People In Partnership

HR in NGO relationships

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Contents

Abbreviations

ACORD	Agency for Co-operation and Research in Development
ADRA	Adventist Development and Relief Agency
ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action
CCIC	Canadian Council for International Co-operation
CAFOD	Catholic Agency for Overseas Development
CIDSE	Cooperation Internationale pour le Development et la Solidarite
FSU	Former Soviet Union
HR	Human Resources
HRM	Human Resource Management
IDPM	Institute for Development Policy and Management
INGO	International non-Governmental Organisation
INTRAC	An NGO involved in supporting other NGOs through training, consultancy and research.
LNGO	Local Non-Governmental Organisation. LNGO is used throughout the report to describe southern, eastern and national NGOs
LWR	Lutheran World Relief
MOPAWI	Moskito Pawisa *(This means development of la moskitia which is* a *large forested region in eastern Honduras)*
NGO	Non-Governmental Organisation
NNGO	Northern Non-Governmental Organisation. NNGO is used throughout the report to describe all International NGOs
NSA	Non-State Actor
OCA	Organisational Capacity Assessment
OCI	Organisational Capacity Index

Abbreviations continued

OD	Organisational Development
OFADEC	African Office for Development and Co-operation
PVO	Private Voluntary Organisation
SIDA	Swedish International Development Cooperation Agency
SPHERE	SPHERE Project. The Humanitarian Charter and Minimum Standards in Disaster Response
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID/OFDA	United States Agency for International Development / Office of US Foreign Disaster Assistance

Foreword

All People In Aid output is for the practical use of those working inside relief and development agencies to improve human resources management. This report was commissioned on the premise that NGOs based in the North (NNGOs) do, will or should work to build the human resources capacity of their partner NGOs in the South and East ('Local NGOs' - LNGOs). It investigates why that should be and how that could be achieved. It poses questions for agencies to ask of themselves, and offers solutions they might test. People In Aid had an additional reason for commissioning this piece of research. It casts light on the contribution we can make to LNGOs either as an organisation or through the People In Aid Code of Good Practice. It considers the Code's possible role within the partnership relationship and what might be necessary for us to fulfil one of the strategic objectives set for us by our members: 'to promote good practice amongst agencies throughout the world'.

Jonathan Potter
Executive Director
People In Aid

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CAFOD is the English and Welsh arm of Caritas Internationalis, a worldwide network of Catholic relief and development organisations. With the help of their network of Regional Organisers throughout England and Wales, CAFOD works in partnership on over 1,000 programmes worldwide.

CAFOD
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Introduction

The purpose of the research presented in this report is to provide People In Aid and agencies in the sector with an overview of northern non-governmental organisations' (NNGOs') relationships with their local partners with respect to human resource management. The research sought to gain a view of local NGOs' (LNGOs) own attitudes towards human resource management and to appreciate aspects of the People In Aid Code which make it less or more appropriate for local NGOs.

Specific questions addressed by the research include:

- What are the current practices in Human Resources (HR) within partnerships between northern and local NGOs? (*Chapter one*)
- What do northern NGOs and their partners need to consider in partnership agreements and in practical arrangements in terms of HR management? (*Chapter one*)
- What might persuade northern NGOs that assisting partners in improving their HR management would also enhance their effectiveness? (*Chapter two*)
- What does sustainable HR capacity building involve? (*Chapter three*)
- What are the incentives and disincentives for NNGOs to facilitate development in their partners' HR management in collaboration with People In Aid? (*Chapters three and four*)
- What recommendations can be made including necessary further research by People In Aid or others in relation to these issues? (*Chapter five)*

This report is based on limited exploration of the issues carried out on behalf of People In Aid between October and December 2003. The research did not seek to be comprehensive but has allowed for general conclusions to be drawn and recommendations to be put forward.

Research methodology

Seeking to ensure diverse participation in the research, People In Aid identified potential contributors including northern NGOs, local NGOs, NGO network organisations, donors and academics.

Potential NGO contributors were selected on the basis of the nature of their work, humanitarian relief or development, the desire to represent both secular and faith based experience, and to represent geographical diversity of programmes.

Potential contributing organisations and individuals were contacted to invite their co-operation with the research. The organisations and individuals consulted during the research are listed on page 4.

Organisations and individuals participating in the research were interviewed by telephone or face to face between October and December 2003. They were given a summary of the research purposes, either verbally or by email, and were asked questions derived from the research summary and relevant to their situation. Interviews generally lasted about one hour, some being slightly longer and some shorter.

In parallel with the interviews, during the same period a review of some of the relevant literature was undertaken. In addition to paper publications, this included gathering data from relevant websites.

The contributions from participating individuals and organisations were diverse and this report does not represent all the comments made.

Structure of the report

The report divides into five chapters. The first considers the nature of partnerships in the sector, some factors influencing the quality of partner relationships and presents examples of NGO practices within partnerships regarding HR. The second chapter explores the impact of HR management on LNGO effectiveness and presents hands-on experiences of northern and local NGOs. The third looks at HR capacity building, suggests some prerequisites, and describes participants’ experiences.

The fourth chapter explores the relevance of the People In Aid Code for local NGOs and presents participants’ views on how northern NGOs and People In Aid could practically support local partners. This chapter also considers the influence of both organisational life cycle and national culture on the relevance of the Code for local NGOs. Finally in chapter five is a summary of the recommendations, including areas for further research.

Executive summary

The unprecedented proliferation of NGOs in the North and South, the complexity of relationships between northern and local NGOs, between NGOs and governments and the private sector are all part of the landscape change that has faced the world of aid and development over recent years.

These changes have "*transformed development into a complex enterprise, replete with management, administrative and communication challenges undreamed of 30 years ago*"[1].

People In Aid is among a number of inter-agency initiatives launched in the 90s to enhance the quality and accountability of the sector, and the Code was developed in response to the HR issues affecting agencies working in relief and development. The revised Code (2003) sought to minimise the distinctions between national staff and international staff. The next step is to address the HR challenges facing LNGOs and their relationships with Northern partners in respect of HR management and to decide how to do it: directly with LNGOs or through NNGOs.

Over the last two months, a number of northern and local NGOs, academics and donor agencies have participated in People In Aid's research into North/South NGO partnerships and HR management, and the extent to which the Code is appropriate for local NGOs.

- **Concerning partnerships**, the findings confirm that the meaning of the term 'partnership' has been diminished by misuse and is applied to a range of relationships. The research found that the almost inevitable power inequality between NNGOs and their local partners raises questions about the support offered, or requirements imposed, by NNGOs in relation to HR practice. The research raised the question "how much is their intervention about an LNGO's self-determined organisational development needs, and how much about northern driven knowledge transfer to comply with donor requirements?" "Is it more about accountability or capacity building?" The findings suggest it is often both.

- The research found that **the perception of HR** remains in places procedural, bureaucratic and unrelated to the enhancement of organisational effectiveness. Yet participants also gave persuasive examples of LNGOs addressing people management challenges, with the support of partners, which have had direct impact on the achievement of their aims and objectives. The findings highlight the challenge of determining where a clear link exists between good people management practice and service to beneficiaries.

- Concerning **sustainability of HR capacity building**, the findings confirm that if local NGOs seek to develop their people management practices in response to donor requirements rather than to needs derived from their

[1] Canadian Council for International Co-operation. *Code of Ethics*, Page i

vision and goals, the results are less likely to be sustainable or serve the best interests of beneficiaries.

- Participants' experiences confirmed the tension between national **cultural values** and the assumption that "good" HR practice is universal. The research demonstrates that, although not culture-neutral, the People In Aid Code sets out HR principles which can be of benefit to local NGOs. The report recommends that when seeking to support LNGOs in HR management, NNGOs and People In Aid must recognise the underlying assumptions inherent both in the Code and in the culture of the partner NGO.

- The findings show both **opportunities and challenges for People In Aid** in increasing its engagement in the HR management of local NGOs.

- Tackling the issues highlighted in the findings is complex and will require changes of values as much as practices. Nonetheless the findings demonstrate that there are opportunities for People In Aid to:
  - continue its work in shifting the perception of HR in parts of the sector;
  - continue to disseminate the Code through NGOs or directly to LNGOs or LNGO networks;
  - widen the application of the Code in organisational self-assessment processes;
  - support locally relevant training for example on recruitment and selection, diversity and gender issues, health and security, leadership and supervision;
  - facilitate collaboration and knowledge sharing between LNGOs; and
  - increase its role as an advocate and influential voice among NNGOs.

Chapter One

Partnership, Power and Relationships

NGOs by nature inhabit a world of relationships, whether working in emergency relief or in development. Whether between NGOs and beneficiaries, local NGOs and their northern partners, NGOs and donors, governments, the private sector, relationships are foundational to everything the sector does.

