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Between cause and control

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GOVERNANCE IN A HUMANITARIAN ORGANIZATION. BEST PRACTICE, BEST FIT, OR RELIANCE ON IDEALISM?⁶

Abstract

Humanitarian organizations are pressured to professionalize and streamline their Human Resource Management (HRM) governance structure as a means to improve humanitarian aid provision. In the HRM literature, two perspectives advocate different ways to achieve this: the universalist (best practices) and the contingency (best fit) approach. Since the humanitarian sector is historically known for its suspicion of such “business-like” approaches a third perspective, the “idealist” approach, is introduced. These three templates provide contrasting clues regarding how to design humanitarian governance structures and HRM practices. This paper investigates how humanitarian organizations navigate between these contradicting templates. The three approaches provide the basis for a descriptive and theoretical framework to analyze HRM governance systems. This framework is used to systematically reconstruct the development and contents of the HRM governance of one large humanitarian organization – the Dutch section of Médecins Sans Frontières (MSF) – by means of a detailed analysis of organizational documents and expert interviews. The analysis provides unique insights into the HRM philosophy, policies and practices of MSF Holland and shows how the organization combines the best practices with the best fit approach and at the same time adheres to the fundamental principles of the idealist approach.

⁶ This chapter is co-authored with Rafael Wittek, Liesbet Heyse and Melinda Mills and is currently being prepared for journal submission. Data was collected in collaboration with Liesbet Heyse and Susanne Emde at MSF Holland. Sincere thanks to the organization and particularly, to those members who kindly agreed to be interviewed, for enabling and supporting the research.

2.1 Introduction: Governance in Humanitarian Organizations

Humanitarianism is a fundamentally normative concept centered on the moral principle to relieve human suffering in the context of war and natural disaster. However, since the 1990s, a decade that saw devastating crises and failures to implement this basic cause of humanitarianism, it has increasingly been noted that compassion and good will alone do not suffice (Rieff, 2002). Instead, humanitarian organizations and particularly international non-governmental organizations (INGOs) are called upon to take measures to ensure that they are “being good at doing good” (Hilhorst, 2002). In this context, humanitarian personnel increasingly came into focus. On the one hand, organizations realized that their staff’s quality and commitment were central factors for the success of humanitarian action (ALNAP, 2002). On the other hand, it became clear that in terms of the management of humanitarian staff, substantial shortcomings prevailed (Macnair, 1995). These realizations created pressures for humanitarian INGOs to “professionalize” their human resource management (HRM) practices and to streamline their organizational routines and processes (Fowler, 2002; Henry, 2004; Rogar, Nigten, & Lammer, 2005).

During the past two decades, organization scholars and human resource management practitioners have made much progress in analyzing the merits and limitations of different HRM systems in private and public organizations. Two overarching perspectives guide these efforts. Advocates of a *universalist* approach believe that there is a set of best practices in the HRM field that will improve the functioning of organizations and their members, regardless of the context or type of job. Proponents of a *contingency* approach in contrast suggest that the functionality of specific HRM practices depends on their fit with contextual conditions, like the cultural, economic or legal environment of the organization or the demographic composition of its workforce. Though differing with regard to the specific practices to be used, both camps share the conviction that HRM holds the potential to ultimately benefit an organization and its members (Delery & Doty, 1996). Humanitarian INGOs, however, pose a special challenge, for at least two reasons.

First, the humanitarian sector has always been characterized by a fundamental and deeply rooted suspicion towards the introduction of “business-like” management and HRM practices (Lewis, 2003; Roberts, Jones, & Froehling, 2005). In this critical view, humanitarian INGOs and their members are unique. They operate under a logic that is fundamentally different from business or even other nonprofit organizations. Any attempt to (further) formalize HRM and streamline internal processes will ultimately damage rather than improve their functioning, since these efforts crowd out the specifically moral and intrinsic motivation of humanitarian workers, and betray the value system on which these organizations are built (Hopgood, 2008). These propositions of advocates of what we term an *idealist* approach to humanitarian HRM, conflict with most of the recent urges from donors and other observers of the humanitarian field (Henry, 2004; Mowafi, Nowak, Hein, & Human Resources Working Group, 2007; Walker & Russ, 2010) to professionalize the HRM of humanitarian organizations along the lines of the two mainstream (“best practice”/universalist or “best fit”/contingency) perspectives. This raises the question:

How do humanitarian organizations navigate between these contradicting templates when designing their HRM and governance practices?

Second, relatively little is known about the actual structure and functioning of management systems in humanitarian organizations (Ridder & McCandless, 2010). Unlike HRM systems in the for profit sector, systematic descriptions of the governance structures and HRM practices of humanitarian organizations are virtually absent. Simply assuming that these organizations function like any other nonprofit organization would be premature (Vakil, 1997). This lack of empirical insight calls for an in-depth analysis of current HRM practices in humanitarian organizations. Taken together, these issues raise the following sub questions:

- 1) *How do humanitarian organizations govern the employment relationship?*
- 2) *Which type of HRM practices do these organizations use?*
- 3) *How do these practices succeed in accommodating the potential cross-pressures originating from the idealist notions against HRM dominating the humanitarian sector, and the best fit or best practice approaches to HRM that inform most mainstream organizational practice?*

The present study makes a first step towards answering these questions. Building on an in-depth multimethod case study of one international humanitarian non-governmental organization, MSF Holland, we trace the different types of HRM practices implemented in the period from 1992 to 2008, reconstruct the underlying HRM philosophy, and assess to what degree this process can be captured by idealist, universalist, or contingency frameworks.

Our study makes two distinct contributions to existing research on organizational governance in the humanitarian sector. First, on the descriptive level, it provides the first detailed and systematic reconstruction of the governance practices and the evolution of the HRM system in one large humanitarian organization. Second, on the theoretical level, we extend the well-established distinction between universalist and contingency perspectives by elaborating the underlying characteristics of an “idealist approach” to HRM.

In the following, we first sketch the analytical framework. Section three describes the research design. Section four presents the results of our comprehensive case study. Section five concludes with a discussion of MSF Holland’s governance system, and potential implications for the governance of humanitarian organizations in general.

2.2 Analyzing Governance Structures of Humanitarian Organizations

Our analytical framework consists of a descriptive tool to categorize the different dimensions of HRM systems, and a theoretical tool delineating three explanatory approaches to HRM systems.

2.2.1 A framework for describing HRM systems

To describe HRM systems, we build on a general framework developed by Kepes and Delery (2007; 2006). They argue that the architecture of any HRM system can be described along two dimensions: the level of HRM system components (philosophies, policies, practices and

processes), and the level of HRM activity areas (e.g. staffing, compensation, work design etc.). The framework was developed for the extensive diagnoses of internal fit or consistency of HRM practices. For example, an exhaustive description of an HRM system would require assessing all underlying HRM system components for every single HRM activity area (e.g. if one wants to portray the HRM activity area of compensation, one would reconstruct the underlying HRM philosophy behind compensation, the policies related to compensation, and the HRM practices and processes related to compensation).

HRM system components

HRM *philosophies* relate to the guiding principles and values regarding how to treat employees. For example, a guiding principle may be to treat employees as skilled and motivated professionals. HRM *policies* constitute guidelines for human resource activities: they “reflect what an organization is trying to achieve, not how it will achieve its goals” (Kepes & Delery, 2007:390). For example, recruitment policies may state that the organization considers skill levels of prospective employees as more important than their fit with the organizational culture. HRM *practices* refer to the activities and techniques considered suitable to realize HRM policies. For example, if recruiting skilled professionals is a major policy, a related HRM practice may be to rely on assessments and personality tests. Finally, HRM *processes* refer to how the practices are actually implemented. For example, recruiting processes may consist in the use of a specific personality test. Since practices and processes are closely related, we will not further differentiate between them.

HRM activity areas

HRM activity areas refer to the various domains constitutive for HRM in organizations, like compensation, staffing, work design, training, performance evaluation etc. Though there has emerged a widely shared textbook canon of standard categorizations of HRM activity areas (see e.g. Baron & Kreps, 1999; Delery & Doty, 1996), organizations and their Human Resource officers usually extend, modify, and adapt these categorizations for their own purposes. These organization-specific categorizations of HRM activity areas reflect which organizational processes and problems are salient and particularly relevant in this setting, and those deserving less attention. Since the different activity areas are usually not codified or allocated to specific HR-functions, the set of relevant HRM activity areas as well as the relative salience of the policies is highly context dependent.

2.2.2 Theoretical perspectives on HRM in humanitarian organizations

Since Delery and Doty’s (1996) influential contribution, HRM scholars draw on the distinction between universalist theory and contingency/configurational modes of theorizing. We suggest that the humanitarian sector is still heavily driven by a third mode, which we label the “idealist” perspective. The convictions and assumptions underlying this perspective constitute a strong implicit template, which humanitarian organizations need to take into account in their efforts to institutionalize or “professionalize” their HRM policies. Thus, this study focuses on how a humanitarian organization deals with this legacy. Using the

distinction between HRM system philosophy, HRM policies, and HRM practices, we briefly elaborate on all three perspectives.

