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ARTICLE (REFEREED)

Third Sector Governance in Asia: Tracking Hybridity

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Abstract

Starting with the premise that modern western notions of good governance may be misdirected within a context of traditional Asian civil societies, this article investigates third sector governance practices in Southeast Asia. Case studies from different data sources are presented to suggest that there is no one ideal form of governance or accountability in Southeast Asian third sector organisations. Applying a western lens can serve to deflect attention away from the ways in which contextual factors affect the thinking and practices of accountability of local actors. The paper concludes that a process of hybridisation in governance models is taking place in Southeast Asian societies.

Keywords

Governance; Third Sector; Asia

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Introduction

Academics give very little serious consideration to the question of how best to govern non-profit/third sector organisations in Asia. While much of the discussion of third sector governance can be located in the bifurcated discourse which distinguishes between the 'global South' and the 'global North', it nevertheless assumes that the western corporate governance model should be adopted, regardless of how appropriate that may be in different contexts. Focussing on accountability practices, this paper challenges this assumption and explores current moves to more nuanced and contextually appropriate hybrid models of governance.

In a recent article, David Lewis (2015) contests what he calls 'parallel worlds' in third sector discourse. The parallel worlds are expressed in the binary terminology of non-governmental organisations for international third sector organisations and non-profit or voluntary organisations for those in (western) domestic settings. This terminology is overlaid on the historical bifurcation of 'developing' and 'developed' societies, which frames so-called developing societies as the Other to the developed western ones. Lewis points out the ideological and simplistic nature of these distinctions. His resolution is to develop a more unified approach to third sector research. Yet a unified approach which is non-contextualised risks sliding back into the dominant and privileged western framework, which has been so lambasted by the critics of western neo-colonialism (for example Latouche, 1993; Escobar, 1995; Kothari, 1998; Sachs, 2010) and which falls prey to the assumption that western models of governance (and accountability) offer the best ways of structuring third sector organisations.

Indeed, third sector research and literature are replete with concepts that originate in western, and in particular Anglophone, countries, which are applied in studies of the third sector in very different parts of the globe. Furthermore, assumptions about the global relevance and applicability of western concepts are not only found in academic studies, but also in practices in the international development industry, with significant implications. Yet even in the 'west', concepts and practices of governance are often contested.

This paper proceeds with an overview of the concepts of governance and accountability as variously provided in the academic third sector literature. Then follows an outline of three distinct models of governance previously identified in an empirical study of some 500 Asian non-profit organisations, each of which adopts a different approach to governance and accountability (Hasan and Onyx, 2008). This leads to a discussion tracing hybridity within the Southeast Asian context. The discussion draws on three recent case studies as exemplars of more nuanced and hybrid forms of governance and accountability. Then, attention is drawn to the processes of hybridisation in governance models that are occurring in Southeast Asian societies, as imported models are adapted to each specific context.

Governance of third sector organisations

Perrow (2001) makes a distinction between 'good' and 'bad' non-profit organisations. An organisation is only 'good' to the extent that it contributes to civil society. To achieve quality

outcomes, organisations need to be well-governed. Yet what constitutes effective governance is far from clear, unambiguous and widely agreed. In fact, there are quite different ideas about what third sector governance, or effective governance, means. Governance itself refers to the rule of law, the exercise of authority. Exactly how authority is exercised may vary widely. However, all organisations need to address some common principles of effective governance:

- A means for identifying the goals and future direction of the organisation
- A means for making specific action-oriented decisions
- A means of implementing decisions
- A means of accountability for those decisions and actions.

But effective governance should do more than that in a civil society context. Effective governance can facilitate the development of inclusive networks of mutual support within the community. As research over the past 20 years has demonstrated, civil society organisations are ideally placed to build social capital, particularly at the local level (Onyx and Bullen, 2000).

Accountability is seen as central to the practice of effective governance. Accountability is the state of being called to account, to provide an explanation or justification for one's conduct or duties especially, but not only, for the appropriate and lawful use of finance. But this raises the question to whom is the organisation accountable, and for what? (Ebrahim, 2010; Stein, 2008). And further, how is this accountability to be demonstrated, and what compliance mechanisms are available and necessary to ensure that the organisation remains within its accepted zone of conduct? Governance models must address these questions.