It is self evident that the nature and qualities of those relationships significantly determine the benefits that arise from the partnership. It is also clear that where "*partnership"* is the label attached to the relationship, it may be an expression of the reality, it may be a genuinely shared aspiration or it may simply deepen the cynicism prevalent in the sector about partnership and participation.

The academic interest and NGO debate about the concept of partnership is well documented and this report does not seek to reiterate that debate. Nonetheless, to understand the development of HR management practice in the context of NGO partnerships it is necessary to appreciate the factors affecting the relationship between "partners" and how those influences serve or limit the relationship.

So what do we mean by partnership?

The meaning of "partnership" has been diminished by its ever-widening use and abuse. At one end of the spectrum "it may mean nothing more than a public relations term" while at the other "it may mean full-scale reciprocity in critical decision making" and there are all manner of partnerships in between.[2]

The literature and the contributors to this research confirmed the many factors which influence the nature of partnerships, and consequently the outcomes of the relationship. A position paper on partnership by ChildHope begins with a reminder of the inequality in power present in most partnerships.

> "…*the reality is – and is seen to be – that the donor can do to the recipient what the recipient cannot do to the donor."*[3]

NGOs can't work without money, which means they need to follow donors interests. One contributor illustrated this with regard to the Balkans where according to donors, HIV/AIDS is not a problem. This conclusion only reflects the absence of accurate statistics, not that AIDS isn't a problem in the region, and emphasises for one NGO that "if you want money you have to follow the donor's agenda".

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[2] Lindenberg and Bryant. 2001. P.159

[3] Elliot,C (1987) quoted in "*Position Paper 6; PARTNERSHIP"* by ChildHope

Some contributors commented that many NGO relationships were more about contracts than partnerships, while the experience of others suggested that the two are not incompatible. The ALNAP Annual Review 2003, for example, cited the UNHCR's approach to NGOs being "more akin to contractors rather than partners."[4] On the other hand ChildHope's position paper and their Partnership documentation make clear that *"ChildHope does not accept that there is a contradiction between the formalities of a partnership, nor the qualities that give it value; rather it sees one as the reinforcement of the other."* [5]

What became clear from the research is that whether in relation to HR practice or other features of the partnership, there are a number of factors affecting the outworking of the relationship, and some practical measures to support the management of the relationship.

Factors shaping the relationship

The research confirmed a number of well-documented influences on the nature of NGO relationships, one of the most apparent being the distinction between **humanitarian relief and longer-term development**. Commenting on partnerships and capacity building, the ALNAP Review makes the point "*The humanitarian enterprise has proven itself better at delivering life-saving assistance than at strengthening local capacity."*[6]

Contributors to this research from the emergency relief sector readily acknowledged that, in the interests of urgency their priority is typically not the capacity building of their partners. The relationship is often only a few months duration and the investment in establishing, maintaining and developing the partnership is typically less than would be the case in longer term development.

The selection criteria for NGO partners, concerning people management issues and other factors, and the monitoring of those criteria during the relationship is also often less rigorous in emergency relief work, yet this could have profound consequences, for example if it were to be the case in relation to child protection needs.

Concerning NGO selection criteria during emergency relief, ALNAP cite UNHCR's own evaluation. "*Although there are selection criteria for NGO partners and a major partnership programme, relations tend to become complacent. Many observed that partners tend to be engaged 'on the spot'*."[7]

While the need for urgency is self-evident, some contributors challenged the arguments for not prioritising NGO capacity building. They suggested that

[4] UNHCR, (May 2002:53) quoted in *ALNAP Annual Review 2003*
[5] Position Paper on Partnership (July 2002) ChildHope
[6] Minear (2002:55-56) quoted in *ALNAP Annual review 2003*. P.92
[7] UNHCR (May 2002:53) quoted in *ALNAP Annual Review 2003* P.92

although in “first phase” emergencies delivering relief is the priority, where many LNGO partners are working in long-term instability situations and disaster mitigation, it is both feasible and desirable for NNGOs to be engaged in building local capacity.

From the LNGO’s perspective, in a relationship of only three to six months involving relatively small sums of money, one contributor asserted that any expectation by an NNGO that the partner would initiate significant organisational changes to comply with donor requirements was unrealistic.

However, as it is often the case that LNGOs will still be working long after the NNGO has withdrawn, for example in long term conflict situations, there are plenty of opportunities to help the local NGO build organisational capacity that are not taken.

Beside the distinctions between emergency aid and development, a number of other factors were described during the research which influence the qualities of partnerships, and which clearly impact on the extent to which HR management issues feature in the relationship. These included:

- Duration of the relationship;
- Financial stability of the LNGO; and
- Vision, values and objectives of the LNGO.

So if not all “partnerships” are partnerships, what will assist NGOs more effectively managing their relationships? Is it a matter of terminology, contractual conditions, shifts in long held perceptions, or all three? The findings suggest the latter.

Prerequisites for NGO partnerships

From the literature and the contributors to the research, there are clear pointers towards some prerequisites for more effective NGO relationships, some of which relate to “**purpose**” and some to “**process**”.

Regarding “**purpose**”, a number of contributors noted the transition that had occurred in their partner relationships reflecting the ongoing transformation across the sector. LNGOs were being viewed less as local implementing partners and increasingly as local agents intent on changing their own society. Where partners were viewed in this way, northern NGOs are more likely to support the organisational and technical capacity development of the local partner.

For example, Mercy Corps’ “Principles for Partnership” reflect their explicit commitment to organisational capacity building. The preamble to their principles states that:

"By working together to share resources, knowledge and experience we can have greater impact in the short term and work to build stronger communities and local organizations for the future."

Save the Children UK developed **Principles of Partnership** in May 2003 to assist programme managers in defining and managing partnership arrangements.

The document defines partnership as *"a negotiated agreement between SC UK and another agency with a purpose"*. The Principles set out the criteria on which SC UK partnerships are based.

a. **Congruence of mission, values and operating principles**
b. **Mutual benefits**
c. **Effectiveness** - partnership should be able to achieve lasting benefits for children
d. **Accountability**
e. **Transparency** - atmosphere of openness concerning finance, decision making and negotiation with third parties, and willingness to share strategy, approach to development, areas of priority and funding sources

The ten Principles include the following.

Save the Children UK:

- *"enters into partnership arrangement through rigorous selection process;*
- *partnership arrangements always have clearly defined roles, responsibilities and contributions of each partner;*
- *applies its Child Protection Policy in its partnership arrangements;*
- *invests in capacity building for both its partner and itself;*
- *enters into time bound partnerships."*

The principle concerning capacity building makes clear that this involves discussing, defining and agreeing on:

- *"Mutual expectation on capacity building and its indicators*
- *Assessing capacities and capacity building actions - for both SC UK and its partner*
- *Inputs – material, financial and technical, and process required for capacity building*
- *Responsibilities of each partner for providing the inputs and for facilitating the processes"*

Nonetheless examples of NNGOs paying insufficient attention to "needs on the ground", but seeing LNGOs simply as implementers of their programmes were also common.

Whatever the explicit or implicit purpose of the partnership, the **processes** involved in establishing, maintaining, and where necessary terminating the relationship are fundamental to its effectiveness. ChildHope's partnership procedures state:

> *"As a first stage, both ChildHope and the potential partner need to clarify their understanding of 'partnership' and their expectations of what a partnership would involve, (e.g. ChildHope does not act as a funding channel). Both organisations would also need to share a common vision and values."*

In contrast to the historic north to south partner relationship, ChildHope's position paper on partnership illustrates a relationship in which

> *"responsibility is shared, southern knowledge and responsibility is respected, and wherein the northern response is designed to support and facilitate southern development rather than determine and deliver it".*

While some contend that a "partnership" and a "contractual relationship" are not compatible, a number of contributing organisations sought to very clearly define, through their selection criteria for partners and their partnership agreements, their mutual rights and responsibilities. Commenting on such an approach, Lindenberg and Bryant refer to the concept of the "*social contract"* which..

> "..implies a set of explicit rights, responsibilities, and mutual expectations that members of each legally constituted organisation have of its partner."

Lindenberg and Bryant refer to Karen Casper's "partnership arch", a model to classify possible partner relationships along two dimensions – the degree of "hands on" or "hands off" service delivery, and the degree of inequality in the partnership. They suggest that:

> "… the foundation of a partnership is equivalence and mutuality through a well understood, shared view of balanced rights and responsibilities. Thus a genuine partnership implies a balanced social contract"[8]

The findings from the NGOs and academics interviewed suggest that very few organisations include HR issues either in partner selection criteria or ongoing management of the relationship. Of the management capabilities addressed in partnership agreements, financial management is predictably top of the list and rarely are the same standards required of HR practice.

