

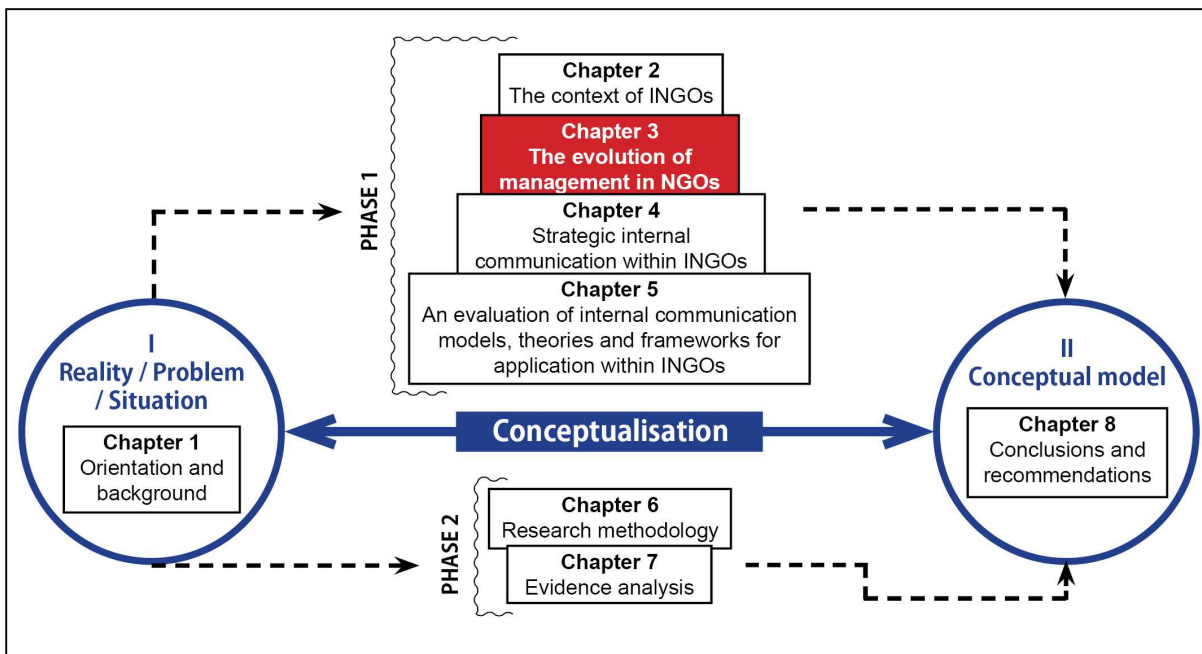
Chapter 3

The evolution of management in non-governmental organisations

3.1 INTRODUCTION

Chapter 2 provided an overview of the INGO context, highlighting the challenges that this context poses to the management of these organisations. This chapter's purpose is to explore the management of INGOs in order to uncover the underlying management principles and techniques that are appropriate for the INGO's particular context and which influence all aspects of the management of these organisations, including strategic internal communication. Figure 3.1 illustrates the position of Chapter 3 in relation to the other chapters in this dissertation.

Figure 3.1: Chapter 3 in relation to the other chapters



This chapter is divided into three sections. The first section considers the debate around NGO management and its similarities and differences to business management and public administration. It explores the different position on the issue before consolidating the views of several NGO and CSO management scholars. The second section discusses the strategic management approach of which strategic internal communication is a part. It first

considers the approach from the traditional perspective before exploring its postmodern conceptualisation. The section concludes with a discussion of the appropriateness and implications of the postmodern strategic management approach for the management of INGOs. The final section of this chapter is focused on the internal management of INGOs. It considers the key internal elements for internal management as well as the internal management challenges of INGOs. By reviewing the background of management in INGOs, NGO management, strategic management, and internal management, this chapter lays the foundation for the discussion of strategic internal communication in Chapter 4.

3.2 THE NGO MANAGEMENT DEBATE

When asking the research question “*Does internal communication in INGOs function strategically?*” the implication is that internal communication in INGOs should in fact be strategically managed. However, this is a concept that historically some NGO senior staff have found problematic. Management used to be synonymous with business management and evoked images of control, hierarchy and instrumentality, principles that contradicted many INGO values (Lewis, 2007:103; Mustaghis-ur-Rahman, 2007:228; Walsh & Lenihan, 2006:414). Some NGOs resisted the application of any management principles arguing that they are different and cannot be run like other organisations.

Currently, however, INGOs are increasingly criticised for failing to live up to expectations in terms of their effectiveness and ability to achieve results. This lack of success can be attributed, at least in part, to mismanagement and underdeveloped management structures (Ossewaarde & Nijhof, 2008:43; Walsh & Lenihan, 2006:412). The important role that INGOs play in society (as discussed in Chapter 2) has led INGOs to be held more accountable for their operations. Their effectiveness is now a key to their survival and proper management is necessary for success (Mustaghis-ur-Rahman, 2007:227). Therefore, the debate is no longer about whether or not INGOs require management, but rather about the form that management should take and its similarities to business management and public administration. The following sections first discuss this debate before turning their attention to the form of NGO management itself. In this manner this section lays out how strategic internal communication needs to be considered within the context of NGO management.

3.2.1 Three views of NGO Management

In his review of the literature on CSO management, Beck and Lengnick-Hall (2008:153) identified two contradictory themes. First, some of the literature argued that CSOs would benefit from applying management tools from the private sector. Conversely, some of the literature argued that CSOs are sufficiently unique to make the application of management tools from the private sector either difficult because of limitations around resources and training or inappropriate because of cultural and institutional differences. This paradox is a recurring theme in the literature on NGO management. Lewis (2007:217) identified three different views on the NGO management debate: the generic management view, the adaptive view and the distinctive view. These positions are discussed separately below.

First, the generic management view is based on the principle that “management is management” and “one size fits all” organisations (Lewis, 2007:217). Some NGOs embraced this view to the extreme, adopting the latest management techniques from the private sector in an attempt to find a ‘quick fix’ for organisational problems (Lewis, 2007:217). However, rather than arguing that all business management trends are applicable in NGOs, Dichter (1989:381) defended the generic management view by arguing that even NGOs need to implement basic management principles, for example around budgeting and personnel, and stop being preoccupied with alternative, value-driven management. Similarly, the current economic climate, has led some CSOs to adopt more of the budget and management tools prevalent in the business sector (Lewis, 2005:243). Finally, while Anheier (2005:257-277) does recognise the unique characteristics of CSOs, his textbook on management of nonprofit organisations includes discussion of a variety of basic and generic management principles.

The **second** approach to NGO management, the adaptive view, argues that, while mainstream management principles are useful for NGOs, they cannot be applied in a direct manner (Lewis, 2007:217). The reason why management ideas from business management and public administration cannot be directly applied to NGOs is because of NGOs unique structure, culture and context, as discussed in Chapter 2. While it is acknowledged that NGOs do not function in the same manner as for-profit organisations, this viewpoint argues that NGOs can learn and benefit from other sectors by carefully considering their complementary methods and theories (Beck & Lengnick-Hall, 2008:155).

