 1 has figures that indicate that official development assistance channelled through NGOs has increased from 4.6 per cent in 1995 to 13 per cent in 2004, and that the total volume of international aid has increased from US$59 billion in 1995 to US$78.6 billion in 2004. These significant figures, along with the

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NGOS IN ACTION 1.1

The 'business of helping'?: NGO management in the headlines

'Sins of the secular Missionaries' (The Economist, 29 January 2000)
In particularly florid journalistic style, this article argues that NGOs, 'once little more than ragged charities', increasingly act as large-scale private contractors for Western governments. It also suggests that in many developing countries NGOs have become vehicles for unscrupulous individuals to connect opportunistically with aid resources. The article then goes on to chart the increasing scale of NGO operations, and argues that 'non-governmental' is often a misnomer because many NGOs increasingly depend on public funds. Overall, the article is critical of this new 'business of helping' and while it acknowledges that many NGOs 'do achieve great things' it hints darkly that NGOs 'can also get into bad ways because they are not accountable to anyone'.

'Alliances between companies and non-governmental organisations attracts varying degrees of enthusiasm' (Financial Times, 29 November 2002)
Charting the increasing relations between NGOs and the world of business, this article suggests that NGO profiles are increasing as they experiment more with working with private companies, citing as examples, the diamond, mining and clothing industries. Around the issue of child labour, for example, the article describes one UK NGO which seeks to pursue multiple strategies with the private sector, by talking informally with companies to address problems 'quietly' (and perhaps protect the vulnerable livelihoods of children) while simultaneously undertaking high profile campaigning on child rights.

'Hearts and minds at any cost' (The Guardian, 13 July 2004)
This article argues that humanitarian efforts have been increasingly co-opted into the 'war on terror'. It illustrates the ways that boundaries between public and private agencies in Iraq and Afghanistan have been eroded, making it difficult for NGOs to exist in an independent and critical 'civic space' away from both US government policy and the terrorists. The article to some extent blames many of the NGOs themselves for having outgrown their 'charitable' origins and become largely funded by governments.

'The $1.6 trillion non-profit sector behaves (or misbehaves) more and more like big business' (Newsweek, 5 September 2005)
This story covers the growth and scale of the NGO sector and argues that greater regulation is needed. It begins by describing Oxfam GB's Director Barbara Stocking, referring to her 'no-nonsense manner' and 'power broker's schedule'. It suggests many NGOs 'are dropping their image as anit-capitalist do-gooders and adopting the look of the Fortune 500 companies that they have been known to criticise'. But the article also comments on the search by many NGOs for more independent non-governmental sources of income from private giving and fair trade activities, citing the Iraq conflict as a wake up call to some NGOs. While Oxfam GB with more than half a million individual donor supporters was able to take a clear position against the war, the article points out, CARE USA which receives approximately half its income from the US government and had to 'tread softly'. In Iraq, the US government has compelled US NGOs to display American logos on aid deliveries and has required that discussions with the press are officially cleared first.

fact that NGOs receive a less easy ride these days than perhaps they did in the 1990s, speaks to the continuing importance of understanding their management strategies and challenges more clearly and systematically.

One of the main challenges faced in writing a book such as this is the sheer diversity of organizations which fall into the general category of 'NGO'. NGOs can be large or small, formal or informal, externally funded or driven by volunteers, charitable and paternalistic or radical and 'empowerment'-based. One NGO might combine several of these different elements at any one time. It may be constantly dealing with change, locked into an unpredictable context in which it alternates between periods of fashionable affluence (in which they are favoured by donors who provide extensive funding and leave them with problems of rapid growth and formalization) and periods in which resources can suddenly dry up. There are many NGOs which live a 'hand-to-mouth' existence, ever more concerned with the need to secure their own organizational survival in the face of donor or public apathy, or struggling to exist in the context of political oppression and government or private sector suspicion.

Some brief organizational examples can be used to illustrate this point. The Bangladesh Rural Advancement Committee (BRAC) is a formal, bureaucratically structured NGO which works closely with government in the delivery of a wide range of services in urban and rural areas, and it is now one of the largest NGOs in the world (Lovell 1992) employing more than 97,000 people and working in 78% of Bangladesh's villages (BRAC 2004).[3] In its organizational structure and behaviour it mirrors aspects of government and private sector in its large scale and formal bureaucracy, but it also challenges some of the prevailing public and business orthodoxy. A visit to the BRAC office in Dhaka presents a picture of a hierarchical organization which is structured rather like a government department or a big corporation, with clear roles, job descriptions and routines. It is highly professionalized, yet a second look reveals innovations and adaptations in its structure and organization which often challenge the norm, since BRAC seeks ways to introduce a more participatory style into the administrative hierarchy. For example, the Executive Director makes it possible for any staff member, no matter how junior, to gain direct access for a face-to-face discussion through a regular daily 'surgery' in the event of either an idea or an unsolved problem, thereby bypassing the many rigid strata of bureaucracy which typify most government offices. The successful handicraft store chain Aarong, which BRAC operates, sells many of the products made by its female group members and is highly profitable, but profits are ploughed back into the NGO's own development programmes, challenging some of the prevailing rules of the commercial business game as well.

By contrast, Jute Works is an NGO which provides a marketing outlet for low-income women handicraft producers in Bangladesh (Norton 1996). As it has evolved since its establishment in the 1970s, when it used to sell relatively simple handicrafts to a largely solidarity-based northern market of NGOs and their supporters, the 1990s saw a steady growth in the competitiveness of the handicraft market and the rise of a new ethically driven 'fair trade' movement. This has presented Jute Works with something of a dilemma, since it cannot stand still and remain as an NGO which is used to operating along essentially charitable lines, because its income has begun to decline steadily in recent years. If it is to survive, the organization must design and market its handicrafts more effectively in order to attract

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new customers and to ensure that the rural women with whom it works can maintain their livelihoods. As a result, this NGO is now looking to the private sector for new skills in product design, quality control and marketing which will ensure that it provides a better service to the community which it serves. Although Jute Works remains driven by its commitment to the values of fair trade and the needs of its users, it is increasingly choosing from a portfolio of business sector management tools which it hopes will allow it to engage more successfully with market forces (Lewis 1998a).

A third example illustrates how fast the NGO world is changing at the international level. Vetwork UK was set up by activists interested in improving animal health in low-income farming communities in poor countries, and began as an information network on the internet, run by a small but dedicated group of professionals volunteering their time and specialized skills.[4] Within a year, a similar organization had formed in Sudan and the plan is now to catalyse a network which will support initiatives of this kind across the world. This is a value-driven, 'virtual organization' (in Handy's 1995 phrase) at the cutting edge of thinking about the third sector, using emerging information technologies and the more familiar principles of international solidarity to steer a course through new ground. It is also an organization which is beginning to challenge the conventional distinction between a 'Northern' NGO which works in a developing country through country offices, or with a 'Southern' NGO partner organization from that country, since Vetwork is a network of people exchanging ideas and information with no particular geographical base. Very few NGOs are able to stand still for long, and in a sense all three of the NGOs which have been briefly reviewed here are moving towards hybridity as they combine management approaches and tools from the private, public and third sectors in order to remain effective in a changing environment.

