



CRITICAL MANAGEMENT CHALLENGES FACING
NGOs - EXAMINING THE IMPACT OF LEGITIMACY
AND HUMAN RESOURCE ISSUES ON NGO
EFFECTIVENESS

Bernard C. Nwaiwu
CEDE FOUNDATION

Working Paper 1.4
January 31, 2013



The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the view of CEDE Foundation, its Executive Directors and Trustees or the institutions where the authors are affiliated.

Abstract

An NGO authority is based on public perception that they bring distinctive advantage in social service delivery and community development (Kim, 2009; Lehr-Lehnardt, 2005), through efficiency and innovation, widespread participation and the ability to implement poor projects. Four types of legitimacy are identified which include: 'regulatory' 'normative' 'pragmatic' and 'cognitive'. An organization's legitimacy could be construed as lawful, proper, and admissible and justified in doing what it does or saying what it says, as long as it continues to enjoy the support of an identifiable constituency. Human Resource Management is another critical management challenge facing an NGO, which encompasses recruitment and retention, remuneration and rewards systems, health and safety of staff.

This paper identifies legitimacy and human resource management as two critical management challenges facing NGO managers. It is divided into three sections. Section one discusses the concept of legitimacy as a critical management challenge for an NGO, it examines the implications of the concept for an NGO and the different types of legitimacy. It also devoted special attention to regulatory legitimacy and its implication on State-NGO relation. Section two focuses on human resource management challenges facing an NGO, which include recruitment and retention, remuneration and rewards systems, health and safety of staff. In conclusion, the paper advises that, in managing legitimacy and human resource management challenges facing an NGO, efforts should be made to avoid 'over-politicization' or being co-opted into the political process, as such could erode the respect an NGO enjoys in the community.

Keywords

Legitimacy, 'liability of newness', private voluntary organisations, voluntarism, professionalism

Legitimacy

Many scholars have acknowledged the phenomenal prominence of Non-Governmental Organisations (NGOs) in development arena, since the eighties (Atack, 1999; Clarke, 1998; Kim, 2009; Lehr-Lehnardt, 2005; Lister, 2003; Miraflab, 1997; Ossewaarde, Nijhof and Heyse, 2008; Salamon and Anheier, 1999; Scott and Hopkins, 1999) following the withdrawal of government of most countries from active involvement in social service provisioning (Feldman, 1997; Vedder, 2003). This withdrawal was part of the framework for the Structural Adjustment Programme introduced to tackle the economic recession of the era (Clarke, 1998). The authority of NGOs is based on public perception that they bring distinctive advantage in social service delivery and community development (Kim, 2009; Lehr-Lehnardt, 2005), through efficiency and innovation, widespread participation and the ability to implement pro-poor projects (Lister, 2003). This was reinforced in Suchman (1995: 574) definition of legitimacy “as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. The implication of this definition is that, as long as the perception about an NGO is positive, the NGO will continue to enjoy public support.

Put differently, legitimacy could be seen as “having the right to be and do something in society – a sense that an organization is lawful, proper, admissible and justified in doing what it does, and saying what it says, and that it continues to enjoy the support of an identifiable constituency” (Edwards, 1999b: 258)(cited in Lister, 2003: 176). Edwards had placed legitimacy as the ‘cornerstone’ of an organisation on which every other aspect of the organization’s existence rested on and takes strength from. The implication of this definition for an NGO is that, legitimacy determines the value, respect, acceptability and confidence the public places on it, without which the existence of such NGO will seriously be affected. Another implication is that, legitimacy is externally determined (Brown and Jagadananda, 2007) and as well as beyond the control of an NGO. The legitimacy of an NGO will be questioned and scrutinized where the confidence placed on the NGO to carry out certain responsibility in the community has been eroded. Farook (2004) notes the discomfort of politicians about the growing involvement of NGOs in policy making, which is construed as disregarding the legitimate role of politicians and as well as providing an un-scrutinized access for donors’ deeper forms of political engagement (Walton, 2008).

Some commentators argue that NGOs are, “the ‘conscience of government’, and representatives of civil society” (Tzvetkova, 2002: 61), especially with the increasing globalisation of NGOs ‘constituency’ (Vedder, 2003). The concept of legitimation is vital for an NGO as it helps in understanding the multi-faceted ways through which the public justifies the authority of the NGO (Bodansky, 1999). This is because, different manifestations of an NGO is taken into consideration by the various stakeholders (Lister, 2003) in deciding perception and behaviour towards an NGO (Suchman, 1995). The acceptance of an NGO as good and valued, in the society is based on societal expectations and its conformity to such expectations (Brinkerhoff, 2005). Again, the project-based nature of most NGO activities, with each project grounded in the ‘liability of newness’ (Freeman, Carroll, & Hannan, 1983: 692; Stinchcombe, 1965: 148) (cited in Brinkerhoff, 2005) which increases its risk of failure. This risk could be reduced by securing societal justification, support and recognition for the NGO.