For example, in their study of an NGO's adoption of a Quality Systems Management tool from the business sector, Walsh and Lenihan (2006:413) argue that NGOs benefit from adapting tools from the business sector, rather than re-inventing the wheel, but that there needs to be careful consideration of both the appropriateness of the tool and the context of the NGO before this occurs.

The **third** and final conception of NGO management takes the adaptive view one step further and argues that a distinct form of NGO management may be necessary in order to address the unique challenges of these organisations (Lewis, 2007:217). As Anheier (2005:244) notes, if CSOs perform distinct functions from the government and business sectors and each sector is occupied by organisations with unique structures, then it is logical to suggest that each sector would require its own distinct form of management. Similarly, Mustaghis-ur-Rahman (2007:226) argues that while NGOs require proper management systems, these should be distinct from other sectors because of a NGO's distinctive vision, mission, organisational culture, goals and values.

Lewis (2007) argues that the lack of systematic research in NGO management makes it difficult to draw conclusions regarding any of these viewpoints. Rather, he argues that each viewpoint appears valid to some extent. For example, the generic management approach may be valid for the basics such as budgeting and procurement best practices as Dichter suggests. Similarly, NGOs can benefit from adapting techniques from the business sector rather than wasting time on trial and error. Finally, certain principles and approaches are likely to be unique to NGOs because of their fundamental values and structure. As Lewis (2007:217) suggests, NGO managers need to synthesise information and ideas from various sources in order to develop the best mix for their organisation. This is the position adopted by this study.

3.2.2 Emerging conceptions of NGO management

The above section described several positions on the NGO management debate. While this debate may not yet be settled, several authors have proposed conceptions and models for NGO management. For example, Lewis (2007) proposes a composite framework for understanding NGO management; Mustaghis-ur-Rahman (2007) and Lewis (2007) both provide a model for NGO management; and Anheier (2005) outlines an

analytic-normative model of nonprofit organisations. These conceptions serve to both ground the emerging field of NGO management and this study's approach to the management of strategic internal communication in INGOs. They are discussed separately below.

Flowing directly from the NGO management debate discussed in section 3.2.1, Lewis (2007:218-219) proposes a composite framework to NGO management, adapted from the work of Campbell (quoted in Lewis, 2007:219) that outlines how an NGO draws upon four different sources of management thinking. This framework is presented in Table 3.1.

Table 3.1: A composite framework for understanding NGO management

	Contextual features	Organisational features
All organisations	<i>Environment</i> (culture, context, institutions)	<i>Generic management</i> (mainly from the 'for-profit' business world)
Development NGOs	<i>Development management</i> (from 'Southern' projects and programmes)	<i>Third sector management</i> (mainly from 'Northern' voluntary/non-profit sectors)
		<i>Public sector management</i> (from government in 'North' and 'South')

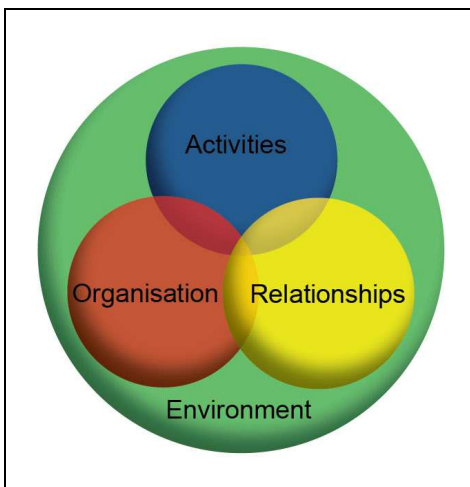
Source: Lewis (2007:219)

Campbell (quoted in Lewis, 2007:218) showed that in order to understand the management of an NGO both their organisational characteristics and their wider context need to be taken into consideration. Based on this premise, the framework put forward by Lewis (2007) illustrates how NGO management draws upon different sources of management thinking based on either its contextual or organisational features. For example, because NGOs share certain common organisational features with all other types of organisations, they need to pay attention to certain generic management principles. Similarly, all CSOs, including NGOs, share several key organisational features in common which means that principles arising from CSO management (referred to as Third sector management by Lewis) are applicable to all. At the same time, however, the context of NGOs and INGOs can be very different from these other organisations, often because they work in 'Southern' and/or global arenas. Therefore, their management also needs to be considered from that particular perspective, which Lewis refers to as development management. By viewing NGO management through the composite

framework, it clarifies how it is a distinct form of management because it is a unique combination of management principles from a variety of sectors.

Mustaghis-ur-Rahman (Mustaghis-ur-Rahman, 2007:230) proposes a three factor model for NGO management. His model includes the external environment, such as the political-legal, socio-cultural, economic and technological contexts, operations made up of the internal sections of the NGO, and stakeholders on which NGOs depend heavily. Lewis (2007:16) proposes a similar framework, presented in Figure 3.2.

Figure 3.2: A conceptual framework – four interrelated areas of the NGO management challenge



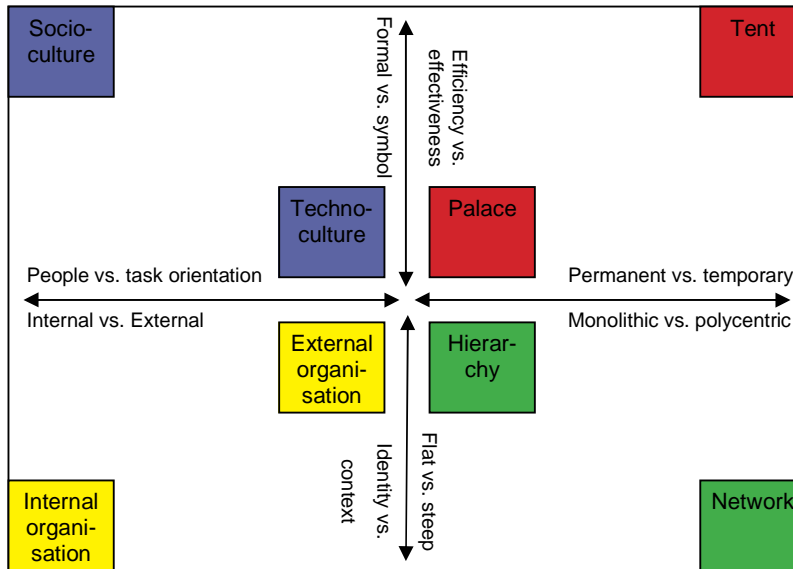
Source: Lewis (2007:16)

Lewis' framework highlights how the environment encompasses all other components of NGO management. It also illustrates how the internal operations of the organisation, as well as the NGOs relationships with its stakeholders, are key factors in NGO management. Finally, it adds a fourth factor to Mustaghis-ur-Rahman's model, the activities that the NGO undertakes, to consider in managing an NGO. Both these models serve to illustrate what factors impact on the management of an NGO.

Anheier (2005:247), focusing more broadly on CSOs, considers them from a different angle, proposing an analytic-normative model of nonprofit organisations based on the dimensions of their organisational structure. He argues that a CSO is more than the sum of its components and that their management needs to be considered holistically. To do

so, the various dimensions, dilemmas and structures involved in nonprofit management need to be considered. His framework is presented in Figure 3.3.

