Chapter 18

Challenges in International Consulting: A Leadership Case Study

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ABSTRACT

This case study examines how an international nongovernmental organization (NGO) sought leadership development in response to organizational challenges of accelerated growth and increased employee turnover aggravated by physical separation, political and legal issues associated with operating in fifty-one countries on five continents. This case study is based on the partnership between a team of academic consultants and key stakeholders in the NGO. We explore the dynamic role and changing requirements that evolved over the course of a three-year relationship with the organization as it tried to address issues of precipitous growth and program sustainability.

INTRODUCTION

This chapter interweaves activities, research, results and final commentary to realistically present the ambiguities confronted in a disjointed consulting engagement. For example, we interviewed headquarters employees only to discover that the NGO had already scheduled workshops on three continents regardless of interview results that could alter the research and training agenda. The challenges facing the NGO due to its culture and tremendous growth are detailed in the following sections, along with an analysis of the outcomes of the project.

This chapter is organized as follows:

- Discussion of evolution of non-profit organizations and NGOs in the 21st century;
Challenges in International Consulting

• Background of the NGO and the consulting project;
• Interview methodology used for headquarters and workshop-site groups;
• Headquarters interviews & results followed by workshop-site interviews & results;
• Global survey and results;
• Criteria used to understand the organization;
• Addressing the leadership challenges;
• Implications for professional practice followed by further research; and,
• Conclusion.

The immediate discussion that follows describes the evolution of nonprofit and NGO agencies during the 21st Century to provide a context germane to this case study.

NONPROFITS AND NGOS IN THE 21ST CENTURY

Historically, non-profits have “supplemented government activities, contributed ideas for new programs and other innovations, and functioned as vehicles for private citizens to pursue their own visions of the good society independent of government policy” (Dees, 1998, p. 56). In research that describes an erosion of this separateness, Heimovics, Herman, and Coughlin (1993, p. 480) discuss “the new federalism of the 1980’s” that fundamentally altered the relationship between non-profit and government and influenced government’s shifting priorities and subsequent decreased financial support of public programs. Prior to that time, Salamon (1987) found that tax revenues and governmental grants had accounted for over 40% of the budgets of agencies that provided social services.

In the wake of the accelerated, unrelenting change that was the hallmark of the late 20th and early 21st centuries, organizations in both the private and public sectors now grapple with managing financial, environmental, social and political shifts. The sheer scale of social need has resulted in the emergence of a global third sector, “a massive array of self-governing private organizations, not dedicated to distribution of profits to shareholders or directors, pursuing public purposes outside the formal apparatus of the state” (Salamon, 2004, p. 109). Given the enormity and complexity of societal needs that extend across interconnected national, global, cultural and political boundaries, Trist (1983) and Vangen and Huxham (2003) suggest that no single agency is capable of assuming responsibility or providing resources to meet these challenges. Meanwhile, Salamon (2004) posits that the increased number of social service providers reflects “a distinct set of social and technological changes, as well as a long-simmering crisis of confidence in the capability of the state” (p. 110).

In addition to the overwhelming need for delivery of social programs across economically and culturally divergent landscapes, nonprofits often find themselves competing with for-profit providers. Ryan (1998) suggests that not only has the emergence of for-profit entities into the social service arena increased competition among non-profits, it has reframed a broader dialogue about their future in an era where social services are treated as business propositions. Traditionally separated by mission, purpose, and stakeholder orientation, the boundaries between non-profit and for-profit enterprises have blurred and are often connected where non-profit enterprises engage in for-profit activities, such as selling promotional products or souvenirs to support program objectives.

In discussing the commercialization of non-profit activities, Dees (1998) suggests that given the “rising costs, more competition for fewer donations and grants, and the emergence of for-profit companies as social sector providers, nonprofits are turning to the for-profit world to leverage or replace their traditional sources of funding” (pp. 55-56). Dees adds that nonprofit leaders believe