

Abstract

Organisations are an important part of our society, our political, cultural and economic life. Understanding and examining organisational culture gives an insight into the functioning of these organisations. Cultures are shaped by and shape human society, organisational culture too is shaped by and shapes people in the organisation and the organisation itself. The paper suggests that organisation culture is not only created by human beings but it also influences the people working in the organisation and thus influences the functioning and performance of an organisation.

I want to suggest here in this paper that the organisational culture of a NGO impacts the performance of the organisation. The answer to why do the organisations behave the way they do lies to some extent in the existing and fostered culture of the particular organisation. Some organisational elements are common and present in all kinds of organisations whether they are profit making, governmental or not-for-profit organisations. The development of these elements and relations among them vary from organisation to organisation, from NGO to NGO. It is argued that the match and the compatibility of these elements in an organisation influence the performance of the organisation.

The paper is based on the study and experience of the author with NGO sector. The objective of the paper is to generate interest and understanding among academics and practitioners about NGOs as organisations and the issues related to them. Organisation culture is an important issue for students of organisation and management and i believe that the way it influences organisation function is vital in the present context for NGO functionaries. It is suggested that culture is not just one component of an organisation which can be just fit in and replaced as quick fix. It is part of an organisation. The paper introduces the readers to organisation and places NGOs in organisational

context. The paper then discusses various aspects of organisational culture and argues how organisation culture impacts the functioning and performance of NGOs.

Introduction

Human society is not only organised but it is highly organisational. It is difficult to think of human life and community without engagement with some organisations or the other. Organisations are important entities of modern society. They are often the hub of our political, cultural and economic life. Development discourses and implementation are carried out by national and international organisations. Values, principles and practices of democracy, secularism and inclusiveness are fostered and upheld by organisations. At the same time history bears witness in India and elsewhere that these values and practices are seriously violated by socio-economic and political organisations, including the judiciary, the events, conflicts, violence and suffering of religious and ethnic communities in Gujarat, Uttar Pradesh, Kashmir, North East, Pakistan, Bangladesh, Sri Lanka Afghanistan are cases in point. Understanding and examining organisational culture gives an insight into the functioning of these organisations. Cultures are shaped by and shape human society, organisational culture too is shaped by and shapes people in the organisation and the organisation itself.

Performance of an organisation has to do with the output of an organisation and its functioning. Organisations are often referred to as high performing or low performing organisations. Performance is not easy to measure especially when it comes to human service organisations such as some Not for Profit Organisation or often called NGOs. Performance is measured in more than one way and so are the factors that contribute to performance. Culture within an organisation is one such factor that impacts its performance.

Culture is a frequently used term in sociological circles in understanding society. Organisation culture as a concept is used by organisation and management students and has evolved from sociology and anthropology. It is equally important in understanding the working of an organisation. It is a widely accepted fact that organisational culture has an impact on the organisation performance (Kotter and Heskett, 1992; Schein, 2004). Culture is shaped by and shapes human society, organisational culture is shaped by and shapes people in the organisation and the organisation itself. Therefore it is suggested that organisation culture is not only created by human beings but it also influences the people working

in the organisation, thus influencing the functioning and productivity of an organisation.

My experience and study of NGOs suggest that the organisational culture of an NGO impacts its functioning and performance. It is a different matter that often the people within the NGOs do not give much thought to the culture that exists in their organisation. It is often taken for granted. It is argued that “norms, values, and assumptions about how the world works in the organisation culture significantly determine behaviour and effectiveness in organisations” (French and Bell, 1998:5). The paper begins with the context of organisation and the subject matter of the paper and then goes on to clarify some of the concepts - NGO, organisation culture and effectiveness. The paper then argues how organisation culture influences the performance of the organisation.

Organisation

Organisation is a familiar concept in work place and society at large. Though there is a plethora of literature dealing with organisations, there is not adequate literature on Not For Profit Organisations (often called NGOs) in India (Dabhi, 2003). All of us sometime or the other in our lives, need and experience organisations closely. Babies are born in an organisation, people find employment in organisation and people use organisation's services to bury or cremate their dead. An organisation is a social arrangement which pursues collective goals, which controls its own performance, and which has a boundary separating it from its environment. The word itself is derived from the Greek word ὄργανον (organon) meaning tool (<http://en.wikipedia.org/wiki/Organization>).