Current practice regarding HR and partnerships

As USAID/OFDA emphasised, partnership agreements and partner selection criteria tend to prioritise financial accountability, followed by programme

[8] Lindenberg and Bryant (2001) P.157,158

experience with people management issues somewhere down the list. However, in Tearfund's view, where there is poor financial management there is often also poor people management, and where people management in an LNGO is effective, financial and other management practices are likely to be the same.

The following examples of HR practice in the relationship between LNGOs and northern partners and donors, include illustrations of partner selection processes as well as processes for supporting the ongoing relationship with respect to HR issues.

Overview

The research found a range of practices regarding partner selection from NNGO/Donor led assessment (e.g. USAID/OFDA) to LNGO full or partial self-assessment (e.g. Tearfund). Typically a range of selection criteria operate to ensure a fit between partners in relation to both programme capabilities and institutional capabilities, as, in the words of one contributor *"it's not just about a good project; it's about having a good organisation or the project will fail."*

Considerations typically included:

- Vision values and goals of the partner NGO. (e.g. ChildHope – see above)
- Ethics and principles (e.g. child protection, gender principles e.g. Comic Relief)
- Governance issues
- Financial management capabilities

Where HR management practices were taken into account they included the following:

- Health, safety and security
- Recruitment and selection
- Job descriptions and employment contracts
- Equal opportunities
- Training and development

One difference found between NNGOs' approach to partners' HR management was the extent of their commitment to ongoing capacity building (see LWR and CAFOD examples below). A comment from IDPM in Manchester raised again the need to avoid the classic "top down, north/south transfer model" and to think more in terms of *"transforming partnerships not just embedding codes".*

Partnership selection criteria - Examples of current practice

The Africa Grants Programmes of Comic Relief require applicants to "*consider **equal opportunities** both in (your) organisation and with the people you work with".* Equal opportunities issues are also among the USAID/OFDA requirements for the northern NGOs they fund. Although OFDA does not directly fund local NGOs, it requires the NNGOs to ensure that their local partners comply with the same standards, and the responsibility rests ultimately with the primary grant holder. With the exception of an LNGO in Tanzania, DFID in the UK also only funds NNGOs. They require NNGOs to have a local partner, led by nationals and not simply a "front" for an expatriate operation. While DFID do not usually inquire into the HR practices of local NGOs, if it became aware of blatant nepotism, gender or racial discrimination by a local partner, "alarm bells would ring".

It was also recognised by some contributors that where the position of women in society is weaker than men, requiring an organisation to adopt gender equality in recruitment policies can place the LNGO in a vulnerable position and will require more support from the northern partner.

Just World Partners (JWP), commented on the trend among donors to ask about the **policies and practices** of LNGO partners. JWP are among the NGOs who would for their part seek a willingness by the partner to sign up to the relevant policies but where the standard remains an aspiration rather than current reality, JWP would seek to help the partner "get there".

Similarly one of the partnership criteria for ChildHope was a "Commitment to Organisational Development".

CAFOD have adopted a strategy of longer-term commitment to partners (see below) and would take account of all management issues including people management. This would include looking at job descriptions, salary structures, and procedures for handling tax.

A contributor from a Bangladesh NNGO field office pointed out the difficulties for local offices where they face pressure to adapt their HR policies to the requirements of multiple donors. His organisation had suffered the experience of different donors requiring different **pay structures** and different group insurance schemes.

The findings highlighted the benefit of making any expectations and mutual **rights and responsibilities clear and transparent**. As an example of such clarity, regarding **diversity**, for example, the InterAction PVO Standards state "*An important criterion in hiring and personnel evaluation policies and practices will be a demonstrated understanding of and commitment to diversity issues.*" They add, "*Agencies will have policies and practices that support equal pay for equal work.*"[9]

The experience of a number of contributing NNGOs was that where the relationship with a partner is not clear, it often becomes necessary to spend large amounts time later, "clearing up the mess".

[9] InterAction PVO Standards (January 2003) P.10, 6.4.2.3 & 6.4.2.4

Some examples were found of partnership documentation taking HR management issues into account.
For example:

- As mentioned above, as a donor, Comic Relief have expectations of their partner's commitment to equal opportunities;
- Just World Partners look at child protection and gender issues in recruitment and selection;
- ACORD also look at gender in recruitment.

ChildHope

Their mission statement says that "ChildHope is a child-focused international NGO working to realise the rights and opportunities for children and young people around the world." In addition to clarifying their understanding of "partnership" and ensuring both parties share a common vision and values, their partnership criteria include a commitment to organisational development. The criteria include specific programme/project criteria, criteria relating to gender and to child protection. The Partnership Agreement has a section on Management/Governance issues, which includes the following:

- "Managing the recruitment, management, promotion, discipline and termination of all staff – including a contract of employment for each staff member with individual job descriptions and promoting gender equity in recruitment.
- Acting as the legal employer of local staff, ensuring that local employment legislation is followed.
- Determining remuneration rates for all staff and ensuring that income tax and social security costs are paid according to the current legislation.
- Maintaining staff medical, attendance, leave, etc. records."

CIDSE is an alliance of 15 Catholic development organisations, including CAFOD, from Europe and North America. In January 2002 the first CIDSE forum focused on "***Developmental partnership***" a working definition of which was …

" a relationship into which we enter with like-minded development organisations in the South, based on a shared vision of human society characterised by justice, in the light of which we make mutual commitment to share efforts to achieve the goal of alleviating poverty and eradicating injustices in communities; our concerns about poverty and injustice; the motives behind our concerns; our expectations of each other; our ideas and all other resources at our disposal, needed to achieve the common goal."

For CAFOD the approach raised new challenges not only in the identification of potential partners but also in the ongoing maintenance of the relationship. It also marked a shift from considering a partnership simply as "a means to an end", to seeing it as also an "end in itself". As part of their partnership strategy CAFOD introduced the role of "Programme Accompanier" in Africa, Asia and

South America with the intention of deepening partnerships and supporting the technical and organisational capacity building of partner NGOs.

Summary

This section of the report began with the assertion that the nature and qualities of an NGO partnership are foundational to the benefits the parties expect to arise from the relationship.

The chapter has illustrated that:

- “partnership” is a devalued term;
- it is commonly applied both to crudely instrumental relationships based on funding, as well as relationships characterised by more genuine striving towards the achievement of shared goals through common vision, values, mutual accountability and capacity building;
- HR management issues rarely feature in partner selection criteria, or often appear well down the list after financial and programme considerations;
- where HR issues feature in partnership agreements, the issues most commonly included are recruitment and selection, equal opportunities, contracts of employment, health and safety, and training and development;
- where HR issues are included in partnership agreements, the reasons vary from a compliance requirement attached ultimately to funding, to a commitment by the NNGO to help build the partner’s capacity, including its ability to be “a good employer”;
- aware of the almost inevitable power inequality between northern and local NGOs, “true” mutually beneficial partnerships and clear, unambiguous contractual arrangements are not incompatible, but in fact the former largely depends on the latter.

In the light of the well documented increase in local NGO self-determination, the findings would suggest that People In Aid’s priority should continue to be as much about capacity building as accountability, and continue to be as much about transforming organisations as embedding the Code.

Chapter Two

HR and organisational effectiveness. Are they linked?

According to one contributor HR is seen as boring, bureaucratic and not operational. It's about recruitment and sanctions, so training is given to technical people, and "*you might train an accountant but there's very little training of recruiters".*

Another contributor acknowledged the perennial difficulty in proving that good HR practice delivers benefit, but suggested that as "people values" are at the centre of aid and development, "it's about putting our values into practice." One contributor observed that NNGOs can spend considerable amounts of time and effort trying to help local partners resolve HR issues after they have arisen. She argued that even from a self-interest perspective, supporting partners before HR problems arise is a sound investment.

For LNGOs to invest in their people management capability, and NNGOs to support their partners in that, there needs to be persuasive evidence that good people management contributes to organisational effectiveness; that any investment in HR management is a means to an end, "*and that that end has to be desirable and align with the LNGO's ethos".*

So what persuasive examples were found of investment in HR management leading to an improvement in LNGO effectiveness?

Even at the most basic level, sound HR practice can be of benefit, as the experience in the example below illustrates.

> An NNGO withdrawing from Afghanistan, eager to ensure staff received their due settlements as per their organisation's termination policy, were thwarted when they found none of the national staff concerned were able to give their date of birth and none of the staff files included personal contact details.

Perhaps the most basic HR necessity concerns health and safety. Ethical, practical and maybe even cultural dilemmas emerge in relation to the degree of risk a northern NGO will accept its local partner taking. Ethically it is clear the NNGO should permit the local partner to take no greater risks than would be permissible for the staff of the NNGO, although the research did not explore whether unacceptable risk taking by a local partner might trigger the termination of the relationship.

