



PraxisNote No.1

# Cross-Cultural Management and NGO Capacity Building

## Why is a Cross- Cultural Approach Necessary?

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### Cross-Cultural Management and NGO Capacity Building

In order to build NGO capacity in an international development context successfully it is imperative to look at issues through a cross-cultural lens. This must not be an add-on or an afterthought. It must be integrated into a capacity building approach. The project *Management and Change in Africa: A Cross-cultural Perspective*, funded by Danida and the Paris Chamber of Commerce, although focusing primarily on the commercial and public sectors, was the first of its kind to address issues of managing in a 'developing' region in a critical way and from a cross-cultural viewpoint. This project has important implications beyond Africa for the 'third sector' and for development NGOs in particular.

Four **PraxisNotes** outline the approach.

- 1. Why is a Cross-Cultural Approach Necessary?** This PraxisNote outlines the cross-cultural management imperative and the importance of the project *Management and Change in Africa* to developing management and organisational capacity in non-governmental development organisations.
- 2. How Can Capacity be Built through Cross-Cultural Management?** This PraxisNote focuses on the processes and practices of capacity building, drawing on results from the project.
- 3. How Can Knowledge Transferability Be Managed Across Cultures?** This PraxisNote addresses the important issues of transferring knowledge and best practice in the cross-cultural context within which all development NGOs work.
- 4. How Should Impact Be Assessed Cross-Culturally?** The evaluation of impact involves a number of stakeholders often working with different cultural assumptions, in different power relations to each other. Assessing impact must be considered from a cross-cultural perspective.

This PraxisNote outlines the cross-cultural management imperative and the importance of the project *Management and Change in Africa* to developing management and organisational capacity

in non-governmental development organisations in Africa and beyond. It considers why management is important to NGOs, and why cross-cultural management. It asks how cross-cultural

theory might address practical NGO management issues, focusing firstly on the different levels of cross-cultural interaction and how we might understand cultural differences. In particular it highlights the importance of the way human beings in organisations are valued differently between Western

and non-Western cultures, explaining why human resource management is inappropriate in Africa and other developing regions. It then discusses the hybridisation of organisations and management through cross-cultural interaction, and why this process is so important to building NGO capacity.

## Why Management?

The idea of ‘managing’ NGOs is a recent consideration among practitioners and academics. Development academics, who have shown an increasing interest in analysing and developing NGO management, have often been ill equipped for the task. Opinions among development practitioners seem to run from complete disdain of anything to do with managerialism to uncritical acceptance of Western management principles (e.g. Kaplan, 2003; Fowler, 1997). Lewis (2001) shows that techniques and principles that were being ditched by commercial sector managers, such as ‘strategic planning’, during the 1990s were happily being adopted by NGOs as ‘quick fixes’.

Now, it seems that some development academics (including Lewis, 2001) have ‘discovered’ Hofstede’s (1980) theory, which has dominated cross-cultural management studies, just at a time when it is being heavily criticised by the

international management academic community.

So, why should the development community be more aware of current issues and competences in management studies, and why should NGOs develop management capacity? The premise upon which the project *Management and Change in Africa* is based is that:

*‘Good organisational management is essential for the well being of human kind... Effectively managing resources would seem a logical way of alleviating human hardship and poverty, and ensuring the welfare and dignity of all people...’* (Jackson, 2004).

Yet, to develop successful international and indigenous NGOs, their global and multicultural operating contexts must be a central consideration if capacity building and organisational impact is to be successful and appropriate.

## Why a Cross-Cultural Approach?

Despite the fact that the main business of development NGOs involves working across cultures, the growing literature on NGO management rarely mentions ‘culture’. It is mentioned once in 460 pages of the Edwards and Fowler (2002) *Earthscan Reader on NGO Management*, and ‘cross-cultural’ or ‘inter-cultural’ not at all. Where culture, or a

cross-cultural perspective is discussed, it is seen as an additional factor that should be considered, rather than an integral part of our understanding of NGO capacity building (such as in the otherwise useful introduction to NGO management of Lewis, 2001). Few organisations operating in the modern

world can remain untouched by cross-cultural considerations.