Organisations are an important and integral part of our society, our political, cultural and economic life. Pfeffer suggests that organisations are important not only as objects of study in their own right, but also for their effects on individuals and the economy (Pfeffer, 1982). It is very difficult to manage life without organisation; organisations serve various needs of society and its citizens more efficiently than smaller and more natural human groupings, such as families, friendship groups and communities (Etzioni, 1981). In the given circumstance (where IMF, WB, and New Structural Adjustment Programme dictate our economic policies) of the State pulling out of the various roles it played in meeting the needs of the people, organisations become all the more important. It is in this context that NGOs involved in development become an important subject of studies in terms of the services they render and the way they can improve as a unit to maximise their service delivery. There are various factors that may influence the effectiveness of the NGO and one of the important ones in my

experience and study is the organisational culture. The culture, in other words 'how' the organisation function; becomes important as i believe that a good number of NGOs in South Asia deal with human communities directly and more so with the poor, the weaker sections of society (Dabhi, 2003).

Let us briefly familiarise with this entity called organisation. Argyris argues the existence of organisations to meet objectives "that can be best met collectively" (Hicks and Gullet, 1976:6). Each organisation is, in a sense, a social experiment which is constantly evolving and adapting in response to changes in the environment" (Woolhouse, 1988:41) and always includes persons (Hicks and Gullet, 1976). These persons are involved with one another in some way-that is, they are interacting. These interactions can always be ordered or described by some sort of structure. All persons in the organisation have personal objective; some of which are the reasons for their membership and actions in the organisation. Each person expects that participation in the organisation will help to achieve personal objectives.

Examining the elements of an organisation mentioned above, reflecting our own experience and observations of working in and with many Not for Profit Organisations that are involved in development work, I would like to suggest some elements that are common and present in all kinds of organisations, whether Profit making, Governmental or Not for Profit organisations. They have a stated or unstated Mission or goal of the organisation, people who work in this organisation, specified leadership, some kind of structure which determines the interaction of people within the organisation, other resource like material/equipment and finance, programmes and tasks. These elements may be defined and operationalised in varied degrees and ways. The development of these elements and relations among them vary from organisation to organisation, from NGO to NGO. It is argued that the match and the compatibility of these elements in an organisation influence the performance and effectiveness of the organisation.

Defining Non-Government Organisations (NGOs)

A brief note on NGO is appropriate at this juncture. The NGOs (Non-governmental Organisations) involved in development also called the Not-for-Profit Organisations (NFPOs) or Non Profit Organisations (NPOs) may differ from organisations of Public and Profit-making Sectors in terms of their mission, service users/clientele, and other characteristics but they share the elements described above. For our purpose I shall address these organisations as NGOs. The NGOs vary widely in structure and in purpose, which makes it difficult to formulate a definition that embraces them all (Connors, 1988). They have evolved over the years and have become blurred

as they take on elements from other kinds of organisations from other sectors. The voluntary organisations (NGOs) in India have come into existence for very many reasons and one of them is development (Dabhi, 1995). Some NGOs have moved out from social reform or welfare approach to development and some have come to existence for the very purpose of development (for details see Dabhi, 2004).

The essential element of NFPOs is voluntary action. Voluntary action is something which one is neither paid to do nor made to do. In their broadest sense, NFPOs are simply the collective forms of individual action. Putting it differently, NPOs are the vehicles by means of which people pursue together goals that are not primarily remunerative and they are not forced to pursue (Connors, 1988). This definition may not adequately explain the Indian scenario of voluntary organisations, where the voluntary organisation has the Trustees who are not paid for their services on the Governing Board. However the organisation has staff who are paid for the work done and some of the trustees are also on the staff of the organisation and thus paid. It is helpful to think of a voluntary organisation as an organisation which, whether its staff is paid or unpaid, is initiated and governed by its own members without external control (Sundaram, 1986) except the Act under which the organisation is registered.

Understanding organisation culture

Moving on to defining Organisation Culture, it is suggested that it is the pattern of basic assumptions which a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration (Bate, 1994:13).

The etymology of word culture suggests that its root is from the Latin *cultura* stemming from *colere*, meaning 'to cultivate'. Culture generally refers to patterns of human activity and the symbolic structures that give such activity significance. Different definitions of "culture" reflect different theoretical bases for understanding, or criteria for evaluating, human activity. In general, the term culture denotes the whole product of an individual, group or society of intelligent beings. It includes technology, art, science, as well as moral systems and the characteristic behaviours and habits of the selected intelligent entities. In particular, it has specific more detailed meanings in different domains of human activities (<http://en.wikipedia.org/wiki/Culture>).

