The Behaviour of NGOs in Response to Exogenous Shocks: A Study of Grassroots Organizations and Local NGOs in the Philippines

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Environments often cause changes in organizations. These upheavals whether they are called shocks or crisis events or organizational jolts have become quite common but have received scant attention in organization theory and research. In fact, many writers in organization theory assert that the prevailing and dominant emphasis on rules and rationality excludes the imperfect nature of organizations when, in reality, shocks remain immanent to open-ended systems and thus, should not be seen as a dichotomous on/off phenomena. These events should receive more emphasis in organization theory. What is the theorization with regards to non-government organizations (or NGOs) experiencing shocks or jolts? NGO scholars have extensively written about NGOs but they have not systematically explored the strategies that these organisations employ in the face of these exogenous events and how they behave in response to these changes in their environments. The extant literature do not employ generalizable theories to study NGOs but rather depends on descriptive typologies that do not address how these organizations mitigate agency conflicts and ensure accountability.

The purpose of this study is to fill this gap in literature and to extend theory to take into consideration different contexts, environments and agency. It seeks to understand more comprehensively the behaviour of NGOs in the face of changing environments in which they operate given the cross-cultural context of the study. In particular, it seeks to answer these specific questions:

- What is the strategic response of NGOs in the face of external shocks particularly changing donor policies?
  - What do they consider as strategic and innovative response?
  - How are these responses gets acted upon (i.e., gets practiced)
  - Are these organizations able to respond innovatively, creatively in ways that are not conforming nor resisting? If not, what is stopping them?
  - Are there differences in behaviour between grassroots organizations and well-established domestic NGOs?

**Donor policy changes is an organisational shock/jolt**

Changes in donor policy is considered an external shock because it implies changing donor thrusts and focus and therefore, has the power to shape the recipient’s discourse and practice. Moreover, it is well known that the conditions imposed by donors can influence the core values and legitimacy of these organisations.

**Methodology**

The research uses the qualitative case study of emerging grassroots organizations and well established local NGOs in the Philippines. Thus, the research chooses from a continuum of types from well established, big domestic/local NGOs to smaller, emerging grassroots
organisations. This continuum is also adopted for the purposes of highlighting effects of external shocks.