Idealist approaches to HRM

Idealists criticize an instrumental focus on performance and effectiveness with regard to humanitarian action, and reject the idea that the implementation of strategic HRM improves organizational performance in the nonprofit sector in general and the humanitarian sector in particular. They argue that the management of humanitarian organizations must be different than that of commercial firms. Governance systems should emphasize core humanitarian values like compassion and “solidarity with the suffering” (Hopgood, 2008, p. 113). This perspective becomes apparent in tensions erupting in many humanitarian organizations as a result of the generation gap between traditional activists and increasingly professionalized aid workers (Hopgood, 2006; Kunreuther, 2003).

HRM philosophy. The fundamental assumption driving idealist approaches to HRM is based on the intrinsically *moral motivation* of humanitarian staff. Consequently, idealists believe that a focus on performance, evaluation and control entails a substantial risk, capable of undermining the normative mission of nonprofit and particularly humanitarian organizations (Eikenberry, 2009; Hopgood, 2008; Ossewaarde, Nijhof, & Heyse, 2008). Humanitarian organizations are seen as unique types of organizations. Only employees who share the related values can implement the inherently altruistic organizational objectives (Hopgood, 2008). Adopting or even adjusting performance oriented HRM practices to “increase an organization’s income, profile, operational capacity, efficiency, while advancing their own careers at the same time” is considered detrimental (Hopgood, 2008, p.112). Such practices attract the wrong kind of employees: technocrats rather than idealists. Instead, humanitarian organizations need to develop their own management approaches, which reflect the distinctly value-rational orientation of both, the organization and its staff (Eikenberry, 2009).

HRM policies. From an idealist perspective, governance in humanitarian organizations should be built on informality. Informal and non-codified conventions, which allow for substantial employee autonomy, are more suitable to the management of intrinsically motivated and autonomy conscious humanitarian personnel than formal, highly regulated HRM systems (Hopgood, 2008). Informality implies reliance on ad-hoc adjustment rather than on standard procedures, and it builds on flat rather than hierarchical decision making processes. It also implies skepticism towards attempts to implement performance evaluation systems or to measure or monitor input or output.

HRM practices and processes. Given humanitarian organizations’ inherent need for intrinsically motivated personnel, attracting and selecting the right staff constitutes the focal element of a normatively oriented governance system (Ossewaarde et al., 2008). Recruitment and selection strategies, which focus on prospective employees’ values and motivation, rather than their professional skills or experience, are crucial to realize this objective. HRM practices should enable staff to demonstrate their commitment to the values and the cause of the organization, and they should enhance employee satisfaction (Frumkin & Andre-Clark,

2000). The *emphasis of voluntarism with regard to compensation and incentives* constitutes one such strategy, as does the *involvement of employees* in organizational discourse and decision-making (Eikenberry, 2009).

Universalist approaches to HRM

Universalists argue that there is a set of “best HRM practices”, which will improve functioning and performance of any organization, independently of its context or goals (Delery & Doty, 1996; Baron & Kreps, 1999; Boxall & Purcell, 2008). Some HRM practices are better than others in enhancing performance, retention, and employee commitment (Huselid, 1995). This also holds for humanitarian organizations, irrespective of the commercial origin of these practices (Boxall & Purcell, 2000; ECB, 2006).

HRM philosophy. The key idea behind best practice approaches is that employees respond to monetary and non-monetary *incentives*. Employee commitment and intelligent effort therefore is mainly a question of aligning employer and employee interests (Delery & Doty, 1996). Employees who have the right incentives and the necessary opportunities and resources to pursue them will exhibit superior performance, which ultimately benefits the whole organization.

HRM policies. The focus is on dimensions linked to organizational performance and efficiency. The core of universalist HRM policies consists of aligning the interests of employees and the organization, and of providing them with the means to improve the functioning of the organization and themselves. Establishing clear criteria for performance and behavior is an essential and necessary precondition of such an approach. In order to achieve efficiency, standardization will be attempted where possible. Formal rules and procedures will be formulated to enhance credibility and transparency (Marchington & Wilkinson, 2005). Hence, HRM systems following a best practice approach are likely to exhibit relatively high levels of formalization.

HRM practices and processes. Pfeffer’s (1998) influential discussion suggests seven “best” HRM practices. *Employment security* can be provided through permanent contracts and non-redundancy clauses. Provisions which address necessary lay-offs in case an employee fails to meet performance benchmarks are not ruled out. *Selective hiring* refers to the use of tools (like psychometric tests, structured interviews and work sampling) to select the person most suitable for a given vacancy. Suitability of applicants is appraised based on skills as well as motivation and developmental capacity. *Extensive training* is meant to exceed the advancement of work specific skills and to foster general employee development. *High compensation contingent on (company) performance* involves both higher than sector-standard salaries (efficiency wages) and remuneration based on individual performance. Rewards also include non-monetary incentive. To provide incentives, compensation schemes constitute essential tools to motivate staff and align employer and employee interests (Horgan, 2003). *Information sharing*, the *reduction of status differences* among employees, and *self-managed teams* create formal communication channels, harmonize employee entitlements (e.g. in terms of leave or allowances), and delegate responsibilities away from middle management to the shop floor.

Contingency approaches to HRM

Contingency theory is based on two core convictions. First, there is no one best way to organize, and second, any way of organizing is not equally effective everywhere (Galbraith, 1973). From this reasoning, contingency theorists deduce the need to adjust HRM practices to the particular social, political and legal environment of the organization (Delery & Doty, 1996; Donaldson, 2001) and to its distinctive features, (i.e. its workforce, technology, culture, and strategy). HRM has to be closely integrated in the general management of an organization, with the respective department constituting a key component of the organizational structure (Baron & Kreps, 1999).

HRM philosophy. Contingency approaches consider internal and external *consistency* as the major pre-condition for realizing organizational goals. Unlike idealists or universalists, they do not make any specific assumptions about the nature of employee motivation. Such motivations can differ from context to context. The behavioral theory underlying most contingency approaches is more sensitive to the complex cognitive processes and mechanisms than the other two approaches. It perceives employees as susceptible to a large variety of conflicting psychological and social demands. Though responsiveness to monetary incentives or moral pressures may be part of it, the employee motivational structure can certainly not be reduced to these two.

HRM policies. According to best fit approaches, the degree of formalization will vary with the size of the organization and the degree of uncertainty in its environment: informal structures are more suited to turbulent environments (Burns & Stalker, 1961; Pennings, 1992), and would therefore suit humanitarian organizations best (Benini, 1997). Nonprofit organizations usually face another distinctive contingency (Jeavons, 1992). Since they represent more general human, social, and professional values, they should also treat their employees accordingly. Neglecting employee concerns may otherwise negatively affect the reputation of the organization. A pronounced consideration for the well-being of staff (Ridder & McCandless, 2010) is therefore likely.

HRM practices and processes. Two types of contingencies can be expected to influence the attention paid to particular HRM practices in humanitarian organizations: first, contingencies deriving from the nonprofit nature of humanitarian organizations, and second, contingencies relating to the humanitarian work context, which is often characterized by uncertainty, unpredictability, insecurity and turbulence. Together they add up to specific expectations about the prominence of particular HRM practices. Since humanitarian organizations are nonprofit organizations, some HRM practices fit better than others: *teamwork* and *employee involvement* are regarded as suitable practices (Kalleberg, Marsden, Reynolds, & Knoke, 2006). In contrast, financial performance incentives would not fit the nonprofit sector, since nonprofit employees' possess distinctive personality traits, motives, and occupational values (Ridder & McCandless, 2010; Rawls, Ullrich, & Nelson, 1975; Theuvsen, 2004). Instead, relatively *low wages*, *non-monetary incentives* and measures to ensure the *wellbeing of employees* are better suited to accommodate both, staff motivation as well as nonprofit organizations' inherently social purpose (Jeavons, 1992; Ridder & McCandless, 2010). A focus on well-

being also follows from the very specifics of humanitarian work, involving the presence of humanitarian workers in conflict settings as well as work contexts with high risk of mental or physical health problems (Curling & Simmons, 2010). A governance structure that focuses on intrinsic motivation facilitates effective *self-selection* of prospective employees. Recruitment approaches based on self-selection are seen as particularly suitable for organizations with a normative orientation (Baron & Kreps, 1999). HRM practices that are usually attributed to for profit and business settings need to be appraised concerning their potential to support a nonprofits' mission (Dart, 2004; Foster & Bradach, 2005). The role of donors is especially important. They are the major source of financing for nonprofit organizations, and increasingly ask for more accountability regarding expenditures, including low overhead costs (Davis, 2007; Smillie & Minear, 2003). Such consideration is particularly applicable with regard to *training*. To legitimize the usage of funds in the eyes of donors, investments should directly serve to advance the organization's mission and thus focus on work specific skills rather than promote general staff development (Kalleberg et al., 2006). Finally, fit also needs to be ensured between managerial practices and legal requirements, such as labor regulations and tax laws.

