Cross-Cultural Management and NGO Capacity Building

How Can Capacity Be Built Through Cross-Cultural Management?

Terence Jackson

INTRAC
The International
NGO Training and
Research Centre

Cross-Cultural Management and NGO Capacity Building

How Can Capacity Be Built Through Cross-Cultural Management?

Terence Jackson

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 focuses on the way NGO capacity may be built effectively and appropriately with the help of cross-cultural management approaches. Drawing on the concept of cultural crossvergence, it discusses how the

process of hybridisation might be managed to develop organisations that are highly adaptive to their environments. It draws on the findings of the research project *Management and Change in Africa: A Cross-cultural Perspective*, and looks at the importance of developing capacity in the following areas:

- Managing complexity and uncertainty in the development context
- Managing decision-making processes through multiple stakeholders
- Using appropriate leadership and management styles
- Motivating and rewarding managers

- Gaining employee commitment through work attitudes and organisational climate
- Managing multiculturalism and developing managers

Box 1 outlines the main findings from the project that surveyed managers in 15 sub-Saharan countries from the commercial, public and non-profit sectors, and focused on specific organisations in South Africa, Cameroon, Nigeria and Kenya.

These findings are discussed below in relation to development NGOs in Africa and other developing regions, and it is suggested how capacity might be built.

BOX 1: *Management and Change in Africa* – Key Results

Managing Complexity and Uncertainty in the African Environment
- The way the operating environment is seen in terms of constraints and opportunities is important to successful and appropriate organisational management.
- Understanding how perceptions of uncertainty and ambiguity are culturally formulated is important in order to explore how managers act towards the operating environment.
- The ability to 'capture' the wider societal collectivism, humanism and entrepreneurial flair in Africa may be key to organisational success.
- The capability to develop cultural synergies and include different and wider stakeholders is a prerequisite to making appropriate decisions, based on a more thorough understanding of the operating environment; helping to reduce uncertainty; and including multiple stakeholders.

Managing Decision-Making
- Understanding the influences of cultural differences and different value systems is important when developing decision-making processes and transferring knowledge and decision systems from other cultures.
- Effective and appropriate decision-making should be based on the inclusion of a wider stakeholder base. Some organisations are beginning to recognise this.
- Current participatory and empowering management styles (transferred from Western systems) are gaining in importance in Africa. However, they are mostly applied as 'tactical' approaches at the implementation level, and based on contingency principles, leaving strategic decisions to top management (often with foreign boards) leading to little or no wider stakeholder involvement.

Using Appropriate Leadership and Management Styles
- A variety of hybrid management systems are operating in Africa, some successful, highly adaptive to the operating environment, and some maladaptive, often leading to failure.
- These can be described by reference to three 'ideal type' management systems: *post-colonial* (based on coercive leadership and alienative involvement); *post-instrumental* (based on

remunerative reward and contractual involvement); and *African renaissance* (based on normative leadership and moral involvement).

- African management systems currently appear to be predominantly *results-* and *control*-oriented (post-instrumental and post-colonial), with some country differences: DRC is more *control*-oriented; Mozambique and Rwanda are more *people*-oriented (normative).

- There is a general desire among managers to be more *people-* and *results*-oriented (particularly in Burkina Faso and Botswana); while *people* orientation is not reflected in managers' projections of the future of their organisations, a higher emphasis on *results* is.

Motivating and Rewarding Managers

- *Locus of control*, or the extent to which managers perceive that events can either be controlled by them (*internal locus*) or are outside their control (*external locus*) has implications for motivational systems such as results-driven reward systems. This was generally found to be moderately 'internal' (contrary to general assumptions), with managers in Botswana, Ghana, RSA, and Zambia more internal than other countries. There were also differences within RSA among cultural groups.

- Security needs, which affect the 'hygiene' nature in motivational systems of a steady and secure job appear to be higher in Kenya, Ghana, and Zambia; and lower in RSA, Botswana and Zimbabwe.

- Managers generally report a preference to work as part of team, but perceive this tendency as lower in others.

- Work centrality is generally low: family and outside work life is more important.

Gaining Employee Commitment: Work Attitudes and Organisational Climate

- Humanistic and communalistic attitudes are prominent.
- There is a need for stability, and employees have expectations of loyalty from their employer.
- Employees report a moderately high loyalty to the organisation, yet a moderately low work centrality.
- There is a separation between home/community life and work life.
- Reported levels of coercive control (post-colonial management systems) seem to be too high.
- Employees appear to be team workers.