It is also suggested that the culture of an organisation is an all-pervasive influence on how it is structured, how work is done, what its aims are and how management and staff interact within the organisations and with those outside (Lucey, 1988). Lucey goes on to argue that the culture of

an organisation results from shared beliefs and values and has been described by Morgan, a sociologist as 'shared meaning, shared understanding and shared sense-making'. French and Bell (1998) suggest that organisation culture strongly influences individual and group behaviour. They go on to suggest that culture is values, assumptions, and beliefs held in common by organisation members which shape how they perceive, think and act.

The uniqueness of the organisation often depends on the culture of the organisation - the shared beliefs, values and understandings that weld the other factors together to make a unique organisation (Lucey, 1988). It is commonly agreed that organisation culture has three main components. They are the external behaviour and artefacts; the values practised in the organisation; the underlying assumptions and beliefs in the organisation about its activities.

Organisation Performance

Organisation Performance is (OP) is difficult to define and to gauge, more so when the NGOs are involved in providing services, which are often not tangible. I would like to suggest performance of an NGO as its effectiveness. However performance can be strictly viewed as the process of assessing progress toward achieving predetermined goals. We take a broader view of performance and call it effectiveness. No doubt a distinction can be made between organisation performance and organisation effectiveness (OE) of an NGO and yet an overlap can be argued. The effectiveness therefore may be viewed from various perspectives in the context of an organisation.

Let us look at some of the criteria to examine the effectiveness of an NGO. Robbins (1998) said, a question can be put - what makes an organisation effective? That answer is, the proper organisation structure - the way we put people and jobs together and define their roles and relationships an important determinant in whether an organisation is successful. In the early 1950s, approach to OE was simple and it defined effectiveness as the degree to which an organisation realised its goal (Daft, 1995). I would like to suggest that the criteria for OE are: first, achievement of organisation's goal/s, second, credibility of the organisation in the society (people recognise the good work done by the organisation), third, success in accessing financial/physical resource from the society for the organisation and finally, success in accessing competent human resources for the organisation.

Meeting the above criteria may indicate that the given organisation is an effective, successful organisation. Measuring the above criteria is not

easy and often perceptions, of the various constituencies of the organisation concerned have to be relied upon. It seems to me that the perception is equally valid in identifying the effectiveness of an NGO. Various evaluations done in the NGO sector have recognised perceptual validity.

Experience and observations indicate that in most cases the best barometer of an organisation's long term prospects is its culture - the assumptions, values, beliefs and behavioural norms shared by organisational members. Organisation culture is defined as the values, norms, and patterns of action that characterise social relationships within formal organisation (Marshall, 1994:372). Marshall argues that the concept came to the fore in series of British and American management texts of the 1980s, which attempted to explain either (or sometimes both) the difficulties of Western business in coping with economic recession and the challenges of the Japanese. While it may not be readily apparent to members, the culture shapes behavioural norms - the patterns of thinking and behaviour expected of individuals to 'fit in'. These behavioural norms contribute to the ultimate success or failure of an organisation. Ideally, an organisation's culture should encourage constructive thoughts and behaviours that result in motivated, productive employees. Therefore it is suggested that a perceived conducive culture is helpful in OE.

In many organisations, however, the prevailing culture promotes some behaviour that actually has a negative impact on job performance and overall effectiveness. Gomez and Balkin, (1992) suggests two kinds of cultural climate, one that encourages autonomy, risk taking, flexibility, creation of new ideas, willingness to experiment, and tolerance for mistakes and the other that encourages tight controls, emphasis on compliance, risk avoidance, strict adherence to norms, work as usual and low tolerance for mistakes.

NGO Culture impacting Performance

Experiences indicate that the formal organisational culture as argued above contributes to the organisation effectiveness. Let me cite an example of three NGO functionaries leaving an NGO (in Rajasthan working with Nomadic communities) in a period of one year and the reason given, and i have strong reason to believe these men, was that they were not happy with the work culture of the organisation. To be precise the reason cited were lack of participative decision-making, transparency, access to resources, and ambiguity of job profile. A high turnover in staff for the above reason is likely to impact the organisational effectiveness.

The clarity and awareness of organisation's mission and objectives have been found important elements in organisation effectiveness (see Bramham, 1989). It is said that human behaviour is goal oriented. I would like to add that collective organisation behaviour is goal oriented to the extent that the goal is clear to various constituencies in the organisation. Therefore organisational culture includes clarity of mission and objectives. The understanding and alignment of individuals and mission of the NGO helps in organisation effectiveness. One finds NGO functionaries complaining that sometimes the activities and programmes of the organisation lack alignment with stated goals in the mission of the NGO, leading to ineffectiveness of the organisation. The awareness of the mission and the objectives among the staff of the NGOs may help constant monitoring of the programmes and activities. The danger of goal placement is a reality in the NGO sector as well as other kinds of organisation (Etzioni, 1981). An NGO set up for empowerment of the Tribals, after sometime, may hardly spend time for that goal, and instead may become preoccupied with fund raising to pay the salaries of its staff.