Since the heyday of the 1990s, interest in NGOs has begun to take on a more critical, reflective tone as the emphasis has shifted away from the notion of NGOs as a 'magic bullet' for poverty reduction (Hulme and Edwards 1997). There is more serious thought being given to questions of efficiency, accountability and effectiveness within NGO work (Fowler 1997). NGOs are increasingly being viewed as just one type of development actor within a wider institutional landscape which includes the state and the market, and in which ideas about the promotion of synergy are gradually taking precedent over rather mechanistic notions of 'comparative advantage' and the dogma of privatization policy (e.g. Tendler 1997).Perhaps there is in the air a more realistic view of what NGOs can and cannot achieve: however, relatively little consideration has been given, in either the development or the management literature, to the question of whether a set of distinctive management challenges exists for these non-governmental development organizations.[5] Some commentators have even spoken of a 'backlash' against NGOs by those disappointed at NGOs own lack of accountability and standards of governance (e.g. Bond 2000). Such concerns, and the increasing media interest and public scrutiny of NGOs and their work makes it more important than ever before for NGO management as a subject to move up the agenda and be taken more seriously.

The growth of academic research on third sector organizations working within industrialized country contexts (where they are often termed 'voluntary' and 'non-profit' organizations) is a largely unexplored area for researchers familiar only with the world of

NGOs and development. Some of this literature *does* engage with questions of organization and management in more depth than the NGO literature, and this book tries to make the case for linking insights from both literatures. However, as might be expected, there are important limitations in the fact that such work rarely moves beyond the United States or Britain in its geographical focus (Lewis 1999a).

A CONCEPTUAL FRAMEWORK

The aims of a book such as this one must remain modest if it is to stand any chance of being taken seriously, because its subject is one which defies simple generalization. The intention is therefore to present a conceptual framework and selective review of the main issues of NGO management from my own perspective, based on research and consultancy work in the NGO and development field over the past fifteen years, and drawing on more than ten years of teaching postgraduate courses on NGO management and social development to reflective practitioner students.[6] As we have seen, there are as many different types of NGOs as there are organizational forms, and there are as many different areas of work which concern NGOs as there are sides to debates about what 'development' means and how problems of poverty and social justice can be addressed. Nor are all NGOs necessarily concerned with support for pro-poor change. As Morris-Suzuki (2000: 68) points out, 'NGOs may pursue change, but they can equally work to maintain existing social and political systems.' There can be no rigid definition or understanding of 'NGO management', but a range of themes and debates can be exposed. In undertaking such an exercise, more can be learned about the ways NGOs work as organizations and their potential roles in development.

Figure 1.1 sets out the three interrelated areas of the NGO management challenge and provides a basic conceptual framework for thinking about NGO management. Despite their diversity, all NGOs need to manage in three main areas – the organizational domain of their internal structures and processes; their development activities, which may be in the form of projects or programmes, campaigns or services; and finally their management of relationships with other institutional actors – the state, the private sector, other NGOs and organized components of the communities in which NGOs operate. These can be portrayed as overlapping circles, since while each is a distinctive sphere of activity, all three are clearly inter-related. All three are located within the broader environment in which NGOs operate. This then is the crucial variable of 'context', against which an analysis of any NGO must be placed, and which has political, historical and cultural dimensions. It varies over both time and space. For example, when a change of government in a particular country takes place it may open new doors for NGO activity or conversely it may bring a new set of restrictions on NGOs. The geographical contexts of NGO activity are also diverse. This makes it difficult to draw NGO management lessons from a specific country context such as Bangladesh – where NGOs have been shaped by distinctive processes of culture, history and politics – and then unthinkingly apply them to other country contexts in Europe, Africa or Latin America.

Some further information and a few caveats will clearly be needed. First, the focus of this book is primarily on development NGOs, as opposed to those working in humanitarian relief, human rights, conflict resolution or environmental campaigning. Second, the primary

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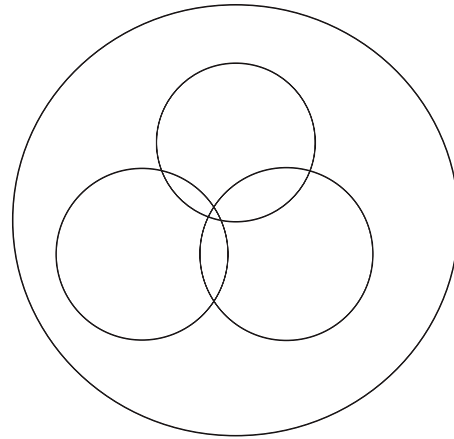

Figure 1.1 *Conceptual framework: the three inter-related areas of the NGO management challenge*

Source for figure below if needed.

emphasis is on Southern NGOs rather than Northern ones, although the latter do receive considerable attention. Third, there is likely to be some geographical bias, since my own experience is drawn mainly from work in South Asia and from Bangladesh in particular. However, wherever possible, an attempt has been made to illustrate the text with examples from all over the world. In addition to Africa, Asia and Latin America, an effort has been made to include examples also from the 'transitional' or post-socialist countries. Fourth, this is not a book about 'how to manage an NGO'. Other people would be far more qualified than I am to write such a book, although I have my doubts, given the diversity of organizations, approaches and contexts, whether such a book could be written with any degree of usefulness. The tone of this book is intended to be discursive rather than prescriptive in that it is hoped that by reviewing the relevant literature, a preliminary understanding of our subject can be achieved, and that through further action, debate and research, this understanding can be taken forward.

In addition to setting out a conceptual framework for thinking about NGO management, the book includes short case studies in each of the chapters that follow that are intended to highlight 'real world' examples and generate issues for further discussion. It is hoped that the main audience for this book will be students of development policy and non-profit management, at either graduate or undergraduate level; also that those interested in managing development organisations and people working 'on the ground' in NGOs might also find parts of the book useful.

NGOS AND MANAGEMENT

We have yet to see the evolution of a clear set of ideas about the management challenges of NGOs or the emergence of a distinctive field of 'NGO management'. Part of the reason

for this lies with the fact that for many years NGOs have not taken management very seriously. At times, parts of the third sector have expressed hostility towards the whole idea of management, which it has seen as belonging to another, alien, set of ideologies and concerns. While people in NGOs have often been committed activists, they have been reluctant managers. There are at least five sets of reasons for the reluctance with which management has been associated with development NGOs.