When development NGOs claim that their 'comparative advantage' is in their local responsiveness, social focus, and cultural sensitivity to peoples' needs and the appropriateness of interventions (Cernea, 1988), it is difficult to argue that cross-cultural management theory and approaches are not central to NGO management and capacity building. For example:

- The way knowledge, technology and 'best practice' is transferred from one country to another may be problematic without considering the cross-cultural implications;
- The way change should be managed in hierarchical, uncertainty avoiding or communalistic cultures may be substantially different to 'Western' textbook methods;
- Appropriate styles and methods of 'leadership' may differ substantially from one culture to another;
- Western-style participatory decision-making processes developed in individualistic and contractualising cultures may be entirely inappropriate in community-based cultures.
- Concepts of ethicality differ substantially across cultures – including values relating to people, relationships, exclusion, gender and power – and cross-cultural sensitivities, as well as principles and mechanisms to manage these differences, need to be developed. These aspects may have consequences for the way NGOs import foreign management principles (for example staff selection methods) as well as the way organisational and project impact is assessed.

## How Can Cross-Cultural Theory Address Practical Issues of NGO Management?

The recent 'discovery' of cross-cultural management theorists, particularly of Geert Hofstede (1980), by the academic development community in general (e.g. Dia, 1996) and those addressing NGO management in particular (e.g. Lewis, 2001) has not served to tackle many issues, only to highlight some of the problems. For example, such theory rarely considers issues of cross-cultural dynamics, including power relations, and processes by which hybrid forms of organisation develop. The rationale of the project *Management and Change in Africa* was to develop an understanding of these dynamics in the context of sub-Saharan Africa. How can this now be

used in order to inform successful and appropriate NGO capacity building?

The first stage is to consider the complexity and dynamics of cross-cultural influences on NGO capacity building. This involves understanding the different levels of cross-cultural interaction, cultural crossvergence and organisational hybridisation.

### **Levels of cross-cultural interaction**

These levels can be understood as follows:

- **The inter-continental level** focuses on the dynamics of Western–indigenous interaction of cultures and management systems. The appropriateness of management principles and the transfer of knowledge is raised when considering this level. Hybridisation of organisation and management forms takes place through historical and current foreign and indigenous influences with the potential of developing organisations that are highly adaptive to their environments, or mal-adaptive organisations that are likely to fail.
- **The cross-border level** focuses on inter-country interaction. This was discouraged for example in Africa under colonial administrations, and is becoming more important in economic co-operation within regional associations, particularly for the commercial sector. North–South NGO interaction may militate against cross-border interaction and cross-fertilisation of ideas and technologies. This supports the argument that such relationships perpetuate former colony–metropolis relationships. A consideration of cultural difference and similarities is important at this level of analysis.
- **The inter-ethnic level** focuses on day-to-day issues of conflict, harmony, and power relations among ethnic groups. In Africa it also raises questions of the transient and political nature of ethnic groupings, and for example the extent to which ‘tribes’ were colonial creations (see Thomson’s, 2000, discussion of the Yoruba in Nigeria).

### ***The implications for development NGOs***

These three levels of cross-cultural interaction affect all development NGOs. International NGOs import assumptions and methods to developing regions. Southern NGOs often have relations of dependency with the North, and as a consequence adopt imported assumptions. Cross-fertilisation of ideas and technologies plays an important role across borders in the South, and cross-cultural differences should be taken into account at cross-border level. Finally, inter-ethnic interaction is often prominent within Southern NGOs (where it is not, exclusion may take place if employees are recruited predominantly from one ethnic group), and among local clients.

### ***Understanding cross-cultural differences***

Differences appear to be most fundamental at the inter-continental level. These should be considered when looking at the transferability of management principles, particularly from North to South. Of primary importance is the concept of *locus of human value* that was used in the project *Management and Change in Africa* to assess the appropriateness of people management approaches.

‘Western’ management (American, French, Scandinavian, etc) encompasses many different approaches to managing people and organisations. Culturally these approaches appear to be linked by an *instrumental* view of people in organisations as a means to an end. This distinguishes them from ‘non-Western’ views that see people as an end in themselves (Jackson, 2002b). Concepts related to the perception of human beings as a ‘resource’ reflect this view.

The predominance of the term *Human Resource Management* (HRM) throughout



the world, including in the NGO sector, reflects the (uncritical) influence of this view: however, in certain other countries other ideas are gaining currency, such as the notion of 'people management'. In cultures that stress the value of a person in themselves (and often as part of a wider social collective), imposing a perception of persons as only having a value in what they can do for the organisation (i.e. a resource), rather than valuing them for who and what they are, runs contrary to many 'non-Western' cultural value systems. It is no wonder that many interviewees in Africa explained that when they went to work in the morning they were stepping outside their culture, and when going home at night, they were stepping back into it. There may be similar stories in other developing regions.

