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Karen Foreman

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Evolving Global Structures and the Challenges Facing International Relief and Development Organizations

Karen Foreman
University of Washington

Most current executives of the largest international relief and development organizations (NGOs) expect their organizations to move toward more global governance structures that incorporate fully vested partners from the north and south. This article seeks to present the potential opportunities and challenges of transition to a global governance structure. As NGOs have adapted their governance structures to the pressures of globalization, two variations of the international federation structure have emerged: the donor-member-dominated federation and the global bumblebee federation. The governance histories of World Vision International and Habitat for Humanity International reveal how these two structures may evolve. NGOs considering transition to a global governance structure can expect to deal with management issues such as role conflicts, staff skills, and maintenance costs. Global structures provide the framework within which NGOs can engage multiple stakeholders, but global structures must be accompanied by complementary management systems to fully use their strengths and avoid their weaknesses.

What will international relief and development NGOs look like in 10 years? Almost without exception, current executives and board members of the largest NGOs expect their organizations to have global governance structures that incorporate fully vested partners from the north and south. Most believe their program management practices must also become more inclusive and engaging of southern perspectives to have a greater impact on global poverty. As we enter the new millennium, NGO decisions relative to global structures and program foci will determine whether the international relief and development industry will have relevance and impact on society in the 21st century.

The purpose of this article is to discuss two emerging global governance structures and to present opportunities and challenges facing NGOs that attempt the transition to a global governance structure. This article is based on

Note: I would especially like to thank Mike Sheriff, legal adviser for World Vision International (WVI), for his time in interviews and his willingness to share WVI governance documents.

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a survey of literature on governance structures, a review of World Vision International's governance structure, and my experience in the development of national boards with Habitat for Humanity International. This article focuses on governance structures for international relief and development NGOs. These organizations provide a range of humanitarian relief and development services across national boundaries and in some instances within their own countries. Most of these organizations engage in advocacy as well, but the primary determinant for this article is the delivery of relief and development assistance in a global context. Also, NGOs should have multiple domestic organizations that coordinate their efforts through an inclusive structure (Hudson & Bielefeld, 1997; Lindenberg, 1999 [this issue]).

Like any organization working across national boundaries, NGOs work in an increasingly complex and volatile environment. Technological change in communications, unstable financial markets, a weakened public sector, and the end of the cold war and Soviet Union are a few of the characteristics commonly used to describe globalization. Globalization tends to exert opposing pressures on an NGO in terms of its governance structure. Advancements in communications, increased social mobility, and greater competition for resources will tend to push an NGO toward centralizing its control and increasing standardization among its domestic members (Young, 1989). On the other side, the diversity and instability of the working environment inherent in international relief and development work will encourage an NGO to decentralize decision making to its domestic member organizations to increase flexibility and adaptability (Young, 1991). These fluid forces of integration and differentiation must be balanced within the context of an NGO's organizational culture, history, and mission to determine the appropriate governance structure.

INTERNATIONAL NGO GOVERNANCE STRUCTURES

A functional NGO governance structure should provide a mechanism to ensure that the organization and its members have three things: legitimacy, accountability, and effectiveness. Engaging southern NGO representation in an international NGO's governance structure can strengthen the legitimacy, accountability, and effectiveness of an international NGO. Forming institutional ties and belonging to an inclusive structure tend to increase legitimacy for nonprofit organizations (Hudson & Bielefeld, 1997). A southern NGO may have legitimacy in its local or national environment, but connecting with an international NGO may enhance its legitimacy outside its national borders. Likewise, a northern NGO seeking to raise funds for work in developing countries will have increased legitimacy to the extent it is institutionally tied to the organization(s) delivering the services at the local level.

Accountability is a function important to any governance structure. From a top-down perspective, NGO boards hold staff and volunteers accountable to

the mission and principles of the organization. In turn, NGO governing boards must be accountable to multiple stakeholders—donors, partner organizations (members), and the poor. Some NGO scholars have suggested that NGOs have come too close to being donor-driven (Hulme & Edwards, 1997). With increased competition for donor funds (private and public), NGOs must adhere closely to donor-defined achievements (log frames, benchmarks, etc.) and stringent requirements for reporting. Program and institution building resources directed toward southern NGOs have increased the number and capacity of potential southern partners. To help avoid being donor-driven, international NGOs have the opportunity to pursue genuine, reciprocal partnerships between their northern and southern member organizations. If an NGO's governing board were accountable to the poor as one of its primary stakeholders, the NGO would be expected to have a measurable impact on the quality of life of poor families.

Vast amounts of literature have been written about improving the effectiveness of NGOs, especially in the area of measurable results. This ongoing debate about NGO effectiveness reflects the difficulty most NGOs have in quantifying their product and their impact at the local, national, or international level. An NGO board dominated by donor country members could easily fall into measuring financial resources and equating financial growth with effectiveness. Thus, if donors like what the organization is doing, it must be the right thing to do. International NGOs may address this problem to the extent that they can engage recipient country members with strong ties to grassroots organizations into their governance structure.

