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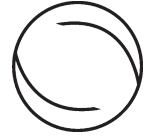
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Article

# Challenges in Building Robust Interventions in Contexts of Poverty: Insights from an NGO-driven multi-stakeholder network in Ethiopia

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## Abstract

We examine the demise of a multi-stakeholder network that was launched to promote an inclusive dairy market in Ethiopia to better understand why nongovernmental organizations (NGOs) may develop interventions in contexts of poverty that fail to endure after they exit. We identify organizational reflexivity – the capacity to recognize and understand the recursive interplay between an intervention and the local environment – as a key explanatory mechanism for this intervention outcome. Limited reflexivity not only prevented the NGO we studied from properly aligning the intervention with the context (*design failures*), but also prevented the organization from adjusting its intervention when negative feedback emerged (*orchestration failures*), which eventually evolved into the demise of the network (*maintenance failure*). While our study confirms the theoretical premise that NGOs need to contextualize their interventions, we expand current knowledge by highlighting the role of organizational reflexivity in this process. Moreover, by showing how reflexivity deficits can trigger a cascade of failure, especially when intervening in voids where incumbent firms have interests in maintaining the void, our study calls attention to the politicized nature of institutional voids.

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**Keywords**

contextual bridging, development NGOs, inclusive market development, institutional voids, multi-stakeholder networks, organizational reflexivity

Contexts of poverty are often marked by institutional voids – settings where different formal and informal institutional orders interact in ways that impede market participation of the poor (Mair & Martí, 2009; Mair, Martí, & Ventresca, 2012). Organizational scholars increasingly study how NGOs operate in such void-rich settings to alleviate poverty through market interventions. For example, McKague, Zietsma and Oliver (2015) describe how CARE Bangladesh organized small-holder dairy farmers into producer groups and connected these groups to input suppliers and processors to improve their household income as well as the overall performance of the dairy value chain. Similarly, Venkataraman, Vermeulen, Raaijmakers and Mair (2016) highlight how an Indian NGO organized female poultry producers into a cooperative to increase their market participation.

As these examples illustrate, many NGO interventions involve the establishment of novel relational structures such as cooperatives, self-help groups or exchange platforms. Understanding the evolution of these novel social structures as an organizational form is a key question in organization science (Tracey, Phillips, & Jarvis, 2011), particularly because their fragility may jeopardize NGOs' efforts to realize field-level change (Cloutier & Langley, 2017). Designing interventions that 'stick' can indeed prove challenging because NGOs typically run donor-funded projects that are bound by resource and time pressures. Thus, NGOs cannot simply assume the durability of their intervention, but need to actively work towards it.

So far, however, prior studies have tended to concentrate on interventions where NGOs were able to build durable relational structures (McKague et al., 2015; Venkataraman et al., 2016). This focus on success cases makes it difficult to establish causality between the type of market-building strategies pursued by NGOs and their intervention outcomes. To establish causality, scholars must also study failure cases and determine whether these NGOs engaged in similar or different intervention strategies compared to known success cases. In addition, NGOs that have successfully created durable interventions in contexts of poverty may be systematically different from the larger population of NGOs. If this is true, then scholars need to also examine failed interventions in order to generate valid theoretical knowledge and insights that are more broadly generalizable.

Accordingly, we set out to increase the theoretical understanding of why NGOs sometimes introduce interventions in contexts of poverty that fail to endure after they exit. We examine a multi-stakeholder network in the Ethiopian dairy sector that was launched by a development NGO (alias 'Alpha') as part of a large donor-funded project. Alpha intervened in three other agricultural value chains following the same approach and the same set of activities. While Alpha's efforts to build a durable platform for promoting inclusive value chains were successful in the apiculture sector, they failed in the dairy sector. Drawing on rich, qualitative longitudinal data, we sought to reveal how this failed instance of networking for inclusive markets came about.

Juxtaposing our findings to known success cases in the literature led us to develop a process model of failure in NGO interventions. Central to our model is the insight that, under certain conditions, NGOs may have limited reflexive capacity to recognize and understand the recursive interplay between their intervention and the contested nature of voids, which in turn can trigger a vicious cycle of cascading failures. Our emergent theory clarifies the distinct roles of experiential knowledge and organizational monitoring mechanisms in constraining NGO reflexivity, in particular by suggesting how the former is critical in designing interventions and how the latter is critical in orchestrating interventions. These dynamics thus help to explain how different reflexivity

deficits may prevent NGOs from properly aligning their interventions with the institutional voids they enter (*design failures*), and also hamper NGOs from making timely adjustments to their interventions as negative feedback unfolds (*orchestration failures*), which ultimately may evolve into a failure to sustain the intervention after the NGO has exited (*maintenance failures*). While the importance of reflexivity for understanding intervention outcomes has remained hidden in prior success cases where NGOs likely possessed the necessary reflexive capacities, we demonstrate how the absence of NGO reflexivity is critical for explaining the occurrence of cascading intervention failures.