2.3 Research Design and Setting

2.3.1 The case study organization

A multimethod case study research design was used (Yin, 1984) to study the development of the governance system through time, and to examine different HRM domains and practices. Obtrusive as well as unobtrusive methods were applied, consisting of interviews with organizational members and an analysis of formal and informal organizational documents. Such a multimethod approach is beneficial as it enhances the validity of findings (Brewer & Hunter, 2005).

Our case study organization was the Dutch section of the international humanitarian organization *Médecins Sans Frontières* (MSF). Thanks to a long-standing cooperation between MSF Holland and the research group (Heyse, 2007) extensive access was granted to organizational material, including internal and confidential documents. MSF is an international humanitarian non-governmental organization (INGO) operating worldwide. Its focus is on emergency relief rather than on extended development aid, with a particular expertise in the provision of medical aid. The Dutch section, *MSF Holland*, was initiated in 1984 as a small branch of the large umbrella association. Since then, MSF Holland has developed into an organization of its own standing with a workforce exceeding 7,000 employees, responsible for more than 70 aid projects worldwide and with an annual income of over 121 million Euros (Annual Report, 2009). Remaining integrated within the international umbrella organization, MSF Holland closely cooperates with its sister sections in Germany, the UK and Canada, with which it forms the *Operational Center Amsterdam* (OCA). This operational center has full discretion about how to raise funds, conduct aid projects and most importantly for our study, recruit and govern employees.

MSF as an international association is one of the most prominent humanitarian INGOs and a respected organization within the humanitarian field, even if actions and approaches are not always unanimously praised (Bortolotti, 2004; Rieff, 2002). Numerous monographs give vivid detail about its history, operations and the experiences of the people working in the field (see for example Bortolotti, 2004; De Milliano, 1991; Leyton & Locke, 1998; Morley, 2007; Olson, 2000; Orbinski, 2009). Due largely to its stable funding base, MSF Holland enjoys substantial autonomy in organizational decision-making and disposes of the resources and capacities needed to implement its decisions. MSF was chosen as a case study, since the organization is known to have invested in professionalizing and formalization of its HRM system— which are the processes we are interested in - and was willing to grant extensive access to the necessary data.

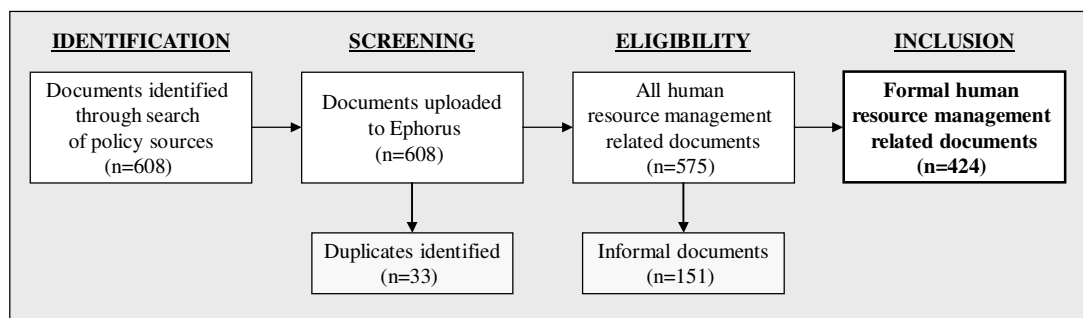
2.3.2 Data

The data collected for this analysis included formal and informal organizational documents as well as in-depth expert interviews with organizational members.

Documents

Formal documents pertaining to MSF Holland’s HRM constituted the most important data source for the research at hand. In order to collect the respective documents we conducted a systematic selection process involving four stages: identification, screening, eligibility, and inclusion of the relevant material (Moher, Liberati, Tetzlaff, Altman, & The PRISMA Group, 2009). Figure 2.1 illustrates the selection process.

Figure 2.1 PRISMA Flow Diagram of Document Selection Process



In order to *identify* relevant material, we collected all documents outlining (a) concrete HRM policies (policy documents), (b) procedures concerning the implementation of such policies (procedural guidelines), or (c) “problems” or issues that triggered the development or revision of policies (memos and briefing papers, information material, policy proposals). In the effort to generate a complete sample, we engaged in an extensive search by accessing all of MSF Holland’s sources on HRM policies. This included the human resource department’s internal hard drive, the “treasury” CD, which is an annually updated compilation of material distributed to all of MSF Holland’s field projects, as well as MSF Holland’s intranet. The search produced a total of 608 HRM related documents. In order to *screen* the collected

material, the documents were uploaded to a specially created Ephorus account. While developed as a tool to detect plagiarism, this software also allows checking for duplicates within a large sample of documents. This check identified 33 duplicates, which were removed from the sample, resulting in a total of 575 documents. In a third step, we established *eligibility* by assessing the status of each document. As our analysis pertains to the formalization process, only those documents identified as “formal” were selected for analysis. This included all policy papers, procedural guidelines, official information material, brochures and handbooks, as well as standard forms. This focus on formal documents resulted in the *inclusion* of 424 formal HRM related documents into the final sample. The remaining 151 informal documents such as unfinished drafts of policies and guidelines, letters and emails, as well as memos and discussion papers were excluded from the sample (i.e. they were not systematically coded). We consulted these documents for background information on the discussions accompanying policy-making. We also examined annual reports and strategy papers published by MSF Holland in order to gain a more general view of organizational objectives, strategies, and reasoning. An overview of the reports, strategy papers and policy documents directly referred to in the text is provided at the end of the reference list. Finally, the organization’s homepage was consulted for information on the public image MSF Holland aims to present.

Interviews

Twenty expert interviews were conducted with 18 organizational members (see Table 2.1). Most of the informants had worked in MSF Holland for several years in different positions. The longest tenure was of 18 years and the shortest of almost 1 year. While some of the interviewees, such as the human resource policy officer, had only ever worked in the headquarters, other employment biographies included both field and office assignments. Interviews were conducted in English and Dutch by three researchers on different occasions at MSF Holland’s Amsterdam headquarters. Information on the interviewee and the content discussed was recorded as written notes. In addition to the interviews with members of the human resource department, conversations with project staff provided insights on employees’ perceptions of human resource policies. The opportunity for such informal conversations emerged when the author joined MSF Holland’s introduction course for new recruits in July 2009. The content of these conversations, which primarily revolved around the motivation to join MSF and first impressions of MSF as an employer, was recorded as part of general field notes.

Data collected in expert interviews was utilized to validate the information obtained through policy related documents. Once a certain human resource policy and related set of practices was identified in the document analysis, it was checked whether this policy had been discussed in any of the conducted interviews or was addressed in informal documents and/or in material available online. If so, the recorded statements and information was considered in the description of the contents of the respective HRM practices. The respective sources of empirical data will be made explicit in the text.

Table 2.1 List of Interviews with Organizational Members

	Informant	Date	Topic	Abbr.
1	Head of HR Department	31. Jan 08	General information on HRM	I/HDH
2	HR Policy Officer	28. Feb 08	Overview of HRM policies in MSF	I/HPO
3	HR Officer	13.Feb 08	Pool management	I/OHR1
4	HR Officer	06. Feb 08	Pool management	I/OHR2
		28. Feb 08	Recruitment	
5	Coordinator of HR	27. Feb 08	History of the human resource department 2002 - 2008	I/OHR3
6	Officer for National Staff	26. Feb 08	History of the human resource department 2002 - 2008	I/ONS
7	HR Officer	13. Mar 08	Salary Scales, General HRM	I/OHR4
8	Coordinator of Int. HR	06. Mar 08	International Remuneration Project	I/CIH
9	Coordinator of HR Development	12. Feb 08	Training - General and History	I/CHD
		11. Mar 08	Function of the works council	
10	Assistant HR Development	16. Dec 08	Introduction program for new field staff	I/AHD
11	Coordinator of HR Operations	06. Feb 08	Role of personnel advisors – Matching and preparing field staff	I/COO
12	Personnel Advisor Field Staff	19. Feb 08	Role of personnel advisors – Matching and preparing field staff	I/PAF1
13	HR Assistant – Back Office	30. Jan 08	Content of the personnel database/ Recording of employee data	I/ABO
14	Officer of Human Accounting	7. Feb 08	Content of the personnel database/ Recording of employee data	I/HAO
15	Works Council Member	27. Feb 08	Function of the works council	I/WC1
16	Works Council Member	27. Feb 08	Function of the works council	I/WC2
17	Works Council Member	04. Mar 08	Function of the works council	I/WC3
18	Project Staff	26. Jun 09	Motivation to join MSF/ MSF as an employer	I/PS

2.3.3 Coding

The 424 formal HRM related documents were recorded in an MS Access database. The publication date of each document was registered to allow for a chronological overview of the formalization process. The earliest recorded document was published in March 1992 and the most recent document published coincided with the conclusion of the data collection in June 2008. All formal documents were coded according to the specific HRM activity area addressed. This open coding approach produced a list of 55 HRM activity areas. Subsequently, these areas were sorted into broader categories. The development of these categories was informed by general literature on functional areas of HRM (e.g. Beaumont, 1993; Armstrong, 2006; Boxall & Purcell, 2008) and then checked for applicability with the human resource policy officer of MSF Holland. This approach resulted in the creation of a

coding system with eleven HRM activity areas into which the previous 55 codes could be summarized: 1. Recruitment and selection, 2. Job content, 3. Conduct and sanctions, 4. Training and development, 5. Compensation for services, 6. Employee well-being, 7. Multi-cultural workplace, 8. Leave and absence, 9. Career and staff planning, 10. Termination of employment, 11. Organizational issues. All collected formal documents were independently coded by two researchers. Disagreement between coders was resolved through discussion. The resulting database consisting of 424 formal documents coded by publication date and by HRM activity area addressed provided the core basis for our empirical analysis.