As referred to elsewhere in the report, CAFOD have engaged Programme Accompaniers, whose purpose is to "deepen" partnerships and seek to strengthen the capacity of local partners. The role in Mozambique was initially set up for one year following the floods in 2000 but has been extended as a result of an evaluation with partners. The simple example below illustrates one benefit of the role in strengthening partners' people management capacities in relation to safety and security.

CAFOD has a clear position on security in car jacking situations. "*Essentially, you give up the keys and worry about yourself and your passengers rather than the car. One of our partners was recently car jacked, and he started fighting with the assailants to stop them getting the keys. They had guns."*

There have been similar incidents in Mozambique recently in which someone was shot. "*In this case the partner was very lucky. They got the keys and took the car, but left him unharmed. However he was upset that he had let the CAFOD-funded car be stolen!"*

The Programme Accompanier was able to talk with the partner about CAFOD's policy, why they have it, and why CAFOD would much prefer its partners to act similarly rather than be harmed. Subsequently the partner undertook to make sure that all staff in his organisation – particularly drivers – understood this safety and security practice.

CAFOD's experience in Mozambique also illustrates that there are times when NNGOs can have more influence on their partners' practices by example than by introducing policies or even through formal training.

Another partner in Mozambique has changed their road policy having worked with CAFOD staff in the field. The partner's policy now includes no speeding, no drink driving, no driving in the dark, and the wearing of seat belts. These changes came about largely as a result of working alongside each other and not through formal training or policy requirements.

Regarding the impact of HR on organisational effectiveness, the question for one academic contributor is simply "*Where is there most potential for adding value?"* In his experience the areas were:

- Recruitment and selection – including job analysis and competency development;
- Performance management; and
- Training.

"*We have good evidence that organisations that invest in those will improve effectiveness"*.

In his view, selection interviewing without job analysis and consequently a job description cannot identify the best person for the job. Also, it could be argued, without a job description it would be difficult to demonstrate that equal opportunities commitments have been upheld and that the selection has been "fair".

Regarding performance management, he saw opportunities to enhance organisational effectiveness by linking recruitment and selection criteria to performance competencies, which in turn will provide for a more meaningful evaluation of an individual's performance in their role.

Helping partners develop effective **recruitment processes** was also a priority recognised by Tearfund, who might question a partner's recruitment practices where all staff were found to be from the same ethnic group. For Tearfund, supporting partners in "*getting the best person for the job*" would involve helping partners understand the benefit of more systematic and transparent recruitment practices.

However, adopting clearly defined "fair" recruitment and selection procedures can also present challenges. One contributor described the Executive Director of one partner organisation as committed to recruitment "good practice". Candidate specifications and fixed pay scales would be used. The Executive Director's deputy, however, argues in favour of recruiting people known to the organisation, including relatives. The partner had recently suffered the experience of an employee recruited through a "good practice" process, being dismissed and subsequently launching a damaging vilification of the organisation - according to the deputy, an inevitable consequence of employing "people you don't know".

In the cultural context, the preference to employ family and friends was understandable, but the northern partner maintained that taking such an approach to recruitment and selection risks forfeiting the opportunity to appoint the "best" people. It can result in mediocrity, the organisation developing an in built autocracy, and, most significantly, not being able to provide the best service to beneficiaries.

An inappropriate approach to recruitment and selection was also highlighted by ALNAP[10], citing *"staff turnover and inappropriate hiring of short-term expatriates as two of the most significant problems in terms of staffing."* Illustrating the extent of the turnover problem ALNAP refer to the evaluation of Oxfam's intervention in Angola where, in one year, "*32 international staff have filled 11 posts*". The scale of the problem was further highlighted in reference to the DEC Gujarat evaluation which revealed inappropriate appointment of international staff at considerably more expense than would have been the case for Indian staff, many of whom "*demonstrated project management skills that were as good as or better than those of expatriates...*".

Tearfund also highlighted the inextricable link between **financial and HR issues**, describing the staff turnover problems experienced by one of their local partners who had found themselves locked into one year funding. If they are offered alternative employment elsewhere, the LNGO found that staff would leave before the end of their one year contract to avoid being without work, thus exacerbating the NGO's turnover problem.

The findings suggest that opportunities do exist for northern NGOs to support their local partners in identifying and taking steps to address the aspects of

[10] ALNAP Annual Review 2003. P.88

their people management most likely to enhance their effectiveness. The example below of MOPAWI in Honduras illustrates this.

> MOPAWI is a Christian NGO working with the peoples of the North East coastal region of Honduras. Their work includes successfully campaigning on land rights for indigenous peoples, bi-lingual education and agricultural development. MOPAWI depends for funds on secular and faith based organisations and has a partnership with Tearfund.
>
> The organisation, which employs staff from four ethnic groups, have developed its institutional capacity over the last three to four years focusing on financial management processes, and decided it was time to turn their attention to HR. In dialogue with Tearfund and then later with People In Aid, MOPAWI agreed a process for their HR capacity building.
>
> In collaboration with Tearfund they identified the need for more formal employment contracts and regulation of salaries. MOPAWI are also experiencing retention problems as staff leave to work for organisations in more accessible areas of the country. Other HR priorities they identified as likely to have an impact on their effectiveness included improving communication, recruitment and training and development. Communication is difficult with staff spread out in villages without telephone or email contact.
>
> The process is ongoing and MOPAWI are working with People In Aid to implement the Code in order to strengthen their people management practices, with the aim of enhancing the organisation's effectiveness, as defined by their own criteria.

A contributor from INTRAC also suggested that more organisations are asking them for support with organisational development and HR issues, including staff development and leadership. Through their work in Central Asia, INTRAC have seen local NGOs in turn working with government, sharing their learning about HR practices. In Kazakhstan a large public sector trade union had joined an association of NGOs to benefit from the learning. The union saw that the NGO sector was addressing critical HR issues, like paying people their salaries and pensions on time.

Summary

This section of the report has presented evidence of how investing in HR management, and NNGOs supporting their partners in that investment can contribute to organisational effectiveness. Examples from a range of NGOs have been considered

The findings suggests that:

- the organisation must first have a clear definition of “effectiveness” and an understanding of, and commitment to, the steps likely to enhance it;

- it may be necessary to shift the perception of HR management from a bureaucratic inconvenience to an enabler of organisational capacity;
- northern partners can reduce the impact of HR problems by supporting partners earlier; and
- a number of organisations had achieved, or were seeking to achieve greater effectiveness through addressing HR practices such as safety and security, recruitment and selection, performance management, training, communication, leadership, salaries and pensions.

While more empirical evidence of the factors determining “effectiveness” would be valuable, the findings suggest that inappropriate people management practices can limit effectiveness, and where attention is devoted to HR management issues the organisation’s capabilities can be enhanced.

Whilst the resources available may ultimately determine whether LNGOs engage in developing more appropriate HR practices, one contributor had evidence from Asia and the Middle East that adopting appropriate HR practices could make an LNGO more attractive to a donor and therefore improve sustainability. So, given the financial constraints and the shortage of staff faced by most LNGOs, it seems there may be at least a moral obligation on the northern NGO to support their local partners in addressing these issues.

Chapter Three

HR Capacity Building

The purpose of this chapter is to explore some of the issues relating to NNGOs' capacity building with local partners in general, and specifically with respect to HR and the dissemination of the People In Aid Code.

The chapter begins with a definition of capacity building. It then presents an overview of some prerequisites for effective HR capacity building and describes the practical experiences of contributing organisations. The chapter closes with a summary, drawing the general conclusion that if local partners are to be supported in achieving sustainable development of their HR management, careful consideration must be given to cultural, political, organisational and other factors.

Definition

Under the heading "*Capacity Building: worthy but vague"* the World Disasters Report 2003 reminds readers of the growing importance but imprecise meaning of capacity building. Definitions range from "helping people to help themselves" to the United Nations Development Programme (UNDP) definition:[11]

> "… *the process by which individuals, organisations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives."*

A number of contributors to this research characterised capacity building as being about the "how" rather than the "what" of the partner's work.

Why bother?