The first is that many NGOs are characterized by a 'culture of action' in which NGO leaders and staff are reluctant to devote significant amounts of time to thinking about organizational questions, because such a prioritization might interfere with the primary task of 'getting out there and doing something'. This may, as Korten suggests, be particularly true of NGOs in their early stages of evolution, since the origins of many NGOs lie in the efforts of key individuals to mobilize efforts based on altruism:

> They have relied upon high moral purpose, good will, hard work, and common sense to make them successful. Until recently the application of effective professional management techniques, and in some instances even the acquisition of technical competence, has not been seen as relevant to their purposes.
>
> (Korten 1987: 155)

A second reason is the widespread view, particularly among the public and donors, that NGOs should use almost all their funds for working with poor people and should not spend money on administrative overheads or waste too much time on administrative questions. As Smillie (1995: 151) suggests, there is a 'powerful public myth that development should be cheap' which has led in some quarters to a tendency to take low NGO administrative overheads as one of the main criteria for judging success. A third reason is the fact that development NGOs may be established by people consciously searching for 'alternatives' to mainstream thinking, and that the subjects of management and administration, with their strong associations with the business and the public sectors, are 'tainted ground' for these kinds of organization. The reluctance of some NGOs to take management seriously has sometimes been based on a fear of what Chambers (1994) has called 'normal professionalism', which negates many of the stated values and priorities of NGOs in their work. Normal professionalism, in Chambers' view, gives preference to rich over poor, 'blueprints' over adaptation, things over people, quantity over quality, and the powerful over the weak. This has led Korten to point out that

> Some NGOs actively espouse an ideological disdain for management of any kind, identifying with it the values and practices of normal professionalism, and placing it in a class with exploitation, oppression and racism.
>
> (Korten 1990: 156)

The rapid growth and change which many NGOs have experienced means that NGOs are always 'one step behind' in thinking and taking action around organizational responses. This brings a fourth set of possible reasons into the frame. NGOs which have started out as small, informal structures in which management issues can be dealt with on an *ad hoc*,

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informal basis, may rapidly grow in size if they find favour with donor agencies. In this case they may find themselves developing more complex, multi-dimensional projects and programmes but will not immediately realize that they need new ideas, systems and procedures with which to cope.

A fifth reason for reluctance relates to the power of external forces and pressures. As some NGOs have grown closer to donor agencies, they have been required to develop new systems of accountability, and their efficiency and effectiveness may be questioned and challenged. This has led to the feeling – which is not altogether false – among some NGO staff that much of the impetus for thinking about 'NGO management' is being driven from outside and is therefore suspicious. Management agendas have at times taken the form of an imposed 'managerialism', rather than emerging organically as part of an NGO's own agenda. A good example of this is the ongoing debate about efforts by Northern NGOs to bring about the 'capacity building' of Southern NGOs – at least until recently, capacity building was widely seen as something that Northern NGOs 'did' to Southern NGOs rather than as a two-way, exploratory learning process (Lewis 1998c; Simbi and Thom 2000). Another is the popularity of logical framework analysis with development donors, which can make its adoption a requirement for NGOs wishing to secure funds and implement donor-funded projects, and has therefore created strong 'professionalizing' pressures on NGOs (Smillie 1995).

In spite of these complex pressures, and processes of action and reaction, there has in recent years been a small but evolving history of initiatives dealing with NGO management issues, which arguably signify the potential importance of NGO management as a field. Interest in management and organizational issues in the North started to appear in the mid-1980s when the 'NGO Management' newsletter was produced from the International Council for Voluntary Agencies (ICVA) in Geneva. This newsletter laid the groundwork for discussing the concept of NGO management, and carried some lively debates, but it had ceased publication by the early 1990s, though it is not clear whether this was because it had already served its purpose of putting the subject on the agenda or whether its members ran out of funding or enthusiasm. The International NGO Research and Training Centre (INTRAC) was established in the UK in 1991 and has grown steadily since that time.[7] In the US, the Institute of Development Research (IDR) in Boston has for many years worked on organizational issues for NGOs, while in the South, among other organizations, the Society of Participatory Research in India (PRIA) and El Taller in Tunisia have also pursued NGO organizational training and research agendas.

The subject of NGO management has also more recently become popular again as renewed interest in 'civil society' has led to the creation of global citizen organizations such as CIVICUS. The issue of NGO staff management training has been addressed by multi-agency initiatives such as the Global Partnership Program for NGO Studies, Education and Training jointly organized by the Organization of Rural Associations for Progress (ORAP) in Zimbabwe, the Bangladesh Rural Advancement Committee (BRAC) and the School for International Training (SIT) in the United States which operated from 1995 until 2004.

The preoccupation with NGO 'capacity building' which arose in the 1990s was a reflection of many things, such as the search for new useful roles by Northern NGOs. No longer wishing to implement their own projects directly in low-income countries, and bypassed in

some cases by bilateral donors eager to work directly with third sectors in these countries, many turned instead to the challenge of 'building the capacity' of their local 'partner' third sector organizations (Smillie 1994; Lewis 1998c). The increased attention being paid to the management of NGOs therefore has both a positive and a less benign side. But the capacity building issue also indicated a concern that NGOs in developing countries could, with the right kind of organizational support, strengthen their roles as development actors in providing services, building democratic political processes and advocating for policy change and development rights. However, capacity building has remained an area of conflict and confusion, embodying both the risk of managerialist tendencies in the training agendas it has spawned (witness the many NGO training consultancy businesses and websites which have recently emerged) and the debates over power and autonomy which have led many to question Northern assumptions about Southern organizations, and to re-evaluate the concept of 'partnership' so readily deployed in recent discourses of development policy and practice.

It is possible to identify two contradictory trends within the world of development NGOs, in which some organizations continue to see management issues as being 'in the way' of their work and at best a remnant of a previously undesirable mainstream, while others rush headlong towards the solutions promised by the 'management gurus' who emerged in the private sector but of whom some have recently begun to notice the existence of other kinds of organization (e.g. Drucker 1990). A similar, and at times parallel, debate has been under way in the British voluntary sector about the nature and roles of management. The weakness of many radical voluntary sector initiatives in the 1970s and 1980s was sometimes attributed to 'a serious misunderstanding of how management works' based on factors such as ideological rejectionism, cultural snobbery and a short-sighted inability to see management in terms other than those of 'command and control' (Landry *et al.* 1985). More recently, it has been argued that, after this period of neglect and disdain, and in an effort to embrace the idea of management more fully, some British voluntary organizations then went on to over-react in the other direction:

> What is interesting is not merely that the voluntary sector developed a self-conscious concern with management but also that when the voluntary sector took up management it did not look for knowledge and best practice within its own ranks, but rather turned to the private sector for its concepts and practices.
>
> (Leat 1995: 7)

On the other hand, there are more positive examples from the wider third sector which illustrate how some organizations have approached management issues more successfully. Debates about management and organization have a long history in the world of 'alternative' organizations in the third sector. In the women's movement in the United States, for example, the experience of seeking to reject formal organizational forms in favour of experimental collectivism famously led to Freeman's (1973) critique of 'the tyranny of structurelessness', in which it was found that the lack of organizational structures merely allowed charismatic leadership and individualism to run riot, subordinating organizational aims to personal agendas. Later work on women's third sector organizations in New York has shown that some of the most effective organizations were those which managed to combine

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elements of traditional bureaucracy and hierarchy with informal or 'collectivist' structures which reflected the alternative values of the organization (Bordt 1997).