Managing Multiculturalism: Developing Managers

- Differences in learning styles suggest that Anglo-Saxon teaching methods with a focus on process may be inappropriate.
- Also questioned is the appropriateness of the 'Organisational Learning' concept that is being introduced into organisations in Africa, without much thought.
- From the points above, management development and organisational capacity building should include the following areas: understanding constraints and uncertainty; accommodating interests of multiple stakeholders; developing decision-making processes that give voice to stakeholder interests; motivating and gaining commitment by reconciling home/community and work life; assessing appropriateness of management principles and practices; managing multiculturalism and cross-cultural development.

Managing Complexity and Uncertainty

The context of developing countries is often uncertain, risky, and complex. Add to this the overall operating context of NGOs whose management 'have to balance the needs of local communities, with complex financial and operational considerations, and the demands of government and aid donors' and '…face the challenge of working with some of the most vulnerable and disadvantaged people in the world today in a range of projects (Hailey, 2002, p 4: of NGOs in South Asia), and one has an idea of the scale of challenges for NGOs operating

in developing regions such as sub-Saharan Africa. The mission of most NGOs to make fundamental changes to existing circumstances compounds this complexity and uncertainty.

Yet the way the context is understood may be culturally determined and mediated by power relations (Jackson, 2004); the way that uncertainty is perceived has been shown to be influenced by culture (Hofstede, 1980); and the way change is managed in the West may be entirely inappropriate in cultures that are more hierarchical and uncertainty avoiding.

Perception of constraints and opportunities

Rimmer (1991, p 90) proposes that 'some bodies, including the World Bank, have interests entrenched in an African crisis; their importance, the resources they command, perhaps even their very existence, depend on a perceived need to rescue Africa from disaster'. We might extend this to include the African elite who might have a vested interest in an 'Africa crisis'. This is not to pour scorn on the work of development agencies and NGOs, but to prompt NGO managers to make a proper assessment of the way constraints and opportunities are seen in relation to their work. The interviews conducted with managers in Africa over a broad range of sectors indicated great variation among organisations in the degree to which managers identified opportunities, made realistic assessments of con-straints, and developed strategies for overcoming them.

Perception of uncertainty and change

Two factors in particular appear to influence the cultural perceptions of uncertainty and ambiguity, and hence the way that change can be managed in a complex environment such as sub-Saharan Africa:

- **Uncertainty avoidance** (Hofstede, 1980; Kanungo and Jaeger, 1990): there is some evidence that African cultural groups are less tolerant of uncertainty than, for example white settler groups in South Africa. Change management processes that seek to empower staff at the lower levels of the organisational hierarchy to take ownership of change may only exacerbate their perception of uncertainty, and may be seen as the 'boss not managing' in a culture that is relatively more hierarchical.

- **Locus of control** (Smith, Trompenaars and Dugan, 1994): there is evidence that African groups may believe that they are unable to control external events (compared with Western groups who appear to have a higher internal locus of control). This factor, which concerns the way people interact with their environment, should be taken into account when developing methods of managing change.

Managing Decision-Making Processes Through Multiple Stakeholders

One way in which uncertainty may be effectively managed during a change process is to include multiple stakeholders in the decision-making

process. For example evidence in Africa (Jackson, 2004) suggests that a wide stakeholder base is an important foundation for management in

uncertain and complex contexts, and indeed to organisational performance and impact. This is no less significant in the NGO sector (e.g. Edwards, 1999, of NGOs in South Asia). Yet while some enlightened (commercial) organisations are attempting to involve a wider stakeholder group, most organisations appear to be introducing more participative, empowering approaches purely on a tactical basis, without involving wider stakeholder groups in strategic decision-making. Strategic decisions, often taken at head office, may not be appropriate to the needs of the wider stakeholder base, and hence may not enable organisations to adapt to and manage their operating environment effectively. Hailey (2001) suggests how the 'formulaic' approaches to participation in the work of NGOs may not only be culturally inappropriate, but may be more ominous as part of the agenda of donor agencies. He describes

approaches of community networking among a wider group of stakeholders that may be more appropriate in South Asia.

There is therefore a need to look at the relevance of participative decision-making processes both in relation to the cultural context (what type of participation is culturally appropriate and why?) and to the power relations between Northern and Southern NGOs, or donor agencies and development NGOs. It is likely that wider stakeholder involvement in decision-making processes is both more appropriate in the communalistic oriented cultures (this is certainly the case in sub-Saharan Africa), and more effective in making suitable organisational decisions for sustainable development and capacity building.

Using Appropriate Leadership and Management Styles

PraxisNote 1 discussed the different 'ideal type' management systems operating in Africa, as well as other developing regions:

- **Post-colonial** systems are based on coercive leadership and alienative involvement of employees;
- **Post-instrumental** systems are based on remunerative reward, where leadership is task- and results-driven, and staff have a contractual involvement with the organisation;
- **African renaissance (human-istic)** systems are based on normative, often value driven leadership, and moral involvement of people within the organisation.