The Canadian Council for International Co-operation (CCIC) asserts in their Code of Ethics that:

> "*The strengthening of people's organisations, voluntary agencies and other socially beneficial institutions is integral to the practice of development."*[12]

Sadly, not all NNGOs have made the "strengthening of people's organisations" a priority. The "*Do No Harm"*[13] initiative brought this to the centre of the aid and development sector's attention, highlighting ways that aid can have a negative effect on conflict situations. One negative effect is

[11] World Disasters Report 2003. P.46.
[12] Canadian Council for International Co-operation. Code of Ethics. P.3.
[13] Mary B Anderson (1999) "*Do No Harm: How aid can support peace – or war". (www.cdainc.com)*

through "resource transfers" and another being the impact of "implicit ethical messages". With regard to "resource transfers", Mary Anderson highlights the impact aid agencies can have on the local labour market, on wages and prices. Among the seven negative implicit ethical messages, she lists "disrespect, mistrust and competition" among aid agencies. Clearly practices such as poaching staff from local NGOs to work in the NNGOs programmes and using inappropriate salary and benefit structures have served to weaken rather than strengthen local organisations and institutions.

Encouragingly, this research found that the CCIC perspective was in practice shared by a number of contributing organisations. ACORD, for example, considered HR capacity building critical to organisational sustainability.

From the research it was clear that there is both a "push" and a "pull" on NNGOs for capacity building with partners. Donors' demands on LNGOs for greater accountability and transparency of internal management practices represents the "push", whereas the "pull" comes from LNGOs themselves seeking to build their management capacities and improve their sustainability.

What are the prerequisites?

Contributors, from both the north and south, recognised the need for a rigorous evaluation of the political, social, economic and cultural context of their partner, including "*the history of the people the partner is trying to serve*"[14] before seeking to engage in any capacity building.

As the following examples illustrate, contributors also agreed that the need for, and desired outcomes of, HR and other capacity building must be defined by the local partner and not imposed by the NNGO.

INTRAC's experience in Central Asia was evidence of the need for a thorough understanding of the local NGO context. In Central Asia and perhaps much of the FSU there had historically been a firm commitment to personnel issues, personnel departments having been strong and "*often connected to the political system*". However the collective approach to employment has over recent years given way to a more individual approach.

Coupled with this, the NGO sector in central Asia and the FSU is relatively new and often NGOs are not registered with the government so are unable to offer official contracts to staff. Although people are aware that standards of HR management have declined, the INTRAC programme manager in Central Asia would be "*concerned to see externally imposed standards before a very full study had been made of where NGOs are at in this area.*" Such a study might include looking at which ex-Soviet management practices people found worth keeping, and which they want to adopt from western management practices.

[14] Tearfund What is a healthy Organisation? *Briefing paper No 2*

From INTRAC's work in India, it was clear that national NGOs do not want northern NGOs, even under pressure from donors, to tell them how to run their organisations. For INTRAC this raised the question "*Is it sufficient for donors simply to be good funders or should they also be seeking to be good capacity builders"?*

So, the findings highlighted the need to fully understand the LNGO's context, and to ensure any HR capacity building is in response to the needs of the LNGO.

NNGOs in this study differed in how they assisted partners in establishing their needs, and some examples of the approaches taken are given below.

Organisational capacity assessments

Contributors described a number of effective self-assessment methodologies.

Tearfund

Tearfund, like many organisations in the study, stressed that it is not for them "*to say what partners need but to facilitate partners assessing themselves and their needs and what they want to develop"*. Tearfund's Organisational Assessment tool[15] focuses on:

- *"the internal organisation which is about* ***what it is called to be;***
- *the projects which focus on* ***what the organisation actually does****; and*
- *the linkages which is about* ***how the organisation relates within the wider world.****"*

Tearfund have used the model to identify the key indicators, including management indicators, "*of a healthy organisation, which can be used with the partner to assess their capacity and needs for further strengthening and support"* and has been adapted for assisting partners to *"carry out their own self assessment*."

The following are among the indicators associated with HR management.

- *"There is a skilled leadership which is empowering of others"*
- *"There is an implemented strategy for involvement of the staff in short and long term planning"*
- *There is a funding capacity to support staff training and development."*

[15] What is a healthy organisation? *Briefing paper No.2.*

Lutheran World Relief

Reflections during its strategic planning process led Lutheran World Relief (LWR) in the USA to reaffirm its commitment to working in partnership with local organisations, recognising the central role these organisations play in community development. At the end of the strategic planning process, LWR formed a Capacity Strengthening Working Group to engage partners in a mutual learning initiative regarding organisational capacity strengthening. Two principles underpinned the group's work.:

a) all organisations have existing capacities that they can strengthen; and
b) that *"capacitated"* organisations are more effective in achieving their missions.

LWR engaged Pact and World Neighbors to work with its offices and partners in India and W. Africa, respectively, to begin a capacity strengthening process that included an organisational capacity self-assessment.

Between September 2002 and June 2003 Pact used their Organisational Capacity Assessment (OCA) methodology with the LWR partners in India. The facilitated process does not suggest any capacity indicators, but rather supports a group's identification of their own indicators and enables them to select the most appropriate activities, tools and strategies for capacity building as well as ways to anticipate and overcome the greatest barriers to change.[16]

Individual capacity needs were identified in relationship to organisational capacity needs. The challenges partner NGOs face in developing commitment and professionalism among their staff came up in discussion with participants during the pilot. They concluded that recruiting people with commitment then growing their professionalism, would probably be more successful than the other way round.

LWR observed that for partners who had previously gone through external assessments, the OCA process *"felt like they were doing it, rather than it being done to them".* Partners described the process as "*like holding up a mirror*", and through the process a number of HR capacity issues arose which were of great importance.

Mercy Corps

Mercy Corps in Liberia used the Organizational Capacity Index (OCI) to support a partner in the evaluation of five organisational capacities including Human Resource Management. The OCI asks "value neutral" questions that focus on accepted or standard organisational practices and systems. The intention is to enable an LNGO to establish a baseline from which to identify weaknesses in its organisational capacity. The LNGO can then develop a capacity building plan to address each weakness.

[16] www.pactworld.org/about/what.htm

The HR indicators included comprehensive personnel policies and "rules and regulations that are consistently applied". In addition to policies and procedures, the indicators listed:

- terms of employment;
- codes of conduct;
- disciplinary and complaint resolution procedures;
- termination of employment;
- safety and security;
- performance evaluation;
- remuneration and benefits; and
- an equal opportunities statement

HR capacity building. Where partners have got involved

Mercy Corps

Building on the evidence established over many years, that there is a direct relationship between a healthy Civil Society and effective relief and development, since the late 1980s Mercy Corps have systematically integrated their "relief and development programming with activities to strengthen Civil Society".

Dilsuz, the Association of Disabled People in Tajikistan, is a partner of Mercy Corps. A study was undertaken to evaluate the role of Mercy Corps in the success of Dilsuz and its transformation to sustainability. A questionnaire survey was conducted involving Dilsuz and Mercy Corps staff plus Dilsuz beneficiaries.

Amongst the questions, participants were asked to comment on 20 specific work related indicators which were derived from the Dilsuz Participatory Strategic Plan. They included leadership (management) of the organisation, internal communication among staff, opportunities for staff development, and job security. Positive changes were found in six of the twenty indicators.

Among the "lessons learned" from the evaluation was the importance of both parties in the relationship being willing and eager to learn from the other, as well as impart advice

CAFOD

Contributors described many examples of HR capacity building, one of which was the Programme Accompaniment methodology adopted by CAFOD and referred to previously. For CAFOD the approach represented a shift in self-perception from "*non-operational*" to "*co-operational*" in their partner relationships.

In Mozambique CAFOD support an agricultural programme in which the partner's staff are exposed to high risks of HIV/AIDS. To help build the partner's health and safety capacity, the Programme Accompanier supported the partner practically with awareness training as a result of which the partner built the cost of rubber gloves and soap into the project budget.

A striking example of commitment to partner capacity building was found in Malteser's relationship with a partner in the Balkans. In this relationship, Malteser's role involves the direct funding of the partner's institutional capacity building, a process being co-ordinated by a locally appointed Programme Manager.

Malteser

German NGO Malteser is working in the Balkans in partnership with Bosnia Herzegovina Women's Initiative (BHWI) and the Kosovan Women's Initiative (KWI) in a capacity building role. Through an institutional development grant, Malteser is supporting BHWI in developing governance and accountability processes.

The BHWI Project Manager described the impact of the initiative on their development of HR management tools including an employment "rule book" derived in part from local labour legislation, job descriptions, and performance review criteria.

Future trends

Writers and practitioners widely acknowledge that institutional capacity building is increasingly a feature of aid and development programmes. For example, most respondents in Lindenberg and Bryant's research[17] "*predicted that within the next decade, their portfolios would have higher capacity building, networking, and partnership components and less direct programme delivery*."

In Stockholm in June 2003, representatives of seventeen of the world's largest official donors, together with UN institutions, the International Red Cross and Red Crescent Movement, non-governmental organisations and other international experts met with the aim of improving efficiency and co-ordination among official donors.[18] The annual financial support of the donors represented accounts for over 90 per cent of official humanitarian assistance worldwide, and as a result of the meeting, donors resolved to put into practice through an Implementation Plan for Good Humanitarian Donorship the agreed statement of the Principles and Good Practice.