Nevertheless, some development NGOs have revised their opinions about management and rushed headlong into trying to import the latest management techniques from the private sector in an attempt at quick-fix solutions to perceived management weaknesses. For example, it was common for many Northern NGOs during the 1990s to emphasize the need to develop systems for strategic planning, which has been a popular business management technique from the 1970s onwards, precisely at the time when some private sector management theorists (such as Mintzberg 1994), who earlier had been one of the originators of the whole idea) were becoming acutely aware of its limitations.

There is, however, a new interest among development NGOs in striving to improve management practices both within their agencies, in terms of their programmes and projects, and in the relationships which they pursue with other development actors. There are both internal and external factors which are now influencing this process. The disillusionment among many development donors accustomed to working only with governments in many parts of the world, and the growing evidence of poor results of government projects and programmes, motivated a search for alternative channels for development assistance (Edwards and Hulme 1995). Having brought NGOs more fully into the mainstream development policy processes, pressures of accountability then led some aid donors and policy makers to examine more closely whether NGOs are properly equipped to play these new high-profile roles. Studies undertaken by or for aid donors such as those by Stark Biddle (1984), Tendler (1982) and Riddell (1999) were frequently less than flattering about the realities of the claims made by and on behalf of development NGOs. These studies found that many of the taken-for-granted advantages and achievements attributed to NGOs could not be uncritically assumed, and showed that the positive press which NGOs often received was in some cases based more on wishful thinking than on hard facts.

Not all of the pressure for management thinking was driven from the outside. As NGOs have grown in scale and ambition, some have themselves recognized limits to their own effectiveness and begun to examine management and organization issues in more depth, recognizing that idealism and alternative ideas require a sound organizational framework if they are to make any impact on longstanding and complex problems of poverty and inequality. There may also be signs that things are moving too far the other way among some development NGOs, as the development industry becomes more professionalised. One critic of this trend is Dichter (2003) whose most recent book reflects, after thirty years of experience, on an increasingly professionalised but largely ineffective international development effort. He argues that development has become a professional field rather than simply a calling or an amateur pursuit, and that newer concerns with career and salary among development professionals way outweigh the benefits of improved effectiveness.

What types of management problems have been identified in relation to development NGOs? These inevitably vary from organization to organization and context to context, but some patterns emerge and there are many quite predictable common problems. For example, Sahley (1995) highlights recurring areas of organizational weaknesses for NGOs. These will be familiar to many who work with or observe these organizations, and form a useful starting point. For many NGOs management is not an explicit priority, and NGOs

may be preoccupied with a focus on short-term details rather than on longer-term horizons and strategy. There is often a wish for NGOs to respond immediately, with little time for learning or reflection, and NGO responses are frequently 'over-committed and emotional' rather than achievable. There may be an inability to decentralize decision making, and it is rare to find true collaboration or partnership with other agencies. Individual agendas are often imposed on the overall NGO organizational remit, and there is an insecure funding climate which inhibits planning, and this ultimately produces a tendency for NGOs to maintain a 'grant mentality' rather than seeking to mobilize resources more widely.

There is no doubt a 'managerialist' edge to some of this new interest in the organization and management of NGOs, which may over-emphasize financial accountability and advocate the wholesale importation of private sector 'quick-fix' management techniques and solutions. However, the central argument of this book is that the management of development NGOs is a legitimate area for concern and study because it promotes discussion and debate about improving the ways in which NGOs go about their work. Not only does it seem that many NGOs may have paid more attention to the 'what' rather than the 'how', there is increasing concern that NGOs may be in danger of being promoted beyond their levels of competence – that having raised their profile they may be seen as having overreached themselves (Edwards and Hulme 1992). In one recent critique, Mallaby (2004) suggested that some campaigning NGOs have simply become become self-interested 'professional agitators' and have grown out of touch with the ordinary people that they claim to represent.

NGO management will clearly be a diverse and diffuse field for study and action, requiring a complex mix of concepts and skills which draws upon a combination of generic management ideas and more specialized solutions which reflect the distinctive characteristics and activities of NGOs as 'third sector' organizations. In addition to the organizational diversity of NGOs, a key problem is the nature of the work that NGOs do. There is no clear agreement on what 'development' really means, and this problem therefore often makes it difficult to discuss 'development management' with any clarity. Many NGOs do not see themselves as doing 'development' at all, particularly those in the campaigning field or those which do not choose to work with the international development industry. A second problem is whether NGOs as groups can really be distinguished from other kinds of third sector organizations, because it is not enough to make a simple distinction between 'developed' and 'developing' country contexts, or 'welfare' or 'development' approaches – in the end, these are questions of labelling and judgement rather than indisputable fact. For example, the Highlander Institute in the United States described by Gaventa (1999) works locally with Appalachian communities but has a wide range of contacts and initiatives with NGOs in developing countries, and effectively dissolves the conceptual distinction between the US 'non-profit sector' and the world of development NGOs.

THE IDEA OF MANAGEMENT

We turn now to the concept of management in order to consider its various meanings and the ways in which it might be applied to NGOs. There is a distinct academic field of management studies with diverse themes and debates, as well as a range of popular 'self help' books

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on management. NGOs face a set of management problems which they share, at least in part, with any other organization, and it therefore follows that these issues can be explored by exploring relevant ideas from within the wider world of management. However, we must bear in mind that there are two strong elements of bias in this literature: the first is the fact that management as defined in much of this work is concerned predominantly with the management of commercial business (while most NGOs see themselves as not-for-profit organizations); the second is that there is a tendency to focus on Western ideas and models (while NGOs work predominantly in non-Western cultures and contexts) and there will therefore be considerable areas of NGO management where such ideas may not apply.

The study of management has become a vast research field with a range of different approaches and paradigms, and like that of development is characterized by tensions between academics and practitioners.[8] The study of management has been characterized as 'a mysterious thing in so far as the more research that is undertaken the less we seem to be able to understand' (Grint 1995: 3). Modernist management writers such as Taylor and Fayol, who laid the early foundations of the field, based their analyses on an understanding of organizations as logical machines which required systemic maintenance and fine-tuning. Management was seen as a rational science in which improvements in efficiency could be produced by the 'right' changes to structure and process. The 'classical' management theorists drew to some extent on principles which came from military and engineering thinking, and saw management in terms of 'planning, organization, command, coordination and control' (Morgan 1997: 18).