Figure 3.3: Dimension of organisational structure



Source: Anheier (2005:252)

Figure 3.3 illustrates four dimensions of organisational structure. The palace versus tent dimension refers to organisations that value predictability, efficiency and permanence versus improvisation, flexibility, effectiveness and temporality (Anheier, 2005:247). The technocratic culture versus social culture refers to an organisation that can be considered to be like a machine and is focused on functional performance and task achievement versus an organisation that is considered a family, is people orientated and emphasises shared values (Anheier, 2005:248). The third dimension, hierarchy versus network, relates to organisation control, with hierarchy referring to centralised decision making and a top-down approach, while networks are decentralised and emphasise bottom-up approaches. Finally, the internal versus external organisation dimension focuses on the difference between organisations that focus only on their own objectives and world-view versus those that look to the outside environment for solutions and stimuli (Anheier, 2005:251). It should be noted that it is rare for a CSO or NGO to occupy any of the extreme positions on these dimensions, rather they generally fall somewhere in between and different components of their operation can fall at different points on the scale.

Through these four dimensions, Anheier's model can be used both by academics to understand the organisations they study as well as by NGO managers to identify where they currently are at in terms of the dimensions of organisational structure and where they would like to be.

Lewis' (2007:219) composite framework, his and Mustaghis-ur-Rahman's (2007:230) models of NGO management and Anheier's (2005:247) analytical-normative model of CSOs all help to provide a greater understanding of NGO management and also a framework for how this study approaches the management of strategic internal communication in INGOs. Lewis' composite framework highlights how the application of strategic internal communication, which comes from the field of for-profit management, needs to be applied within the framework of the organisational characteristics of CSOs and the contextual realities of INGOs. His and Mustaghis-ur-Rahman's models identify the major factors of NGO management that need to be considered when implementing strategic internal communication in an INGO. Finally, Anheier's model provides a means of characterising an INGO and understanding the dimensions of an INGO's structure that can impact its internal communication. These three conceptions of NGO management inform this study's approach to the application of strategic internal communication in INGOs.

3.3 THE EVOLUTION OF STRATEGIC MANAGEMENT AND IMPLICATIONS FOR MANAGEMENT IN THE NGO SECTOR

Strategic internal communication falls within the strategic management tradition. This section will first consider the traditional approach to strategic management, discussing both what it means to be strategic and the reasons for adopting this approach. It will then consider how this tradition has evolved with the advent of postmodern thinking and what this means for strategic management. Finally, the application of postmodern strategic management to INGOs will be considered with special attention given to how this approach fits with INGO management, given an INGO's context and organisational characteristics.

3.3.1 Traditional thinking: strategic management

Traditionally, strategic management is concerned with creating competitive advantage and improving market performance for for-profit organisations (Styhre, 2003:39). Reframing the concept for non-profit based organisations, it refers to integrating the entire organisation behind an overarching strategy in order to achieve the organisation's long-term objectives (Anheier, 2005:259; Ehlers & Lazenby, 2007:2). A strategy is "an effort or deliberate action that an organisation implements to out-perform its rivals" (Ehlers & Lazenby, 2007:2). It serves to answer three questions: (i) where is the organisation now, (ii) where does it want to be and (iii) how does it get there (Puth, 2002:206). The tradition of strategic management within this framework is thus based on rational thought and an organisation's ability to create specific plans and use tools to achieve its defined goals (Styhre, 2003:39).

Higgins (quoted in Steyn & Puth, 2000:32) defines strategic management as "co-ordinating the process of managing the accomplishment of the organisational mission co-incident with managing the relationship of the organisation to its environment". His definition is in line with the three components of strategic management put forward by Anheier (2005:259-260). To Anheier, strategic management must (i) encompass the whole organisation, (ii) examine the organisation in the context of its environment and (iii) be forward-looking by trying to identify the major changes the organisation will need to undertake in pursuit of its mission. Strategic management is not necessarily concerned with the day-to-day management of the organisation but rather its long-term sustainability and success.

The process of strategic management has been developed into models by various authors (see Anheier, 2005:261; Ehlers & Lazenby, 2007:6; Steyn & Puth, 2000:41), but each model generally includes some form of environmental analysis, strategy formulation, strategy implementation and ongoing review. The environment is the primary factor that affects the development of the strategy and the strategic management process (Steyn & Puth, 2000:57), and is crucial to its success (Ehlers & Lazenby, 2007:5). Therefore, both the internal and external environmental analysis of an organisation is a necessary precondition for developing and implementing a strategy (Anheier, 2005:261). Once the environmental analysis is complete, the organisation can start to formulate strategies in which the organisation identifies its key objectives and an overall plan to achieve them

(Ehlers & Lazenby, 2007:5-6). As part of this process, it is necessary to align the strategies to the organisational environment as identified in the previous stage.

The strategy implementation stage is when strategy turns into action. This encompasses the use and allocation of organisational resources, as well as the development of specific short-term goals and plans (Anheier, 2005:261; Ehlers & Lazenby, 2007:7). Strategy implementation goes from the analysis of the organisational environment to action by management and employees. Finally strategic management is an iterative process in that strategies and their implementation require continuous improvement and revamping in order to keep them aligned to the changing organisational environment.

Steyn & Puth (2000:29) note that an organisation without a strategy “...is like a ship without a rudder going around in circles.” The purpose of strategic management is to integrate organisational functions into a more cohesive and broader strategy so that they all work together towards the same goals (Anheier, 2005:259). Similarly, Puth (2002:201) argues that successful organisations are those that are able to align the organisation with its strategic intent. Strategic intent is the heart of the organisational strategy and refers to the vision and direction the strategy provides, as well as the goal and purpose following this direction is designed to achieve (Puth, 2002:188). Alignment refers to the degree to which all organisational members expend their energy “in the same direction” (Puth, 2002:188). In today’s world, complicated and changing environmental factors, such as political and cultural changes, environmental issues and new technologies, make strategic alignment through strategic management necessary to guide an organisation successfully forward (Ehlers & Lazenby, 2007:2). By aligning itself with its environment and internally as a unit, an organisation can improve its performance and its ability to achieve its mission.

3.3.2 Postmodern thinking: an alternative approach to strategic management

The traditional form of strategic management described above is the current overarching paradigm in the management literature (Ströh, 2007:201). However, it is not without its critics. The following discussion first looks at the major criticisms of traditional strategic management before considering an alternative, the postmodern approach to strategic management.

3.3.2.1 Critique of traditional strategic management

The structured and planned approach of traditional strategic management has come under considerable criticism from those adopting a postmodern worldview (for examples see Franklin, 1998; Stacey, 2002; Ströh, 2007; Styhre, 2003). These critiques address a variety of aspects of strategic management including its foundation in rationalism, order and predictability, its meta-narratives and its linear process.