Three models of governance

The three existing models of governance found in Hasan and Onyx's (2008) study of 500 Asian organisations each apply a different solution to the decision-making processes of governance and each demonstrates a different form of accountability.

The three models are the 'corporate governance model', the 'traditional model or patron-client model' and the 'democratic or community development model'. These approaches were outlined in detail in Onyx (2008) and are reproduced here as the basis of a follow-up analysis.

The corporate governance model is the so-called 'modern' approach of the corporate world of business. In borrowing from the world of business it assumes that an organisation is managed by a board. It refers to the capacity of the board and management to drive the organisation (usually understood as a company) forward within a framework of 'effective accountability'. Within the corporate model of governance, 'it is the task of the board of management to set the mission of the organisation, and to determine the broad strategic direction that the organisation is to take' (Onyx, 2008, p.105). This model assumes that the organisation is performing a set of actions on behalf of stakeholders, such as an external set

of shareholders, and has a chief executive officer (CEO) who is accountable to the board for the successful operationalisation of strategic directions.

Brown et al. (2003) identify three quite different forms of accountability relationships within third sector organisations (being bureaucratic, moral/indirect and personal/relational). The principal/agent relationship subordinates the interests of the agent to that of the principal who has the legal, economic and perhaps moral right to demand an account from the agent. This is the typical form of bureaucratic accountability normally imposed by a funding body. Under this form of accountability, the agent (third sector organisation) must comply with demands from the principal, but need not necessarily report to its own constituency. In the Asian context, those organisations seeking formal/ legal registration and/or foreign funding, will attempt to conform to the demands of this accountability relationship. This occurs at two levels simultaneously. In orienting to the donor's requirement, the organisation positions itself as the agent in relation to the donor (or the principal). But in accepting the donor requirement to establish a board, the organisation perpetuates, mirrors and reinvents the principal-agent relationship in its own context.

Systems of command and control are established to ensure the correct implementation of decisions. The manager uses scientific principles to establish management techniques. Work follows formal procedures and rules, all of which are documented in strategic plans, budgets, procedure manuals, job specifications, annual reports and so on. Accountability is formal and follows the line of authority upwards. That is, those whose task it is to implement the decisions must report to middle management, who in turn must report to the general manager or CEO. He or she in turn must report to the board, who must report to the shareholders. The CEO and management team are then tasked with the daily operations of the organisation, including the financial management of resources. For this they are held to account by the board within the principal-agent relationship. It is essential that the board remain independent from the management if they are to take the monitoring role seriously (Onyx, 2008; Ebrahim, 2003). The board must hold management to account without engaging in the daily management of the organisation. If relations between board and management are too close, then it is unlikely that the board can carry out its duties of surveillance or hold management to account. Within the corporate governance model, the organisation's members or clients/ customers have minimal input into the decision-making process. Such organisations have little opportunity to develop social capital.

The research undertaken by Hasan and Onyx (2008) found that, overall, 87% of organisations examined had a board, including 94% of those who were incorporated but also 51% of those who were not incorporated. Those incorporated and those receiving foreign funding were significantly more likely to follow general corporate governance protocols including holding regular formal board meetings with agenda and minutes recorded. They were not, however, likely to hold general meetings open to the public. The majority had a formal planning process and formal financial accounting methods. So on the face of it, it appeared that the majority of these third sector organisations tended to accept corporate governance. However, these organisations were likely to be the larger urban based 'modern' organisations and did not necessarily represent the vast majority of indigenous civil society

organisations, or 'people's organisations'. Also many of those organisations studied, while maintaining the outward form of the corporate governance model, in fact operated quite differently.

The traditional or patron-client model of governance produced quite a different approach to governance. The dominant cultural values in the majority of countries studied included two important cultural principles: first a deep respect for and obedience to legitimate (traditional) authority, and second a strong commitment to maintaining smooth interpersonal relations. Traditional governance revolved around the patron/client relationship in which a person of power/ wealth and authority became the driving force and both created and led the organisation to meet identified social needs (Pye,1999; Smillie and Hailey, 2001). There is not usually a democratic election of the leader, nor an independent process of advertisement and selection by merit. 'Good governance, then, involves the responsible and ethical carriage of authority by the elder or patron' (Onyx, 2008, p.106). The purpose and direction of the organisation is usually a given; it is considered self-evident, and is based on traditional values and assumptions, such as maintaining a place of worship. The leader will from time to time re-interpret those values and organisational purpose as circumstances demand but will not be expected to create or change the 'strategic direction' of the organisation. 'The members do not question the direction of the leader, but rather seek to contribute to the maintenance of the internal harmony of the organisation. In return for their loyalty, the patron or leader is expected to support and protect the interests of the members' (Onyx, 2008, p.106). He (usually a male) must be, and be seen to be, a person of great integrity, honesty and compassion and dedicated to the community. The patron ultimately makes all important decisions about the organisation.

