Cross-Cultural Management and NGO Capacity Building

How Should Impact Be Assessed Cross-Culturally?

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In order to build NGO capacity in an international and 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 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 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 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 assessment of impact involves a number of stakeholders often working within different cultural assumptions, in different power relations to each other. Assessing impact must be considered from a cross-cultural perspective.

In PraxisNotes 1–3, a picture of the cross-cultural nature of NGO capacity building has been presented. PraxisNote 1 discussed the cross-cultural imperative: why it is necessary to take a cross-cultural approach. PraxisNote 2 looked at how this applied more directly to building management capacity within development NGOs. Connected with this was the issue of transferability of management technologies and best practices across cultures: to what extent it is possible and appropriate to transfer knowledge across cultures? Assessment of the ‘impact’ of capacity building is an integral facet. This obviously relates to
the following topical questions: why is impact assessed? who is doing or driving this assessment? and how is impact being assessed? – and impact on what and whom and in what way? Following this, questions may then be asked about the appropriateness of such impact assessment; who should be doing it; and what should be done.

Why is Impact Being Assessed?

The reasons why efforts to assess NGO performance have increased are outlined by Fowler (1995):

1. Increased access to public funds has come with more stringent conditions from donor agencies for accountability and realisation of agreed impacts.
2. Donor countries’ priorities have accelerated towards the institutional reconstruction of recipient countries, with pressure on NGOs to alter their roles in society, and demonstrate that such organisational transformations have been accomplished.
3. Claims by NGOs that they are more cost effective than governments in meeting the needs of the poor and marginalised are being called upon to be verified.
4. There is a growing acceptance of the thesis that organisational effectiveness is positively correlated with the ability to learn from experience. As NGOs have to be sensitive to instabilities and rapid environmental changes, they act as open systems that require data about organisational functioning, impact and lessons learnt from experiences, in order to make continuous adjustments.

This provides an indication not only of why impact is being assessed, but also who is driving impact assessment, and how it is being assessed.

Who is Driving Assessment?

It can be seen from the above that pressures to evaluate performance have come from both external and internal sources. Yet there have been concerns expressed by NGOs themselves that donor agencies have been driving such assessment, in order to introduce more accountability in the way funds are spent, and the impact they are having (e.g. Lewis, 2001). Gibb and Adhikary (2000) propose that local NGOs often have a weak resource base and therefore are more likely to lapse into chasing funder resources rather than reflecting local needs. As a result of this they are prone to becoming supplier rather than customer-led: they are more likely to be geared to meeting the needs of the supplier organisations rather than their ultimate local customers or clients. This may have the implication that they become isolated from the local stakeholder base. With a demand from donors for maximum impact often across a wide geographic area, the NGOs are not able to deliver a uniform standard of quality as a group. Also, local differentiation often goes against the donor requirement to evaluate impact by counting standard outputs in order for cost-effectiveness to be easily measured.

Even when Southern NGOs themselves drive impact assessment, there may be a
tendency to borrow concepts and techniques from Western management methods. This raises questions about the power relations between Northern agencies and Southern NGOs. Not only can this be seen in terms of a direct, economic power relationship at the level of management strategies, structures and principles, it can also be seen at the indirect ideological level of values, beliefs and knowledge systems. These can be influenced through education and the prevalence of Western management philosophies throughout the world. There may also not be any equivalence of the concept of impact assessment in non-Western cultures such as in Africa and South East Asia. The alternatives would therefore be: to adopt/adapt Western means; develop indigenous means; or reject the principle of impact assessment.

How is Impact Being Assessed?

Lewis (2001) suggests that ‘evaluation’ is the term normally used to describe the process of assessing performance against objectives. He indicates (after Smillie, 1995) that there has been a reluctance among NGOs to undertake assessment, due to a lack of tools and of time, and because of an insecurity in facing up to negative outcomes often under the scrutiny of donors. Lewis (2001) therefore suggests that there has been a ‘failure to learn from failure’ as a result. He also suggests that when NGOs have undertaken assessment, results have often shown them in poor light, and they have not lived up to claims made and perception held about the delivery of their services (for example in point 3 above). These results may well reflect the way assessment is being undertaken, and indeed the inappropriateness of such means in a cross-cultural context. In part, this reflects the pressures which local NGOs are placed under by supplier organisations, as discussed above (Gibb and Adhikary, 2000).

Lewis concludes that there are two main trends in the assessment of NGO impact:

1. The ‘technocratic/managerialist’ approach where assessment is seen as control, and directed towards accountability, often for the use of donor funds and the verifications that agreed activities have taken place. This is often undertaken by the donors themselves or it is an agreed condition of funding that the NGO undertakes this. Tools used include cost-benefit analysis, staff and beneficiary interviews, financial audits, and logical framework analysis all-owing measurement of indicators against agreed objectives. It is usually undertaken as a one-off ‘snap-shot’ after the event.