Principle 8, for example, makes explicit their commitment to;

> *"Strengthening the capacity of affected countries and local communities to prevent, prepare for, mitigate and respond to humanitarian crises, with the goal of ensuring that governments and local communities are better able to meet their responsibilities and co-ordinate effectively with humanitarian partners".*

If further evidence of this growing trend were needed, a number of African NGOs have been in negotiations with UNHCR at ExCom about how to build the capacity of national and local NGOs. The African Office for Development and Co-operation (OFADEC) are now involved in producing a proposal for the UNHCR on this. One suggestion is that, in NNGO contracts the UNHCR

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[17] Lindenberg and Bryant (2001) P.162
[18] http://www.utrikes.regeringen.se/inenglish/frontpage/humanitarian_donorship.htm

introduce a capacity building requirement, giving NNGOs the task of identifying a partner not simply to deliver a service, but whose capacity they might help build.

Over the last three years, the Stanley Foundation[19] conducted a series of forums with experienced humanitarian professionals as well as diplomats from within and outside the UN with the objective of developing practical recommendations for the UN to adopt when operating with non-state actors (NSAs) in war zones. Concerning local capacity building their report makes the challenge that "*the objective of aid efforts should be to transfer responsibility for services and infrastructure back into local hands once they have developed sufficient capacities".* The report adds:

> *"In short, humanitarians should aim to put themselves out of business".*

Summary

This section of the report has explored HR capacity building and what might encourage NNGOs to facilitate improvements in their local partners' HR management.

The chapter:

- considered the definition of capacity building;
- explored "why bother?" and recognised the "push" on NNGOs from donors and the "pull" from local partners;
- suggested two prerequisites for effective HR capacity building; a rigorous evaluation of the partner's social, economic and cultural context, and, for the capacity building to be sustainable, the needs must be defined by the local partner;
- described various approaches to organisational self – assessment;
- presented examples from contributors of effective HR capacity building; and
- restated that the emphasis in the sector on capacity building is increasing.

For People In Aid and for NNGOs, the findings suggest a challenge in ensuring HR capacity building is sustainable and that individuals and organisations don't revert to previous approaches once an initiative has finished.

There are clearly ethical and moral issues to be considered. Just as with community capacity building, organisational capacity building rarely happens "*through a simple transfer of information or skill alone."*[20] So the question must be asked, "Are NNGOs who seek to assist local partners in the development of their HR management truly building capacity or simply transferring ability and knowledge?"

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[19] www.stanleyfoundation.org
[20] World Disasters Report 2003. P.47

Finally, opinions regarding the standardisation of practices in the aid and development sector through codes such as SPHERE, People In Aid and others are divided. Some fear the trend risks stifling innovative practices and partnership arrangements while others applaud the measures to raise levels of transparency and accountability.

Whatever the view, the trend presents opportunities for NNGOs and People In Aid to engage imaginatively with local partners' in their HR capacity building agendas.

For People In Aid, there will continue to be challenges about balancing the application of the Code both as a measure of good practice, and as a tool for HR management capacity building. In the view of the IDPM it is about "appropriate practice", or the interpretation of "textbook HR practices" for the context and needs of a particular LNGO. This issue is addressed further in the next chapter of the report.

Chapter Four

The People In Aid Code and local NGOs

This chapter considers how or whether People In Aid might most effectively assist local NGOs. The chapter identifies two major considerations for the use of the code in the local NGO context; national culture, and the stage of life of the local NGO. The views of local and northern NGOs on the relevance of the code to local organisations are reported and suggestions of ways People In Aid could support local NGOs are presented. The chapter concludes with a summary and recommendations which point to opportunities for People In Aid to continue to have a beneficial impact on the effectiveness of organisations in the sector.

"Room for improvement"?

"Room for improvement"[21] led the sector to ask how "human resources among relief and development agencies could be improved". The answer was 'The People In Aid Code of Best Practice in the management and support of aid personnel.'[22] Although the first Code (1997) was primarily used by northern NGOs in relation to their northern staff, the revised Code of Good Practice (2003) deliberately suggests minimal distinctions between national staff and international staff.

One purpose of this research was to look more closely at the needs of local NGOs, the accountability increasingly demanded of them by donors and northern partners in relation to their people management, and the relevance of what is put forward among northern organisations as "good practice" in HR.

Culture and the Code

Implementation of the Code with local NGOs assumes universality of the Code's principles. Some contributors claim that to be the case. "*Management is management and good practice is good practice anywhere in the world*". Other contributors, more hesitant about the transferability of the Code, point to differences in the local social, political and organisational context.

So these are the questions this chapter of the report seeks to address:

- are national cultural differences that significant?, and
- if so, do they influence organisational structures and processes more than the prevailing norms of the aid and development sector?
- Are the Code and the accepted "good practices" of the sector culture-neutral?

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[21] Rebecca McNair, Relief and Rehabilitation Network Paper 10. Overseas Development Institute

[22] People In Aid. (2003). *Code of Good Practice in the management and support of aid personnel.* P.3.

- What, if any, cultural tendencies should be taken into account when seeking to support local NGOs in their HR management capacity building?

Two schools of thought

Some writers argue that cultural differences strongly influence how organisations structure themselves and how people within organisations relate to each other and those outside.[23] Therefore the extent to which NGOs adopt certain power structures, roles, rules and HR procedures, they would argue, is determined largely by cultural influences, despite external pressures to conform to other norms.

The counter argument is of course that management styles the world over are converging; that factors such as organisational size, technology and the nature of the work are the most influential on internal structures and practices.

The debate continues and the evidence both sides would draw on cannot be ignored. However, given the implicit assumption that the Code may be transferable to the local NGO context, more attention is given here to the "cultural differences" argument in order that potential obstacles to the Code's transferability can be anticipated.

Are the Code and the world of aid and development culture-free?

The obvious answer is "no". Neither the Code nor any of the management approaches that are common in the aid sector are "culture-free".

For example participative management and performance management are both rooted in different cultural assumptions about power and hierarchy, and about the relative importance of tasks and relationships. HR management itself has metamorphosed over decades of social, political and economic influences and remains unavoidably affected by cultural assumptions about human nature and organisational effectiveness. So inevitably, even the People In Aid code cannot claim to be culture-neutral.

But what do we mean by "culture"?

It is imperative to be equally cautious about ascribing too much influence to cultural differences and thereby sliding into national stereotyping and racism.

Therefore, "culture" in this report means simply the social conditioning through numerous economic, political, and spiritual influences that give rise to shared preferences and tendencies.

Below are some illustrations of this in relation to HR and LNGOs.

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[23] Hickson, D.J. and Pugh, D.S. (1995); Hofstede, G. (1991); Schneider, S.C. and Barsoux (1997); Trompenaars, F. and Hampden-Turner, C. (1999)

Managing power and decisions

One of the most significant studies of the impact of cultural differences on management was conducted by Hofstede in the 1960s. His study involved 116,000 IBM employees in 40 countries from which he initially identified four dimensions on which countries differed.

Two of the dimensions usefully illustrate some potential challenges to People In Aid and northern NGOs with regard to HR practices in local NGOs.

Power distance, according to Hofstede, reflects the extent to which an unequal distribution of power is accepted within organisations and society. For example, “the boss is the boss, and that’s how it works best” would be a high power distance perspective.

Uncertainty avoidance describes the extent to which people are uncomfortable with uncertainty and ambiguity. So, organisations and cultures which strive for predictability demonstrate high uncertainty avoidance.

Before considering the possible influence of these variables on the implementation of the Code, and HR capacity building with local NGOs two other cultural variables should also be understood.

Rules or relationships?

Trompenaars and Hampden-Turner identified a difference between cultures around what they labelled **Universalism/Particularism**. They characterise the ‘Universalist’ view as one in which people “encounter an obligation to adhere to standards which are universally agreed to by the culture in which we live”.[24] Universalist cultures would therefore tend to base decisions on ‘the rules’ and would tend to resist exceptions, even challenging them on ‘ethical’ grounds. According to Trompenaars’ and Hampden-Turner’s research, the countries in which most northern NGOs have their roots tend to demonstrate more “universalist” assumptions. E.g. USA, Western and Northern Europe including the UK.

In contrast, ‘particularist’ societies are more comfortable basing judgements on the ’exceptional circumstances’ being faced. With a relatively stronger importance attached to relationships than rules, the writers suggest ‘particularists’ will tend to “build informal networks, pull levers privately and seek fairness by treating all cases on their special merits.” Again, according to Trompenaars’ and Hampden-Turner’s research, the countries most likely to demonstrate more “particularist” assumptions include Asia, South America, Eastern Europe and FSU and to a lesser degree parts of Africa.