Four types of legitimacy were identified by Brown and Jagadananda (2007), which include; ‘regulatory’ ‘normative’ ‘pragmatic’ and ‘cognitive’. However, the ‘institutional theory’ in

(Scott, 1995) (cited in Lister, 2003: 179) and (Brinkerhoff, 2005; Suchman, 1995) identified only three types which include, normative, cognitive and pragmatic. Regulatory legitimacy is grounded in compliance with established legal and regulatory norms (Brown and Jagadananda; Lister, 2003) put in place to ensure peaceful and orderly conduct of activities. It comes in various forms, including registration requirements with relevant state institutions, reporting requirements or compliance with a particular state order. It is also “consistent between different stakeholders” (Lister, 2003: 179) after factoring in differences in geographical location. Some scholars have acknowledged the importance of State-NGO relationship for efficient social service delivery (Miraflab, 1997), which helps to secure necessary regulatory legitimacy without which, an NGO’s future may be jeopardized.

Although an NGO is expected to be free from direct government control, some NGOs may be closely identified with a government programme, or political ideology, in order to create awareness for government initiated social service programmes that are advantageous to the community, such as polio eradication campaign, etc. Identifying with such programmes could boost NGO’s popularity which will in effect strengthen their legitimacy claim. It is not uncommon in developing countries to see NGOs that explicitly or implicitly support political agendas. Clarke (1998: 44) gives impressive instances of NGOs’ participation in political processes in various countries. Such involvements do not qualify an organisation as government controlled. This assertion is not intended to negate the fact that in authoritarian regimes, NGOs may be compelled to operate in certain manners akin to direct government control (Salamon and Anheier, 1999). Even though, regulatory legitimacy brings about “stability and order” (Lister, 2003: 179), it could also be used to restrict the effectiveness of an NGO in the delivery of social services, for example, the 1995 introduction of the Private Voluntary Organisations (PVO) Act in Zimbabwe (Dorman, 2003) was intended to curtail the involvement of NGOs in public policy making. Another instance where government tries to control NGOs or obstruct their activities is through the establishment of Government Owned NGOs (GONGOs) or by the introduction of obnoxious laws to regulate NGO operations (Bonzi, 2006; Dorman, 2003; Miraflab, 1997).

Normative legitimacy is derived from the consistency in agreement between organisational values and societal values. The extent, to which the values pursued by an NGO conform to the widely held values of the community where it operates (Bodansky, 1999; Brinkerhoff, 2005; Brown and Jagadananda, 2003; Lister, 2003; Vedder, 2003), would have great influence in the justification of its authority as legitimate. Brown and Jagadananda (2003) argue that as ‘value-based organisations’, it becomes imperative for NGOs to emphasize contributions to the wider society as central to its objective. Pragmatic legitimacy is another type of legitimacy, derived from the ability of an NGO to meet the needs and expectations of its communities and stakeholders (Brinkerhoff, 2005; Brown and Jagadananda, 2003; Lister, 2003; Suchman, 1995) NGOs provide goods and services required by their communities and in return, receive support while their authority is justified as legitimate. The service could range from issues such as advocacy to health care provision, which give immediate benefits to the community. Finally, cognitive legitimacy relates to the realities of societal construct, where an NGOs is ‘taken for granted’ based on cognition of ‘cultural accounts’ (Johnson, 2004), by pursuing objects societally considered as “making sense”, understood and valued as ‘desirable’ (Brinkerhoff, 2005).