Our contributions are threefold. First, our study puts internal organizational factors associated with NGOs' reflexive capacities centre stage in studying the interlinked outcomes of their interventions. Addressing calls for more research on failures in aid-led initiatives (Martí & Mair, 2009), we go beyond a simple success–failure dichotomy by offering a more holistic, processual view that clarifies how constraints in NGO reflexivity can explain the occurrence of cascading intervention failures. Second, rather than focusing on 'opportunity spaces' to be freely exploited (Mair & Martí, 2009; Tracey & Phillips, 2011), our study emphasizes the politicized nature of institutional voids and the consequent need for NGOs to develop reflexive capacities so they can properly design and adapt their interventions to fit with this context. Third, our study heeds calls to view development NGOs as distinct organizational actors (Watkins, Swidler, & Hannan, 2012) and adopt an internal perspective on organizations (Suddaby, 2010) by illuminating how the internal structures and processes of NGOs may constrain their reflexive capacities for designing and orchestrating robust interventions in contexts of poverty.

## Background Literature

### *Institutional voids and NGO interventions*

Institutional voids are settings where formal institutions are weak or not effective enough to support market transactions (Khanna & Palepu, 1997). Mair and Martí (2009) have emphasized that different formal and informal institutional systems may interact in ways that impede market participation of the poor. Voids are thus not 'empty' spaces, but are marked by institutional plurality (Mair et al., 2012). Prior studies have identified various strategies through which NGOs successfully intervene in voids. For instance, NGOs may engage in relational work at different levels of analysis: in value chains by forming producer groups and cooperatives (McKague et al., 2015; Sutter, Webb, Kistruck, Ketchen, & Ireland, 2017); at the village level by creating self-help groups and village organizations (Mair et al., 2012; Mair, Wolf, & Seelos, 2016; Venkataraman et al., 2016); and at the sector level by launching multi-stakeholder networks (Sparrow & Traoré, 2018). In establishing such relational structures, NGOs also engage in cultural work by, for instance, drawing on different institutional logics (Venkataraman et al., 2016) or using theatre plays to legitimize the inclusiveness discourse (Mair et al., 2012).

Studies have also shown that successful interventions require NGOs to engage in contextual bridging, defined as 'a process involving the transfer of new meanings, practices, and structures into a given context in a way that is sensitive to the norms, practices, knowledge, and relationships that exist in that context' (McKague et al., 2015, p. 1063). NGOs may hire local staff to bridge indigenous knowledge (McKague et al., 2015), make use of 'insiders' to win the trust of the targeted beneficiaries and build rapport with them (Venkataraman et al., 2016), draw on local norms, beliefs and power structures to promote novel ideas (Mair et al., 2016) or engage deeply with the local community (Dyck & Silvestre, 2018). Contextualizing interventions is necessary for the newly introduced social structures, standards and practices to be accepted by local

stakeholders and become embedded in the existing institutional environment (Schouten, Vellema, & Van Wijk, 2016).

Another set of activities relates to building local governance structures so as to create local ownership over the promoted change. For instance, Mair et al. (2016, p. 2035) point out how the NGO Gram Vikas created both formal and informal governance structures that helped to develop 'a shared commitment to the program'. Venkataraman et al. (2016, p. 16) also highlight that 'developing a sense of ownership was a key element in [the NGO's] approach to sustaining the self-help groups'. Likewise, Schut et al. (2018, p. 8) argue that setting up shared governance structures for multi-stakeholder networks helps to build 'a collaborative ethos' and 'shared ownership' in the network.

### *Failure in NGO interventions*

Despite these advances, current understanding of how NGOs work to fill voids remains selective because extant studies have tended to focus on successful interventions (e.g. McKague et al., 2015; Venkataraman et al., 2016). However, some studies have alluded to the serious challenges that NGOs may face in bringing about structural change, suggesting that failure in NGO interventions is a more frequent outcome but poorly understood. For instance, Mair et al. (2012) describe how BRAC faced strong resistance to its promotion of gender equality, while other studies highlight how NGOs were met with distrust and scepticism by the targeted beneficiaries (Sutter et al., 2017; Venkataraman et al., 2016). Most studies have portrayed NGOs as skilfully navigating these challenges, which entails the risk of depicting NGOs as heroic actors.