'There is not usually a direct form of accountability. The leader may be accountable to some higher form of authority such as God or the state. At the local level, he may be accountable in an implicit way to the consensus of his people. But there is usually no formal or written form of accountability' (Onyx, 2008, p.106).

Membership of the organisation is usually a given and does not change. As Vandendael et al. (2013) point out, many of the discussions of accountability miss the importance of local culture. Indeed, failure to grasp the importance of informal relationships, tradition and trust is a significant weakness in many of the attempts to apply western notions of accountability to third sector organisations in non-western societies. The weakness is exacerbated when the third sector organisation is a faith-based organisation. In regard to faith-based organisations, accountability needs to be constructed through a religious framework based on moral relationships.

Religious third sector organisations play an important part in the lives of many people throughout Southeast Asia (Clarke, 2006). In Cambodia, for example, Buddhist beliefs are an intrinsic part of the culture. Pak et al. (2007), in their critical literature review of accountability in Cambodia, conclude that accountability in a Cambodian context is best understood as 'a personal, administrative and political value which involves both a relationship and the mechanisms, rules and resources that enable a system to function' (p.68).

This interpretation is broad and inclusive, consistent with complex, nuanced and pluralist ideas about accountability. In Indonesia, Islam, in particular, has a strong tradition of charity, such as through the practice of *zakat*, involving the duty of able Muslims to contribute a fixed portion of their income to support those in need in a local community. In this context, accountability is a private affair based on moral and religious obligation. This means that acting responsibly is an important cultural feature in Indonesia and something individuals should aspire to in their daily life and in their dealings with others.

The democratic model of governance as noted in Onyx (2008, p.106) ‘requires a form of governance that involves the people, or members of the organisation in an open and participatory manner’. The principles and practice of community development (McArdle, 1989; Kenny, 2017) can be articulated as:

- Decision-making by those most affected by outcomes of the decision: the subsidiarity principle
- Personal empowerment and control by individual citizens over their own life: the empowerment principle
- The development of ongoing structures and processes by which groups can meet their own needs: the structural principle.

A democratic form of governance requires some form of consensus of equals and transparency of process. While it is often held as an ideal, the actual mechanisms by which decision-making can genuinely occur in this way is much more difficult to achieve. The requirements of effective governance concern the genuine participation of all stakeholders in decision-making, including the setting of the organisational goals and strategic direction, a process of carrying out the decisions that is effective and empowering for the members, and a form of accountability that is open and visible to all. The emphasis at all levels is on inclusivity (Onyx, 2008, pp.106-7).

If the organisation is small enough, then it may be possible for all decisions to be made by consensus, as in a collective. This may happen in small village organisations. However, consensus becomes cumbersome and ineffective once the organisation becomes large and complex. Some sort of representative selection of core decision makers may be used, perhaps with broad principles being endorsed through general meetings. Key stakeholders may be represented on smaller committees or action groups (Onyx, 2008, pp106-7).

‘The challenge of good governance within the participatory democratic model is to establish processes which genuinely empower the individual and which mobilise social capital itself’ (Onyx, 2008, p.107).

Important processes include the provision of appropriate information, so that all participants can make informed decisions, the recognition and mobilisation of local knowledge and engaging practical commitment among local communities. Perhaps more important than any pre-existing community resources, are those new solutions that may be generated by the combined creative energies of the contributing parties. Out of this creative engagement, new solutions can emerge.