2.3.4 Analysis

Following the analytical framework, the empirical analysis of MSF Holland's governance system addressed three domains: 1) HRM philosophy, 2) HRM policy, and 3) HRM practices. HRM *philosophy* was extracted from a content analysis of the organization's strategy papers as these documents outline MSF Holland's overarching and long term plans regarding HRM. HRM *policies* were assessed by analyzing the formal HRM policy documents "published" through time. The number of documents related to a specific HRM activity area is a particularly important indicator for this analysis, since it provides information about the level of attention that the organization devotes to this functional area. Finally, HRM *practices* were studied by scrutinizing the actual contents of the previously identified HRM policies.

2.4 MSF Holland's Governance System

In the next three sections, we present the results of the empirical examination of MSF Holland's HRM philosophy, its policies and its practices.

2.4.1 HRM philosophy

The guiding principles and associated values of MSF Holland's HRM system reflect a combination of two worlds. On the one hand, the organization strives for a professional staff "who can manage increasing operational volumes, more complex missions and support important medical challenges" (Strategic Plan, 2007-2010, p. 22). On the other hand, MSF wants these staff to have "humanitarian values at the forefront at their work, to live them, and communicate them both to other staff and externally" (p.23). Furthermore, since "the people who work for us deserve our respect and proper management" (p. 23), MSF Holland aims to be "a responsible employer for all staff in all locations" (p.22). This refers to "a commitment to accepted HR standards in the humanitarian sector and evaluating our performance against these standards" (p. 24). MSF also interprets this as having "a duty to care towards our employees to safeguard their physical and emotional well-being" (p. 24).

Taken together, MSF Holland seeks highly qualified staff that at the same time is intrinsically and morally motivated. In return for the employees' commitment to the organization, MSF Holland will act as a responsible employer. This implies showing respect

to staff, taking care of their well-being, assuring proper management, and providing the necessary opportunities for employees to do their work well.

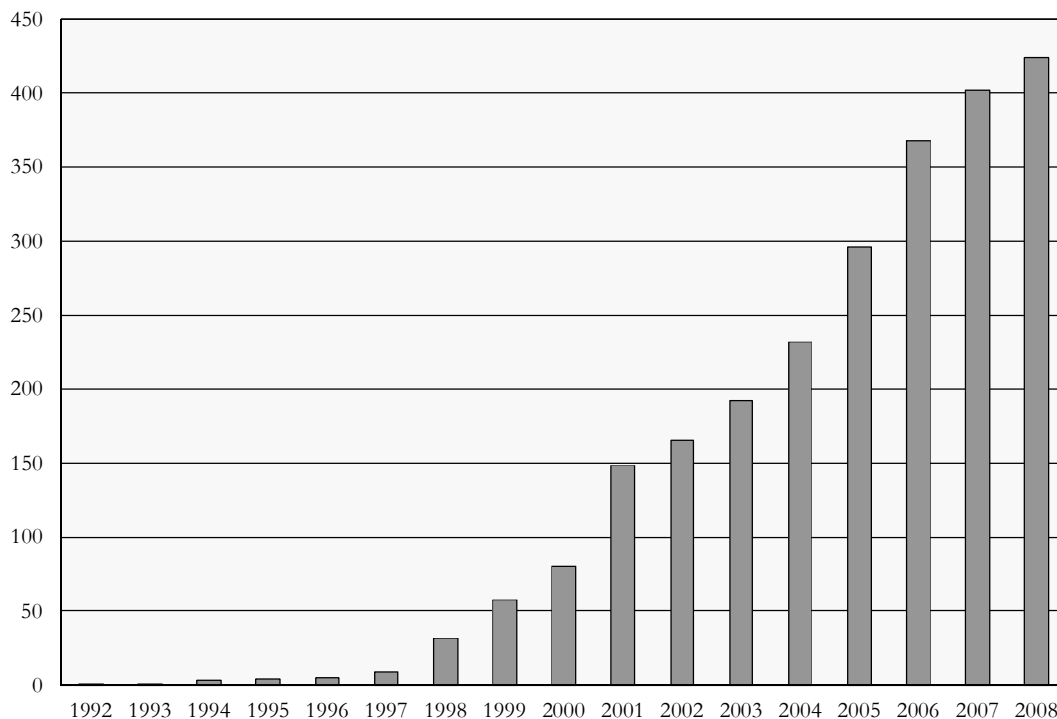
2.4.2 HRM policies

To inquire which HRM policies are salient for MSF Holland, we analyze the formalization trends through time, and assess the relative attention paid to different HRM activity areas. Figures 2.2 and 2.3 provide a graphical representation of the formalization process over time.

Formalization trends.

Trend 1: The relatively recent origin of HRM formalization. As Figure 2.2 shows, after several years of very limited activity, the publication of formal HRM documents intensified considerably from 1998 onwards.

Figure 2.2 Accumulation of Formal HRM Documents over Time

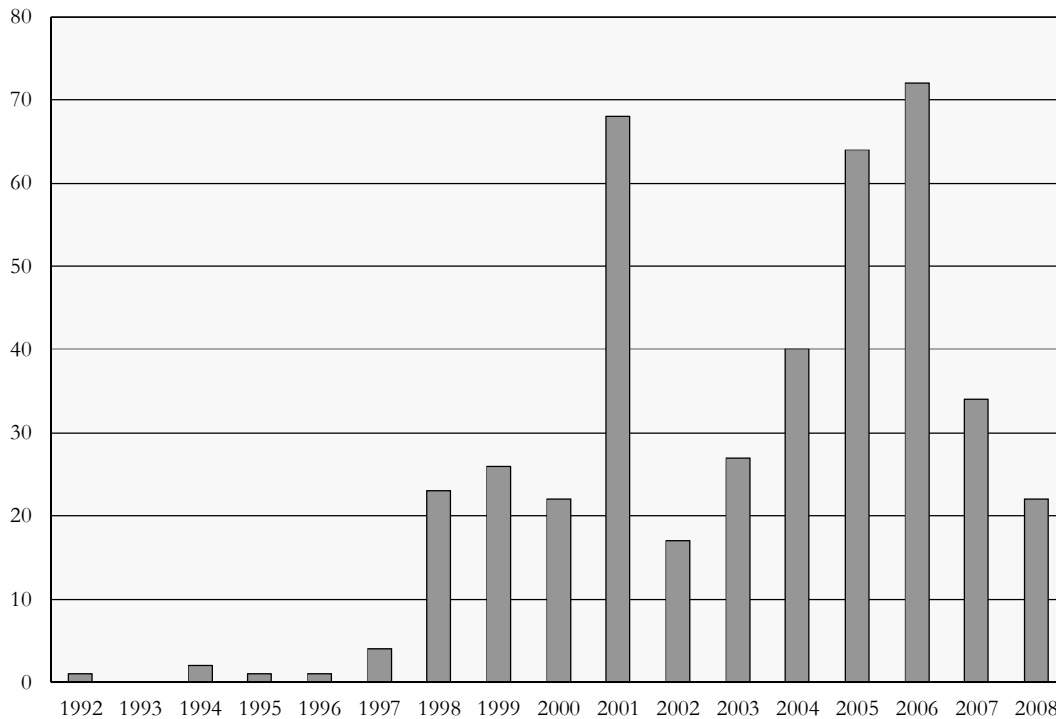


This illustration of the formalization process indicates that the development of formal rules and procedures related to HRM is of relatively recent origin. The coordinator of human resources confirms this (I/OHR3): when she joined MSF Holland in 2002, the situation was still “relatively chaotic”. The human resource department was primarily staffed by former field employees without professional qualifications in personnel management. Administrative and operational responsibilities and tasks were not separated. Discontent with these conditions, she joined another colleague in an effort to re-organize the human resource department. The objective of this re-organization was to promote the “professionalization and rationalization of HRM” and make it “a responsibility not only of the human resource

department, but also of line management in field and office, support departments and partner sections” (Strategic Plan - HRM, 2003 – 2005, pp. 1-2). The reorganization process, overseen by a specially hired “change manager”, entailed the fundamental restructuring of the human resource department, the revision and creation of policies and the establishment of new positions requiring professional HRM qualifications.