Traditional strategic management is based on the idea that “everything, in theory, [can] be understood, predicted and, therefore, managed” (Handy in Franklin, 1998:442). However, from a postmodern worldview the idea that there is a solid predictable reality that can be managed is false (Franklin, 1998:442). Rather, as discussed in Chapter 1, postmodernism sees reality as a social construction created through ongoing discourse. As a result, the conception of reality within an organisation is in a constant state of flux. This view of reality results in two critiques of strategic management. First, chaos and complexity form a better framework for understanding an organisation than do predictability and order (Lewis, 2007:17). Second, because traditional strategic management forces an organisation to deal with a singular image of reality at a single point in time, it prevents the organisation from dealing with actual phenomena and entities as they emerge and evolve (Franklin, 1998:442). While scholars writing from a traditional strategic management perspective do allow for flexibility, it is still within a paradigm of order and firm position (Ströh, 2007:201). The result is that the traditional approach to strategic management does not allow for the complex and changing environment of modern organisations.

A second postmodern critique of strategic management relates to its meta-narratives. Traditional strategic management positions itself and its process as beneficial in any organisation, anywhere. As noted in Chapter 1, however, postmodernism is inherently critical of meta-narratives and argues that theory and knowledge are inextricably linked to the ideology and context from which they arise (Franklin, 1998:444; Styhre, 2003:79). The result is that the traditional static form of strategic management, which was originally conceptualised in the 1960s, is not necessarily valid in all contemporary or social-cultural contexts (Styhre, 2003:77-78). Rather, the postmodern argument is that management needs to be considered within the unique and multiple contexts of each organisation.

A third postmodern critique of strategic management is of its linear process. While it was noted in section 3.3.1 that traditional strategic management can be viewed as an iterative process, it is still linear in that it is a series of discrete steps with each following upon the other and is only iterative in the sense that subsequent steps repeat and are informed by earlier ones. However, postmodernism rejects the idea that management is a unified set of steps and practices (Styhre, 2003:79). Rather, a postmodern worldview sees management as constantly flowing and changing processes built on relationships formed through discourse (Franklin, 1998:443). There is no predetermined format imposed from on-top, but rather it is self-organising as the result of interactions among stakeholders and the environment (Ströh, 2007:207). The result of these critiques is a need for a more flexible participative form of strategic management.

3.3.2.2 A postmodern strategic management

The postmodern worldview does not invalidate the concept of strategic management but rather creates a new understanding of its role and process. This approach to strategic management represents a shift in focus from structures such as organisations and strategies to processes such as organising and strategising (Franklin, 1998:443). Thus postmodern strategic management is based on a view of the organisation as in a constant state of change and formation with the processes of that formation, such as relationships, chaos, complexity and diversity, as the point of focus. The resulting conception of strategic management as a self-organising process is vastly different from its traditional form.

From the postmodern worldview, managers do not set out strategies beforehand; instead they become participants in the self-organising process of strategy development (Ströh, 2007:211). In other words, strategy is not implemented from the top-down, but rather emerges naturally from the ongoing discourse among the multiple stakeholders of an organisation. As Stacey (quoted in Ströh, 2007:212) argues, strategy should be “an emerging process of relationship building.” Puth (2002:182) concurs, noting that what is required is “a lively and widely participative strategic discourse.” In this approach people are not seen as manageable and predictable as in traditional management thinking, but rather as individuals who are thinking, feeling, developing and participating in the organisation (Du Plooy-Cilliers, 2003:33). The requirement, therefore, in postmodern strategic management is to develop an organisational-wide strategic consciousness (Puth,

2002:185). Strategic consciousness involves a higher awareness of the organisation's strategic intent throughout the organisation and can be encouraged through ongoing dialogue on the organisation's mission and vision (Puth, 2002:182). It is the relationships that build and emerge through discourses around strategic intent and key strategic issues that develop the strategic direction of the organisation. This self-organising process is key to the conception of a postmodern strategic management.

The postmodern worldview rests on the understanding that uncertainty, plurality and change are constant in organisations and their environment (Baldwin, 2004:321). Arising from this basis, chaos theory addresses the fact that in an ever-changing environment, organisations can no longer be seen as stable, but rather are chaotic, non-linear systems (Du Plooy-Cilliers, 2003:37). Applying this postmodern theory to strategic management, it illustrates how, through the process of self-organising discussed above, organisations must be open and constantly adapting to their environment (Du Plooy-Cilliers, 2003:37).

Complexity theory further argues that organisations are so complex and in such a constant state of change, that it is impossible to understand all the intricate relationships and components from which they are formed (Ströh, 2007:206). Based on this theory, there is a need to maintain an organisation within a 'complexity zone' from which it can learn and adapt without becoming the victim of complete chaos or stagnation (Du Plooy-Cilliers, 2003:45). Drawing from both these theories, postmodern strategic management requires the recognition that specific tools and actions used within a single organisation can be very diverse but must be selected as appropriate for the current particular situation (Baldwin, 2004:321). Postmodern strategic management adopts a contingency approach wherein management practice must be chosen based on the fit with every situation's unique characteristics and context (Stacey, 2002:61). As this discussion illustrates, the chaos and complexity of an organisation's environment and the need to adapt to it, contribute, along with discourse and relationships, to the self-organising process of postmodern strategic management.

Drawing these pieces together, strategic management is no longer seen as a tool with definable steps and objectives, but rather a self-organising ever-changing process built through discourse and guided by complex and chaotic relationships and environments.

Using the metaphor of a journey, Franklin (1998:444) describes the postmodern strategic management process:

“As we journey along our strategic route we remain ever alert to the need to change our pace and our direction as new events and unexpected futures cause us to reconsider, re-evaluate and re-strategize our future destination and take a new route on our eternal journey.”

This quotation serves to illustrate several key components of postmodern strategic management as it could be implemented in an organisation. The metaphor of an eternal journey highlights the need to approach strategic management as an ongoing process rather than a distinct, time-limited tool. The need to be adaptable to new events and willing to take a new route towards a potentially new destination are also keys to implementing postmodern strategic management. The postmodern strategic management process is thus not a static top-down management approach, but rather a dynamic underlying process which constantly guides an organisation as it selects methods and tools to use with each new issue and challenge it faces.

While the process may change, the underlying objective of strategic management remains strategic alignment. However, rather than occurring through top-down directives, in postmodern strategic management strategic alignment requires strategic discourse across the organisation and at all levels to raise individual and collective strategic consciousness (Puth, 2002:203). This approach addresses one of the major challenges with the implementation of traditional strategic management: the strategy paradox wherein organisations with well-formulated strategies still cannot seem to achieve success. This is because “the organisation, not the strategy, determines success” (Puth, 2002:196). In other words, it is the execution of the strategy that is the key factor in the organisation’s performance and effective execution requires that all aspects of the organisation are aligned with its strategic intent. As Puth (2002) argues, raising strategic consciousness allows individuals and work groups to interpret and implement the organisation’s strategic intent within their own area of work. As a result, the individual work units and function organically align with the organisation’s overall strategic intent helping to achieve its overall success.

3.3.3 Application of postmodern strategic management to INGOs

The need for clear strategic intent is as great in INGOs as in for-profit organisations (Ehlers & Lazenby, 2007:276). INGOs need to be managed strategically and with a shared vision in order to be effective (Mustaghis-ur-Rahman, 2007:229). However, as was noted in section 3.2, traditional management techniques and tools, such as strategic management, have not always been welcome in CSOs and INGOs. Part of the reason was because of the personal opinions of INGO managers that these tools did not 'fit' their organisations; however, strategic management can also have an uncomfortable home in INGOs because of environmental and organisational characteristics. Implementing postmodern strategic management can help address many of these issues.