Communication. It’s not what you say

How we communicate has also been argued to differ between cultures. One preference is for communication that is clear, unambiguous and the message

[24] Trompenaars, F. and Hampden-Turner, C. (1999) P.31.

is explicit. Hall and Hall[25] refer to this as "low context" communication, as the information to be conveyed is in the message not the context. Low context communicators "say what they mean and mean what they say". Northern European countries and North America, and to a much lesser degree, the UK, for example would generally share this preference.

The contrasting preference is to communicate more obliquely with the message being more understood from the context and circumstances than the content of what is said. This "high context" style is again more familiar in some of the cultures where LNGOs are working, for example in Asia. Also, people in "high context" cultures, Hall and Hall would maintain, typically receive information through networks of personal relationships. In contrast, those from "low context" cultures typically prefer more specific, detailed information, and would tend to keep their personal and work relationships separate, avoiding the ethical dilemmas they see "high context" cultures facing.

So what influence might these cultural differences have on the implementation of the Code and for NNGOs supporting local partners in HR capacity building?

Policies and practices

Policies, guidelines, HR procedures, even job descriptions are all familiar and effective ways of managing uncertainty and ensuring predictability of performance and are written down so they can be followed by anyone. The policies and guidelines are intended as "low context" communication, with openness to interpretation being reduced to the minimum.

However, as has been seen, many of the countries in which local partners are operating demonstrate high "particularist" preferences and are more comfortable with "high context communication". So in relation to the People In Aid Code, for LNGOs in cultures with relatively strong "particularist" preferences (e.g. much of Asia, South America and Africa) staff will then tend to view policies, procedures and rules as to be applied in the spirit rather than the letter. So it is not surprising that in recruitment and selection, for example, priority may be given to the network of relationships involved and the special circumstances of each case rather than the direct application of the "rules".

Power distance and decision making

Who makes decisions in an organisation and how they are made, again reflects different cultural assumptions. Many of the countries in Asia, Africa and South America in which local partners operate demonstrate high "power distance" preferences according to Hofstsede's index. Power and authority therefore are expected to belong at the top of the organisation and employees would generally find participatory approaches to management less intuitive and even uncomfortable.

In contrast, the countries in which many NNGOs in this research have their origin, would demonstrate low "power distance" tendencies with a higher value

[25] Hall, E.T. and Hall, M.R. (1990) *Understanding Cultural Differences: Germans, French and Americans.*

for participatory decision making and less hierarchical organisational structures.

So for some LNGOs, there may be tensions between the values of “good people management” as set out in the Code and their cultural preferences. The author experienced this tension during the design and implementation of a performance assessment process for a development organisation in Asia. Concepts like 360° appraisal do not readily transfer to a “high power distance” culture.

Principle four in the Code concerning “*dialogue with staff on matters likely to affect their employment*” may be approached with hesitation by NGOs in “high power distance” cultures. Similarly as was shown from INTRAC’s experience in Central Asia and the FSU, such a participative style may be viewed cautiously by NGOs eager to break with the collective tradition of their past.

In his keynote speech at the 2003 Psychology at Work conference in the UK, organised by the Chartered Institute of Personnel and Development, Paul Sparrow, Professor of International HRM at Manchester Business School, said that HR needed to accept that `there was no one solution to best practice in global HRM’. An article on the conference reported that ‘practitioners needed to understand the effect of cultural values on work behaviour and use “cultural pathways” to reach outcomes’.[26]

Therefore, although not culture-neutral, the Code nonetheless sets out principles which can be of benefit to the HR management practices of local NGOs. Also, when seeking to support LNGOs in HR management, NNGOs and People In Aid must recognise the underlying assumptions inherent both in the Code and in the culture of the partner NGO.

Another factor, which can significantly influence a LNGO’s approach to HR practice, is where the organisation is in its life cycle.

The Code and the organisational life cycle

Infancy

Typically, organisations in the humanitarian relief sector tend to be younger and less established than many development organisations. Organisations still in their “infancy” will tend to focus almost exclusively on the development of their service to beneficiaries. The founder may still be leading the organisation and his or her values and behaviour define the culture and working practices of the NGO.

The HR challenges during this phase tend to arise from growing staff numbers and the perceived need for more consistent management. Although organisations at this stage may be less inclined to pursue formal HR practices, and the Code might seem daunting to a small but growing agency,

[26] *Culture key to global HRM,* People Management 18 December 2003. P.11

this is precisely the stage where many agencies could benefit from learning about what the Code is suggesting they need to address.

Adolescence

Typically, NGOs in this phase of their development, will be beginning to appoint professionals into management positions. Power will still be held by an influential few who are seen to have shaped the organisation's success, and the NGO may be beginning to struggle with "founders-syndrome". The culture is often quite ego-centric and collaboration with other NGOs may not be well established.

One contributor saw an opportunity for People In Aid supporting LNGOs struggling with "founders syndrome" as the Code's framework could add an "external" legitimacy to managing HR and other issues in a less idiosyncratic manner.

Adulthood

By this stage, NGOs will have well defined job roles. The organisation will be clear about what it wants to be and to do, as will those it employs and is likely to have more of a "we" culture with a shared sense of purpose as well as stronger connections to other actors in the sector.

Organisations in early adulthood might be among those most receptive to the principles of the People In Aid Code.

Clearly the above is a schematic representation of organisations and there will be exceptions. The significance for People In Aid, and for NNGOs seeking to support their local partners in building their HR capacity, is that an organisation may be more or less receptive to any HR capacity building initiative according to its stage of organisational maturity. This may require NNGOs and People In Aid to adapt the application of the Code further to align with the organisation's perceived needs.

So is the Code relevant to local NGOs?

Subject to certain caveats concerning application and implementation, contributors to the research believed the Code is generally very relevant and potentially beneficial to local NGOs. There was very little perceived need for new principles or indicators, although supplementing existing indicators was suggested.

Mercy Corps highlighted the need for NGOs to ensure they **pay living wages** especially in countries where two incomes are necessary for households to survive. Pay and wages are also a feature of Oxfam's global HR strategy. Salary and benefit process can be fraught with complexity and although scope exists within the current Code, in order to address this more effectively it is a topic which could be more explicit in future editions.

LWR and Pact both identified needs for **supervisory and leadership skills** development in local NGOs. Expectations of NGO *management* are increasing although *leadership* skills receive less attention. A number of organisations also recognised the need for capacity building in relation to **organisational governance**. Future editions of the Code could include more explicit indicators concerning these skills.

The place of the HR function within organisations has long been debated and has varied over decades from administrative function to strategic enabler. The HR function within LNGOs remains inconsistent and at times unclear, HR being in some organisations the responsibility of the most junior administrator and in other organisations the responsibility of the Chief Executive.

Tearfund considered the principles of the Code to be "universally applicable" but that in implementation it may be necessary to take a looser approach with the detail. The IDPM commented on the relevance of the code, again noting the need for flexibility in application. OFADEC considered all the principles beneficial to the organisations in their African NGO network and saw the Code as useful to their members even if applied only in part.

The Code and support for local NGOs

The People In Aid Code is one among a number of recent initiatives aimed at setting and raising standards of practice across the sector. There is always the risk that such codes remain "fine words on paper" and never make the transition from policy to practice, as a contributor from the International Rescue Committee recognised.

She shared her experience of developing a child protection handbook as a tool to support the implementation of the UN code. In her experience some organisations will achieve "compliance" while others pursue "commitment". Her view was that the commitment of managers to a Code of practice must be motivated by more than the need for the associated funding. It "*must be because the organisation sees this as central to their values, ethics and principles.*"

A number of contributors suggested the Code be adapted, at least in how it is applied, for the national context of local NGOs in order for LNGOs to "own" it and relate the principles to their own circumstances. Contributors also saw a need for the Code to be accessible, which may involve northern NGOs disseminating the Code among local partners as for example Tearfund had done with all its partners, and ACORD has done in Angola, Mozambique and Ethiopia. ACORD undertook a "People In Aid training" with their programme managers in each country, who in turn shared their learning as relevant with local partners. With ADRA in Angola, ACORD had used the Code to support the partner in reviewing their HR practices.

In supporting local NGOs with the Code, northern partners and People In Aid will continue to face challenges balancing the "push" from donors for accountability and the "pull" from local partners for capacity building. In other words, while accepting the need for accountability, care must be taken to ensure the implementation of the Code with local NGOs isn't supply driven rather than demand led. It's a familiar challenge, as the World Disasters Report 2003 reminded readers.