Most international NGOs appear to have changed their governance structure a number of times in their history. Lindenberg (1999) discusses three models into which most large NGOs currently fall. The loosest associational form in Lindenberg's framework is individual organizations coordinated by a weak umbrella organization. Confederations are held together more tightly by strong autonomous national boards who come together to form a small international secretariat. International federations are characterized by semi-autonomous national member organizations that voluntarily cede power to a relatively strong central organization (Young, 1991).

Under pressures such as the desire for self-determination of southern partners and the need to coordinate global resource acquisition, these dominant NGO global structures are inherently unstable and evolving. International federations seek increased local autonomy and national identity for members. Confederations dealing with the problem of noncompliant members want to strengthen the mechanisms of control for the international secretariat. Independent members with a weak umbrella organization find that competition for resources, duplication of efforts, and donor confusion provide enough incentives to move toward tighter linkages between members.

Many NGOs are searching for meaningful ways to increase the involvement of recipient country organizations into their governance structure. In an attempt to balance their needs for legitimacy, accountability, and

effectiveness, some NGOs have moved toward two interesting adaptations of the international federation: the donor-member-dominated federation and the global bumblebee federation (Lindenberg & Dobel, 1999 [this issue]). The term *global bumblebee* alludes to the intricate network of influence and interaction between member organizations and with the central organization. Both adaptations are still essentially international federations (see Table 1). However, distinguishing characteristics exist that offer NGOs the opportunity to move toward greater inclusion of recipient members.

Both the donor-member-dominated and global bumblebee federations are characterized by the members' strong belief in the mutual benefit of ceding power to a strong central organization. Both forms have two bodies that constitute the governance structure: the assembly or council, and the international board or executive committee. The assembly consists of the entire membership of the federation and maintains control over the core values and mission of the organization. The barriers of entry for federation membership and inclusion in the assembly are relatively low. Typically, an organization seeking membership will be required to (a) agree, via a signed partnership agreement, to uphold the global mission and principles of the NGO; (b) demonstrate some degree of national program competence in resource acquisition and/or services delivery; and (c) have a national board or at least an advisory committee of local leaders.

The critical distinctions between the donor-member-dominated and global bumblebee federations appear in the composition of the international board and the level of central control of recipient members. Membership on the international board of a donor-member-dominated federation depends primarily on a member's capacity to generate resources for the federation. Donor members have a permanent seat(s) on the international board. Occasionally, the international board will have additional permanent seats designated for recipient member representation. Recipient countries may rotate this membership or hold elections for the seats. The central organization of a donor-member-dominated federation maintains strong controls over the management of recipient country members. National boards of recipient members usually participate in key national management decisions, but final approval rests with the central organization.

In the global bumblebee model of federation, membership on the international board is not based on a member's capacity to raise resources, but rather a member's geographic region or some other nonresource acquisition-based criteria. Size of the member's program in terms of resource acquisition or allocation does not affect the member's vote in the assembly or eligibility for election to the international board. In terms of management of a member's country program, advisory committees and national boards within the global bumblebee federation may have different levels of local control. Regardless of a member's status as a net donor to or recipient from the central organization, each national board must go through a series of reviews by the central organization and other members. As a national board demonstrates commitment

Table 1. Comparison of Donor-Member-Dominated and Global Bumblebee Federations

	Federation	Donor-Member-Dominated Federation	Global Bumblebee Federation
Basis of affiliation	Mutual benefits, complexity reduction, legitimacy	Mutual benefits, complexity reduction, legitimacy	Mutual benefits, complexity reduction, legitimacy
Governance structures	Varies but usually central board is elected by members	Council/assembly of all members usually meets every 2-3 years, no more than annually; executive committee or board meets at least twice a year	Council/assembly of all members usually meets every 2-3 years, no more than annually; executive committee or board meets at least twice a year
Locus of decision-making control	Center has stronger authority over system-wide decisions than members	Executive committee or board holds central control	Executive committee or board holds central control
Configuration of executive committee or board	Varies	Donor members have permanent seat and sometimes recipient members may have rotating seat	Representative membership based on non-resource acquisition criteria (e.g., regional election/nomination)
Who sets norms (mission, core values)	Central headquarters and board	Full membership via council/assembly and central headquarters staff	Full membership via council/assembly and central headquarters staff
Central enforcement mechanisms	Stronger sanctions like withholding resources	Mutual control, strong sanctions, disaffiliation	More mutual control, sanctions, disaffiliation
Common systems	More common systems	Common systems	Common systems
Resource acquisition	Primarily at member level but some common acquisition	Primarily donor members with some common acquisition	Some common acquisition with more pressure for all members to seek resources (private, bilateral, and multilateral)
Resource allocation	Large member level with more central allocation	Central allocation including strong control over recipient member budget	Central allocation with increasing local budget control as member is certified by board
Senior management (executive director) selection	Varies	Strong central control of recipient member executive director selection; donor members select without central approval	Strong central control until member is certified and then individual members may select executive director

Source: Adapted from Lindenberg (1999) and Provan (1983, pp. 79-89).

and capacity to uphold the mission of the NGO, the central organization will gradually devolve authority for in-country management decisions (budget allocation, senior management selection, etc.) to the certified national board. National offices in the global bumblebee federation are encouraged to fulfill all aspects of the NGO's mission, including private fundraising initiatives in recipient member countries and delivery of services to the poor in donor member countries, as appropriate.