Human Resource Management

Human resource management (HRM) is another critical management challenge NGO managers face in their day to day NGO management functions. This is because of the multi-dimensional ways in which HRM issues manifest in the organisation. For the sake of clarity, human resource management (HRM) in this context covers issues such as staff recruitment, reward, employee welfare as well as employee health and safety. The main difference in HRM between an NGO and a corporate organisation lies in the variation in application of HRM methods (Padaki, 2007) for instance, deciding the worth of staff pose a serious ethical dilemma, especially where performance and reward considerations are involved. In a corporate organisation, this might not be an issue in so far as the organisation makes profit. However, for an NGO that derives its income from donors and public funds, how would reward based performance system be justified? Most donors strictly exclude overhead expenses from project funding while some would restrict staff cost to a very little per cent of total project fund as well as insist “on verifiable results and impact of programmes” (James and Mullins, 2004: 577) in order to justify staff cost. Another ethical dilemma is deciding “the value of voluntarism and the value of professionalism” (Padaki, 2007: 71), considering the fact that volunteerism has played massive role in the surge of NGO popularity (Kim, 2009). NGOs are able to tap into the growing number of willing volunteers, which provide needed work force with varying degrees of skills for development and advocacy activities. What should be the response to staff expectations for reward and career growth? Padaki (2007) suggests the trade-off should be compensation increments that are at least enough to cover the incremental cost of living.

Manpower planning is a major HRM challenge for NGO managers, who are saddled with the problem of staff recruitment and development. NGO recruitments are mostly project based. The implication of this is that project staff have a start date and a known end date, which makes it tight for NGOs to invest in staff development, in most cases, NGOs ignore critical HRM issues such as induction for new recruits while staff are assigned to projects without any training on organisational culture. This could dent the image of the organisations were the behaviour of such new staff contradicts the professed values of the organisation. The implication of this is an easy erosion of the NGOs normative legitimacy. The NGO’s benefit structure, which some people adjudged not competitive, (Padaki, 2007) makes NGO jobs less attractive to experienced recruits. Economic liberalisation has transformed the labour market with increased prospects (Bhalotra, 2002; Springler, nd), while most people would favour a more stable job opportunity compared to the project based vacancies in NGOs. Beside these, balancing work life with family life poses another HRM challenge to NGO managers, for example, NGO staff who are bereaved or who have family members suffering from HIV/AIDS or even have staff who are HIV positive will need time off work, to sort out health and family issues. Such situation will lead to increased staff cost resulting from sick leave and absenteeism, declining performance and quality of work, increased recruitment cost, increased redundancy cost etc. On the other hand, the ethical dilemma most NGOs managers face, is, dealing with encouragement by official donors to ‘mainstream’ issues such as HIV/AIDS in their programmes, however, these official donors are not willing to accept the ‘mainstream’ cost of HIV/AIDS in the NGO organisation (James and Mullins, 2004). The organisational cost of sickness and health related issues are felt most in small NGOs who are most prone and without sufficient shock absorber to bear the incremental cost of staff absenteeism and health related issues. These problems become more pronounced in a project based roles requiring some degree of specialisation and continuity, with target completion date(s).

Staff safety poses HRM challenges for NGO managers working both in governance states and as well as fragile states. Managers are constantly faced with the dilemma of balancing project exigencies with staff safety (Goodhand and Chamberlain, 1996). In a conflict situation, project survival is threatened by concerns about staff security. For example, managers may have to take the tough decision about staff safety in a conflict situation by either identifying with the citizens, or dance with the ‘powerholders’ in order to secure the much needed security protection for staff which is sine-qua-non for an effective distribution of relief materials. A reflection on the current situation in Syria, will present a clear picture of the impact of concerns about staff safety on the effectiveness of NGOs in the delivery of social services, where distribution of relief materials have been suspended a number of times because of security threat on the life of relief workers. Goodhand and Chamberlain (1996) argue that NGOs survival in conflict situation “depends on understanding the local configurations of power, and success depends on the ability to draw on this authority without being co-opted by it” (Goodhand and Chamberlain, 1996: 200). Security, much like human freedom is identified when it is absent (UNDP, 1994).

In a stable democracy, struggle against inequality, social exclusion and poverty breed various forms of insecurity (Edwards, Hulme and Wallace, 1999) which NGO managers face on daily basis. A typical example would be the 2011 post-election violence in Nigeria that claimed more than one hundred lives (BBC News, 2011; Olaifa, 2011; Putney, 2011). One would ask if NGO staff are immune in such situation because they work for NGO. As some threats to staff occur abruptly without prior warning, it makes it a critical aspect of any HRM challenge for NGO managers. Managers should therefore anticipate at least, basic staff safety and security issues and make adequate provisions to manage them. The UNDP (1994) Human Development Report on ‘new dimensions of human security’ should be a guide for the manager, the report identified four essential characteristics, which managers should familiarize themselves with, the realisation that “human security is easier to ensure through early prevention” (UNDP, 1994: 22) should prompt the manager to take proactive steps by recognising detailed probable security issues in a project risk analysis.