In stark contrast, current researchers such as Stacey (1992; Stacey *et al.* 2000) prefer to argue that chaos theory is a more appropriate conceptual framework with which to understand management dynamics because there is little real scope for predicting how managers and organizations will behave. In this view, there is always both order and disorder existing side-by-side, and organizational success is seen to come from an ability to manage the 'chaotic edge' between disintegration and ossification. Writers on management informed by the 'chaos and complexity' approach argue that only an understanding of ambiguity and paradox has the potential to unleash creativity. There is now a noticeable lack of confidence among management theorists as earlier modern, rational paradigms of controlled organized activity have gradually given way to views which place a heavy emphasis on uncertainty, rapid change and an absence of measurable, objective practice.

Definitions of management range from those which emphasize 'control and authority' to others which speak of 'enablement and participation', from the functional definition of 'getting the work done by the best means available' to the more diffuse idea of 'reducing anxiety'. The analysis of management has tended to distinguish two main groups of approaches to the concept (Thomas 1996). The first is 'blueprint' or 'scientific' management which stresses control, hierarchy and instrumentality, and this approach is often stigmatized as being 'top down' by development people. The second is 'people-centred' or 'enabling' management, which by contrast emphasizes process, flexibility and participation, and which has found favour with writers on development management such as Chambers (1994) and Friedmann (1992). The 'command and control' side of management has tended to alienate some senior staff in NGOs, who may instead choose to see themselves as 'facilitators', 'organizers' or 'coordinators'. In a survey of the directors of US NGOs undertaken

by Stark Biddle (1984), there was a clear reluctance among most of these managers to accept that their organizations could be run like other organizations because of their 'difference', which these managers saw as stemming from staff values which prioritized community participation, the closeness of the NGO to the poor and the need for overall organizational flexibility. These managers seemed to feel worried that they would become 'contaminated' by the 'mainstream' values of hierarchy and authority. Nevertheless, the evidence gathered by Stark Biddle pointed to a set of common basic management weaknesses among these organizations which had apparently not been addressed through these NGOs' 'alternative' stance in relation to management.

A second area of management which is important to NGOs is the distinction made between values and action – between the 'instrumental' and 'expressive' elements of the management process. In the context of the British voluntary sector, Paton (1991), for example, has argued that the functions of management (such as controlling, planning, motivating, directing or monitoring) can be distinguished from the style of this management (such as consultative, participatory, cooperative or top-down). In other words, the fact that something 'gets done' is only one aspect of management, because it may also be important to consider the *way* in which it is done. This dichotomy is particularly important for thinking about third sector organizations, because most third sector organizations tend to assert the primacy of 'values' in their organizational set-up. Some NGOs have been observed going so far as to suggest that the fact that they are trying to do something about a problem is more important than worrying about whether what they are doing is effective or adequate (Riddell and Robinson 1995). An issue of current concern for NGOs is the idea that as third sector organizations engage in closer relationships with states and donors in contractual service delivery roles, they may take on more and more of the characteristics of private sector or public sector organizations and lose this distinctive, value-driven character (Edwards 1996; Fowler 1997).

The dangers of managerialism, which are familiar from debates in the public sector, are implicit in aspects of the new NGO management agenda traced earlier in this chapter. Pollitt's (1993) reflections on public sector management are particularly relevant to our discussion, and demonstrate the potential pitfalls for NGOs of taking on board management ideas uncritically. Pollitt defines managerialism as an apparently self-evident – though in practice seldom tested – truth that 'if things are better organised they will improve', an assumption which brings controversial and even contradictory implications. For example, it tends to create a type of thinking that decrees that when new challenges or problems arise solutions can always be found from within the status quo, a perspective which can easily become oppressive and exploitative to staff. It can also suggest, with more idealistic overtones, that answers to problems can be found 'to hand' and solutions can be built with the help of creative thinking and leadership. Nevertheless, Pollitt argues that at the core of managerialism is the implication that progress is subject to increases in economically defined productivity and the application of increasingly sophisticated technologies, and that managers as distinct from other elements of the organization – hold the key to positive change. Managerialism tends to see the private sector as the leading exponent of practice from which others must learn, and identifies an opposition between itself and its 'enemies' among the public sector and civil society in the form of bureaucrats and trade unions.

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Managerialist approaches have the obvious danger for NGOs that other kinds of organizational values such as friendship, voluntary cooperation or politics are squeezed out and become marginalized and undervalued. On the other hand, research such as that carried out by Stark Biddle (1984) and Dichter (1989a) indicates that there are NGOs which lack even the basic common sense management structures and principles, and that a more rational application of management means to ends would be a worthwhile endeavour. However, within an organization such as an NGO, which is driven by development values, one of the key management challenges is the need to pursue the expressive aspect while maintaining or increasing effectiveness. We will return to these issues in Chapter 4.

THE RISE OF DEVELOPMENT MANAGEMENT

There has been increasing disillusion with purely state-centred efforts to solve development problems through public action, and there has been a corresponding decline in the tradition of 'development administration', which was once a vibrant sub-field within the wider field of public administration. Policy was previously seen in 'prescriptive' terms, in which governments took action to promote development. At the level of practice, early approaches to development projects were generally 'top down', in that they were based on the logic that 'development' was needed in a particular place, that the technical, spatial and administrative boundaries of its operation could be determined and that outcomes could be measured in what became known as the 'blueprint' approach (Gardner and Lewis 1996).

There is now greater acknowledgement that policy is best seen as 'process', referring to the actions of public institutions, both governmental and non-governmental, within a long-term historical perspective (Mackintosh 1992: 1). There has been a growth of research on the area of 'development management', which is intended to reflect the principle that both public and private efforts at bringing about development are increasingly relevant, and that 'management', rather than simply 'administration', is the matter at hand.

What makes development management a distinctive form of management in this new paradigm is that, broadly speaking, it is focused on the achievement of social goals outside the organization rather than on internal objectives such as making a profit (Thomas 1996). In the context of NGOs, the new interest in development management is fertile ground which needs to be explored for possible clarification and new thinking. If NGOs are understood as third sector organizations concerned with the promotion of development objectives, then NGO management arguably forms a sub-set of wider development management. The problem is that there is no clear agreement about how to define the management of development, because efforts to combine ideas about the concepts of 'management' and those of 'development' are far from straightforward.

Development itself is in many ways one of the most slippery concepts of the late twentieth century, with very little agreement as to its meaning. It is generally used to mean positive change or progress, but can also be used to imply natural metaphors of organic growth and evolution, and the *Oxford English Dictionary* gives its meaning as 'a stage of growth or advancement'. Thomas (1996) points out neatly that development can refer to both deliberate attempts at progress through intervention, or to the efforts of people to improve their quality of life through their own efforts. As a verb it refers to the activities required to bring

these changes about; as an adjective, it implies a value judgement, a standard against which things are compared {-} the implication being that the South is undeveloped or being developed, while the North has already reached a state of development.