> "*In a supply-driven intervention, programme decision making is based less on what the actual needs on the ground are and more on what the intervening agency has to offer.*"[27]

A contributor provided a practical illustration of this challenge concerning an NGO in Afghanistan. The NGO was committed to developing its organisational capacity and to training its staff both in technical and "soft" skills. However, the organisation's recruitment procedures were far from what would widely be considered "good practice". Recruitment was by word of mouth and potential candidates would be approached informally. The organisation claimed that if it followed "western practice" it would be torn apart by ethnic rivalry and would no longer be able to serve its beneficiaries. The NGO's northern partner chose not to prescribe what was "good" HR practice but gave the NGO freedom to develop practices that worked for them.

As has been shown earlier, opinions in the sector vary on the universal applicability of "western" recruitment, or other HR practices. However, for the Code to achieve its purpose, it will always be necessary to understand the NGO's needs, and its self-determined capacity building priorities. The Code, adapted if necessary, can then provide a valuable tool to support the LNGO developing its capacity.

Some contributors suggest that opportunities certainly exist for People In Aid to support local NGOs with their HR management and in relation to the Code, but also that LNGOs might require further financial support to be able to access the opportunities.

Practical opportunities for People In Aid

The findings suggest that opportunities exist for People In Aid and northern and local NGOs to find meaningful interpretations of the Code and creative ways of developing sustainable HR practices that serve the interests of beneficiaries, the LNGO and their staff. Many of the opportunities are not new to People In Aid but would be an extension of the support already offered.

With growing demands for greater management accountability and increased capacity building, it was suggested by one contributor that future editions of the Code might also include indicators to assess an NNGO's demonstrated commitment to and effectiveness in helping build a partner's organisational capacities.

Often for cost and availability reasons, small NGOs do not have specialist HR staff. There may therefore be a wider role for People In Aid supporting LNGOs and their northern partners in developing effective people management

[27] World Disasters Report 2003. P.49.

practices in the absence of a HR function. Extending People In Aid's non-Code related activities, or an adapted version of the Code, might be useful tools to support this.

Whole or part?

Some suggested that local partners might adopt the Code in part, according to their priorities, for example first focusing on recruitment and selection.

Publication of case studies

One contributor suggested publication of case studies of local organisations that have adopted HR practices in line with the Code. The publication might be available through People In Aid's website, through northern partners, or through local NGO networks.

A number of contributors suggested that workshops could be facilitated which allowed the Code's principles to be illustrated.

Learning networks

ChildHope are among the NNGOs that facilitate learning exchange programmes. By funding a gathering of partners from across a geographic region to look at one or two topics, they facilitate an exchange of learning between national NGOs. They also use their Internet site for the exchange of information among partners.

Such learning exchange networks could be facilitated either by NNGOs or by People In Aid for the purpose of sharing learning about HR practice and experience of using the Code.

Local NGO networks

A number of contributors encourage partners to actively exchange learning and information with other NGOs in the sector and saw such NGO networks as opportunities for sharing HR management learning. OFADEC, for example, saw the opportunity to be involved in supporting their member organisations in West and Central Africa with the application of the Code.

Contributors recognised an opportunity not only for NNGOs but also for People In Aid to be more involved in facilitating LNGO networks and learning exchanges. Among other benefits, it was suggested that such networks could provide a forum for deepening understanding of national employment legislation as it applies to the sector.

Training

In addition to supporting local LNGO HR training, one contributor suggested the need for People In Aid to focus on trainings that are specific to organisational leaders.

Self-Assessment

Opportunities exist for People In Aid to support the use of organisational self-assessment tools with local NGOs. However, LWR's experience of this suggests that the process should never be seen as a "one-off", but should be repeated after 18-24 months.

Summary

This section of the report has considered how People In Aid might effectively assist local NGOs with their HR management. Factors that have a bearing on the transferability of the code have also been considered.

The chapter:

- has explored whether the Code is universally applicable;
- concludes that many practical possibilities exist for People In Aid to support local NGOs, including supporting learning networks, local NGO networks, training for leaders and wider publication of local case studies.
- has considered the differing relevance of the Code at various stage in an NGO's life cycle; and
- has shown that although cultural assumptions can influence HR practice, and that it is inappropriate to adopt a "one size fits all" approach, People In Aid and the Code can still add value to local partners HR management.

Chapter Five

Conclusions and recommendations

In any report of this nature it is all too easy to present stylised conclusions and to characterise one agent in a situation or one approach as “good” and another as “bad”. That is patently too simplistic for the issues that have been, albeit superficially, addressed here. As CCIC said in the foreword to their Code of Ethics

> *“Changes in the content of development work, in the structure of NGO institutions and in the relationships between northern and southern NGOs have transformed development into a complex enterprise, replete with management, administrative and communications challenges undreamt of 30 years ago.”*

The recommendations below are an assimilation of the conclusions and priorities suggested throughout the report in relation to the four areas which have been the focus of the research.

- partnerships and HR management;
- HR and LNGO effectiveness;
- sustainability of HR capacity building; and
- opportunities and challenges for People In Aid.

Partnerships and HR management

- To get beyond the rhetoric of “partnership”, NNGOs must continue to pursue more mutually beneficial partner relationships incorporating clear, unambiguous statements of mutual rights and obligations into partnership agreements.
- People In Aid should continue using handbooks, guidelines, training, group meetings and information resources to support northern and local NGOs addressing partnership issues.
- People In Aid must retain an emphasis on capacity building as much as accountability. This might mean including in future editions of the Code an indicator to assess an NNGOs demonstrated commitment to and effectiveness in helping build a partner’s organisational capacities.

HR and LNGO effectiveness

- People In Aid should explore ways to shift the perception of HR management from a bureaucratic inconvenience to an enabler of organisational capacity.

- LNGOs should develop their own clear definition of organisational "effectiveness" as well as understand and commit to the steps likely to enhance it.
- People In Aid and northern NGOs should support local partners in engaging in organisational self assessment processes such as OCA.
- People In Aid should seek opportunities to widen the application of the Code in support of organisational self-assessment processes.

Sustainability of HR capacity building

Where local NGOs seek to develop their people management practices only in response to donor requirements, rather than in response to needs derived from their own vision and goals, the results are less likely to be sustainable.

- As illustrated by the Malteser example and the recent work of SIDA[28] "good" donors or NNGOs should be willing to support local partners with the financial costs associated with developing more appropriate HR practices.
- People In Aid and/or northern partners should support local NGOs seeking locally provided training for example on recruitment and selection, diversity and gender issues, health and security, leadership and supervision;
- NNGOs must be rigorous in developing an understanding of their partner's social, economic, organisational and cultural context before seeking to be involved in any organisational capacity building.
- NNGOs and People In Aid must recognise the underlying cultural assumptions inherent in the Code and in the values of both partner NGOs.

Opportunities and challenges for People In Aid

People In Aid should :

- continue to disseminate the Code through NNGOs or directly to LNGOs or LNGO networks;
- make case studies of effective "local" HR practice more widely available to LNGOs;
- explore the possibility of adapting the Code to be a framework of "appropriate HR practice", offering local NGOs a tool for adapting "textbook HR practices" for their own needs and context;
- consider including a principle specifically concerning salaries and benefits in future editions of the Code
- consider including a principle or indicators more explicitly relating to organisational governance, leadership, and, supervisory skills.
- in collaboration with Northern partners, seek opportunities to facilitate LNGO networking and knowledge sharing;
- People In Aid must also continue to be an advocate and influential voice among NNGOs, and increasingly among LNGOs

[28] www.sida.se

Further research

From the findings it is clear that questions remain about the **indicators and predictors of organisational effectiveness** in the sector. This includes clarity of the meaning of “effectiveness”. Also:

- to what extent are appropriate people management skills and other “soft” skills associated with organisational effectiveness?
- Is being a good employer only a means to that end, or also a measure of effectiveness in itself?

Further research in this area would be potentially beneficial to Northern and local NGOs as well as People In Aid.

The findings also revealed a continuing lack of clarity about the role of donors. For example, is it sufficient for donors to be good funders or should they also be good capacity builders?

Therefore, building on the work already undertaken on this issue by SIDA and others, further evidence based research exploring donor relationships with partners, and the factors associated with **being a “good” donor** would be valuable for local and northern NGOs as well as the donor community itself.

Finally, with today’s rapid changes in the aid and development sector, with the multiplicity of operational challenges facing northern and local NGOs, it is clear that organisational effectiveness, accountability and organisational capacity building will remain at the top of the agenda for some time.

How local NGOs continue to maximise their effectiveness will increasingly depend on how they manage and develop their people, and this research has highlighted some of the positive trends in HR within NGO partnerships.

Despite the challenges, the research has found ample reason for optimism, and clear evidence that creative ways can be found for partnerships to develop sustainable HR practices that serve the interests of beneficiaries, the LNGO and their people.

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