Redirecting scholarly attention to failure cases is important because NGOs may find it challenging to intervene in voids given their unique organizational characteristics (Baur & Palazzo, 2011). NGOs typically run donor-funded projects, so their interventions are bound by restricted resources and time pressure. The temporary nature of these engagements means that the long-term impact of the interventions is inherently fragile, jeopardizing the ability of NGOs to create lasting change after they exit their projects (Sutter et al., 2017). These resource constraints are further magnified as the legitimacy of NGOs operating in contexts of poverty is increasingly questioned (Chowdhury, 2017; Khan, Westwood, & Boje, 2010). NGOs typically represent the public good, but their normative claims may not be shared by the organizations they target (Baur & Palazzo, 2011). Their interventions may also have unintended consequences (Khan, Munir, & Willmott, 2007). When interventions become contested, negative spillover effects on the legitimacy of the acting NGOs may occur, which threaten the impact and durability of their interventions.

Given that NGO interventions may more frequently fail than one might expect from the literature, we contend that an exclusive focus on success cases undermines theoretical progress in the field. It limits the ability to establish causality between the types of market-building strategies pursued by NGOs and their intervention outcomes. To establish causality, scholars should also study failure cases and determine whether these NGOs engaged in similar or different intervention strategies as compared to known success cases. In addition, NGOs that have successfully created durable interventions in contexts of poverty may be systematically different from the larger population of NGOs. If this is true, then scholars should also examine failed interventions in connection with the type of NGO in order to generate insights that are more broadly generalizable. Accordingly, our study asked: *Why do NGOs sometimes introduce interventions in contexts of poverty that fail to endure after they exit?*

### **Research Context**

We studied how the Ethiopian field office of a Dutch development organization, dubbed Alpha, launched a multi-stakeholder network with the aim of making the dairy value chain in Ethiopia

more inclusive. Founded in the 1960s with the mission to eradicate global poverty, Alpha employs more than 1,300 staff in more than 25 countries. Until 2011, Alpha was largely dependent on the Dutch government for financial support. Alpha started operating in Ethiopia by providing famine relief and gradually shifted its agenda towards supporting the government's focus on promoting economic development. Ethiopia is one of Africa's fast-growing economies with agriculture as the cornerstone of its economy. While its economic system moved from socialism towards promoting a market economy, the economy is still largely controlled by the state.

In 2003, the Royal Netherlands Embassy in Addis Ababa commissioned a study on farmer organizations and market access against the backdrop of the Ethiopian government's efforts to improve the marketing side of agriculture. In 2005, this led to the drafting of a project proposal (dubbed 'Promoting Access to Markets' or PAM) to reduce poverty through improved market access for smallholder farmers. Alpha Ethiopia was actively involved in drafting this proposal. The PAM project had a budget of 8.05 million euros and ran from 2005 to 2011. Out of 29 potential value chains studied for intervention, four agricultural sectors were selected: honey, dairy, oilseeds and pineapple. A key programme tool was the value chain multi-stakeholder networks (henceforth 'MSNs'). The main premise was that these MSNs would promote the development of inclusive value chains in the targeted sectors by stimulating knowledge exchange, coordination and governance. For each chain, quarterly meetings were organized, involving on average 40 to 50 representatives of organizations from different societal sectors (i.e. business, government, civil society, education).

### *Alpha's involvement in the Ethiopian dairy sector*

Ethiopia is believed to have the largest livestock population in Africa and offers a favourable environment for dairy production. The rising population and increasing income per capita have increased the demand for milk and milk products, particularly in urban areas, but the largely traditional dairy sector lacks the competitiveness to meet this demand. A complex set of constraints impedes the development of the sector. The productivity of local breeds is low, while introduced breeds do not adapt well; veterinary services are limited; and feed is expensive and often in short supply. When Alpha's PAM programme was launched, farmers had limited possibilities for selling their milk. There were only a handful of processors active, mostly around Addis Ababa, of which two dominated the market and acted as the price makers. Producer associations were underdeveloped and did not improve member access to resources and markets. The relationship between producers and processors was fraught over quality issues among others as the government did not enforce the dairy quality standards. More broadly, the government paid limited attention to the sector. These were the kinds of challenges that the PAM dairy programme sought to address.

## **Methods**

### *Research strategy*

We adopted a qualitative case study design (Yin, 2009) that is well-suited to explorative research questions aimed at building theory (Eisenhardt, 1989). We selected the Dairy MSN for our study on the grounds that in the dairy sector no local network governing body was launched prior to the phasing out of the project. Consequently, when Alpha stopped organizing and facilitating the network meetings and activities, so did the Dairy MSN. This outcome of network failure is in sharp contrast to the Honey MSN also launched under the PAM programme in that the Honey MSN has evolved into the Ethiopian Apiculture Board as the exchange platform for the Ethiopian apiculture sector. Hence, the dairy case raised important questions about the relationship between Alpha's

intervention strategies and the network's demise, and provided a promising setting to build theory on a failed NGO intervention.