Figure 1 shows a simple comparison of the donor-member-dominated federation, global bumblebee federation, confederation, and individual organizations with a weak coordinating umbrella. Valuation for the global governance power of the membership is based on the power of all members in the NGO. For example, in confederations, national members expect governance power (voice and vote) at the NGO governance level, but the weak international secretariat has limited authority over the national members. Individual organizations have a weak governance structure for their NGO alliance and also very limited accountability to the center. In donor-member-dominated federations, the donor members have a high level of governance power but recipient members do not. Donor and recipient members have ceded accountability power to the central organization. In the global bumblebee federation, all members have equivalent global governance and the accountability to the central organization starts high and gradually decreases as the central organization devolves power back to the membership.

TWO NGOS' ATTEMPTS TO IMPROVE GOVERNANCE

As a means to examine how these various models of governance might emerge in a real-life context, brief descriptions of the governance history of two organizations provide useful examples: World Vision International (WVI) and Habitat for Humanity International (HFHI). As is typical of other relief and development NGOs, these organizations seek to deliver relief and development assistance in a broad multinational context. They have both pursued a strategy of developing national organizations (including national boards and national legal entities) wherever possible. Although their program size and strategic focus (child survival vs. shelter) are different, the issues faced by WVI and HFHI in developing national boards and engaging all members in international governance are similar and relevant for other relief and development NGOs.¹

WORLD VISION INTERNATIONAL

Active in 92 countries around the world, World Vision International is "an international partnership of Christians" who seek to "work with the poor and oppressed to promote human transformation, seek justice and bear witness to

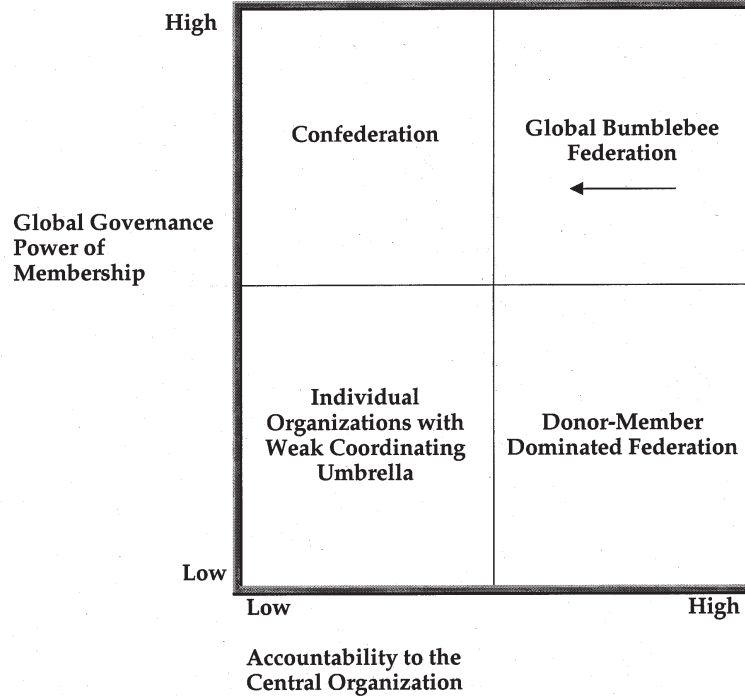


Figure 1. Comparison of Associational Forms in Terms of Governance Power and Accountability to Central Organization

the good news of the Kingdom of God” (WVI, 1998, p. 1).² World Vision, Inc. was founded as a nonprofit corporation in 1950 by Bob Pierce, an American evangelist. As World Vision in the United States grew, World Vision organizations were formed in New Zealand, Australia, and Canada. These World Vision entities were primarily fundraising partners, and World Vision in the United States clearly dominated in size and influence. Occasionally, a national World Vision entity was formed in developing countries for the sake of expediency.

In the 1970s, the World Vision partners began an internationalization initiative. WVI, a separate corporation based in California, was established with a two-layer structure of governance, including a council and international board. The council membership included World Vision partner countries (one country/one vote) and met every 3 years. The council was the only body that could change the fundamental mission and purposes of WVI. With respect to WVI’s operational governance, an international board was formed with representation from World Vision’s donor countries: Australia, New Zealand, Canada, and the United States. This new structure was viewed as a formalization of what already existed among the partners in spirit and attitude. WVI,

the central organization, was to function as the control point for World Vision's global field operation management.