The recent reorganization constituted a substantial effort towards formalization, yet efforts to establish standardized procedures date back to the late 1980s and early 1990s. In 1988, the “Handboek Uitzending”, a manual outlining the process of sending out field staff was created, followed in 1992 by the first edition of the “Terms and Conditions of Employment in MSF Holland”. Though MSF Holland started out as an informal and improvised undertaking of idealists in 1984 (De Milliano, 1991), the effort to professionalize operational and administrative procedures, including those pertaining to HRM, has long been an important ambition and objective of the organization (De Haan, Lute, & Bender, 1994).

Figure 2.3 Number of Formal HRM Documents created per Year



Trend 2: Peaks in HRM policymaking. As Figure 2.3 illustrates, since 1998, formal human resource policy related documents were continuously being created, with three peaks in 2001, 2004 and 2006. Looking at the formal documents published in the respective years shows that the peaks in 2001 and 2004 consist primarily of procedural documents, i.e. guidelines outlining how to conduct administrative procedures. While such procedural guidelines were also published, 2006 in addition saw the creation of 16 - that is more than in any other year - policy documents (i.e. documents specifying the general rules on certain aspects of the employment relationship). The two peaks in 2001 and 2004 indicate phases of intensified

specification of administrative processes. The third peak in 2006 reflects a period of extensive policy making activity. According to the human resource policy officer and the coordinator of human resources, the peaks in 2001 and 2004 are directly related to the reorganization of the human resource department (I/HPO; I/HRO3). The first step of this process, undertaken in 2001, pertained to the recording and codification of the existing conventions and informal routines concerning administrative procedures. In contrast, the peak in 2004 marked the concluding step of the reorganization process, when procedural guidelines were adjusted to the changed structure and distribution of responsibilities and tasks in the human resource department. Finally, the peak in 2006 coincides with the creation of the position of human resource policy officer. According to his own account, the newly recruited officer, a professional human resource manager without previous experience in the humanitarian field, started his appointment by continuing the formalization of existing informal regulations as well as by creating new policies based on his expertise in HRM (I/HPO). This not only explains the peak in the overall amount of formal documents published in 2006, but also the comparatively high number of policy documents created.

Trend 3: The increased integration and professionalization of the HRM department. Taken together, the analysis of the development of the general governance system shows that formalization is indeed a strong tendency in MSF Holland, particularly since the late 1990s. This intensification of the formalization process is closely related to the increasing relevance attributed to HRM in the organization. As stated in the Strategic Plan, 1999 – 2002, “[o]ver the past years it has become increasingly clear that human resources are and always will be the critical factor for the success of MSF” (p.16). This realization stimulated the intention to professionalize HRM and closely integrate it into the general organizational strategy by means of a fundamental reorganization process. A crucial component of this process was the establishment of standardized rules and procedures of personnel administration, intended to make human resource administration more transparent, consistent, reliable, and compliant to Dutch employment laws (Strategic Plan - HRM, 2003-2005). A crucial component of this process was the establishment of standardized rules and procedures of personnel administration intended to make human resource administration more transparent, consistent, reliable, and compliant to Dutch employment laws (Strategic Plan - HRM, 2003-2005). This development was accompanied and spurred by the increasing recruitment of professional managers into the human resource department. While many of the administrative and implementing staff remain former aid workers, staff in executive and leading positions (e.g. the head of department or the officer in charge of policy development) hold professional qualifications in HRM and do not have previous experiences in aid work.

In conclusion, over the observed time frame, MSF Holland came to consider HRM as an integral component of organizational strategy. It transformed its originally informal, convention-based governance structure to a highly formalized system with codified rules and regulations, revised by management professionals.

Table 2.2 Formal Documents and Policies per HRM Activity Area

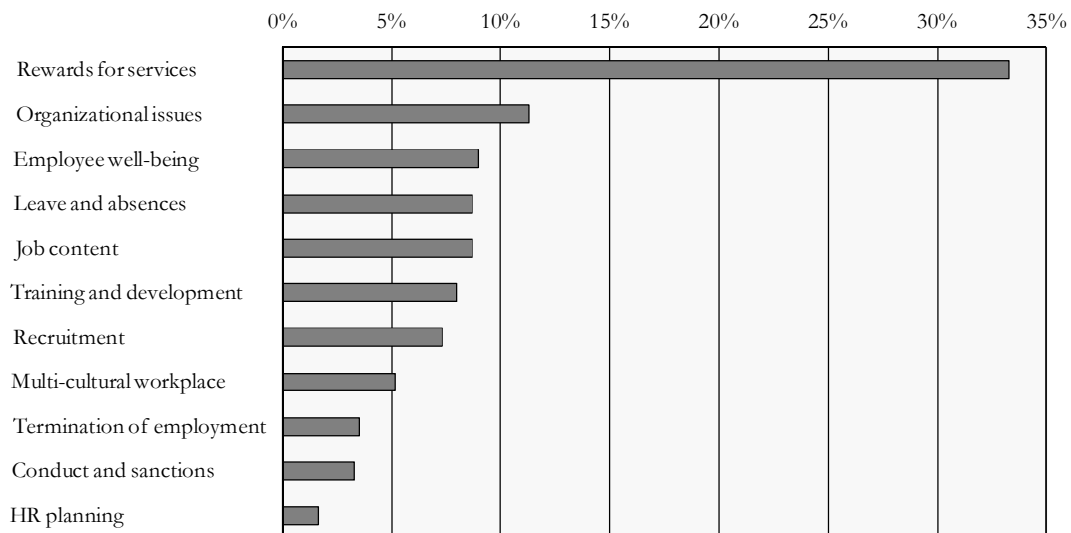
HRM activity area	HRM practices & processes	Formal HRM Documents	HRM policies
Recruitment and selection	Initiation of the employment relation.	Policy documents and procedural guidelines <ul style="list-style-type: none"> on how to recruit, select, and match future staff to field positions specifying the briefing process. 	<ul style="list-style-type: none"> Recruitment strategy Briefing procedure
Job content	Tasks and responsibilities of the employee.	Descriptions of job profiles and general requirements of certain positions Policy and discussion papers on part time work	<ul style="list-style-type: none"> Part time work regulations
Conduct and sanctions	Behavioral expectations and enforcement.	Code of conduct Policy documents and procedural guidelines on the complaints, whistle blowing and sanctioning procedures	<ul style="list-style-type: none"> Code of conduct Sanctioning mechanisms
Training and development	Assessment and promotion of employee skills.	Training brochures Policy documents and procedural guidelines on training eligibility and administration of study grants Policy documents and info material on performance appraisal	<ul style="list-style-type: none"> Training and study Performance assessment
Compensation for services	Reimbursement and rewards employees receive.	Policy documents and procedural guidelines on <ul style="list-style-type: none"> the scaling and administration of staff salaries, indirect benefits like insurances, pension and saving schemes, allowances, per diem, provisions for dependents, bonuses for exceptional services. 	<ul style="list-style-type: none"> Reimbursement Additional allowances Extra incentives
Employee well-being	Employee's mental and physical welfare.	Policy documents on general security and debriefing. Procedural guidelines on pre- and post departure health checks, medical evacuation, abduction, rape and sexual assault of staff, repatriation process in case of death in the field. Info material provided by MSF Holland's Psychosocial Unit on how to deal with stress and shocking events	<ul style="list-style-type: none"> Security policy Provisions to support employees' mental and physical health
Multi-cultural workplace	Issues relating to employees' nationality.	Information material, policy documents and procedural guidelines concerning special provisions for <ul style="list-style-type: none"> foreign staff in the head quarter, national staff recruited in the project countries. 	None (only specifications of general policies).
Leave and absence	Employee absence.	Policy documents on different types of paid and unpaid leave; including holidays. Procedural guidelines on how to process absences.	<ul style="list-style-type: none"> Leave (paid and unpaid)
Planning	Predictability of employment.	Standard contracts Policy documents on eligibility for permanent employment Procedural guidelines on how to set-up and change contracts Information material and policy documents on staff capacity or "pool" management	<ul style="list-style-type: none"> Contracting Employment security Staffing capacity strategy
Termination of employment	Conclusion of the employment relation.	Procedural guidelines on dismissal from services, including dismissal <ul style="list-style-type: none"> due to contract expiration, as final sanctioning mechanism, voluntarily initiated by the employee. 	None (as dismissal is part of general contracting or sanctioning policy)
Organizational issues	General administration	Procedural guidelines <ul style="list-style-type: none"> on communication between headquarter and field, and between international MSF sections on the processing and recording of employee information 	None

2.4.3 HRM activity areas

The eleven HRM activity areas, as presented previously, cover different aspects of the employment relation. In order to analyze how MSF Holland addresses these different aspects, we examine each activity area separately. The results of this descriptive analysis are summarized in Table 2.2.