Conclusion

This paper identified legitimacy and human resource management as two critical management challenges facing NGO managers. These challenges are capable of undermining the existence of an NGO even to the point of forcing an NGO business to close its shops. The way these challenges are managed will determine the success or otherwise of an NGO. While NGOs maintain relationship with the state, they should do this without ‘over-politicization’ or being co-opted into the political process, as such could erode their legitimacy in the community. While it is unavoidable for some NGOs such as the Red Cross, not to engage in social service delivery in conflict and fragile states, NGO managers should however, weigh the pros and cons of assigning staff to projects in such situations.

References

- Anderson, I. (2000) Northern NGO Advocacy: Perceptions, Reality, and the Challenge. **Development in Practice**. Vol. 10(3/4): 445-452.
- Atack, I. (1999) Four Criteria of Development NGO Legitimacy. **World Development**. Vol. 27(5): 855-864.
- BBC News (2011) **Post-election violence in Nigeria after Goodluck Jonathan's win**. [online]. Available from: <http://www.bbc.co.uk/news/world-africa-13124274> [Assessed 01 January, 2013].
- Bhalotra, S. (2002) The **Impact of Economic Liberalization on Employment and Wages in India**. Paper submitted to the International Policy Group, International Labour Office, Geneva. 31 January 2002.
- Bodansky, D. (1999) The Legitimacy of International Governance: A Coming Challenge for International Environmental Law? **The American Journal of International Law**. Vol. 93(3): 596-624.
- Bonzi, R. (2006) NGOs in Conflict Prevention: Experiences from the Water Sector in Ethiopia. **Development in Practice**. Vol. 16(2): 201-208.
- Brinkerhoff, D.W. (2005) **Organisational Legitimacy, Capacity and Capacity Development**. Paper presented at Public Management Research Association 8th Research Conference, University of Southern California School of Policy, Planning, and Development, Los Angeles, California. Sep. 29-Oct. 1, 2005.
- Brown, D. L. and Jagadananda (2007) **Civil Society Legitimacy and Accountability: Issues and Challenges**. Hauser Center for Nonprofit Organizations Harvard University.
- Burger, R. and Owens, T. (2010) Promoting Transparency in the NGO Sector: Examining the Availability and Reliability of Self-Reported Data. **World Development**. Vol. 38(9): 1263–1277.
- Clarke, G. (1998) Non-governmental organizations (NGOs) and politics in the developing world. **Political Studies**. Vol. XLVI: 36–52.
- Dorman, S. R. (2003) NGOs and the Constitutional Debate in Zimbabwe: From Inclusion to Exclusion. **Journal of Southern African Studies**. Vol. 29(4): 845-863.
- Edwards, M., Hulme, D. and Wallace, T. (1999) NGOs in a global future: marrying local delivery to worldwide leverage. **Public Administration and Development**. Vol. 19(2): 117-136.
- Farook, F. (2004) **NGO legitimacy: challenge and opportunity**. [online]. One World Guides. Available from: <http://uk.oneworld.net/article/view/84482/1/6393> [Assessed 11 January, 2013].

- Feldman, S. (1997) NGOs and Civil Society: (Un)stated Contradictions. **Annals of the American Academy of Political and Social Science**. Vol. 554: 46-65.
- Fowler, A. (1997) **Striking a Balance: a Guide to the Enhancing the Effectiveness of Non-Governmental Organisations in International Development**. London, Earthscan.
- Goodhand, J. and Chamberlain, P. (1996) Dancing with the Prince': NGOs' Survival Strategies in the Afghan Conflict. **Development in Practice**. Vol.6 (3): 196-207.
- Hirata, K. (1998) New Challenges to Japan's Aid: An Analysis of Aid Policy-Making. **Pacific Affairs**. Vol. 71(3): 311-334.
- James, E. (1989) **The Nonprofit Sector in International Perspective: Studies in Comparative Culture and Policy**. Oxford University Press: Oxford.
- James, R. and Mullins, D. (2004) Supporting NGO Partners Affected by HIV/AIDS. **Development in Practice**. Vol. 14(4): 574-585.
- Johnson, C. (2004) Legitimacy processes in organizations. **Research in the Sociology of Organizations**. Vol. 22: 89-116.
- Kim, E. (2009) The Limits of Ngo-Government Relations in South Korea. **Asian Survey**. Vol. 49(5): 873-894.
- Kudva, N. (1996) **Uneasy partnership? Government-NGO Relations in India**. Institute of Urban and Regional Development, Berkeley, CA, Working paper 673.
- Lehr-Lehnardt, R. (2005) NGO Legitimacy: Reassessing Democracy, Accountability and Transparency. **Cornell Law School (2005) Inter-University Graduate Student Conference Papers**. Paper 6.
- Lewis, D. (2005) Individuals, organizations and public action: trajectories of the nongovernmental in development studies. In Kothari, U. (ed.) **A Radical History of Development**. London. Zed: 200-221.
- Lewis, D. (2002) Civil society in African contexts: Reflections on the 'usefulness' of a concept. **Development and Change**. Vol.33 (4): 569-586.
- Lewis, D. (2001) **The Management of Nongovernmental Organizations**. London. Routledge.
- Lister, S. (2003) NGO Legitimacy: Technical Issue or Social Construct? **Critique of Anthropology**. Vol. 23(2): 175-192.
- Malhotra, K. (2000) NGOs without Aid: Beyond the Global Soup Kitchen. **Third World Quarterly**. Vol. 21(4): 655-668.
- Marcussen, H. S. (1996) NGOs, the State and Civil Society. **Review of African Political Economy**. Vol. 23(69): 405-423.