The emphasis on partnership within WVI led to greater expectations of representation and legitimacy among field representatives (national staff, local board, and advisory committee members) in developing countries. In the late 1980s, WVI responded to this pressure from the field in two ways. First, WVI changed the configuration of its governance structure. Council membership was expanded to include all World Vision partner countries, including developing countries. Also, WVI began to base eligibility for international board membership on a representative system of five categories of member countries. Fund-raising was an important criterion for ascending through the five categories of membership and the procedure for moving from one category to another was very complicated. The second major step taken by WVI was the development and approval of three critical WVI documents: World Vision Mission Statement, Core Values, and Covenant of Partnership.

Almost immediately, WVI experienced problems with the criteria for membership on the international board and the five categories of membership. The emphasis on fund-raising as a primary criterion created competition and resentment among members. Partners felt that "money and a spirit of partiality . . . pervade[d]" WVI's governance and representation process, and "the diversity of members and gifts should not be a source of strife but synergy" (WVI, 1995b, p. 25). In 1995, WVI modified its governance structure to eliminate the financial criterion for board membership. Membership in the WVI partnership now required commitment to the core partnership documents (Mission Statement, Statement of Faith, Core Values, Covenant of Partnership), the WVI ministry policies, and the WVI Trademark Agreement. Although council membership remained one country/one vote, eligibility for a seat on the international board changed from the five categories system to a regional system of representation. Seven Regional Forums were established, and all WVI partners are full voting members in their Regional Forum. Though the Regional Forums do not have formal governance authority in the region, members nominate and elect their allotted quantity of seats on the international board from the membership of the Regional Forum.

Although membership in the World Vision partnership is determined by wholehearted commitment to its core partnership documents, WVI maintains three different levels of central control over its partner members. At the highest level of central control, a World Vision partner may be a WVI branch office with a national advisory committee. This national office, registered in the host country as a branch of WVI, eventually seeks to become a nationally registered nonprofit organization. WVI maintains legal responsibility and strong management control over the organization's budgetary and personnel decisions. The next stage of development is the intermediate stage national office. Here, the national office has a board of directors registered and recognized by the host government. However, this national board has voluntarily agreed to seek approval from WVI for critical management decisions such as

appointment or termination of the national director, appointment of national board members, budgets, and off-budget expenditures. Finally, the fully interdependent national office has the least central control from WVI. Also a nationally registered nonprofit organization, the fully interdependent national office has a consultative relationship with WVI and is expected to voluntarily coordinate with WVI to ensure "an environment of twin citizenship." At this stage, the national office does not need WVI approval for critical management, except for those items required under the Covenant of Partnership.

Under its current global structure, WVI partners have equivalent governance roles through their participation in the council and in the Regional Forums, regardless of resource contribution. However, the control level varies in the functional relationship between the national office and the central WVI organization. A WVI board policy (WVI, 1998) on national boards and advisory councils describes the national office development process including peer reviews, consultation with WVI staff, and interaction with international board members. WVI has sought to clearly delineate the rights and responsibilities of the national boards and advisory councils at every stage of development.

The governance history of WVI reveals three types of governance structures to date. World Vision in the United States began as a single corporate entity that assisted in the formation of other World Vision corporations in donor countries. In the beginning stages of development, World Vision was a loosely connected group of independent organizations. With its internationalization initiative in the 1970s, World Vision International emerged from its loose grouping into a donor-member-dominated federation. In its attempt to create a global governance structure based on five categories of membership, WVI continued in the spirit of the donor-member-dominated federation. However, under its most recent global structure, WVI has moved to the global bumblebee federation form. Having only defined and instituted the global bumblebee structure in the past few years, the actual strength and weakness of WVI's global structure are still to be seen.

HABITAT FOR HUMANITY INTERNATIONAL

Founded in 1976, HFHI describes itself as "an ecumenical, Christian housing ministry." HFHI addresses the need for low-income shelter by developing and supporting local community-based organizations (affiliates) that build homes with poor families in their local communities. HFHI has nearly 1,500 affiliates in the United States and national Habitat programs in 63 countries. HFHI and its national offices and affiliates place high value on the autonomy of the local affiliates. As in WVI, the concept of partnership pervades HFHI's description of relationships among HFHI staff, affiliates, national offices, homeowners, volunteers, and so forth. Since early in HFHI's history, each local affiliate and HFHI signed a partnership document (the Habitat Affiliate

Covenant), which describes the mission and principles of HFHI and the expectations of Habitat affiliates.