There is a danger that the NGO sector is adopting the idea of human beings as

'resources' quite uncritically, and culturally insensitively (e.g. Fowler, 1997). This may not be at odds with their humanitarian mission (i.e. the tasks and results upon which they are focused, leading to perceptions of staff as a means to achieving this), but may well be at odds with their humanitarian values – which logically should also apply to their staff.

The project *Management and Change in Africa* identified the *locus of human value* as an important factor in understanding the character and appropriateness of different management systems in Africa, and how they often combine in hybrid forms within individual organisations. We now focus on those different forms of management, and explain their significance to understanding the cross-cultural implications for managing NGOs in Africa and other developing regions.

## How Can Management be Understood in the Cross-Cultural Context of Developing Regions?

'Management' is not universal. NGO managers cannot just 'pick up' a technique or a principle from a textbook and apply it anywhere. What may look like a 'quick fix' may be entirely inappropriate, particularly within a 'Southern' context, as we saw with the concept of Human Resource Management above. The first step is to understand the different 'management systems' operating within the South. The following were identified as 'ideal types' (in the Weberian sense) in sub-Saharan Africa, with a view to their applicability in other developing regions.

### 'Post-colonial' management

When management academics look at management in developing countries they see and describe 'post-colonial' management systems without identifying

these as such (e.g. Jaeger and Kanungo, 1990): hierarchical, centralised, authoritarian or at best 'paternalistic', rule bound, lack of flexibility, distrustful of employees. Management in 'developing' countries is thus seen in this pejorative sense. The obvious solution within the *developing-developed* world paradigm is to move towards a 'Western' approach: results/market focused; often consultative/participative; and using a 'contingency' approach that balances a task and people focus. Multinational corporations, as well as agencies such as the World Bank/IMF, are urging this movement. This uptake of 'Western' principles also applies to NGOs operating in developing countries, as Taylor (2002) points out. Yet this represents a similar dynamic to that which created post-colonial systems.

Dia (1996), among others, posits the disconnect thesis: institutions were imposed on communities during the colonial era. This gave rise to the systems of management and control that have continued to be seen as 'African': because after all, African chiefs were dictatorial, authoritarian and non-consultative, weren't they? (but read Ayitter, 1991, as an antidote to this). Yet these post-colonial systems actually continue to alienate African employees, and this may be reflected in other developing regions.

So, are so-called 'Western' (or more accurately Anglo-American) management systems any more appropriate in Africa and other developing regions?

### **Western or 'post-instrumental' management**

It is difficult to argue that mature 'modern' HRM systems in Western countries reflect a 'hard' instrumentalism such as in McGregor's System X or the scientific management of Taylor. Such systems have adopted a 'contingency' principle that uses task- and people-focused approaches as appropriate. However, there is evidence to suggest that where Western HRM methods have been adopted in 'emerging' economies such as the former Soviet countries, they have taken the harder forms (Jackson, 2002a). This is also evident in Africa.

Participation and empowerment are part of the discourse of contingency instrumental approaches (see Taylor, 2002), rather than part of humanist approaches that value people as ends in themselves. In countries such as South Africa, people in the commercial sector are often used on a tactical basis, at an operational level of the organisation (where the objective and the tasks are provided to a work team that can then implement the decision in any way it wishes within budgetary and other constraints) leaving strategic decision-

making processes within the sphere of the organisation's (often foreign) elite, and without reference to a wider stakeholder base.

### **Humanistic ('African renaissance') management**

Humanistic approaches to management are being articulated in Africa. This is particularly manifest in South Africa through the concept of *ubuntu* (from a Xhosa saying meaning 'people are only people through other people') (e.g. Mbigi, 1997). A number of public and commercial sector organisations have implemented management development programmes based on these principles that seek to capture indigenous African values.