Until relatively recently, development was debated primarily in economic terms, with a concentration on growth rather than distribution, and on statistics rather than actual people. At the level of theory, the previous polarization between the concepts of 'modernization' (the idea that to develop poor societies needed to achieve economic take-off and free themselves of 'traditional' social and cultural impediments, and that the benefits would eventually 'trickle down') and 'underdevelopment' (the idea that poor countries had been actively underdeveloped by direct colonization and unequal terms of trade, and that development was not possible without large-scale structural change) gave way to an 'impasse' (Booth 1994). The resulting vacuum has been gradually filled by a variety of ideas, among which action by NGOs has occupied a central position. The concept of 'human development' devised by the United Nations Development Programme (UNDP) provides the means to assess development using nonmaterial measures, and draws upon Sen's (1983) 'capability approach', which sees development in terms of the capacity of individuals to make choices which allow them to expand quality of life. Quality of life in this approach includes non-material benefits such as political freedoms, equal opportunities and improved environmental and institutional sustainability.[9]

Postmodern ideas about development have emphasized diversity, the primacy of localized experience and the colonial roots of discourses (Escobar 1995). It has been suggested that there are no generalized answers and solutions, and that there be emphasis on strategies rather than solutions. There has been a focus on 'actor-oriented' accounts of social change (a term coined by Long and Long [1992], drawing in part on Anthony Giddens' writings on the relationships between individuals and structure), on local action, indigenous knowledge, participation, sustainability, empowerment, popular movements, and a range of other areas of development policy and practice concepts – i.e. on 'bottom up' rather than 'top down' approaches. These positions see development practice and research as non-linear, unpredictable and with complex and 'open' systems. They set great store by participation of the subjects of enquiry in the research process, and seek explicitly to bridge the gap between research and practice and between different academic disciplines and theories. For example, Chambers has been influential in developing a set of ideas about changing personal behaviour and attitudes within organizations ('reversals'), arguing that what is needed is to stem and reverse trends of dominance and deception, through personal changes and action by the individuals in power who determine policies, procedures and organizational cultures (Chambers 1983, 1994).

In the wake of grand theory, the 'development as empowerment' approach (e.g. Friedmann 1992; Black 1991) emerged as the means to link theory and practice and avoid the pitfalls of the top-down paradigms. Psychologically and organizationally, grassroots capacity is built through experience of collective self-help to assert greater control over the environments in which people live. NGOs could play a role in linking local action back into processes of national and structural change, and Korten (1987) argued that NGOs could contribute to empowerment within political processes which link grassroots initiatives, broader social movements and political organizations to build what he termed 'people-

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centred development'. More recently the concept of 'social capital' (e.g. Putnam 1993) has been brought into development debate, as NGOs and the third sector are seen as contributing to the creation of cross-cutting social ties and networks which might form the basis for collective action and increased levels of democratic participation.

In two influential articles, Thomas (1996, 1999) has tried to explore the ways in which the concepts of development and management are related. Thomas shows that while the term 'development management' refers crucially to people, it nevertheless also expresses ideas about authority and power. It cannot therefore be detached from the political discourse which links development as an idea with institutions and communities around the world. As Staudt writes in her introduction to a book on this subject:

> development management ... involves more than adopting some bag of tricks from, say, western corporations, assuming techniques work the same way everywhere. Development management is inherently political and the text stresses the diagnosis of political contexts and organisational politics more than techniques.
>
> (Staudt 1991: 3)

Development management debates have therefore centred on the need to decide what the nature is of the development tasks and activities which need to be managed. These of course cannot easily be defined, because development tasks and activities cover a wide-ranging, highly contested territory which includes economic growth, social welfare, resource re-distribution, political process, empowerment and human rights. As we have seen, 'development' is a contested concept which is associated with a range of different, sometimes contradictory, approaches to reducing poverty, building capacity and providing social welfare. For some NGOs the delivery of services will doubtless require a set of practices and techniques which could usefully draw upon public and private sector approaches. For NGOs involved in campaigning and networking, perhaps less of this material will be of value, and new approaches are needed.

Thomas (1996) suggests that development tasks involve four distinctive elements: the directing of efforts towards external goals as well as internal organizational ones; an emphasis on influence and intervention in social processes rather than simply using resources to meet goals directly; a lack of agreement on exactly what needs to be done leading to values-based debate and conflict; and the centrality of process and continuity and not just task. Thomas goes on to suggest that the two views of management discussed earlier (top-down, instrumentalist as opposed to participatory, unpredictable) are not in the end mutually exclusive. There may also be circumstances, as in the case of the cooperative case discussed above, when the 'command and control' variant of management is an appropriate one. Thomas suggests three ways of approaching development management. The first is termed 'management in development', which is simply management in the context of long-term historical change. The second is 'management of development', which is management of the deliberate efforts at progress undertaken within more formal development initiatives. The third is 'management for development', and this third type, which is management with a specific development orientation, is not the same as just good management, as his 1999 article goes on to show, because it is important to evaluate how well development tasks have been

undertaken. In this way, both the instrumental and the expressive elements of management are combined.

NGO management can therefore be seen as an area of 'development management', but this realization does not in the end get us very far, since there is no broad agreement on what are the tasks to be managed in development – merely a range of complex choices based on ideology, analysis and objective.[10]

THE NEW FIELD OF 'THIRD SECTOR MANAGEMENT'

As we saw earlier, NGOs are organizations with two distinct sides to their identity – as well as being development organizations, they are also part of the larger family of so-called 'third sector' organizations. This larger family includes a wide range of organizations which are neither part of the government sector, nor are they for-profit businesses whose *raison d'être* is the making of money. The third sector includes education establishments, pressure groups, religious organizations, trade unions, recreational clubs, community self-help initiatives and charitable welfare societies.

Within the growing body of academic research specializing in the third sectors of Europe and North America (e.g. Powell 1987; Salamon and Anheier 1994) and more internationally (Salamon *et al.* 2003) we can identify a growing section concerned with organization and management issues (e.g. Batsleer *et al.* 1992; Billis 1993; Harris 1999; Hudson 1995). Such research has obvious implications for understanding NGO management, since almost all third sector organizations will arguably have at least some types of management issues in common.

Researchers working on the third sector have investigated organization and management issues in far more depth than their development NGO colleagues. A group of third sector scholars have set about developing a body of new theory, concepts and models which would reflect the distinctiveness of many of the management challenges of the third sector, based on research into these organizations. For example, Billis and Harris (1996: 6) stated, in a discussion of the application of knowledge to organizational issues in the British voluntary sector, that 'existing theories developed for other sectors went so far, but not far enough', and much of their work has been concerned with explaining this distinctiveness. Such work therefore draws on – but also challenges – areas of 'mainstream' organization theory (most of which has been developed with reference to the commercial and government sectors). An example is Billis' ideas about organizational choice, which assert that theories about the inevitability of organizational change based on resource dependency and ecological perspectives have only a weak application to some third sector contexts.