Formal policies exist regarding basically all aspects of the employment relation. Two patterns are particularly noteworthy. First, there are no specific policies on employee participation. The task distribution between different departments in MSF Holland provides one possible explanation. Featuring an associational structure (see also Introduction, paragraph 1.3.2) and a workers council, MSF Holland actually takes provisions to allow for employee participation in organizational decision-making. However, no related policies could be identified among the documents of the human resource department, indicating that either there are no formal policies or that these are under the responsibility of another department. Second, in addition to common policies on recruitment, job content, training, compensation, leave, planning and termination of the employment relation, there is an extended security policy on employees' physical and mental well-being and a policy to ensure appropriate employee conduct. These areas are assumed to be of relevance in the humanitarian sector, due to the uncertainty and risk involved in this fundamentally normative line of work.

Figure 2.4 Shares of Formal Documents per HRM Activity Area



While basically all aspects of the employment relation are covered through policies, substantial differences exist regarding the total numbers of documents published per activity area as Figure 2.4 illustrates. Whereas high numbers reflect high attention dedicated to an activity area by organizational policy makers, high attention does not necessarily imply that a topic is considered particularly important. This is one reason for attention allocation, yet others relate to a topic being contested or being the subject of external pressures, thus requiring an organization's consideration (March, Schulz, & Zhou, 2000). Therefore, we also

utilize information obtained through interviews with organizational members to explore the reasons for the differential in attention allocation.

The HRM activity area “compensation for services” received by far the most attention. One third of all formal documents address this topic. It is followed by general “organizational issues”, a broad area, which comprises documents specifying basic administrative processes such as the recording of employee data, the task division in the human resource department, as well as the administration of relations within the organization e.g. between headquarter and field, and between different international sections. Similarly salient were “employee well-being” and “leave and absences”, which received almost equal attention. “Training and development”, “planning” and “recruitment” experienced moderate intensity of publication of policy related documents. Of comparatively low prominence were “multi-cultural workplace”, “termination of employment”, and “conduct and sanctions”. Finally, “job content” constituted the management domain with the lowest number of formal documents published.

The prominence of “compensation for services” is especially striking in a humanitarian INGO that defines itself as a volunteer organization (Chantilly, 1995), but can be explained by two major developments. First, MSF Holland was required by Dutch legislation to adjust its compensation system, particularly concerning per diem payments, in order to make the complete income taxable. Second, in an effort to allow for easier transfer of employees between different national sections, MSF set up the so called International Remuneration Project which involved the streamlining of salary payments between MSF sections and allowed employees to remain within the social security system of their home countries. In this context, salary and reimbursement issues have been a recurrent topic of debate within the management team of MSF Holland over an extensive period of time. The basic ideas underlying the International Remuneration Project for example, were initially brought up in 2001, with full implementation only occurring in 2006 (I/HPO; I/HDH; I/CIHR).

Among the other HRM activity areas that received moderate attention in terms of policy-making activity, the prominence of “organizational issues” is mainly related to the high number of different administrative procedures. Also the attention to “employee well-being” is less surprising given the fact that the organization mentions this as an important guiding principle. The same can be argued for the attention to “training and development”, which relates to the organization’s ambition to have a professional workforce.

2.4.4 HRM practices and processes

In order to gain insight into the contents of MSF’s HRM practices in relation to the three theoretical perspectives, we chose to focus on those HRM practices on which the three perspectives provide different assumptions concerning their actual implementation, i.e. recruitment, training, compensation, incentives, and employment security. Table 2.3 provides an overview of the respective expectations and empirical observations.

Table 2.3 HRM System Components by Theoretical Perspective and in MSF Holland

Expectations regarding		Universalist	Contingency	Idealist	MSF Holland
HRM Philosophy		Employees need to be motivated extrinsically by incentives and function best if there are transparent, unambiguous, and clearly specified performance criteria	Employee psychologies are complex. Employees function best if the structure and policies of the organization are consistent with internal and external environments	Employees are morally motivated volunteers who function best the less formal constraints or performance requirements are imposed on them	Employees are highly motivated professionals who function best if organizational processes are efficiently managed, and the organization cares for their well-being
HRM Policies		Formality, particularly in the HRM activity areas of performance criteria and remuneration	Degree of formality or informality should depend on context, and can vary across domains within the organization	Informality and autonomy in all domains	Formality, mainly in the HRM activity areas of compensation, training, and well-being domains
HRM Practices and Processes	Recruitment	Selective hiring with a focus on skills	Selective hiring primarily based on self selection (for nonprofits)	Selective hiring with a focus on motivation	Selective hiring primarily based on self selection, focus on skills and motivation
	Training	Extensive training with emphasis on staff development	Training to enhance work specific skills (in nonprofits)	Carefully selected volunteers bring own expertise or acquire necessary additional skills on the job	Training to enhance work specific skills
	Compensation	High salaries contingent on performance	Low wages (in nonprofits)	Emphasis of the voluntary nature of the work, no or very modest salary	Low wages and emphasis on voluntary nature of work
	Incentives	Primarily monetary incentives to reward performance	Nonmonetary incentives (in nonprofits)	Expressive nature of the work suffices, no extra incentives needed	Nonmonetary incentives (study allowance)
	Employment security	Provisions to ensure predictability of employment prospects	Consideration of operational needs and legal requirements (in nonprofits)	Career provisions attract unsuitable technocrats	Preference for temporary contracts to safeguard organizational flexibility

Recruitment

MSF Holland's approach to recruitment is characterized by some discrepancies between principle and practice. On the one hand, strategic plans propose a proactive approach geared towards attracting medical staff and candidates qualified for promotion towards coordinating positions (Strategic Plan, 1999-2002). However, actual recruitment practice remains largely

reactive, relying on prospective candidates' initiative to apply (I/OHR2). Self-selection is actively facilitated through the provision of information on employment opportunities and conditions. Sources include the organization's homepage as well as regularly held public information evenings. The information provided pertains to the type of skills and professional background MSF Holland looks for in employees and includes personal accounts by current staff. These accounts tend to highlight the rewarding components of working with MSF Holland, particularly in terms of feelings of satisfaction through helping others, emphasizing the altruistic nature of the work (see also Bjerneld, 2009). But daunting aspects are not withheld. The risks and frustrations involved in working in humanitarian aid are stated in a way that indicates the ambition to provide a realistic account of the often challenging employment conditions. Based on the information provided, potential candidates are able to appraise their own suitability before applying.

Once MSF Holland receives an application, personnel advisors appraise the suitability of the candidate from the organization's perspective (I/OHR2). In this context, another discrepancy between principle and practice becomes apparent. While MSF Holland emphasizes the need to recruit "the right motivated staff" (Strategic Plan, 2003 – 2005, p.6), selection tends to focus on more objectively measurable factors relating to qualifications, expertise and experience (Recruitment Report, 2001). However, "soft aspects" regarding commitment and motivation are increasingly taken into account. In an effort to appraise these non-standardized features, MSF Holland started conducting personality tests with prospective candidates in 2007. Their results are discussed in the job interview (I/OHR2).

Applicants whose professional and personal characteristics are considered suitable for employment with MSF Holland are then selected and placed in a pool of prospective staff. They are informed about the possibility to receive a job offer and asked to remain available until a suitable position opens up. This situation presupposes strong commitment by the candidate. A female psychiatrist awaiting posting stated that upon being selected as a prospective employee, she was asked to be available for a short-notice posting. This required her to leave her job as well as sublet her apartment prior to having a confirmed contract with MSF Holland, a situation she regarded as "asking a bit much" (I/PS). MSF Holland is aware of this difficulty. The need to shorten the placement procedure has been mentioned already in a 2001 report on recruitment. By then, the procedure could last up to six months, often resulting in the loss of selected candidates. Current placements occur much faster. In the above case, the prospective employee was in fact offered a position three days after the interview. In order to further foster this development, MSF Holland formulated the ambition to make recruitment more pro-active; aligning it more closely with staffing capacity and competence needs (Recruitment Strategy, 2008).

Training

MSF Holland offers an extensive selection of training programs intended to foster skills and expertise relevant for medical humanitarian work. Their course list includes a general introductory program, management training, courses on medical skills relating to HIV/Aids, nutrition, responses to epidemics, tropical epidemiology, and laboratory work, as well as

workshops on humanitarian logistics, water and sanitation, and accountancy (Training Brochure, 2009). All new recruits have to attend the introductory program. In addition, employees are specifically selected for training courses, depending on their current function and future plans. The purpose of training is not to generally develop employees, but to enable them to do their job (I/CHD). The benefits of training are appraised from the perspective of the organization, rather than from that of the employee. To ensure profitability of investment in training, many courses offered involve a “working back period” of up to 12 months. This means that an employee selected for a specific training program signs a contract in which he or she formally agrees to remain available for posting for a specified period of time. By attending a training course, an employee thus commits to stay with MSF Holland for a minimum time frame. Training programs not only have the potential to improve employees’ competences, but also serve as a means to foster retention. Staff retention is considered a major objective of the organization. Training and career development constitute prime tools for achieving this aim. However, according to the coordinator of human resource development, training and staff development remain underappreciated topics within MSF Holland, because high turnover makes the organization hesitant to increase investments in training and development (I/CHD).