In the mid-1980s, HFHI staff began to establish national organizations in the countries with multiple local affiliates. Essentially, the national organizations were viewed as a management tool to improve the development and support of local affiliates. With a national organization in place, headquarters staff would only have to deal with one national office rather than multiple affiliates in a country. In some countries, having one nationally registered Habitat entity facilitated the acquisition and transfer of resources (land, materials, funding, and mortgages) among affiliates. National boards typically consisted of representatives from affiliates, at-large members, and, occasionally, HFHI staff. Although affiliates still had to sign the Habitat Affiliate Covenant and submit a detailed application to HFHI for approval to use the name Habitat for Humanity, the international staff and international board did not closely regulate national organizations.

Gradually, national board members and staff placed increasing pressure on HFHI's international board to recognize national organizations as a formal HFHI institution. In 1995, the international board approved a nationalization initiative mandating staff to develop national boards as rapidly as feasible. There were two critical components included in the nationalization policy. First, the board approved three national partnership documents: the National Covenant, Memorandum of Understanding, and National Charter. Second, the international board adopted a three-stage process of national organization development that gradually devolved management authority to the national organization. In Stage 1, a national advisory committee has been formed and is seeking to register with the host government as a national entity. There may or may not be local affiliates already in existence in the country. In this stage, HFHI maintains primary responsibility for program management (budget, personnel, etc.) and the support and development of local affiliates. A Stage 2 national organization normally has its government registration as a national entity, but has not fully demonstrated its capacity to support and develop local affiliates. In Stage 2, the national organization has the authority to hire its national staff and serves as the primary liaison for supporting and monitoring existing local affiliates. HFHI retains the authority to approve the annual budget and new affiliates in the country. A Stage 3 national organization has demonstrated commitment and capacity to support its local affiliates and HFHI's global mission. In Stage 3, the national organization has full authority over its budget and can approve local affiliates without HFHI approval.

Over its 23-year history, the global governance structure of HFHI has remained essentially unchanged. HFHI, a unitary corporate entity, has a self-perpetuating international board with a nominating committee and no defined policies regarding affiliate or national organization representation. Increased pressure from U.S. affiliates, national organizations, and HFHI staff has forced the international board to review various forms and adaptations to

its current structure. In October 1998, a governance task force of staff and board members proposed a form of the global bumblebee federation for board consideration. The HFHI proposal includes a regional representation system similar to WVI's global structure described above.

RATIONALE FOR CHANGE

Not only are there interesting similarities in global structure between HFHI and WVI, but the organizations also have used similar rationales for the development and inclusion of national member organizations in governance.

Finding mechanisms to increase ownership of the mission at the national level is consistent with the Christian roots of HFHI and WVI. The partnership documents (WVI's Covenant of Partnership and HFHI's National Covenant) reinforce the importance of Christian philosophy to both organizations' missions. In a similar spirit to evangelism, bringing new national members into the global partnership could be seen as converts to the beliefs of the movement. The Christian rhetoric of both organizations is filled with references to the ideology of partnership at all levels and being "equal before God."

Possibly as a result of this egalitarian rhetoric, field representatives and national leaders placed pressure on the international organizations to reconsider their global structures and national program strategies. Both organizations believed in the effectiveness of moving decision-making power as close to the local level as possible. As national organizations were formed, they eventually demanded a legitimate place at the international governance table and the right for self-determination. WVI and HFHI sought mechanisms to bring about consistency between the effectiveness of building capacity at national institutions and the need for accountability and legitimacy in their international governance structure.

Financially, both organizations raise the majority of their resources from private donors. The changing global marketplace provided supply-side incentives to establish hybrid national organizations that can raise funds and deliver services in countries such as India, Thailand, Korea, Mexico, and others. Like any good investment strategy, diversifying an organization's portfolio of resource acquisition sources made sense to WVI and HFHI. In the 1970s, World Vision, Inc. began its transition from an independent corporate entity to the global structure of World Vision International by formalizing relationships with its donor member countries. HFHI established its first donor partner country in the Netherlands in 1992, and shortly afterward approved its nationalization initiative. Also, as bilateral and multilateral donors seek to increase their direct support to southern NGOs, HFHI and WVI member organizations in developing countries could legitimately seek grants from these donors.

WVI has moved further than HFHI in the equivalence of its global governance power among members. By separating the global governance function of

national boards from in-country management accountability, WVI maintains central control of key management decisions until the national board has demonstrated its capacity to be responsible for in-country operations. With this structure, WVI seeks to address its accountability to donors while still including the full WVI membership in the governance of the global movement. HFHI has attempted a similar stage-based process of increasing in-country accountability, but its international board has not yet responded to pressure from the field for a more global governance structure.

MANAGEMENT ISSUES OF TRANSITION TO GLOBAL STRUCTURES

If an NGO seeks increased representation of its southern partners in its global structure, it can expect to experience additional challenges in its global program management, especially role conflicts, staff skills, and maintenance costs. WVI and HFHI provide excellent examples of these management issues associated with changes in global governance structures.