Onyx (2008) points out that the participatory democratic organisation must also develop appropriate methods of accountability. Bureaucratic forms of line accountability will not suffice. This form of accountability relationship, according to Brown et al. (2003), entails a mutual relationship of equal trust, respect and influence, which involves a broad general commitment, usually based on the informal, moral suasion of peer networks. This kind of accountability is based on a commitment to shared values, flexible operations and extensive stocks of social capital (Onyx and Bullen, 2000). Accountability mechanisms need to be consistent with the principles of participatory democracy itself, that is, transparent and open and understandable to all. Like social capital, the mechanisms will foster trust, participation in networks and social agency. What is required is the accountability of transparency. In the democratic model of governance, this is 'a kind of communal accountability, not directed upwards to the controlling sponsor or patron, but a generalised accountability to all interested parties, including in particular the constituent community, and the organisation's members' (Onyx, 2008, p.107). Such a practical form of transparent accounting meets the requirements of public reporting of the disbursement of public funds. It does so without secrecy or coercion. All stakeholders have access to what should be common information. Malpractice made public is very difficult to maintain. However, this model is not necessarily compatible with hierarchical structures typically found in Asian societies.

Hybridity

Hybridity in the context of this paper refers to the situation where a non-profit/ third sector organisation modifies a particular governance model to better suit the sociocultural context in which it occurs. To illustrate hybrid forms of organisational governance, theoretical perspectives of hybridity are considered from two angles: hybridity in intercultural terms and hybridity in organisational forms.

In an increasingly post-western world, there is 'abundant evidence of the interplay and mutual influence of different cultural approaches to order' (Wesley, 2018, p. ix). One approach to understanding this interplay and mutual influence is based on the concept of hybridity meaning a mixture of different elements. This approach is hardly novel. Complex, dynamic enmeshments across difference and frictions and transformations across struggles for power are age-old phenomenon (Brown, 2018). Negotiating difference seems 'likely to be a fundamental and potentially creative part of collective human experience and activity, across millennia of migrations, trade, wars, occupations and marriages' (Brown, 2018, p.23). However, it is also often deeply challenging, imposed/unchosen and violent.

Hybridity in organisational form is already apparent in the borrowing of 'corporate governance' models from the business world for application in non-profit/ third sector organisations. Forms of governance which blend elements of two or more of the more conventional models include, for example, an organisation which approximates the traditional or patron-client model and which may have a single strong founder but also a board of directors in order to meet foreign funding requirements. Another example would be where a communal form of accountability is used alongside a semi hierarchical decision structure. Or where an organisation is established using one form of governance, but then begins to

incorporate aspects of another form. The original study of different models of governance in Asia (Hasan and Onyx, 2008) found many examples of organisations which appeared to conform to the corporate governance model, but in which the board maintained a close supportive relationship with the CEO and there was no suggestion of the board maintaining an independent position or in any way challenging the actions of the staff; to do so would violate strong cultural norms of maintaining smooth interpersonal relationships.

Some practical cases

One recently reported case that approximates the community development model is that of Remexio, an international collaboration to reduce energy poverty in Timor-Leste (Keevers, 2017). This international project introduced clean, affordable sustainable solar lighting to several villages where there previously had been only dangerous and inadequate kerosene lighting. The project involved the training of local technicians in the assembly, installation, maintenance and repair of lighting systems as well as the formation of local committees to manage the 'common funds'. Each household contributed a minimum sum each month to the common fund to maintain the system. The international partners were local citizens living in a rural valley in Australia. They played a facilitative and training role but had no direct influence on local decision-making. What transpired was that not only was the sustainable lighting transformational for the local village, but the common fund created surplus value which could then be used by the village to create new collective ventures. Throughout the project, decision-making involved the whole village in the selection of trainee technicians, and the local committee members, as well as in the use of surplus common funds. Decisions took place in the presence of those who bore their consequences. Accountability was always inside the multidirectional relationships of the village. The system like this requires ongoing work and diligence by the village committee, to keep records, maintain the system, enable the fund to grow and ensure ongoing accountabilities between all members of the scheme. In this respect the management committee is gradually adopting some of the procedural techniques of corporate governance.

In Indonesia there are many examples of relatively effective governance using the traditional or patron/client model¹. This traditional approach to governance can be found in a number of grassroots organisations, particularly evident in Islamic organisations that are linked with *pesantren* (Islamic boarding schools). A clear example of the importance of tradition has been discernible in rural areas, where under the leadership of local *Kyai* (a respected religious leader and teacher) students and local farmers have worked together on small farming production that has benefitted both the farmers and the *pesantren*. Here the *Kyai*, as a man of integrity, has a personal relationship with both students and villagers. He is trusted to act in the interest of students and villagers alike.