It would be wrong to suggest that the *ubuntu* approach has had a tremendous and profound effect on management in South Africa. Yet it serves as an ideal, and may well represent an approach that is more in line with the way in which African employees value a person, and a humanistic *locus of human value*. However, there is evidence that other organisations in countries that have not necessarily come into contact with *ubuntu* principles from South Africa are attempting to reintroduce 'African' values – for example from a group interview with key managers in Afriland First Bank in Cameroon (Jackson, 2004):

'In our traditional culture it isn't the chief who makes the decision. Every stone is turned, by bringing people together. With individual decision-making there is a chance that you will make a mistake. So decisions are taken at the group level. We are like an African family that is trying to ensure our stability for the longer period. But in our family the chief cannot always see that he is doing wrong...In the North of the country you

have isolated big trees in savannah areas. So people gather around the tree. They solve community matters, preventing small problems becoming destructive. This is the model here. Every month people gather without consideration of rank, to discuss internal matters. There is no general manager present. We look at good news. We discuss things that are not right. We ask people what they think and to decide upon the issue in respect to their individual operating unit.'

## Management systems and NGOs

Although there is a growing literature on how NGOs should be managed (often within a Western framework), there has been little research undertaken on how NGOs are actually managed. There is isolated evidence that post-colonial systems may be a feature in some Southern NGOs (e.g. Edwards' description of SCF in Bangladesh, 1999); that Western approaches may be used uncritically (Lewis, 2001). Foreman

(1999), for example, talks about the 'McDonaldisation' of NGOs.

A popular concept, developed within the instrumental tradition of Anglo-American management, that appears to have been taken up by some (Northern) NGOs is the 'learning organisation' (for example Oxfam America: Offenheiser, Holcombe and Hopkins, 1999), which may be inappropriate in other cultures (see PraxisNote 3). There is therefore much circumstantial evidence of Western influences on the organisational and people management of development NGOs.

Similarly there are inferences in the literature that NGOs need to relate to their local clientele in a way that reflects local values and practices (Gibb and Adhikary, 2000; Howes, 1997), but little on the way that internal management reflects humanistic and communalistic values. It is more likely that NGOs, just like organisations in other sectors, have got to adapt and develop hybrid organisations that are effective within the context in which they operate. This aspect is considered next.

## Why are Cultural Crossvergence and Hybridisation Processes Important to NGO Management?

Although the three 'ideal type' systems are unlikely to be found in Africa (or other developing regions) in any pure form, they represent historical and current cultural influences on modern day management practices in various hybrid forms across sectors. It should be noted that there may be other systems. For example, Japanese management may be seen as an alternative to 'Western' principles. Rather, these systems are used as a device, or metaphor, to conceptualise and analyse the different influences on management in Africa.

They are seen as content components in the process of cultural crossvergence and hybridisation of management systems.

There is a tendency in the international management literature either to accept the *convergence* thesis that, due to globalisation, cultures are coming together (e.g. Hickson and Pugh, 1995), often through the economic power and hegemony of American influence; or, the *divergence* thesis that (national) cultures, although continuously



changing, remain essentially different from each other, and these differences should be taken into consideration when managing across cultures (e.g. Hofstede, 1980). A third thesis is becoming more current: *crossvergence* (see Priem, Love and Shaffer, 2000, for a review). This theory suggests that through different cultural influences hybrid forms of management are developing, some highly adaptive to their operating environment, some maladaptive (Jackson, 2002b). This has been increasingly studied in Hong Kong (Priem et al, 2000); and has also been used to develop systems of people management, as is the case for Indian HRD (human resource development) which brings together Western and Indian influences (e.g. Rao, 1996).

However, these theories do tend to miss out the importance of power and ideology in the development of hybrid forms. For example, the power of development agencies and donors, and the influence of Western management textbooks and courses, must have had a substantial impact on the type of hybrid management forms operating within development NGOs. Yet Western management principles should not be summarily dismissed. It may also be a

fact of life that, as exemplified in the African context, organisations cannot simply go back to supposed management methods that existed before colonial times. History perhaps cannot be defied. However, the process of hybridisation can be managed. The complexities of the operating environment can be understood and redefined. Different stakeholder inputs can be facilitated. Appropriate leadership can be developed. Motivation and commitment can be attuned to local conditions. And, multiculturalism and multiple influences of culture can be used as an advantage, rather than a disadvantage.

The capacity building of international and indigenous NGO should be grounded in solid empirical research, which itself should be based on cross-cultural principles. No organisation on the globe today can ignore cross-cultural management issues. Development NGOs are not an exception. Cross-cultural management is absolutely central to their *raison d'être*, and to their own sustainable development. PraxisNote 2 looks at the processes involved in this.

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