Little of this work has been systematically explored in terms of its relevance (or otherwise) to NGO management issues, despite the rather obvious possibilities such a comparison would appear to offer. For example, the large quantity of research on the organizational implications of the growth of contracting relationships between voluntary agencies and local government in the provision of social services – the so-called 'mixed economy of care' – which took place over the past decade or so in Britain and the United States (e.g. Smith and Lipsky 1993; Kramer 1994) could carry lessons for those interested in the ways in which, in countries such as Bangladesh, large local NGOs are increasingly taking

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over responsibilities for delivering services which were previously the responsibility of the state (Wood 1997), and as NGOs more widely become embroiled in 'partnerships' between the government and international donors (Lewis 1998b).

Since this third sector research literature is primarily concerned with Northern contexts, and with organizations engaged in welfare work and social service delivery, there will be significant differences among third sector organizations in Northern and Southern contexts. At the organizational level, cultural norms and rules mediate organizational forms, while at the level of the environment no-one would want to pretend that working in Britain is in any way comparable with the context NGOs face in Somalia. Nevertheless, there may also be areas of basic similarity between third sector organizations, and third sector scholars argue that we might also expect them to face a common range of distinctive organizational and management challenges that are qualitatively different to those in either the public or the for-profit sectors. In his work, Gaventa (1999) makes the case that under the current global economic changes it is increasingly becoming possible to talk of 'Norths in the South' and 'Souths in the North', because islands of 'Third World-like poverty' exist in parts of otherwise rich countries and wealthy minority communities are common in many otherwise poor countries. The hurricane which led to the disastrous flooding of the city of New Orleans in August 2005, and the inability of large numbers of its poorest residents to take action following evacuation warnings, provide a sobering example of the way in which the contextual challenges of NGO work do not fit neatly into distinctions between 'developing' and 'developed', or 'North' and 'South'.

Alongside the generic organizational issues discussed in the previous section, we now turn to a brief discussion of some of these distinctive issues, which draws upon the emerging field of non-profit theory. At a very basic level, Handy (1988) suggests that third sector organizations are essentially 'value-driven' organizations and that this poses distinctive management challenges, because people work in these voluntary organizations from a variety of public and private motivations: a sense of altruism, an escape route from dominant ideologies, or increasing public status from being a member of an NGO board. This may not *always* be true in the NGO sector, of course, because in some societies, NGO posts are highly prized since a job in a foreign-funded organisation may bring significantly higher material rewards than many other forms of employment. In addition, third sector organizations differ from the other two sectors in that there is no clear link between the providers of funds and the users of the services (Hudson 1995). In the private sector customers pay for goods and services at a market price; in the public sector people can vote officials in or out of office. These elements of third sector distinctiveness generate distinctive management challenges such as difficulties in monitoring organizational performance, problems of managing multiple accountabilities, the need for intricate management structures in order to balance multiple stakeholders, conflicts between voluntarism and professionalism, the need to maintain sight of the organization's founding values and the tendency for third sector organizations to set vague organizational objectives.

Research on NGO accountability, the role of boards of governors and the organization of staffing and volunteering, are all areas of management from which models and concepts developed in the wider third sector might be applied to development NGOs. There are, of course, obvious dangers to the idea of importing and imposing yet more Western models

in the name of development. As Baig (1999) shows in a paper which reviews the role of NGO boards in Pakistan, using concepts developed by Harris (1999) in the UK, there is only so far that one can go with such an approach, but it is nevertheless demonstrated to be a potentially fruitful one.

APPROACHING 'NGO MANAGEMENT'

Despite the overall lack of research attention which NGO management has received, there has been the emergence of what Stewart (1997) terms 'a school of NGO management science'. This can be traced to the late 1980s and early 1990s when a series of short articles appeared in the pages of the ICVA's *NGO Management* newsletter and later in some of the academic development journals, and I have termed this the 'NGO management debate'. It took the form of a discussion between writers on NGOs and development, some of whom were excited by the new emphasis on 'alternative' management practices – such as empowerment, participation and other bottom-up approaches – while others were frustrated at the ways in which the idealism of NGOs, along with the growing expectations of funders and policy makers, often seemed to outstrip NGOs' own understanding and practice of basic management skills.

From this first perspective, Korten had written in 1987 that a new management paradigm was emerging among development NGOs, which was being influenced by, among others, the work of Robert Chambers, which embodied a set of emerging 'alternative management approaches' designed to address the problems which had become apparent within top-down, professionalized development management approaches. Korten spoke of a 'new development professionalism', in which

> Rather than supporting central control, [these NGOs] … support self-assessment and self-correction driven by a strong orientation to client service and a well-defined sense of mission. Highly developed management systems provide rich flows of information to facilitate these self-management processes.
>
> (Korten 1987: 156)

An example of this was the evolution of the existing concept of 'strategic planning', in which a specialized planning unit developed a blueprint which is often then resisted by other staff at different levels of the organization, into the newer idea of 'strategic management', which, if undertaken properly, becomes a more inclusive, consultative process that brings staff at all levels of the organization into the identification and implementation of organizational choices.

Dichter's (1989a: 387) counter-argument was that development NGOs needed to be able 'to walk before they can run'. In one short case study, for example, Dichter described an organization in which leaders and staff were given courses in participatory leadership training by a well meaning development organization when they really needed to learn far more basic practical management skills such as 'how to set up and keep administrative, accounting, book-keeping, and record-keeping systems for the co-op'. In another case, Dichter related how a Northern NGO, planning to establish a presence in West Africa,

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provided a preliminary state-of-the-art 'development management' training to its expatriate executive director, who then went to set up the local country office and proceeded to make two basic management mistakes. First, the director did not pay attention to the need to make sure that the right person was carefully recruited for the job, and without any feel for local culture or job markets appointed a person too quickly who turned out to be unsuitable. Second, he neglected to make sure that basic information systems were established, selected an office in an inappropriate area of town, and neglected the practical matter of setting up a proper vehicle maintenance programme. Very soon these somewhat prosaic management shortcomings undermined the NGO's efforts to carry out its work successfully. Such problems have not necessarily gone away. More recently Edwards (1999) also found in a study of NGO work in South Asia that lack of attention to 'the basics' of management was an important contributory factor in the failure of NGO initiatives, such as selecting appropriate staff and local partners, maintaining a clear sense of purpose and goals, and maintaining good communications with clients and constituents.