The importance of person to person contact and community to community contact as the basis of support for those in need was also clearly evident in case-studies of Islamic organisations involved in the reconstruction of post-tsunami Aceh. In (western) assessments of the overall costs of reconstruction it was difficult to calculate the contributions of Islamic

¹ Examples from Indonesia are drawn from research completed by Sue Kenny and Ismet Fanany.

organisations because there were few formally based accountability systems that had any resonance in western accountability practices. Interestingly, in Aceh, when researchers introduced the topic of accountability, they were referred to the simple accountability system required by the Saudi government in regard to their contribution to the rebuilding of Aceh. For example, in relation to funding provided for the rebuilding of a mosque, all that was required was a photo of the new mosque. Such a practical approach was found in other contexts, expressed in the comment that what is really important is to be able to see that an NGO project exists and there is agreement amongst the beneficiaries that it has actually helped the people. Soliciting for funds to extend or enhance a mosque is common in Indonesia. However, it is very unusual for a community or contributor to ask the mosque construction committee to see the accounts and/or receipts, and there is no process for auditing expenditure. Such a request would be considered inappropriate and insulting.

One West Sumatran proverb says that when you entrust someone with something, you should not scrutinise the conduct of the person in doing the task entrusted to them: *Pitaruah jan diunian* 'You should not watch over something (you have entrusted to someone)'. It does happen, however, that very occasionally a community or a donor may request a more formal accounting of expenses, such as documents and receipts, if they suspect that the entrusted individual or committee has behaved inappropriately such as by misusing funds. Even under these circumstances, extreme care must be taken and the reasons for such a request must be very strong because the request alone, regardless of outcome, will have already damaged the reputation of the individual or committee by calling their integrity into question. In a sense, the community will view the individual or committee as having 'failed the test'. At the same time, whether leaders decide to respond to requests for the details of an action is at their discretion.

Some particularly interesting cases emerged during research in Cambodia². Here a group of committed NGO board members and managers sought to enhance the governance capacity of their organisations. All identified a preference for adhering to the corporate governance model, if only they could learn how to make it operate effectively. However, in practice they were constantly confronted by the realities of patrimonial models at play. Within Cambodian society in general and NGOs in particular, hierarchy is extremely important. This is consistent with a focus on patron-client relationships, as described above. Local researchers discussed the concept of 'face' at length: Losing face and saving face are important cultural considerations in Cambodia (Ty et al., 2010). Attention to one's position in a hierarchical society means simultaneously avoiding challenging those with higher status and not accepting the ideas of those with lower status. Thus, the chairperson's face can be protected by not challenging him (or her) and by avoiding expressing ideas. Chairpersons, for their part, may not want to accept the ideas of members who hold lower position and may feel anxious that others' ideas are better than his/her own. The assumption is that the chairperson will have higher capacity than other board members and can be entrusted to make decisions on behalf of all board members. This is especially so if the position of chairperson is filled

² One of authors of this paper, Louise Coventry, is finalising her doctoral research into NGO governance in Cambodia. See Coventry (forthcoming).

through a popular election, in which other board members participate. Board members will rely on the chair: 'In reality, when they make decision, the chairperson has more power'. In Cambodian culture, leadership ... 'it's not to serve the people, the people to serve the leader' (Coventry, forthcoming).

The consequence of these practices that privilege relationships over rules, as identified by the Cambodian researchers, was that some malpractices would likely occur; that is, malpractice at least as seen through expatriate eyes. Instances were identified where 'some people on the board just go and agree with the director' and directors (are) removing board members who don't agree with them ... and changing the board or vice versa: 'Like this board member who chased the director out and then become the director himself. And then people who are on the board who did not agree with them, he just chased them away' (Coventry, forthcoming).

Tracing hybridity in governance

Two things are suggested from the case studies above. The first is that the corporate governance model, as intended, rarely works within the cultural specificity of these Asian cultural contexts. The second is that researchers and practitioners alike are modifying the model in more culturally appropriate ways while seeking to avoid falling into deeper problems of malpractice and inadequate accountability.