As discussed in Chapter 1, INGOs operate in a complex environment. At the local, national and international level, they find themselves in a constantly changing environment with increasing levels of globalisation and interdependence (Lewis, 2007:221). This complexity is increased by the need to satisfy multiple stakeholders from donors to governments to society's most vulnerable (Ehlers & Lazenby, 2007:279). As the neo-institutionalist view of organisations discussed in Chapter 1 makes clear, INGOs need to conform to the expectations of all these groups in order to survive in the long-term. This complexity and constant change makes it difficult for INGOs to develop strategies for the three to five year period usually recommended in the traditional strategic management approach (Wilson-Grau, 2003:533). However, by adopting a postmodern approach to strategic management, INGOs remain open and adaptable to the change in their environment, helping them to deal with paradoxes and ambiguity while learning from the process.

Certain organisational characteristics of INGOs make postmodern strategic management an appropriate approach for them to adopt. Among these are an INGO's values, its lack of a solid bottom line and the vagueness of its mission. INGOs' values generally centre on participation and equality and discourage the concentration of power (Mustaghis-ur-Rahman, 2007:229). In order to maintain its legitimacy (its licence to operate granted to it by society), an INGO must adhere to its values internally as well as externally and traditional strategic management, with its top-down approach, does not generally fit well in this context. As noted in section 3.2.2, Anheier identified four tensions within INGOs which closely relate to their values. A postmodern approach to management, with its emphasis

on participative discourse and strategising with all stakeholders, can help an INGO remain true to its values and negotiate these tensions while still improving its management processes.

The second two organisational characteristics, a lack of a solid bottom line and the ambiguous nature of many INGO missions are inter-related. As noted in Chapter 1, INGOs have no financial bottom-line to provide the basis for strategic decisions (Sawhill & Williamson, 2001:371). Rather, they have multiple bottom-lines placed upon them by donors and those they 'serve' and they need to satisfy all them in order to remain successful (Anheier, 2005:227-228). The lack of a solid bottom line is further compounded by the vague nature of many INGO missions which can be subject to multiple and diverse interpretations (Glasrud, 2001:37). However, adopting a postmodern approach to strategic management helps INGOs negotiate their bottom lines and, through discourse, establish their strategic intent based on a communally understood interpretation of their mission.

A final reason why postmodern strategic management is an appropriate framework for considering INGO management is related to the diversity among INGOs and approaches to INGO management. INGOs are not a homogenous group of organisations, but rather, take many forms, engage in many activities and work in many different areas (Anheier, 2005:349). The approaches to INGO management are equally diverse. As was presented in section 3.2.2, Lewis (2007:219) argues that INGO management should draw upon four sources of management theory: generic management, third sector (CSO) management, public management and development management. The result of these two factors is that it is unlikely that any particular management technique will apply equally well to all INGOs. Therefore, a contingency approach, where an organisation's unique structure and context are considered in determining the best management technique (Stacey, 2002:61), is appropriate for INGO management. Thus, by adopting a postmodern approach to strategic management, it is possible to consider the management of INGOs as individual organisations with unique contexts and attributes. This approach removes the need to specify a structure for INGO management, but rather highlights the need to understand the underlying processes an INGO must undertake to improve its performance.

The above discussion has established the appropriateness of a postmodern strategic management for INGOs. The resulting model of management recognises INGOs as “adaptive, constantly changing organisations with increasingly uncertain and unpredictable contexts that there is therefore no single ‘blueprint’ for managing [them]” (Lewis, 2007:222). The management of these organisations thus undertakes the process of aligning the INGO behind a single strategic intent, recognising. However, that this is a constantly evolving process with no end-point or defined procedure.

3.4 THE INTERNAL MANAGEMENT OF INGOS

Strategic internal communication is part of an organisation’s internal management. Therefore, internal management’s challenges, processes and elements are important for understanding the management of strategic internal communication itself. As Lewis notes repetitively in his textbook on the management of NGOs, little has been written on what goes on inside NGOs (Lewis, 2007:198, 215). Instead, this section draws up theory from other sectors, as is suggested by Lewis’ composite model of NGO management, to discuss the implication of taking a postmodern approach to internal management and several key elements of the internal environment. This discussion is followed by a review of what is in the NGO literature: the challenges that INGOs face in their internal management.

3.4.1 A postmodern approach to internal management

As was discussed, postmodern strategic management is applicable to the management of INGOs. Applying a postmodern approach to their internal management results in several new conceptions for internal management in INGOs; a new understanding of what it means to be based on values, a shift from control management to enabling management and a new view of the organisation as a learning organisation and not just action-based.

Chapter 2 characterised CSOs and INGOs as value-based organisations. In standard conceptions, values are seen as basic convictions held by individuals or groups about what is right, good or desirable (Robbins, 2002:14). However, from a postmodern worldview, this static view of values is deceptive and can lead to management ‘solutions’

that overlook the complexity of the internal NGO environment (Lewis, 2007:193). Rather, a postmodern worldview sees the values of an organisation as an evolving process of negotiation between its various stakeholders. This process is the result of the often conflicting values and interpretations of values held within and among CSOs and their stakeholders (Lewis, 2007:193). Not only may different internal stakeholders hold different interpretations of an INGO's values, but those values themselves may clash. For example, in section 3.4.3, internal democracy was discussed as a value for many INGOs. However, INGOs may at the same time value the efficient use of resources, a value which may at times conflict with the practice of internal democracy. As Anheier (2005:194) notes, it is therefore important not just to consider one factor in CSO performance, but rather to take a holistic view of a CSO's values. From a postmodern worldview it is more important to focus on value-based action that arises as a result of value discourse and negotiations (Lewis, 2007:193). Therefore, within the internal management of an INGO, it is important to ensure that values underlie the actions of management and the organisation, but to recognise that those values themselves are in a constant state of evolution.

Lewis (2007:18) identifies two concepts of management in the literature to be considered when managing INGOs: scientific management which stresses control, hierarchy and instrumentality and enabling management which draws upon postmodern thinking and stresses process, flexibility and participation. Taking an enabling approach to management is both appealing to INGOs, given their values, and a necessity, given the complexity of their internal and external environments. In order to remain competitive, internal management must foster ongoing dialogue among its workforce and take advantage of the ingenuity and creativity of every employee (Verwey, 2003:5). To do so requires a move away from management towards leadership. This includes the idea of self-leadership among employees wherein responsibility can be delegated to them because they possess the commitment, competence, focus and courage to complete their work in line with the organisation's strategic intent (Puth, 2002:20-21). As Wilson-Grau (2003:535) notes, it has never been so important for NGO management to be able to delegate and trust in the competence of its workforce. The reason is because the rapidly changing and complex environment in which INGOs operate requires flexibility, quick decision making and the participation of lower level employees (Parker in Lewis, 2007:192), neither of which are characteristics of hierarchical organisations. Therefore, by adopting a postmodern

approach, internal management can be seen as a process of engaging with all levels of the organisation to respond flexibly and adapt to the changing environment.