The values in an organisation are part of the culture and are manifested in various ways such as the way people address each other and the executive. The values are lived out in the way decisions are made, the way people participate and are invited in the process of decision making. The values are practised in the utilisation of organisation resources and facilities. The values are exhibited in the way women and men relate with one another and are treated. They are also manifested in the way human resource development is viewed and implemented. Experience shows that there are NGOs which may have one stated set of values while the practice may show another set of values and therefore may result in a mismatch between what is stated and what is practised. Often NGOs criticise Government and other organisation about transparency especially in their accounts, while the NGO may lack transparency within itself. Thus stated values and practised values may affect the morale and motivation of the staff and consequently affect their output. Such a disparity in stated and practised values impacts the effectiveness of the NGO because the organisation may lose its credibility with the people it works with. Caring for people as a value in an NGO is suspect when most people in the role of a manager/officer pay no attention to the genuine needs of the staff and service users (target group). It would demand initiating a change when needed to serve their legitimate interests, even if that entails taking some risks.

The decision-making processes in the NGO are part and parcel of organisational culture. They are not only the reflection of values of democracy in the NGO but they also reflect the trust and confidence in the

ability and competence of people within the organisation. One person dominated leadership and decision-making speaks volume about the values, trust and distribution of power in the NGO. Family run NGOs often fall in this category and thus endanger the effectiveness of the organisation in the long run (Dabhi, 1995).

The kind of leadership exerted in an organisation also is an important factor of organisational culture that influences organisation effectiveness. Leadership is not the focus of this paper however let me mention here that often the perceived leaders within the organisation play an influential role in promoting and creating a culture. Their acts of omission and commission have desirable and undesirable impact on promoting the kind of culture that exists and evolves in the organisation.

Considering the nature and the work NGOs are involved in, the leadership in an NGO often is a positive combination of an executive both being a manager (being an administrative) and a leader (visioning for the organisation and motivating the staff). It is believed that participatory leadership in an NGO set up is more desirable in achieving organisational goals and increasing the credibility of the organisation among various constituencies. Drucker (1992:19), in his book, 'Managing the Non-Profit Organisation' suggests that the "leaders who work most effectively, it seems to me, never say 'i'. And that's not because they have trained themselves not to say 'i'. They don't *think* 'i'. They think 'we', they think 'team'. They understand their job to be to make the team function. They accept the responsibility and don't sidestep it, but 'we' gets the credit". Tom Peters and Robert Waterman in their book of 'Search of Excellence', after studying 42 companies that were highly effective or excellent, identified 8 characteristics common to these organisations. Two of these characteristics were that these organisations allowed employee a high degree of autonomy and fostered the entrepreneurial spirit and they sought to increase productivity through employee participation.

The NGOs vary in their possession of physical resources (building, vehicles, fax, phones, internet, etc) often necessary for the kind of work the NGOs are involved in. Acquisition and access to these resources and facilities are reflective of the NGO's organisational culture. I am of the opinion that the more democratic and participatory the organisation culture the better is the access of the staff to these resources. Such openness does not only provide motivation but inculcates a sense of trust among the employees. The feeling that we are trusted with the resources of the organisation helps in better performance and thus the organisation's effectiveness. I am aware of resources being misused in all kinds of

organisations and NGOs are no exception, but exceptions do not prove the rule.

Conclusion

The paper has defined the concept of NGO, organisational culture, effectiveness and has argued that organisational culture does play an important role in organisational effectiveness. It is suggested here that clarity of mission and goals, values, decision making process, leadership style and access to organisation resources are all part and parcel of organisational culture.

Unfortunately not many in the NGO sector give adequate time and thought to examine, analysis and deliberate on the organisation that exist, they shape and are shaped by. People and more so the leaders in NGO sector need to give adequate attention not only to the socio-cultural, economic and political change they want to bring outside in society at large but must pay some attention to the culture that exists in their organisation.

It is suggested therefore that awareness of the integral aspects of culture and proactive role of the staff in addressing these issues will contribute in promoting and sustaining a vibrant organisational culture and impacting NGO performance.

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