What is becoming evident is that there are now different and shifting configurations of governance models. For example, what seems to be happening in the third sector in Indonesia is that although western governance models still have heuristic value, they are beginning to overlap with local ideas and practices of governance. That is, different third sector organisations, and even different projects within one third sector organisation, operate through different governance and accountability processes, depending on both internal and external contexts.

Overall, then, in research into accountability processes in Asian third sector organisations, while there is frequently no formal concept of accountability in the governance process, there is an implicit understanding of the complex multi-dimensional lines of accountability. These multi-dimensional practices include casual and formal reporting mechanisms, but are also based on tradition, personal integrity and standing in the community as well as trust and mutuality (Onyx, 2008, p.106). This indicates a process of hybridisation.

Re-examining hybridisation

A multiplicity of outcomes can occur when two entities – or two sets of conceptual tools – meet and interact. This is also apparent when considering an analysis of hybridity within the third sector. Hybrids may be formal or informal institutional arrangements of overlapping sectoral segments and/or combinations of governance mechanisms (Seibel, 2015). Much of the analysis of hybridity within the third sector focusses on hybridity between the dominant sectors of the state (public sector), the market (private business sector), and civil society (third sector), for example the growing interest in social enterprises which contain elements

of both the market and the third sector (Billis, 2010; Ebrahim, Battilana and Mair, 2014). However, hybridity may also occur through the overlap or combinations of governance mechanisms within the organisation.

Billis (2010) provides a comprehensive 'map' of all possible combinations between the three dominant, non-hybrid sectors. He identifies five core elements that need to be clarified in specifying any organisation, being the definition of ownership of the organisation, the form of governance, operational priorities, distinctive human resources, and distinctive other (financial) resources. So, for example the core private sector principles identify ownership by shareholders; while in the public sector, ownership is by citizens through public elections; and in the third sector ownership is by members and participants. Operational priorities for private sector organisations are based on market forces and individual choice; operational principles for public sector organisations are public service and collective choice; while operational principles for third sector organisations involve commitment to a distinctive mission. Similarly, each sector is characterised by a distinctive form of financial and human resourcing (Billis, 2010, p.55). Hybrids may contain elements from two or more sectors, either in combination, or synergy, or separated within the same organisation.

In order to understand how hybrids arise or what forms they take, Skelcher and Rathgeb Smith (2014) use an institutional logics approach to theorise hybrids as entities that face a plurality of normative frames. The theoretical basis of this is taken from Friedland and Alford (1991, pp.248-49):

Each of the most important orders of ...society has a central logic - a set of material practices and symbolic constructions - which constitutes its organizing principles and which is available to organisations and individuals to elaborate...these institutional logics are symbolically grounded, organizationally structured, politically defended and technically and materially constrained, and hence have specific historical limits.

Each sector has its archetypal logic or rationality. These logics are expressed through their distinctive and ideal-typical sources of legitimacy, authority, and identity. Skelcher and Rathgeb Smith (2014) identify the following institutional orders, each with their distinctive logic. They are the family, community, religion, the state, the market, and the professions. So for instance, the source of legitimacy for the family is unconditional loyalty, its authority is patriarchal, and its source of identity is reputation. By contrast, for religion the source of legitimacy is faith and sacredness, the source of authority is the priesthood and/or charisma, and the source of identity is association with deities. The community derives its legitimacy from unity of will, trust and reciprocity, authority involves a commitment to community values, and identity derives from emotional connection (Skelcher and Rathgeb Smith, 2014). Individual agency is important, but 'we have a world of situated actors whose agency is enabled and constrained by the prevailing institutional logics, and who creatively respond by adapting organisational forms in order to better fit a complex institutional environment' (p.437-439). Thus, institutional logics have both material and cultural or symbolic components. A similar approach is found in the study of emergence which may consist of the

creative recombination of separate elements. This is seen as a method of innovation involving bricolage (Baker, Onyx and Edwards, 2011).

While each institutional logic is largely internally consistent, each is fundamentally distinct, such that the underlying principles may be incompatible with the logic of other institutional forms, sometimes rendering one non-commensurate with another. For example, the authority of the state being bureaucratic domination, or the rule of law, may be non-commensurate with the religious authority of the priesthood or the patriarchal authority of the family. When any two of these institutional logics are brought together in a hybrid form of organisation, the resulting broad organisational form is likely to experience some tension. For example, Ebrahim et al. (2014) explore the potential mission drift and accountability challenges in social enterprises.