ROLE CONFLICTS

The relationships between boards, board members, and staff change when there are transitions in global structure. International and national board members have multiple constituencies to consider when fulfilling their board responsibilities. Staff members have multiple and occasionally conflicting reporting relationships to manage. Candace Widmer (1993) studied role conflict in boards of directors of nonprofit human service organizations in the United States, and found that role conflict exists when an individual is confronted with divergent role expectations. Citing the literature on effects of role conflict, Widmer (1993) states that "role conflicts may lead to dissatisfaction, less confidence in the organizations, lower levels of trust and respect for those exerting conflicting role pressures, lower productivity, greater levels of interpersonal tension, poor performance, poor goal achievement, poor interpersonal relationships, and stress" (p. 340).

HFHI guidelines for national boards emphasize the importance of striking a balance between affiliate and national leaders on the national board. As community-based organizations, Habitat affiliates recruit board members from the community of need, including Habitat homeowners and potential homeowners. National leaders recruited for membership on a Habitat national board tend to be donors such as business executives and professionals. At a Habitat national board meeting in Mexico City, the campesino who took the overnight local bus from the village sits next to the business executive who drove his car from the office in his starched white shirt and tie. Whereas the presence of donors and the client base on a governing board can help to ensure that

resources are used effectively (Hudson & Bielefeld, 1997), developing trust and a common set of expectations among these national board members takes significant time and energy.

At the international board level, board members are expected to have “a global perspective” (HFHI) and “dual citizenship” (WVI). To be eligible for election to the WVI international board, potential members must first be WVI national board or advisory council members. Conflicts between national, regional, and international interests are inherent in the WVI structure. The three-stage development process of WVI national offices can put an international board member in a potentially conflictive position. For example, the current chairperson of WVI’s international board comes from the national board of Visao Mundial (World Vision/Brazil), an intermediate level national office. As chairperson, he has all the power and authority granted to the WVI chairperson, such as assessing the performance of the president of WVI. However, as a board member of Visao Mundial, he and the board of Visao Mundial must seek WVI approval to hire or fire the national executive director of Visao Mundial. Whereas WVI’s election of a chairperson from a developing country demonstrates its commitment to partnership regardless of financial contribution to the ministry, it also illustrates the need to consider the implications of role conflicts facing board members at the national and international level.

The board/staff reporting relationships may shift many times in an evolving global structure. The international board holds international staff accountable for upholding the mission and principles of the organization. International staff may experience role conflicts when handling the dual citizenship of international board members. How should an international staff member deal with poor performance, management incompetence, or corruption on national boards that have a representative on the international board? National executive directors must manage their future reporting relationship to the evolving national board and their current reporting authority of the central controlling organization. Within HFHI, some national executive directors did not survive the eventual shift from a primary reporting relationship to HFHI to reporting fully to their national boards. Occasionally, national board members questioned the loyalties of the executive director and, in some cases, even accused the director of spying for HFHI.

Management of these role conflicts between boards, board members, and staff can be an arduous process. Young (1991) discusses the importance of strong bureaucratic rules and central management systems to manage problems associated with role conflicts. To the extent an NGO defines a set of rules and the role structures for its global structure, all parties (staff, boards, and board members) will have a better idea of what to expect during transition and what their responsibilities should be. As part of their transition strategy, WVI and HFHI developed board policies and core partnership documents that helped define the set of rules and role structure of their respective global structures. Partnership agreements and board policy provide a formal framework to define relationships within an NGO’s global structure. Role conflicts,

however, will often reveal themselves in more informal ways and the process of developing and implementing these documents can be as important as the final product. Simple things, such as a board member missing a scheduled meeting or a board secretary neglecting or forgetting to send board minutes, can indicate problems related to role conflicts. Using participatory methods to develop and implement the membership agreements, and instituting participatory systems to manage the global programs, are critical to dealing with role conflicts.

STAFF SKILLS

International and national staff may experience significant stress when an NGO changes its global structure. When HFHI moved from a local affiliate-oriented to a national organization-oriented program, international and national staff needed new skills to achieve their objectives. As mentioned above, HFHI initially developed national organizations as a management tool to facilitate the support and development of its local affiliates. Because of the emphasis on local affiliate management, executive directors of Habitat's national organizations tended to be specialists in community development and project management. As the expectations of the national organization changed to include national networking, fund-raising, and public relations, the executive directors' job description changed from community development specialist to more of a general manager with an emphasis on public relations and general management skills. Often the existing executive directors lacked the interest and necessary skills to support these new initiatives. One of three things typically happened in this situation. One, the existing executive director resigned and a new executive director was hired. Two, the existing executive director was moved to an affiliate program management position and a new director was hired. Or three, the executive director remained in the senior position and a resource development specialist was hired to deal with the new responsibilities. In all cases, this process of change in the senior management involved significant energy and time of national boards and international staff.