Enabling management and a complex operating environment require greater adjustment and learning capabilities from an organisation's workforce (Vernis *et al.*, 2006:136). Organisational learning is also "the key to survival for NGOs, due to their complex tasks and the turbulent, changing contexts in which they operate" (Lewis, 2007:116). Organisational learning in this context can be seen as enabling not only learning, but also people's capacity to learn, in order to enhance the organisation's ability to transform and create its own future (Du Plooy-Cilliers, 2003:33). While not always conceived of as a postmodern concept, organisational learning can be viewed as postmodern in that it requires the questioning of meta-narratives in order to learn from past mistakes and adapt to a changing future. A learning organisation can be seen as one where people engage in a continuous process of collective learning, where input from all employees is valued, where innovation, creativity and challenges to the status-quo are sought and failure is seen as a valuable opportunity to learn (Du Plooy-Cilliers, 2003:33-34). From a management perspective, this means creating an environment where sharing, thinking and reflecting are standard practice (Lewis, 2007:117).

Section 3.3.2 introduced a conception of postmodern strategic management as an ongoing process of negotiation among the complex and chaotic elements and stakeholders that make up an INGO's environment. Within the internal environment, a postmodern approach is equally useful in understanding the complexity and dynamism of this space and channelling it through concepts such as value-based action, enabling management and organisational learning in order to make it useful for the internal management of INGOs. These concepts will in turn provide a means of understanding the role and process of strategic internal communication, as will be explored in Chapter 4.

3.4.2 Key elements of the internal environment

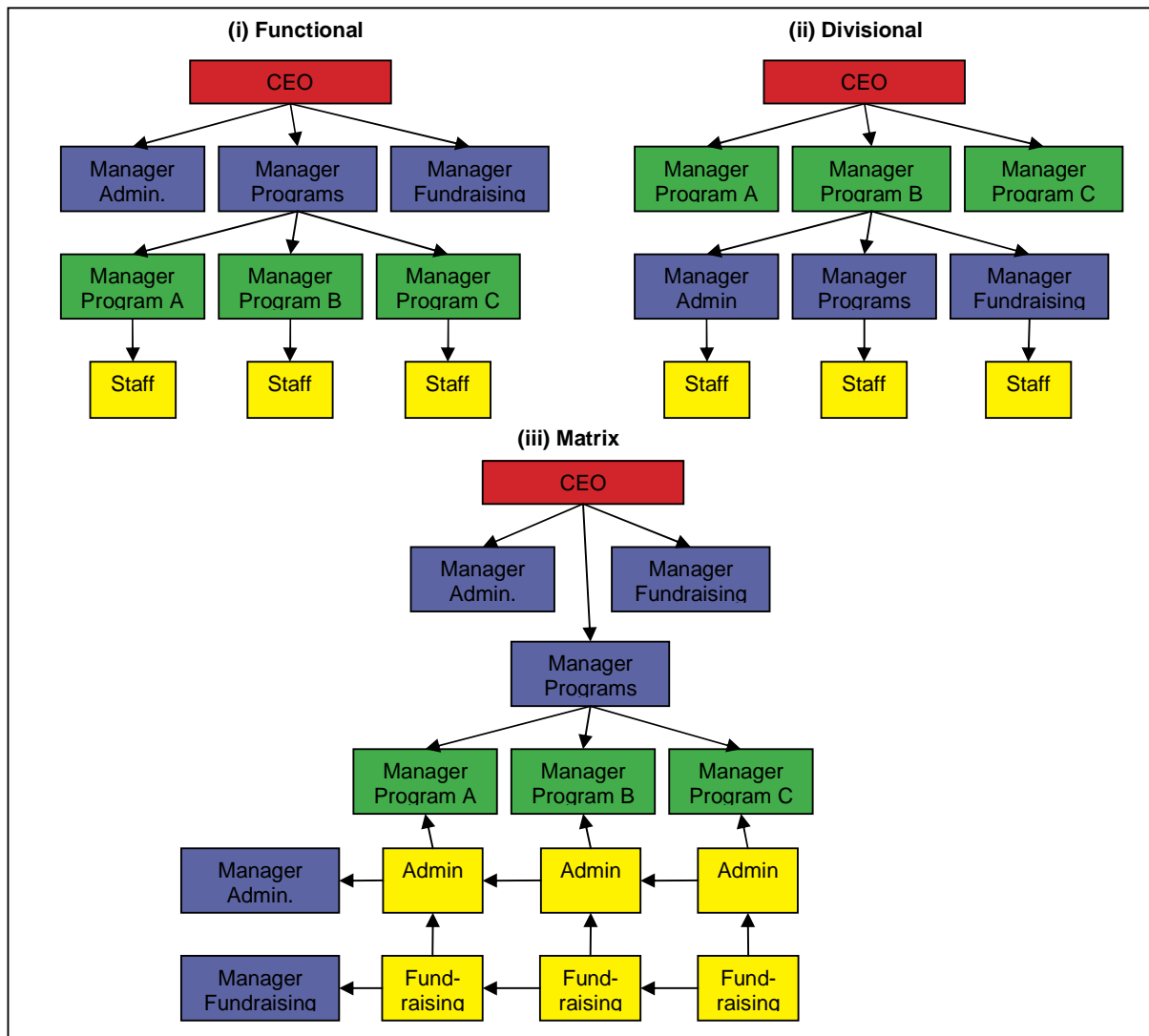
The above discussion highlighted some postmodern conceptions of internal management. As Lewis' model of NGO management, presented in section 3.2.2 illustrates, all management takes place within the organisational environment. Therefore, to understand

the internal management of INGOs, it is necessary to explore two key characteristics of an organisation's internal environment that impact on its internal management generally and on strategic internal communication in particular: structure and culture.

3.4.2.1 Organisational structure

Organisational structure can be defined as “the formal, systematic arrangements of the operations and activities that constitute an organization, and the interrelationships of those operations to one another” (Organ and Bateman in Rollinson, 1993:272). It defines how jobs are divided, grouped and coordinated (Robbins, 2002:178). Organisational structure impacts on all components of the internal management process. The literature identifies three main types of structures: functional, divisional and matrix structures (Anheier, 2005:158-159; Robbins, 2002:185-187; Rollinson, 1993:272-273). Figure 3.4 illustrates these three structures.

Figure 3.4: Common organisational structures



Adapted from: Anheier (2005:158-159)

Both the functional and divisional structures are bureaucratic in that they are characterised by a centralised chain of command with specialised and routine job tasks (Robbins, 2002:186). The divisional structure differs from the functional by first separating tasks by a service, program or, as is frequently the case for INGOs, regions, and then dividing in the different functions. The matrix structure superimposes a horizontal set of divisional reporting relationships onto a functional, hierarchical framework (Anheier, 2005:159). An example of this structure in play would be in an INGO running a campaign on Zimbabwe. A campaign manager would have a team including a media specialist, policy analyst, fundraiser and researcher, each of whom was responsible both to the campaign manager

and to the manager of their function (communication, policy, fundraising and research). This structure is appropriate for environments that are highly uncertain and complex but has the disadvantage of high administrative and transaction costs as well as potential loyalty issues between the division and the function (Anheier, 2005:159). While not as common, other alternative structures do exist. For example, the team structure is an organisation built entirely around the use of teams; the virtual structure is an organisation that contracts out almost all of its functions except for its strategic management; and the boundary-less structure which tries to bring down horizontal and vertical boundaries within the organisation (Robbins, 2002:188-190).