Compensation

A recurring topic of discussion within MSF Holland is how to best compensate employees for their services. Three basic considerations are eminent. First, MSF Holland strives to be a “responsible employer” and as such recognizes the need to provide fair and transparent salaries (Strategic Plan, 2007-2010). This was already a main motivation for the initiation of the International Remuneration Project (I/CIHR). MSF Holland is closely aware of the fact that salaries can be an effective means to influence employee behavior. A 1998 proposal on the revision of field pay scales, for example, states that the reimbursement system should be “in line with the needs of the organization”, particularly concerning staff retention, and “stimulate field workers to stay longer with the organization” (Salary Scales, 1998, p. 2). Another motive for the implementation of the International Remuneration Project was to prevent staff from choosing the employing section offering the highest salary, and by doing so, reduce competition between MSF sections (I/CIHR).

The second consideration relates to MSF Holland’s identification as a voluntary organization, which implies that “the salary should never be the motive for individuals to work with MSF” (Salary Scales, 1998, p. 2). From this statement, MSF Holland’s core compensation principle can be extracted: to pay fair salaries that encourage employees to act in accordance with the interests of the organization, while maintaining the fundamentally voluntary character of the work. The current compensation system reflects this fairness principle: “[e]veryone working for MSF Holland will for the 12 months work as a volunteer, regardless of their function unless they have previous, relevant experience with another recognized NGO/UN organization or MSF section” (Guideline Scaling, 2000, p.1). Even as volunteers, MSF Holland employees receive a basic compensation for their services. This compensation is based on the minimum salary as defined by Dutch law and in 2008

amounted to 1,335 Euro per month (Field Pay Scales, 2008). After 12 months, the monthly compensation is increased and functional differences are taken into account.

Third, the hierarchical structures in terms of the responsibility associated with different positions and the tenure of an employee is taken into account. MSF Holland differentiates between implementing, supervisory and end-responsibility functions. Whereas coordinators earn more depending on their level of responsibility, no pay differences exist between other staff: medical doctors earn the same as nurses or logisticians (Guideline Scaling, 2000, p.3). Differences in pay within functional groups are exclusively based on tenure. The monthly compensation increases every 12 months, with the first increment constituting a 60 - 83% (depending on functional group) increase from the original volunteer salary. Subsequent increments are more moderate in comparison: the maximum monthly salary available to MSF Holland field staff amounts to 3,651 Euro for Country Managers in their 14th year of working for MSF Holland (Field pay scales, 2008). This scaling system is supposed to stimulate retention and promotion into coordinating functions, while maintaining relative pay equality. The International Remuneration Project stipulates that the highest increment must not be more than three times the lowest (I/CIHR).

In addition to the monthly salary, MSF Holland field employees receive several allowances to cover insurances, medical examinations and vaccinations, travel expenses, visa fees and other expenses directly related to the work. MSF Holland provides accommodation in the field, thus not imposing a financial burden on the employee. To cover expenses for food and personal requirements, field employees are paid a moderate per diem of around 20 Euro, the exact amount varying by country (Guideline Per Diem, 2007; I/HDH).

Incentives

Employee turnover is a substantial concern and staff retention one of the most important objectives of MSF Holland (Strategic Plan, 2003 – 2005, p. 17; I/CHD). Accordingly, incentives are primarily geared at encouraging employees to remain with the organization. During the observed period, two such incentive schemes were introduced in MSF Holland.

In 2001, the “Additional Secondary Labor Benefits” were introduced. These consisted of a package of optional benefits including sabbatical and paid leave, study options and partner and/or children provisions offered to staff with a minimum of 36 months of field experience with MSF Holland. Having passed a selection procedure which also considered an applicant’s employability as well as past performance, employees could choose one of the available benefit options and thereupon receive a new 12 to 36 months contract adjusted to the changed conditions, including the right to two months paid leave after every 12 months of field work (ASLB Policy, 2001).

In 2004, the “Field Stay Bonus” replaced the Additional Secondary Labor Benefits. It constitutes a more straightforward and transparent scheme (I/CHD). There is no selection procedure: every employee is entitled to the Field Stay Bonus after the first 48 months and subsequently after every 24 months of fieldwork. The Field Stay Bonus only entails two options: an employee can either choose three months paid leave or a study allowance of up

to 12,000 Euro. The allowance is applicable for any study course or training, yet will be paid directly to the education institute (T&C, 2008).

Despite these differences, Additional Secondary Labor Benefits and Field Stay Bonus share two basic features: they constitute in kind benefits that cannot be cashed and they are made available based on tenure, whereby employee performance is either of secondary (Additional Secondary Labor Benefits) or no concern (Field Stay Bonus) for eligibility.

Employment security

MSF Holland's contracting policy includes clear regulations under what conditions an employee becomes eligible for permanent employment, thus formally offering the possibility of secure employment. Given the dynamics of its operations and related staffing requirements, MSF Holland however strongly prefers to work with temporary contracts as this allows for more flexibility for the organization (I/HDH). Despite the focus on employee retention, MSF Holland hesitates to provide permanent employment security. This became particularly apparent when the "Wet flexibiliteit en zekerheid" (Law on flexibility and security), commonly referred to as "Flexwet", came into force in the Netherlands in 1999. This law demands that the fourth consecutive contract an employee holds with the same employer will automatically be a permanent assignment provided that there is no break longer than three months between the three previous temporary contracts. This labor law was perceived as problematic, as "by the nature of the work [...], MSF tends to employ people on multiple short contracts" (Guidelines Flexwet, 2002, p. 1). The requirement to issue permanent contracts poses a substantial challenge for an organization with highly dynamic staffing needs, because the situation can arise that no suitable position is vacant. This might ultimately mean that the organization has to take expensive and thus undesirable legal actions in order to dissolve the contract. This perception is reflected in a rather apprehensive implementation of the "Flexwet". While legal requirements were met, personnel advisors were also encouraged to "warn/advise heads of departments/heads of missions and the head of HRM" in case offering an employee a further contract or extension would make the employee eligible for a contract for an indefinite period (Guidelines Flexwet, 2002, p.2). Simultaneously, opportunities for employees to refuse assignments for example because of security concerns or personal preferences were also limited.

2.5 Discussion

The previous description facilitates the creation of the following profile of MSF Holland's governance structure and the way the organization deals with the cross-pressures originating from competing HRM models.

MSF Holland's *HRM philosophy* sees the workforce as highly motivated and qualified professionals who function best if organizational processes are efficiently managed, the organization signals respect for their normative motivations, and cares for their well-being. This philosophy converges with the idealist approach to HRM in one point: both conceptualize humanitarian workers as highly motivated professionals. But MSF Holland's

HRM philosophy differs strongly with regard to the other assumptions in the idealist approach. First, it considers efficiently managed organizational processes, standardized procedures and formal rules as a pre-condition rather than an obstacle to the functioning of humanitarian employees. Second, whereas the intrinsic model idealizes the autonomous and self-contained aid worker, who is at his or her best if there is as little interference as possible from the side of the organization, MSF Holland's HRM philosophy recognizes the need to actively support employees by means of effective human resource practices. MSF Holland's HRM philosophy also clearly departs from core assumptions of the two other approaches. In contrast to universalist theory, MSF Holland does not consider the need to motivate its workforce through extrinsic incentives. This does not preclude the organization from making extensive use of performance evaluation systems at the individual and project level. Like contingency approaches, MSF Holland's HRM philosophy acknowledges that the management of employee motivations requires the reconsideration of more complex psychological processes, including fairness considerations and concern for the professional identity and moral motivation of its volunteer workforce. At the same time however, the application of highly elaborated standard operating procedures across emergency contexts, without adapting them to the specific contingencies of a crisis, is considered by many as one of MSF's major assets (Redfield, 2005).

The analysis of MSF Holland's *HRM policies* revealed a very strong tendency towards formalization of basically all aspects of the employment relation. Formalization thereby does not only occur "on paper", i.e. as formal HRM documents, but, according to interviewees' accounts, is in fact an organizational reality. Rules, regulations and procedural guidelines permeate practically every organizational process. MSF Holland's formal HRM policy making devoted most attention to the HRM activity area of compensation. The rationale for the disproportionate attention to compensation issues were changing tax regulations and labor laws. Given the low wage levels and small pay differentials, these policy documents definitely were not an attempt to develop a fine grained system of performance contingent pay levels and the complex set of rules related to such systems, as universalist HRM perspectives would encourage. Other HRM activity areas receiving disproportionately more coverage were employee well-being, leave and absence, training, as well as organizational issues. These clearly reflect the fundamental concerns for employee well-being and the efficient functioning of the organization as they were identified in MSF Holland's HRM philosophy. Paying attention to the well-being of employees is certainly neither at odds with a universalist, nor with a contingency approach. However, both approaches would have difficulty in explaining the near absence of formal HRM policies on other important activity areas, like employee participation.