The resolution of contradictions between institutional logics may be far greater when seen in the context of quite different cultural contexts; hybridity in intercultural terms adds a layer of complexity to hybridity in institutional terms. Within postcolonial studies, hybridity is used, albeit controversially, as a conceptual tool to help ‘understand complex processes of socio-political interaction and relationships between colonial powers and colonised subjects’ (Kent et al., 2018, p.1). Bhabha’s foundational work on hybridity emphasises resistance to domination and the agential power of the colonised or subaltern subjects (Bhabha, 1994). Resistance may manifest itself in outright violence, active reform of introduced practices, and/or co-optation. Routley (2016) coins the term ‘grey practices’ to refer to the ways in which NGOs pragmatically negotiate and performatively produce connections to the local and international in different contexts. Research reported here also identifies grey practices; it shows that co-optation of different models of governance, complete with their different epistemologies and logics, is common but also often implicit, subtle and partial.

Critiques of hybridity focus on the paradoxical ways in which the concept of hybridity can reinscribe the problematic binaries it seeks to overcome. Hybridity assumes that there are discrete phenomena to begin with, and slides over the issue of how discrete categories are constructed in attempts to analyse phenomena. In other words, hybridity is based on essentialising different phenomena. Moreover, most theorising of hybrids across sectors or institutions has occurred within a western cultural context. Discussing hybridity in terms of the relationship between ‘modern’ and ‘traditional’ or between ‘western’ and ‘Asian’, for example, can perpetuate unhelpful binaries, homogenise categories, oversimplify complex contexts and milieus, and essentialise local (and international) groupings. Using a hybridity lens reminds us that categories are the site of contestation and negotiation, yet also stresses the fluidity within and between categories. Local practices are never static; they are constantly evolving (Ojendal and Kim, 2006), particularly when encountering the forces of intervention and globalisation.

The examples below illustrate the complexity of hybridity – and the defiance of institutional logics – as viewed through the dual lens of organisational form and interculturality.

In Cambodia, NGOs navigate the competing demands of international donors and local political constraints with resilience and creativity (Coventry, 2017). Western donors provide finance within normative expectations of rational, legal-bureaucratic processes that see the role of NGOs as holding the state to account. However, the local political institutional logic is suspicious of social accountability processes; instead, personalised approaches, loyalty and reciprocity and avoidance of rights-based language are required in order to avoid being perceived as ‘oppositional’.

An example of hybridisation in Indonesia can be found in the professionalisation of LAZs, or Lembaga Amil Zakat agencies. LAZs have traditionally been non-state *zakat* agencies. Traditionally the organisation of *zakat* is a private affair in which accountability is based on moral and religious obligation. However, the passing of the Zakat Management Law in 2011 opened the way for more state involvement in Islamic philanthropic activities. While LAZs continue to be based on individual obligation, many are now embracing elements of western ideas of accountability, such as the publication of annual reports, while remaining committed to traditional Islamic moral and religious principles.

The situation in Vietnam is especially interesting when viewed through the lens of hybridity. Uniquely in global terms, civil society cannot be understood as separate from the state (Nørlund, 2007), but rather an extension of it. Wischermann (2010) found, regarding ‘internal decision-making processes, most if not all Vietnamese Civic Organizations’ representatives’ bodies of thought and practices disclose patterns of authoritarian political thinking’ (p.35), matching the mode of rulership adopted by the Vietnam Communist Party.

The three examples above use ‘hybridity’ in a descriptive sense, rather than prescriptively or instrumentally (Brown, 2017, 2018). In this sense, hybridity simply marks a recognition of the co-existence of diverse sources of order (and disorder) within the composition of organisational governance, without judging such co-existence to be inherently negative, and so opens a space to investigate the prevailing ecology of the constitutive relationships for governance. However, as Kent et al. (2018) observe in relation to ‘descriptive’ hybridity, while it is a necessary starting point, a merely descriptive use of hybridity – describing how things are – fails to address more fundamental questions about the power imbalances and inequality underlying particular hybrid configurations and how these might be overcome. Invoking ideas of hybridity can mask underlying injustices and power differentials. Without sufficient attention to the power dynamics and conflictual elements in the specific context in question, so-called hybrid approaches can ultimately serve to reproduce existing patterns of hierarchy, domination and prevailing relations of power.