Miraflab, F. (1997) Flirting with the Enemy: Challenges Faced by NGOs in Development and Empowerment. **Habitat International**. Vol. 21(4): 361-375.

Nohlen, D. (1980), Modernization and Dependence: An Outline and Critique of Competing Theories. **Intereconomics**. March/April: 81-86.

Olaifa, B. (2011) CAN wants post-election violence perpetrators punished. [online] **BusinessDay**. Available from: <http://www.businessdayonline.com/NG/index.php/news/111-politics/20821-can-wants-post-election-violence-perpetrators-punished> [Assessed 07 January, 2013].

Osborne, S. P. and Kaposvari, A. (1998) Non-governmental organizations and the development of social services. Meeting social needs in local communities in post-communist Hungary. **Public Administration and Development**. Vol. 18(4): 365–380.

Ossewaarde, M., Nijhof, A. and Heyse, L. (2008) Dynamics of NGO legitimacy: How organising betrays core missions of INGOs. **Public Administration and Development**. Vol. 28(1): 42-53.

Padaki, V. (2007) The Human Organisation: Challenges in NGOs and Development Programmes. **Development in Practice**. Vol.17 (1): 65-77.

Putney, J. P. (2011) ICC prosecutor to investigate Nigeria post-election violence [online] **JURIST**. Available from: <http://jurist.org/paperchase/2011/04/icc-prosecutor-to-investigate-nigeria-post-election-violence.php> [Assessed 03 January, 2013].

Salamon, L. and Anheier, H. (1999) The Third World's Third Sector in Comparative Perspective. In David L. (ed) **International Perspectives on Voluntary Action**. London, Earthscan.

Scott, C. and Hopkins, R. (1999) The Economics of Non-Governmental Organisations, London School of Economics and Political Science, **STICERD Development Economics Discussion Paper**: DEDPS/15.

Springler, E. (nd) **Financial Liberalization and Employment Effects**. Department of Public Economy, Monetary Policy and Int. Finance. University of Economics and Business Administration Vienna.

Suchman, M. C. (1995) Managing Legitimacy: Strategic and Institutional Approaches. **The Academy of Management Review**. Vol. 20(3): 571-610.

Tzvetkova, M. (2002) NGO Responses to Trafficking in Women. **Gender and Development**. Vol. 10(1): 60-68.

UNDP (1994) **Human Development Report**. New York. Oxford University Press.

Vedder, A. (2003) Internet NGOs: Legitimacy and Accountability. In Electronic Government (ed) Traunmuller, R. Springer, Lecture Notes in Computer Science 2739, Berlin: 49-54.

Walker, M. (1996) **NGO Participation in a Corporatist State: The Example of Indonesia**. Institute of Urban and Regional Development, Berkeley, Working paper 678.

Wallace, T. (2003) Trends in UK NGOs: A Research Note. **Development in Practice**. Vol. 13(5): 564-569.

Walton, O. (2008) Conflict, peace building and NGO legitimacy: National NGOs in Sri Lanka. **Conflict, Security & Development**. Vol. 8(1) 133-167.

Wenar, L. (2006) Accountability in International Development Aid. **Ethics and International Affairs** 20 (1): 1-23.

Willetts, P. (2006) **What is a Non-Governmental Organization?** Advance Reading for participants of the Human Rights NGO Capacity-Building Programme – Iraq.

CEDE FOUNDATION
Registered charity in England and Wales (no 1126753)
Website: www.cedefoundation.org.uk
E-mail: info@cedefoundation.org.uk