2. The participatory assessment approach, which is part of the participatory development tradition, where assessment is seen as less objective and more a combined judgement reflecting different stakeholders’ perspectives and a longer-term time-frame.

Although the second approach has gained favour, it has come under criticism, within the general framework of participatory development approaches, that it can be abused in a top-
down power relationship (see a general critique in Cooke and Kothari, 2002). As suggested by Jackson (2004), participation may be used at a tactical level, rather than at a strategic one, and this may well apply to assessment approaches within the participatory tradition. Hence participatory assessment may exclude the wider stakeholder base from setting strategy and objectives, but allow for stakeholder consultation in follow-up assessment: needs of the wider stakeholder base are considered after the event, rather than prior to agreeing objectives with donors.

Gibb and Adhikary (2000: 146) argue for a 'stakeholder assessment model' within an overall view of NGO sustainability, using a metaphor of the NGO as an entrepreneurial organisation. Hence:

‘This Stakeholder Assessment Model of NGOs ought not only to be a key focus of NGO assessment but also at the forefront of setting management objectives. As in the case of the small business, ultimate sustainability will be dependent upon the degree to which the NGO is perceived by the key actors in the stakeholder network as being indispensable in meeting their needs, the needs of their clients and the needs of the local community.’

They contend that the comparison with a small business falls down where the NGO’s balance of stakeholders is likely to fall towards the supply-side. Yet this does point to the importance of responsiveness to stakeholders, as well as the idea that there is no ‘right’ way to organise and manage a business: this must reflect the interests and priorities of stakeholders, and in particular those of the organisation’s customers.

The stakeholder approach to assessment is represented elsewhere in the literature (see for example Fowler, 1995). It is not possible to go into its many facets within the confines of this PraxisNote. Yet Gibb and Adhikary’s (2000) approach provides the potential for a cross-cultural critique within a context of power relations. This is taken here as a departure point for developing a critical, cross-culture perspective of impact assessment.

Impact Assessment Through a Critical, Cross-Cultural Lens

**Power balance**

Gibb and Adhikary (2000) describe the problem of the power balance within the NGO stakeholder base, which is biased towards the supplier-side, or the donor stakeholders. Gibb and Adhikary go further in representing this as a ‘cultural clash’ between the supplier-side and the clients. The supplier-side is made up of bureaucracies and large corporates that are focused on accountability, control, formal information systems, trans-parency, formal plans, regular reporting, record keeping and clear lines of authority. This set of stakeholders will be looking for such characteristics within an NGO. On the other hand, the NGO’s Southern client stakeholders will be characterised by a lack of order and tidiness, informal arrangements rather than formal documentation, trust rather than accountability, personal obser-vation rather than formal information lines, overlap rather than strict de-marcation, intuition rather than plan-ning, personal and flexible monitoring rather than...
standard measurement, ambiguity rather than transparency, holistic management rather than fun-ctional specialisation, and the use of ‘feel’ rather than systems. Rather than reflecting and working within this informal client context, even very small NGOs may succumb to formalistic pressures and reflect the resource-intensive bureaucracies of the donor institutions.

Locus of human value

However, culture clashes of this sort do not simply reflect organisational cultural issues. Cultural differences involved in the value placed on people within organisations can also have a bearing. This was discussed in PraxisNote 1 in terms of an ‘instrumental’ locus of human value (seeing people as a means to end in the Western tradition) and a ‘humanistic’ locus of human value (seeing people as having a value in their own right in the tradition of many non-Western cultures).

There may be a tendency within NGOs when utilising donor money to be results- and task-oriented towards, for example, the alleviation of poverty. Within the organisation therefore people and their objectives may be ignored in favour of achieving results outside the organisation. This may well run counter to the humanistic locus of human value, as internal stakeholders’ interests may be ignored in favour of the instrumental objective of the donor stakeholder, when seeking to address the perceived needs of the poor.

If the fulfilment of internal (local/Southern) stakeholder aims is ignored both at the initial setting of strategy and consequently at the assessment stage, this may not only lead to reduced cultural appropriateness, but may also prevent organisational learning from taking place, give rise to employee alienation, and mitigate against the long term sustainability of the NGO.

Relationship between objectives and results

Many organisations in the commercial sector have discovered cultural differences in the link between objectives and results. For example management-by-objectives (MBO), particularly when linked to a manager’s financial reward, has been noted to be problematic when transferred to non-Anglo-Saxon environments such as France (Hofstede, 1980). However, problems may be even more acute when transferring such assumptions to developing countries which are believed by many commentators to have cultures that have an external locus of control (Kanungo and Jaeger, 1990). Where employees and managers believe that there is a weak link between their actions and outcomes in the external environment (rather than what individuals do, outcomes may be due to fate, luck, God), assessment based on evaluating performance against objectives (Lewis, 2001) may be seen as problematic or even irrelevant. This may be particularly difficult where personnel systems are linked to this.