Conclusions

Mirroring Brown’s (2017, 2018) conclusion regarding the importance of dialogue for (hybrid) peacebuilding, more dialogical ways of seeking to understand governance that are grounded in ‘processes and habits of open-ended exchange’ are also recommended here. The art of hybridity is about crafting linkages and constructive adaption across difference, adaption that enables exploring and giving substance to key political goods such as justice, accountability, participation and social capital. And this is a shared task.

In the spirit of sharing responsibility for dialogue, this paper concludes by opening up several ideas and avenues for further reflection and discussion. First, understanding governance and accountability processes in third sector organisations per se is a daunting enough task in itself, but it is particularly challenging in the varied and complex societies of Asia. Researchers understand that accountability is a contested concept, both normatively and empirically. Clear examples of this contestation can be found in Asia. It would appear that there is no one ideal form of governance or accountability in Asian third sector organisations.

The second reflection arises from the western framing of discussions of accountability in third sector organisations. While there are many different processes of accountability, the western lens often means skimming over the ways in which contextual factors affect the thinking and practices of accountability (Vandendael et al., 2013). Furthermore, the focus of western analyses tends to be western funded organisations, ignoring those that draw on resources from within a community, which are not on the radar of (the mainly western) researchers. And of course, western funded organisations are more likely to exhibit at least some elements of the western corporate model.

From a political perspective, there is a continuing history of self-interested western dominance in the development arena. To counter this, the authors recommend greater mindfulness and deeper critical reflection to avoid applying processes that have western origins and inscribing them with universal validity, such as particular notions of accountability. Yet, alternatively ascribing these processes to neo-colonialism is overly simplistic. Rather than a discrete corporate governance model being forced upon traditional organisations, it seems that NGO development in Asia involves an agential, if subliminal, mixing of different models. Arguments about disjunctions between discrete models are difficult to sustain when models intermix and overlap.

Third, equally problematic is the way in which the neo-colonialist argument constructs the people in the 'developing' world as passive victims of westernisation. It denies the fact that they have agency (Bhabha, 1994). At the same time, the neo-colonialism position tends to idealise traditional cultures or 'romanticise the local'. All cultures change, including traditional ones (Ojendal and Kim, 2006). Not only is there a wide variety of governance and accountability arrangements, but these too change. For example, as part of a second wave of accountability (Crack, 2013), some western donors are shifting accountability requirements away from the emphasis on formal written reports to such mechanisms as discussion groups, photos and testimonials from beneficiaries (as Saudi Arabia has apparently long been doing).

Fourth, in regard to the applicability of corporatist governance, the overall evidence in the research reported here is mixed. On the one hand, some embracing of some aspects of corporate accountability processes is observed in some locations. For example, cosmopolitan cities – common throughout Asia – tend to embrace modern corporate cultures more quickly, even if the millions of small traditional villages, with grass-roots organisations, do not. In other words, while corporate culture might make no sense in traditional settings, this does not mean that all aspects of corporate accountability are unsuited to the development of third sector organisations throughout Asia. On the other hand, it would seem that at this stage,

NGOs in general have not internalised the principles of corporatist governance. They might practise elements of corporatist accountability processes, but they do this for pragmatic reasons, such as when it is a requirement for receiving funds.

Fifth, in regard to the community development model, while it involves discourse that is a western construction, at the same time many of the principles of community development already exist in many Asian societies, such as proclivities towards cooperation, mutual support and democratic decision-making. This may go hand in hand with a continuing respect for hierarchy and traditional authority. Community development, then, is not necessarily a 'new' phenomenon in Asia. What needs to be nurtured, though, is commitment to the idea of collective community empowerment, based on the belief that a community itself can own and manage development projects, a belief that may rest uncomfortably with autocratic government.

Finally, for those organisations struggling to decide whether to apply for, or accept, funds from external agencies, there is no clear-cut direction. At each turn there are dilemmas to face and work through. The authors envisage that these dilemmas will continue to change, as contexts alter, and governance and accountability logics shift. But these new configurations might just work to open up mutual learning through the kind of dialogue that is occurring in Cambodia, and that means that third sector organisations can embrace a truly 'critically reflective accountability' (Crack, 2013, p.824).

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