Lewis (2001), using Etzioni's (1961) control-compliance model, appears to align coercive-alienative leadership with public sector management, remunerative-contractual leadership with commercial sector management, and normative-moral leadership with NGO management. Although this may have a ring of logic, it may be altogether too simplistic. Evidence from the project *Management and Change in Africa* suggests that organisations across sectors still retain strong elements of coercive leadership, yet also have a results focus (*control* and *results* orientation: see Box 1). The organisations have a low *people* (or normative) orientation, with a desire by managers surveyed to adopt a stronger *people* as well as a *result* focus.

Organisations in sub-Saharan Africa (and other developing regions) across

sectors are developing numerous hybrid management systems. There are tremendous pressures, from multi-national organisations on local subsidiary organisations, from World Bank/IMF on public sector organisations, and on donor agencies on NGOs to adopt more Western approaches, and hence more instrumental focus, where leadership employs a contingency approach, balancing the task focus and an emphasis on tactical participation. Western management education and textbooks reinforce these pressures. NGOs, like public and private sector organisations, must be mindful of the appropriateness of leadership styles and methods. They should be particularly aware of the cultural embeddedness of leadership and management styles that have implications (among other aspects) for management and staff motivation.

Motivating and Rewarding Managers

It may be tempting to downplay the importance of motivating and rewarding managers in NGOs. Such managers may be seen to be motivated by high ideals such as contribution to social change. However, as Fowler (1997) points out, this attitude may well be changing as NGOs have become more businesslike and market-driven during the 1990s, the enlargement of the sector has exacerbated the need for good managers and staff from other NGOs and from donor agencies. There are increased market-driven pressures to focus more on the way managers are motivated and rewarded. Managers may also move from one sector to another. Commercial managers from the private sector may need to be attracted. Poaching from the public sector may also be a factor. NGOs appear to be less immune to motivational and reward considerations. Factors that seem to play a part in such considerations (based on evidence in Africa) appear to include:

- The extent to which reward systems should be results driven: *locus of control* plays a part in this, as it may influence the extent to which managers feel they can control outside events, and achieve the results they are targeted on. This aspect seems to vary across sub-Saharan countries (Box 1).
- Security needs: a job that motivates through high ideals may be no good, if it cannot guarantee ongoing and secure employment.
- Feeling part of a team, rather than being motivated and rewarded as an individual (as is often the emphasis in Western reward systems).
- Work centrality: appears to be generally low in Africa. This may be explained by the community and family emphasis in many developing countries. This factor may be particularly important for manager motivation in NGOs, as there is a need to seek closer integration of the organisation and the community.

Gaining Employee Commitment Through Work Attitudes and Organisational Climate

This is another area that appears to have been neglected in the literature, and which has not been treated in a cross-cultural way. It is surprising in view of the often high number of staff in many development NGOs, often working in different cultural contexts. When staff commitment is treated in the literature it is often intertwined with the question of participation (i.e. high levels of participation are related to high staff morale and commitment: Cleaver, 1999, for example, touches upon this issue). Yet lack of hierarchy, structure and a perceived authority may actually militate against employee morale and commitment (see Hailey's comments on the relationship between hierarchy and participation in South Asian NGOs, 2002).

Results in South Africa, Cameroon, Nigeria and Kenya from the project *Management and Change in Africa*, suggest that:

- Communalistic and humanistic attitudes are important in organisations across sectors.
- Employees expect stability in their jobs, and loyalty from their employers.
- Work is by no means central in people's lives, yet there is still a moderately high level of loyalty to the organisation (which may be dependent on loyalty being shown to the employee).

- Employees are team players rather than individualists.
- Yet these aspects appear not to be fully realised. There seems to be a separation between home/community life and the world of work, as well as a perception by employees that the levels of control are too high.

The extent to which 'Western' principles of participation and individual incentives are appropriate must be questioned. Building loyalty may be more usefully seen as a longer term reciprocal process of joint loyalty-building through stable employment, integration of community and work life (both in attitudinal forms and actual reciprocal involvement of community and organisation) and focusing on incentives for team-building.

Again, participation could more usefully be seen as incorporating a range of stakeholders, including those within the community. Yet the above does not preclude more paternalistic ways of managing, or more authoritarian and hierarchical organisational structures and processes. This, in common with the areas discussed above, is an important area for future research.

Managing Multiculturalism and Developing Managers

Management training and development in a multicultural context (involving the three levels of cross-cultural dynamics discussed in PraxisNote 1) involves both

process (how do we do it?) and *content* (what do we do?). *Process* can further be considered in terms of individual and organisational learning.