Finally, our examination of specific *HRM practices* provides the following picture. First, in the recruitment phase, MSF Holland relies heavily on self-selection of prospective employees. It attempts to attract individuals with a strong intrinsic motivation and an adequate skill level. This recruitment strategy is compatible with all three theoretical approaches to HRM. Second, MSF Holland recognizes the relevance of training and allocates a budget of € 2,400 per employee for training, briefing and general preparation activities

(I/CHD). However, training programs are directed towards the immediate job and not for purposes of individual development. The concern with training as an important tool to develop an organization's human resources is shared by universalist and contingency approaches, though predictions might diverge with regard to the type and amount of training that should be provided (e.g. firm specific vs. general training). Such investments in training would not be expected from an idealist approach, according to which learning on the job would be sufficient, and scarce donor money should not be used to extensively improve the skills of Western aid workers. Third, MSF Holland offers fairly low salaries in combination with small non-monetary incentives. This pattern is at odds with best practice predictions, but in line with the expectations of both the contingency and the idealist approaches: Humanitarian aid workers should receive only minimal compensation (idealist approach), but remuneration issues need to be adjusted to the (legal) constraints of the organizational environment (contingency approach). Fourth, MSF is very reluctant to provide its staff with permanent contracts. This practice matches with the idealist approach's legacy of not providing career prospects to aid workers, though MSF's reason for not offering permanent contracts is to secure organizational flexibility, rather than to avoid adverse selection. Temporary contracts are certainly feasible, and are also considered by advocates of a best practice or a best fit approach to HRM. However, both approaches would probably advocate a more differentiated policy, depending on the labor market situation for specific functions.

In sum, whereas many elements of MSF's governance structure are in line with current best fit (and to a far lesser extent best practice) approaches, a small but very significant part of their HRM policies are still strongly rooted in principles of an idealist approach: the emphasis on minimal compensation, intrinsic motivation, and temporary employment. Though constituting a sacrifice for its workforce, retaining these principles may constitute an important source of MSF's legitimacy, and its strong reputation as a humanitarian organization that preserves the core principles of the sector. At the same time, MSF Holland's extensive formalization of organizational processes, and its efforts to professionalize the HRM department and the workforce are clear indicators for the organization's active attempts to embrace core elements of mainstream HRM instruments. The result is what might best be summarized as a hybrid approach of "professional idealism" to the governance of a humanitarian organization.

2.6 Conclusion – A Hybrid Approach to Governance

Since the large-scale failures of humanitarian aid provision of the 1990s, the question how to properly manage humanitarian organizations and their workforce has taken center stage (Henry, 2004; Walker & Russ, 2010). Various evaluation reports (see for example ALNAP, 2002; Macnair, 1995; Telford & Cosgrave, 2006) highlight the crucial relevance of qualified and motivated staff for the effective implementation of aid projects, thereby setting the ground for increasing calls to professionalize aid workers and to streamline humanitarian organizations along modern HRM principles. Exemplary of this trend is the ever growing membership of "People in Aid", a global network aiming to promote good practices in the

management and support of aid personnel. In November 2011, 178 humanitarian and development NGOs were registered members and as such expected to “show a commitment to demonstrable improvements in their HR [management]” and “join in People in Aid’s efforts to identify and spread good [HRM] practice” (People in Aid, 2009). Similarly, the “Interagency Working Group on Emergency Capacity Building” promotes the adoption of “competency based management systems” as a means to improve management and quality of aid operations (ECB, 2006).

However, we argue that, while wide-spread within the field, the effort to professionalize HRM in the humanitarian sector will be confronted with what we termed the idealist legacy of the field: a compound of assumptions, beliefs and normative prescriptions about what constitutes the “core” of humanitarian work, about how the humanitarian enterprise should be run, and about how its workforce should be treated (Hopgood, 2008). Many of these beliefs are deeply entrenched in the value system of those who work in the sector. This poses a special challenge to humanitarian organizations like MSF Holland, since many of the “business-like management practices” lack legitimacy in the sector, and consequently will be met with suspicion, if not outright resistance. MSF Holland solved this dilemma by relying on a hybrid strategy to govern its workforce: sticking to austere idealist core principles in some domains, while at the same time rigorously implementing a set of significant managerial innovations to formalize and streamline the organization in other domains.

We conclude with a discussion of the implications of our findings, of some limitations of our study, and of potential opportunities for future research. First, our study contributes to the literature on organizational responses to external pressures and related processes of deinstitutionalization (Oliver, 1992; Packard, 2011) by examining a specific organization’s strategies to align elements of a new institutional framework (best fit and best practice HRM) with an idealist institutional framework that has long been taken for granted. Drawing from Oliver’s (1991) typology, MSF Holland’s response to the increasing call for professionalization of HRM can be interpreted as a form of *compromise*, which involves balancing the interests and expectations of different stakeholders. More specifically, by applying a hybrid approach of “professional idealism”, MSF Holland accommodates both, traditional convictions regarding the inherently idealist and voluntary nature of humanitarian work as well as more recent aspirations for improved efficiency of humanitarian action through professional HRM. Meeting demands of proponents of professionalization and advocates for the maintenance of value-rationality could constitute a reflection of ambiguous expectations or a strategy to secure support from diverse audiences (Suchman, 1995).

However, the transformation of MSF Holland’s originally highly informal structure and personnel management (De Milliano, 1991) through the introduction of novel HRM policies did not progress without contestation. While some employees welcomed these changes, many, more traditional minded staff were in fact alienated by the increasing professionalization and left MSF Holland for Merlin and other smaller and specifically “more informal” humanitarian INGOs (I/OHR4). Thus, while the compromising strategy of integrating core components of an idealist model with more professional approaches allowed accommodating multiple contingencies, this observations reminds us that such effort also

involves the risk of trade-offs that may jeopardize the overall effectiveness of a management system (Child, 1975; Gerwin, 1979).

Second, our study is in line with more recent efforts to delineate the contours of idealist approaches to organizational governance. For example, Packard's (2011) ethnographic account of a newly founded religious nonprofit organization, the "Emerging Church", provides interesting parallels as well as differences. The study addresses the question "how organizations might be able to make use of professionals without institutionalizing" (Packard, 2011, p.3), and describes the deliberate strategies to counter the institutionalization of bureaucratic and market oriented processes, which have come to dominate the field of religious organizations. Members of the Emerging Church and idealists in the humanitarian sector share a "distaste" for the corporate organizational form. Furthermore, both are strongly guided by a belief system that stresses "ancient core values" of religious practice. But unlike MSF Holland, which provides its medical professionals with considerable amounts of decision making autonomy and heavily relies on formalized and bureaucratic procedures, the Emerging Church attempts to realize its objectives with "as little formal organization and bureaucracy as possible, and authority arising from formal training is de-emphasized while more importance is placed on lay leadership" (Packard, 2011, p. 9).

Third, our study benefited strongly from Kepes and Delery's (2006; 2007) descriptive framework to decompose HRM architectures into its core components. Nevertheless, we certainly underutilized the full potential of this framework, since a detailed analysis of internal fit of HRM practices was beyond the scope of our study.

Fourth, though an exemplary humanitarian organization, MSF exhibits certain characteristics that limit the generalizability of the mechanisms found in our study to other organizations in the humanitarian sector. In many respects, MSF faces comparatively favorable conditions: for example, MSF Holland is in the privileged position to be relatively independent from its donors, which is much less the case for other humanitarian INGOs (Dijkzeul, 2004). With the increasing prominence of for profit techniques for nonprofit governance (Dart, 2004; Foster & Bradach, 2005; Ridder & McCandless, 2010), these more dependent INGOS may experience far more external institutional pressure to adopt HRM practices and organizational routines.

Finally, the humanitarian sector still awaits a systematic cross-sectional investigation of the effectiveness of HRM practices similar to those conducted in the private sector (e.g. Huselid, 1995). So far, the assumed performance effects of high commitment HRM in the private sector are actually far less evident than many optimistic conclusions prevailing in the literature suggest (Wall & Wood, 2005, p. 454). To what degree their implementation in the humanitarian sector – be it in the spirit of a best fit, best practice, or hybrid perspective – helps enhance the efficiency and effectiveness of humanitarian action will not only be of purely academic relevance.

Despite these limitations, we have set the stage for the above avenues for future research by presenting one of the first detailed and systematic reconstructions of the governance practices and HRM systems of one humanitarian INGO. In order to do so, we developed a

descriptive tool to categorize the different dimensions of HRM systems as well as a theoretical tool that delineates two well-known explanatory approaches to HRM systems (best practices versus best fit approaches) with a third, new approach (the idealist approach). With help of this framework and through the systematic analysis of HRM policy documents and strategy papers in combination with in-depth interviews some unique insights into the development of HRM philosophies, policies and practices in MSF Holland were provided that will hopefully inform future research. To the humanitarian practitioner in turn the detailed empirical analysis may offer an exemplary account of how one – highly successful – humanitarian organization manages and coordinates its workforce.