If the NGO is to be held accountable for the relationship between objectives, actions and outcomes, it is logical (within an instrumental view of management) that individual managers are held accountable against such outcomes. Their reward, promotion and future job prospects may depend on their capacity to meet objectives. It is not unusual for pressures to be put on Southern NGOs to adopt such ‘modern’ HRM systems, and the problems of transferability in this regard were discussed in PraxisNote 3. This is not to say that fatalism should be accepted. However, attempting to combat this through holding individuals accountable may not be the appropriate way to

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proceed. In conditions of adversity, individuals have solved their weak position towards their environment by forming communities through solidarity and mutual obligations (this analysis goes back to Durkheim’s, 1915/1971, examination of totemism). This reflects the situation in much of sub-Saharan Africa, and South Asia today. Through communal action (which, as mentioned earlier, is often untidy, informal, involving trust, intuition and community ownership), the connection can be established between strategic objectives (made communally), action (undertaken by acting together through mutual ownership) and outcomes (assessed by community benefits). This may run contrary to the Northern donors’ corporate view of assessment based on order, (often individual) accountability, control hierarchies and systems, as Gibb and Adhikary (2000) have effectively pointed out.

Towards a Cross-Cultural Model of Impact Assessment

An objective of a cross-cultural approach to impact assessment would be to ensure that indigenous perspectives, expectations and objectives are given equal treatment along side ‘modern’, Western or foreign perspectives. The power relationship has already been alluded to, and it is important that the power balance among different stakeholders is maintained fairly and appropriately. The overall aim in constructing an impact assessment model would be to develop a hybrid management system that is effective and appropriate across cultures, and across the entire stakeholder base.

The main confounding element in this is the role of ideology, and specifically the hegemony of Western management (including principles of assessment of effectiveness) throughout the world. The denigration of indigenous cultures in the post-colonial era is well discussed in the literature (e.g. Ayittey, 1991), and indigenous stakeholders may well look to Western solutions in the absence of indigenous or appropriate hybrid alternatives.

Figure 1 Cross-Cultural Model of Impact Assessment
This is why it is important to develop a cross-cultural model that incorporates an understanding of dominant ideologies, and points towards identifying and giving weight to indigenous values, beliefs and knowledge systems. Figure 1 provides a broad framework. It assumes the involvement of the entire stakeholder base at the outset, but recognises the issue of stakeholder power balance through direct means (often using financial power levels) which shape the nature of strategy, structure and management principles employed, and ideological means (often historical, economic and educational) that stem from accepted values, beliefs and knowledge systems. Through developing a mutual understanding of the implications of the different stakeholders’ relative power, it is possible to develop a consensus on objectives that are, as far as possible, in line with the interests of all stakeholders. This may involve devoting far more effort and time to discussing such differences as instrumental and humanistic value orientations in determining the nature of strategies. For example, the balance between the interests and objectives of customers external to the organisation (e.g. the poor) and those of internal stakeholders should be resolved.

At this stage, differences in the perception of the operating environment and the way NGOs should relate to this should be addressed. As noted above, there may be differences between the need for bureaucratic order and a need to deal with ambiguity and disorder in a flexible way. Jackson (2004) contends that effective African managers are probably able to cope with ambiguity far better than previously suggested and this may well reflect a low uncertainty avoidance within African cultures (Blunt and Jones, 1992, on the other hand, suggested that African cultures are high in uncertainty avoidance). This will influence the setting of strategic objectives (i.e. deciding what is possible) and also the perceived relationship between objectives, actions and outcomes. For example, a preference for flexibility and the use of intuition may not suggest the linear relationship depicted by Figure 1 between these three variables.

Different perceptions of the relationship between cause and effect may also influence the perceived relationship between these three variables in the assessment process. Yet, this is complicated by the additional dimension of individual versus collective action. As pointed out above, Western approaches are more likely to emphasise individual accountability, whereas cultures that are less individualistic, and hence more collectivistic, may favour communal and collective action, and see this as more effective than holding individual managers to account. Again, corporate bureaucracies may favour the measurement of quantitative outcomes in a quest for order and accountability. However, the extent to which this is applicable in a multi-stakeholder, multi-value and ambiguous context may be disputable. This issue should perhaps be addressed at the outset. Taking ownership of outcomes through involvement in strategic goal setting may lead to increased commitment, and feed into a constructive learning process more readily than quantitative measures and universal standards.
Concluding Remarks

As is the case with the content of the previous three PraxisNotes, it should be noted that is the policy makers that must be convinced, to a greater extent than the people working on the ground or their clients. These four PraxisNotes are the beginning. They stake out the territory. Far more cross-cultural research must be undertaken in the areas of capacity building, transferability and impact assessment. A cross-cultural perspective provides a critical lens, and an understanding of why approaches have failed in the past when working in an international and multicultural context. The next stage is to build on this understanding, and develop cross-cultural ways of knowing and doing.

References and Further Reading