Dichter (1989a) argued therefore that thinking about NGO management needs to start 'plain' rather than 'fancy', and that in his cases the preoccupation with experimental, participatory' development management styles was frequently found to be at the expense of more basic management tasks. NGOs needed to understand budgeting and personnel issues; they needed to analyse the markets, legal framework and policy environment within which they operated; and they required a knowledge of how to maintain relationships, information systems and assets. Dichter's case was close to the 'management is management' idea – the argument that no matter what kind of organization we are talking about, generic management rules apply – at least in the early years of a development NGO. Rejecting simple North/South, business/voluntary or top-down/bottom-up dualisms, he suggested that basic management principles

> are not that different for North and South, or for business and the not-for-profit sector. . . Indeed, if 'good' management in a generic sense exists, it encompasses task, people, process and organisation. What makes for salient differences are context and the ends of management. These cannot be ignored, any more than we can forget that different theories of management are themselves contextual.
>
> (Dichter 1989a: 385)

Both Western and non-Western NGOs have been drawn to people-centred participatory management ideas, and these may fit well with the NGOs' overall ideologies and objectives. But such ideas have usually originated in stable, strongly defined organizations in the context of strong supporting structures and institutions. These conditions, Dichter argued, were unlikely to exist in many of the Southern contexts in which NGOs tend to be active. Dichter's assumptions were perhaps oversimplified in assuming that as opposed to the North, the South is 'under-organized' because such dualist thinking can be misleading. But his analysis finds more favour if it is applied to third sector organizations in general, which as we have seen are sometimes too quick to rush headlong towards management approaches.

Should NGOs take management more seriously, and if so, what kind of management models should they be interested in? Do NGOs pay enough attention to the basic 'nuts and

bolts' of mainstream business practice? Most NGOs need to be able to keep accounts, assign roles to their staff and make strategic decisions. Certain more innovative techniques from the private sector, such as 'management by objectives' and the social audit, are increasingly part of the world of development organizations. Or will such techniques move NGOs from being primarily value-driven and voluntaristic towards a more professionalized approach to their work?

Should NGOs turn instead to the growing field of what is termed 'non-profit management', a growth area particularly in the United States where the non-profit sector, it has been argued, now requires a new set of specialized models and concepts to assist these distinctive kinds of organizations to improve their management (Bryson 1994)? Or should development NGOs – as a diverse and increasingly multicultural group of organizations – seek to develop their own distinctive new management models, perhaps by exploring the possibilities offered by experimenting beyond the boundaries of existing practices, and outside primarily Western templates of organization?[11] These are not merely conceptual questions, and they have important implications for policy and practice.

REVIEW QUESTIONS

- Review the reasons for the growth of interest in NGO management with reference to an organisation or a context with which you are familiar.
- Discuss the extent to which the various different management approaches discussed in this chapter might each highlight different aspects of NGO management.
- Identify a particular NGO management challenge that you have encountered and explore how it might fit within the conceptual framework presented in the chapter.

NOTES

1 Despite volume of publications on NGOs that have emerged, writers such as Najam (1996b), Clarke (1998), Stewart (1997) and Lewis (2005) draw attention to important limitations in much of this 'NGO literature'. It has often tended to be either donor-driven (and therefore with a tendency not to confront political complexity) or written by NGO activists (which has lent it something of a 'feelgood' quality in which positive rather than negative experiences have been emphasised). These factors have contributed to literature on NGOs that can sometimes be seen as analytically weak and normative in its tone.

2 Some writers who are basically sympathetic to NGOs nevertheless have argued that unless NGOs pay more attention to key issues of accountability, probity and effectiveness they will face a backlash against NGOs (e.g. Slim 1997). More recent writings by Bond (2000) and Mallaby (2004) suggest that such a backlash is, in some quarters at least, already underway.

3 BRAC's website, which contains a wealth of information about this large influential NGO, is at www.brac.net

4 Vetwork's website can be found at www.vetwork.org.uk

5 There are some exceptions in Stark Biddle (1984), Billis and MacKeith (1992), Fowler (1997) and Suzuki (1997).

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6 The one-year MSc in Management of NGOs began in 1995 at the London School of Economics' Centre for Civil Society in the Department of Social Policy. A wide variety of experienced practitioner students from all over the world (but mostly from the 'South') have now graduated from the course. Some have contributed to this book in the form of case study material illustrating some of the NGO challenges that they have faced since graduating.
7 Further information about INTRAC's work and publications can be found at www.intrac.org
8 The 'management guru' phenomenon is one in which charismatic individuals claim to have all-purpose, novel answers to important management questions. A lively and provocative overview of the world of the management gurus can be found in Micklethwait and Wooldridge (1996). The authors conclude that while management theory is a commercially successful industry which acts as a 'magnet to charlatans', it does offer some general lessons and is 'not entirely devoid of intellectual context'!
9 The UNDP Human Development Reports can be found at www.hdr.undp.org/reports/
10 The selection and management of specific poverty reduction activities – such as making choices between campaigning versus service delivery work, or 'participatory' versus 'top down' interventions – is of course critical to any discussion of NGO management. See Thomas (1996) for a good overview.
11 Kiggundu (1989: 30), however, suggests that too much emphasis has frequently been placed on 'cultural variables' within organization and management studies of non-Western cultures, and not enough on the process of managing task, performance and technology.

THE NGO MANAGEMENT DEBATE

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CASE VIGNETTE **THE CONTEXT FOR NGOS IN SOMALIA**

Since this third sector research literature is primarily concerned with Northern contexts, and with organizations engaged in welfare work and social service delivery, there will be significant differences among third sector organizations in Northern and Southern contexts. At the organizational level, cultural norms and rules mediate organizational forms, while at the level of the environment no-one would want to pretend that working in Britain is in any way comparable with the context NGOs face in Somalia.

Alongside the generic organizational issues discussed in the previous section, we now turn to a brief discussion of some of these distinctive issues, which draws upon the emerging field of non-profit theory.

At a very basic level, Handy (1988) suggests that third sector organizations are essentially 'value-driven' organizations and that this poses distinctive management challenges, because people work in these voluntary organizations from a variety of public and private motivations: a sense of altruism, an escape route from dominant ideologies, or increasing public status from being a member of an NGO board.

This may not *always* be true in the NGO sector, of course, because in some societies, NGO posts are highly prized since a job in a foreign-funded organisation may bring significantly higher material rewards than many other forms of employment. In addition, third sector organizations differ from the other two sectors in that there is no clear link between the providers of funds and the users of the services (Hudson 1995).

In the private sector customers pay for goods and services at a market price; in the public sector people can vote officials in or out of office. These elements of third sector distinctiveness generate distinctive management challenges such as difficulties in monitoring organizational performance, problems of managing multiple accountabilities, the need for intricate management structures in order to balance multiple stakeholders, conflicts between voluntarism and professionalism, the need to maintain sight of the organization's founding values and the tendency for third sector organizations to set vague organizational objectives.

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