As national member organizations develop, the core competencies needed to be an effective international staff member also change. In his study of international advocacy associations, Young (1991) says that "international associations must elicit membership support through persuasion that stresses the common purposes to which members are dedicated and the fellowship intrinsic in working together for a common cause" (p. 938). He discusses how the use of financial support is an important but often conflictive tool for gaining membership support. In the case of HFHI, staff members could initially gain national organization compliance by relying heavily on their power over the budgets of national organizations. As the national board's capacity increased, however, HFHI staff members had to limit their use of financial resources as the primary tool of influence. Those HFHI staff members who managed the

transition effectively increased their group facilitation skills and changed their communication style with the field from a directive to a more advisory tone. Staff members who did not adapt their style of interaction often seemed to instigate more conflicts than they were able to resolve. Eventually, these staff members left HFHI or moved to another department that did not require regular interaction with Habitat's national organizations.

International and national staff training certainly help in the management of structural transition. However, in the case of transition in a national organization, the project management and/or community development skills of the past executive director are typically still needed, but in a lower position in the organization. Successfully managing the process of demoting an executive director to a program management position and hiring a new executive is extremely difficult. Over the process of nationalization, HFHI lost some excellent national staff who were unable to perform at the new executive level and unwilling to take a lower position in their national organization. Internationally, HFHI tended to have the capacity to absorb international staff who were unable to manage relationships with national organizations into other parts of the organization.

MAINTENANCE COSTS

Competition for resources is fierce among NGOs, and the undesignated or soft money typically used for administrative expenses is often the hardest to raise. As an NGO globalizes its governance structure, costs associated with maintenance of the global structure will likely increase. Conferences, peer reviews, regional meetings, global meetings, and VIP visits are typical mechanisms used to facilitate communication and interaction among national member organizations and with the central organization of an NGO. Travel, accommodation, and facility costs for these events can be extremely expensive and difficult to justify to a donor.

As the power of the central organization is devolved to the national members, purposive and solidarity-based incentives become increasingly important bonds holding the NGO together. The returns on investment in structure maintenance seem especially hard to quantify and to measure. WVI and HFHI documents speak of the need to build trust and mission cohesion among their partner members. To the extent national member organizations and the central organization believe that they share common purposes and values in their work, they may be more patient and confident to work through internal conflicts and cultural misunderstandings inherent in a global structure. Especially in the global bumblebee federation, an NGO's sense of group solidarity and unity of mission must gain strength as the central organization releases management authority to national members.

In addition to members sharing a common mission, NGOs seeking a global structure must invest in shared ownership of strategic planning at a national and international level. As national organizations become stronger and more

self-sufficient, they need mechanisms to increase their perception of their interdependence and linkages to each other. HFHI and WVI hold annual meetings at a regional level for board and staff members of their member organizations. Although HFHI does not have a governing body like WVI's council, both HFHI and WVI hold a large meeting of the senior leadership (board and staff) of their national organizations every 2 to 3 years. These meetings serve as opportunities for national leaders to get to know each other, to share ideas, and to build regional and international networks. HFHI uses the annual regional meetings as a mechanism to encourage innovation within and between regions and to gain insight for strategic planning.

In her article on the nongovernmental movement in the third world, Julie Fisher (1994) discusses the role of horizontal and vertical linkages in controlling hidden corruption and encouraging learning. The central organization of an NGO must constantly balance its role as facilitator of partnership with and among the national members and its role as monitor or police over the activities of national members. As an NGO's member organizations develop horizontal linkages through peer reviews, regional meetings, and international conferences, the central organization can share its monitoring and accountability function with the members. Member organizations hold each other accountable through a system of mutual control rather than relying solely on central control. Establishing multiple mechanisms of communication (meetings, peer reviews, VIP visits, etc.) assists in the development of democratic decision making (Fisher, 1994) and in the management of NGO work.

STRATEGIC CONCERNS

The above discussion of management issues related to structural transition assumes that an NGO has decided to move toward a global governance structure. Although it requires greater attention than can be given here, there are two interesting strategic concerns about NGO global structures raised in current NGO literature: franchising of NGOs and the dominance of donor interests within NGO strategy and structure.

THE "McDONALDIZATION" OF NGOS

In their work on the relationship between NGOs, the state, and donors, Hulme and Edwards (1997) ask the question, "Is this really strengthening civil society, or merely an attempt to shape civil society in ways that external actors believe is desirable?" (p. 277). If NGOs gradually include member organizations in their governance structure, how genuine will the national member NGOs be in terms of their national base of support and national effectiveness? Legitimacy of a national organization comes from its linkages to the grassroots and its linkages to an international organization. Southern member organizations within an international NGO, however, often do not evolve

from an independent indigenous group of citizens organizing and having a national sense of purpose. Rather, southern member organizations are often begun at the initiative of the NGO seeking presence in that nation. The pressure and influence wielded by the international NGO would naturally seem to outweigh that of the poor or grassroots organizations that the member organization seeks to serve.