'Learning' as a concept varies across cultures. So much so that the Anglo-Saxon notion of learning is difficult to translate even into other European languages. Such a concept is learner-centred and process-focused. The emphasis is on process (how to learn) rather than on the content (what you know). Many non-Anglo-Saxon approaches to 'teaching' are content-focused, such as the French teaching concept. Similarly, Sawadogo (1995) asserts that this is the case for African cultures which emphasise observation and an oral tradition of knowledge transmission and memorisation. For example, he suggests that lecture methods may be far more appropriate for individual learning than workshop methods. He goes on to explain that knowledge is highly respected, highly valued and almost feared: the learner becomes dependent on the trainer as a source of wisdom. The idea of the 'independent learner' does not appear to be appropriate.

The Anglo-Saxon concept of the 'learning organisation' may also be inappropriate in a developing country context. First, it relies heavily on the idea of experiential learning, and learning as a process, which may be at variance to African notions, among others. Secondly, it relies on the perception of organisations as instrumental and 'open systems' in which the executive goals of the organisation are pursued, and where learning takes place to fulfil goals. This also touches on the discussion above about the narrowly defined and tactical nature of participation. To be successful, organisational learning for NGOs working in developing countries should be inclusive of a wider stakeholder base. At both individual and organisational levels, management learning and development should include the following aspects that have been discussed above:

- Awareness amongst the management team members of the broader operating constraints (political, economic, legislative, social and cultural) within a complex operating environment, and reflecting on how these may be turned into opportunities.

- Incorporation of the interests of the NGO's multiple stake-holders into its strategic objectives (including employees and their representatives, managers, community, govern-ment, suppliers, clients and donor agencies).

- Development of real and effective internal means for incorporating the perceptions, expectations, strengths and interests of stakeholders (including different cultural and gender groups) into decision-making and change manage-ment, through active and wider (rather than simply 'tactical') participation.

- Obtaining commitment and motivation by developing an understanding of the relation-ship between community/family life and work life, and the way this relationship is differently perceived from different cultural perspectives.

- Awareness of the contributing factors to the way the organisation is managed through principles, policies and practices, and their applicability to the socio-cultural contexts within which the organisation operates.

- Conscious management of the multicultural dynamics in order

to develop strengths and synergies from these, including the management of equal opportunities for individuals from different ethnic and gender groups to influence the direction of the organisation.

Many of these aspects of management development and organisational capacity building involve a consideration of the transfer of knowledge and best practice from one organisation to another, and from one culture to another. This raises issues of management practices and organisational learning, of the nature of leadership and the ethical aspects of decision-making, as well as the way that change is managed. These issues of transferability are discussed in Praxis-Note 3.

References and Further Reading

Cleaver, F. (1999) Paradoxes of participation: questioning participatory approaches to development, *Journal of International Development*, 11(4), 597-612, and reproduced as Chapter 14, in Edwards and Fowler (2002)

Edwards, M. (1999) NGO performance: what breeds success? New evidence from South Asia, *World Development*, 27(2), 361-74, and reproduced in Edwards and Fowler, 2002.

Edwards, M. and Fowler, A. (eds.) (2002) *The Earthscan Reader on NGO Management*, London: Earthscan Publications.

Etzioni, A. (1961/1975) *A Comparative analysis of Complex Organisations*, New York, NY: The Free Press.

Fowler, A. (1997) Human Resource Management, reproduced as Chapter 30 in Edwards and Fowler (eds.) (2002), pp. 441-55.

Hailey, J. (2001) Beyond the Formulaic: process and practice in South Asian NGOs, chapter 6 of B. Cooke and U. Kothari (eds.) (2001) *Participation: The New Tyranny?*, London: Zed Books, pp.88-101.

Hailey, J. (2002) Development Leaders: Issues in NGO Leadership, paper presented at the EIASM Workshop on Leadership Research, Said Business School, December 2002.

Hofstede, G. (1980) *Culture's Consequences: International Differences in Work Related Values*, Beverly Hills, CA: Sage

Jackson, T. (2004) *Management and Change in Africa: A Cross-cultural Perspective*, London: Routledge.

Kanungo, R. N. and Jaeger, A. M. (1990) Introduction: The need for indigenous management in developing countries, in A. M. Jaeger and R. N. Kanungo (eds.) *Management in Developing Countries*, London: Routledge, pp. 1-23.

Lewis, D. (2001) *The Management of Non-Governmental Development Organisations*, London: Routledge.

Rimmer, D. (1991) Thirty years of independent Africa, *Africa Insights*, 21(2), 90-96. Reprinted in P. Blunt, M. L. Jones and D. Richards, *Managing Organisations in Africa: Readings, Cases and Exercises*, Berlin: Walter de Gruyter, 1993.

Sawadogo, G. (1995) Training for the African mind, *International Journal of Intercultural Relations*, 19(2), 281-293.

Smith, P. B., Trompenaars, F. and Dugan, S. (1994) The Rotter locus of control scale in 43 countries: a test of cultural relativity, *International Journal of Psychology*, 30, 377-400.