An additional component of the organisational structure of INGOs is how they are organised internationally. As discussed in Chapter 2 and illustrated in table 2.5, three different types of INGO structures are identified in the literature: global organisations, federations and networks. Global organisations have a centralised organisational form, with national offices tightly controlled by headquarters (Van Tulder & van der Zwart, 2006:66-67). Federations are a loose structure of associated organisations in various countries (Van Tulder & van der Zwart, 2006:66). Finally, networks are organisations primarily embedded within a particular nation, but networking and collaborating across borders with partners (Anheier, 2005:351). These three means of organising internationally impact on management within the INGO.

While each of the different types of structures have their benefits and their drawbacks, it is important to note that the structure an organisation chooses can have considerable effects on the abilities of the organisation. The structure of an organisation determines the roles required within the organisation, the types of activities each role must fulfil and the amount of control each role has over its own work and the work of others (Rollinson, 1993:274). It also influences the types of skills required in employees (Vernis *et al.*, 2006:145), the types of employees an organisation will attract, as well as the overall flexibility of the organisation. Therefore, consideration of the organisational structure is necessary for understanding the internal management of an organisation.

Organisational structure is often seen as static. However, changing structure is one means of bringing about organisational change (Rollinson, 1993:275). In this sense, structure

should not be seen as a given, but rather as a strategic tool. Thus structure should follow strategy (Boxall & Purcell, 2008:255; Robbins, 2002:191). In other words, an organisation should first determine its strategy and then develop the most appropriate structure to achieve that strategy. Applying a postmodern worldview to this idea, structure can be seen as evolving from the ongoing negotiations and discourses around an INGO's values and goals. In addition, structure is not necessarily dictated from the top, but rather can evolve organically from interactions with the internal and external environment (Ströh, 2007:206).

3.4.2.2 Organisational culture

Definitions of organisational culture vary, but it is generally conceived of as comprising “the set of key norms, values, beliefs, and understandings shared by members of an organisation” (Beck & Lengenick-Hall, 2008:155). The conceptions of organisational culture can be divided into two groups, those that view culture as something an organisation has similar to other organisational characteristics such as structure and size and thus controllable and changeable, versus something an organisation is and thus is deeply ingrained within the organisation and very difficult to change (Rollinson, 1993:277; Ulrich & LaFasto, 1995:318). As noted by Rollinson (1993:277), most authoritative writers take the second view. This is the conceptualisation adopted in this study and the following discussion will highlight the role of culture within an organisation, the postmodern conception of culture, key consideration for INGO cultures and, finally, the relationship between organisational culture and internal management.

Organisational culture provides a means for employees to identify and understand acceptable decisions and behaviour (Rollinson, 1993:278). It also helps foster a sense of identity and commitment among organisational members (Robbins, 2002:233). This idea is related to the concept of identification. Organisational identification is the process by which people link themselves to others through the discovery of common ground (Cheney *et al.*, 2004:114). Therefore, a shared culture creates a common sense of identity among employees, boosting their commitment to the organisation. As a result, culture impacts on organisational performance. It provides a basis for unified action among employees and helps direct those actions towards the appropriate issues (Ulrich & LaFasto, 1995:322). In this regard, culture serves as the backdrop through which strategy is both formulated and implemented (Puth, 2002:88). It should also be noted that culture can be a liability to an

organisation when it stands in contradiction to those actions that would improve an organisation's performance (Robbins, 2002:234). Similarly, the organisation's culture ultimately determines how successful the organisation will be at executing its strategy and aligning its employees and processes to its strategic intent (Puth, 2002:89).

Organisational culture is often discussed as if it were a unified element of an organisation. However, as the postmodern worldview makes clear, culture should not be seen as a unified element but rather as multiple cultures and sub-cultures existing in tension within an organisation (Lewis, 2007:113). CSOs, for example, can have multiple cultures arising from dual concerns over administrative and mission-related tasks (Beck & Lengnick-Hall, 2008:155). INGOs, in particular, can also have multiple sub-cultures clustered around nationality and ethnicity. The result is a need to take what Alvesson (quoted in Lewis, 2007:113) calls a 'multiple cultural configuration view.' This view of organisational culture sees it as a configuration of different cultures and sub-cultures, related to differences among profession, gender, class, ethnicity and others, overlapping within the organisational setting. Simply put, an organisation will contain conflicting subcultures which must be considered when trying to align an organisation around its strategic intent (Puth, 2002:103).

3.4.3 Challenges to the internal management of INGOs

Chapter 2 discusses the management challenges facing many INGOs. These challenges, as well as other organisational characteristics, result in a variety of internal challenges for INGOs. These internal challenges can take different forms but are generally related to the strategic intent, context, form, structure, culture and workforce characteristics of INGOs.

3.4.3.1. Strategic intent

An INGO's mission generally structures its strategic intent, which can pose several internal challenges. While a "well-written mission statement about a well-focused mission can be a non profit's most useful tool" (Glasrud, 2001:36) and lead to clear strategic intent for the organisation, INGOs' missions often are ambiguous and open to multiple interpretations. Therefore, it is difficult for INGOs to develop clear strategies and measurable objectives (Lewis 2007:190). This situation can cause several internal problems.

To start with, employees have difficulty integrating the organisation's mission into their work (Glasrud, 2001:37), frustrating those who are generally committed to and desirous of achieving the organisation's mission and causing the organisation's work to be unfocused and lack strategic intent. The lack of clarity can also leave the organisation's mission susceptible to goal displacement, particularly when the need for revenue causes an organisation's mission to shift to be more in line with donors' goals (Ehlers & Lazenby, 2007:280; Lewis, 2005:250). Finally, a vague mission allows it to be interpreted differently by people holding diverse values (Glasrud, 2001:37; Lewis, 2005:250). This is a particular risk in INGOs where employees often have diverse cultures and backgrounds that may cause them to interpret the mission in different ways. Thus, the ambiguous nature of INGOs' missions can cause multiple internal management challenges particularly when it comes to aligning the organisation with its strategic intent.

3.4.3.2 Organisational context

INGOs operate in complex and chaotic environments which can pose numerous challenges for their management. One challenge relates to its sources of funding and/or the lack thereof. As was discussed in Chapter 2, INGOs are experiencing increasing competition for decreasing amounts of resources. The sources of available funding can also cause difficulties for INGO management. For example, INGOs that depend on public donations often have low and unpredictable levels of funding because Northern publics have a general lack of interest in development issues (Biddle in Lewis, 2007:199) and are easily swayed both towards giving (for example as the result of natural disasters) and towards not giving (for example when there is a financial crisis at home). The lack of stable funding makes it difficult for INGOs to plan strategically for the long-term.