HFHI and WVI have similar three-stage processes of developing national organizations. WVI and HFHI use their intermediate stage of development as a period of transition and intensive interaction between the central organization and the intermediate national organization. Without attention to participative processes, this intermediate period could easily be interpreted as co-option of the national board and staff to the international NGO's interests. As an international NGO converts national staff and board members to its mission, core values, and management style, it gradually eliminates the benefits of diversity and representation of legitimate national interests. WVI has attempted to mitigate this effect by allowing for entry- and intermediate-level national organizations to have voice and vote on the international board. Conceivably, a board member from a WVI entry-level national organization could influence the management and governance of the central organization. However, WVI still exerts very strong influence over the selection of members of national boards and advisory committees.

For a functional global structure to work, the NGO must balance the need to strengthen the purposive incentives (common mission, core values, etc.) for national member organizations to remain linked and the need to encourage member organizations to have a strong relationship to their national base of support. Without the common purpose among members, the international NGO will break apart as national members find no advantage to remaining linked. Without a strong sense of national identity, the national member NGO will have limited relevance or lasting impact in its national environment.

EFFECTIVENESS: GROWTH OR IMPACT

Establishing a national presence in countries with potential for resource development provides supply-side incentives for NGOs to globalize their structure. As NGOs invest in donor and hybrid (fund-raising plus services) national organizations, it can become far too easy to measure success in terms of fund-raising, number of donors, and diversification of revenue streams. Hulme and Edwards (1997) question the ability and willingness of NGOs to confront national and international vested interests or structural inequalities when NGOs are drawing closer to donors and donor interests. Upward accountability and donor definitions of achievement can take precedence over global and national structural issues of poverty. Changing the global structure of an NGO will address this issue only if the member organizations are genuinely linked to the grassroots, and only if recipient national members perceive

they have genuine voice and influence within the NGO structure. Fowler (1996) discusses the need for NGOs to engage multiple stakeholders structurally and systematically. A global structure can facilitate the engagement of recipient national member organizations in an NGO's governance and management. However, without systems and management practices that encourage engagement of multiple stakeholders, a global governance structure can become irrelevant to the member organizations or be perceived by them as a mere show of tokenism.

CONCLUSION

International NGOs have a range of methods of engagement through which they can deliver their services. NGOs can choose to place themselves anywhere on the spectrum from being completely operational or hands-on in a country to being an external donor for local institutions or hands-off. NGOs must choose their strategy of engagement based on the external working environment and their own organizational mission, history, and culture. In some instances, an NGO's choice of engagement strategy will directly impact the governance structure. In the cases of HFHI and WVI, both organizations chose a strategy of establishing and building national organizations as a means to improve mission effectiveness. In both organizations, these semiautonomous national entities have pressured their NGOs' international boards for increased influence in international governance. Even though WVI has national offices in less than half of their countries (45 national offices out of 92 country programs), these members were able to push WVI to move from a single corporate entity to a donor-member-dominated federation and on to their current associational form, a global bumblebee federation.

Whether from internal forces from member organizations or external forces from the environment, issues related to globalization will continue to place pressure on NGOs to become more global in their governance structure and management systems. With the fluidity of capital in today's market, resource development opportunities within countries are changing rapidly. As a strategy to diversify resource flows, some international NGOs will likely form donor and hybrid national organizations. These organizations will expect voice and vote in the governance of the NGO. Also, with today's media networks, the actions of one member organization and the global repercussions of media and donors could hurt all members of the NGO. To protect the value and integrity of their brand name, member organizations in an NGO will tend to want to pull together and increase member accountability to the central organization. Improved communications technologies have provided opportunities for increased horizontal linkages between southern NGOs. Southern NGOs have begun to share information and to form southern federations and partnerships. With member organizations having additional

choices of partners and networks available to them, international NGOs must provide useful and attractive services to create a demand for the central organization and to keep their member organizations linked.

To maintain harmony and connectedness in their international membership, NGOs must plan for and invest in the management of issues associated with global structures, especially role conflicts, staff skills, and maintenance costs. The donor-member-dominated federation and the global bumblebee federation are only two associational forms evolving in response to the pressure of globalization. Global structures provide the framework within which NGOs can engage multiple stakeholders, but global structures must be accompanied by a complementary management system to fully use their strengths and avoid their weaknesses.

Notes

1. The 1997 annual report for World Vision International (WVI) lists their international program spending at over \$250 million, and Habitat for Humanity International's (HFHI's) 1997 annual report shows HFHI's international program spending in 1997 was over \$15 million.

2. Although some key documents of WVI use the term *partnership*, the World Vision entities are not partners in the legal sense.

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Karen Foreman served as international director for Habitat for Humanity International from 1993 to 1998. Currently, she is a visiting practitioner at the Evans School of Public Affairs at the University of Washington. She received a Master's in Public Administration from the John F. Kennedy School of Government at Harvard University in 1991.