INGOs that depend on funding from government and foundations face their own set of challenges. One challenge of relying on donors means that they often intrude on the internal management of the organisation (Ehlers & Lazenby, 2007:279). A second challenge relates to the type of funding that foundations and governments provide. The grants provided by foundations and international development agencies are often tied to specific projects (Srinivasan, 2007:189). Thus, often specific projects, and not the overall mission and its associated strategic intent, become the focus of the organisation's activities. In this situation, employees may become very committed to a specific project

cause but at the expense of a commitment to the organisation itself (Srinivasan, 2007:189; Vernis, Iglesias, Sanz & Saz-Carranza, 2006:146). As a result, sources and types of funding available within the INGO context can pose a major internal challenge for INGOs and make it difficult to align the organisation around its strategic intent.

3.4.3.3 Organisational form

As was discussed in Chapter 2, a key characteristic of the INGO form is that values are the central coordination mechanism. This can cause issues in terms of establishing an INGO's legitimacy both with its internal and external stakeholders. In order to be effective, INGOs need to have the trust of their stakeholders, including their employees, and are thus held to a higher ethical standard than government and business (Mustaghis-ur-Rahman, 2007:226). Similarly, Ehlers and Lazenby (2007:276) argue that credible commitment to stated values and perception of legitimacy among stakeholders is a key to a CSO's organisational advantage. A study by Brown and Yoshioka (2003:15) supports this argument, noting that since employees in CSOs often sacrifice pay to work there, they expect that the organisation will live up to its stated values in its internal management practices as well as its external work.

This need to remain true to its values can pose a challenge for INGOs because their values can often lead them to adopt less efficient practices (Lewis, 2005:251). For example, many INGOs are called upon to practice some form of internal democracy; in fact, a perception that CSOs have democratic cultures and shared management practices is a reason why employees choose to work for them (Brandel, 2001:13). However, this means that INGOs face the challenge of remaining true to its participatory governance values while remaining effective and efficient in their work. As Fowler (quoted in Lewis, 2007:200) notes "decision-making must be consultative enough for shared ownership of the outcomes and directive enough to be timely." This challenge is further complicated by donors who can intrude on an INGO's internal management, making it difficult for the organisation to stay completely focused on a mission that is in line with its values (Ehlers & Lazenby, 2007:279). The result is that all internal management activities, including the development of strategic intent, have to be aligned with the organisation's core values.

3.4.3.4 Organisational structure

Organisational structure can pose a challenge for internal management generally and strategic alignment in particular. Bureaucracy, programme silos and isolated work units can pose barriers to the establishment of cohesive strategic alignment (Puth, 2002:203). In Figure 3.3, Anheier (2005:247-251) identified four sets of tensions within a CSO's structure: predictability versus flexibility, functional performance versus people orientation, centralised top-down control versus decentralised bottom-up decision-making and internal versus external orientation. Within INGOs, Anheier (2005:347) also identifies a tension between the desire to decentralise in order to be more flexible across regions and to formalise in order to ensure greater predictability in the relations between organisational units. These tensions are in constant play within an INGO and establishing a balance between them that allows the organisation to be flexible and adaptable to its changing environment, while remaining focused on its strategic intent, is a challenge.

3.4.3.5 Organisational culture

An organisation's culture can be a challenge for its internal management. Aligning an organisation to its strategic intent almost always involves change, therefore, establishing an adaptive culture is a necessary prerequisite (Puth, 2002:89-90). An organisation with a non-adaptive culture tends to be very bureaucratic with leaders and managers who value themselves and their particular domains over the well-being of the organisation (Puth, 2002:90). While INGO cultures are as diverse as INGOs themselves, if their cultures are non-adaptive, they will experience significant challenges in executing their strategic intent.

An additional challenge for INGOs is that their overall cultural configuration needs to reflect their values and approaches (Lewis, 2007:113). In order to encourage identification among INGO employees, many of whom join the organisation through a commitment to the mission, an INGO's culture must reflect the values of its mission. In addition, as was suggested in the discussion on organisational learning in section 3.4.1, INGOs need to develop a culture of reflection in order to learn from their experiences. This is in contrast to the dominant NGO culture of action, where it is more important to be doing something than necessarily taking the time to make sure it is either effective or efficient (Lewis, 2007:113).

This culture of action is also biased against the time and effort required to develop a coherent strategy and strategic intent, making strategic alignment difficult.

Unfortunately, as was noted in section 3.4.2, the common conception of culture makes it very difficult to change. This difficulty arises from the fact that culture emerges not just from management but from an amalgamation of sources (Theaker, 2004:172). Modifying organisational cultures is a long and difficult task. Therefore it can often be more appropriate to work with or around an existing culture to harness some of its characteristics to enhance organisation performance (Rollinson, 1993:278). However, similar to structure and strategy, an organisation's culture must be adaptable to changing environmental contexts. Thus, one of the greatest challenges for internal management is creating a culture that is flexible and adaptable to complex internal and external environments (Ulrich & LaFasto, 1995:324). This is an important consideration because not aligning an organisation's strategic intent with its culture is often a reason why strategies do not succeed (Puth, 2002:88; Theaker, 2004:172). Therefore, understanding the complex dynamics of an INGO's culture is necessary for establishing strategic alignment and managing strategic internal communication in particular.

3.4.3.6 Workforce characteristics

The composition and characteristics of the INGO workforce poses its own set of internal management challenges. As was discussed in Chapter 2, the INGO workforce is generally very diverse with a mixture of paid and voluntary, local and expatriate staff with varying levels of commitment to the INGO's mission and working in multiple countries. These factors can pose several internal management problems for INGOs.

Firstly, INGOs, like any international organisation with multiple offices, must manage the communication problems that arise from the geographical distance between headquarters and field offices (Biddle in Lewis, 2007:199). This is a particular challenge in terms of aligning all offices and employees around the strategic intent. A second challenge arises from the fact that expatriate employees tend to turnover much quicker than local staff (Walsh & Lenihan, 2006:417). Thus INGOs must both retain institutional knowledge in the face of high turnover and ensure that local employees do not become resentful of a 'revolving door' of expatriate staff whom are often in managerial positions. Finally, because

of the nature of INGO activities, INGO employees need to “have an international outlook, multicultural sensitivities and the ability to remain as neutral or objective as possible in discussions based on cultural, national and political differences” (Lewis, 2007:204). Thus, INGOs must manage a culture in their organisation that rises above the individual employee’s national and cultural background to embrace an outlook within the workforce that reflects the outlook of the organisation as a whole and its strategic intent.

INGOs face a number of internal management challenges. Chapter 4 will discuss how strategic internal communication can help address some of these challenges.

3.5 CONCLUSION

This chapter provided a discussion of INGO internal management which serves as the background for the consideration of strategic internal communication within this study. In considering the management of strategic internal communication in INGOs, it is necessary to draw upon both business management theory where this management process arises, as well as CSO and development management theory which help ground the process in the INGO’s unique organisational characteristics and context. The strategic approach is useful in INGOs because it helps to focus their often ambiguous missions while taking a postmodern conception of the strategic process and helps keep the management of an INGO in line with its values. This postmodern conception is equally important within the internal context of an INGO, ensuring the structure, culture and internal management of an INGO are all considered within each INGO’s unique and dynamic context. The discussion of strategic internal communication which starts in Chapter 4 occurs within this overall framework of INGO management.