### *Data collection*

Data collection for the dairy case formed part of a broader research project into all four networks under the PAM programme.<sup>1</sup> In addition to documentary evidence and field visits, 67 interviews were conducted across the four PAM value chains. For the dairy case, we drew on a dedicated dataset of archival materials and interviews. The primary source was the minutes of the 18 dairy meetings; these were written by Ethiopian consultants assigned by Alpha. The extensive minutes – 20 to 40 pages on average per meeting – provided rich longitudinal data on the course of events, topics of discussion, and participants. Programme documents helped to gain insights into the overall PAM programme and developments in the four targeted agricultural sectors. The mid-term and post-implementation programme review reports, written by external consultants, were particularly useful for gaining a better understanding of Alpha's performance in promoting inclusive markets.

To address the risk that these archival data might be incomplete or biased (Ventresca & Mohr, 2002) and to facilitate data triangulation (Yin, 2009), we supplemented the archival data with semi-structured interviews with dairy stakeholders while the programme was still running. In total, 17 reports were produced on interviews with chain actors and chain influencers. In identifying our respondents, we made sure to include respondents who had exited the network due to conflict or who were unwilling to participate. The interview protocol focused on the main problems and opportunities in the dairy chain, meeting dynamics and outcomes, and the overall perception of progress in the dairy value chain. The interviews lasted between one and three hours. Extensive notes taken during the interviews formed the basis for interview reports, which were then shared with the respondents for review.<sup>2</sup> Table 1 presents an overview of the data sources used in this study.

### *Data analysis*

Our data analysis was highly iterative, moving back and forth between data and emergent theoretical ideas (Eisenhardt, 1989; Langley, 1999). We distinguish four stages in our analytical process to understand and explain how the failed exit strategy came about. In the first stage, we aimed to get a broad understanding of the Dairy MSN. We drafted a detailed summary document of the 18 meeting minutes, using the agenda items as the structuring logic. By closely examining every passage, we also tabulated descriptive data, such as who participated in the meetings, in what role, and what was discussed (see Table 2).

In the second stage, we examined the meetings more closely by coding the minutes with the aid of qualitative software ATLAS.ti. We started with 'open coding', closely examining texts to determine codes that fit the data (Berg, 2004, pp. 280–1). Codes captured why and how the meetings were organized, what was discussed and how stakeholders reportedly responded to these efforts. This exercise not only made us aware of Alpha's activities to build the network 'from scratch', but also revealed that mobilizing support was difficult. Participants reportedly questioned the network's representativeness and particular activities. Engaging in a more focused analysis of Alpha's agency, we subsequently combined several codes into broader, more abstract categories that captured Alpha's main intervention strategies and their outcomes at the network level. This gave us a deep understanding of the unfolding of the Dairy MSN (see Figure 1) and helped us to draft a detailed narrative as 'sensemaking strategy' (Langley, 1999, p. 703).

In the third stage, we probed more deeply into understanding why building the Dairy MSN was so challenging. Comparing the successful Honey MSN – where initial contextual conditions differed substantially from those in dairy – led us to believe that how Alpha's intervention interacted

**Table 1.** Overview of Sources Used.

Archival data MSN	<ul style="list-style-type: none"> <li>• 18 sets of meeting minutes (20-40 pages per meeting on average)</li> <li>• 1 Alpha case briefing</li> </ul>
Archival data PAM programme	<ul style="list-style-type: none"> <li>• 2 project proposals (start, extension)</li> <li>• 2 scoping research reports</li> <li>• 6 progress reports to donors</li> <li>• 2 external evaluation reports on the PAM programme commissioned by Alpha: mid-term (2008) &amp; post-implementation (2011)</li> <li>• 1 report (2012) on experiences with the PAM approach published by Alpha</li> <li>• PAM webpages, retrieved through web archives</li> </ul>
Interview reports (n = 17)	<ul style="list-style-type: none"> <li>• Research institute/consultant (n=3)</li> <li>• Input supplier &amp; business association (n=2)</li> <li>• Producer organization (n=3)</li> <li>• Collection centre (n=1)</li> <li>• Processor (n=4)</li> <li>• Government ministry (n=1)</li> <li>• Bank (n=1)</li> <li>• Alpha (n=2)</li> </ul>

**Table 2.** Meeting Statistics of the Dairy MSN.

	<b>Dairy</b>
Total number of events	18
Total number of participants	125
Private	57.6%
Public	18.4%
Civil society	5.6%
Knowledge institutes	8.0%
Unknown	10.4%
Total number of new entrants	102
Total number of exits	77
<i>Issues on meeting agenda (total number)</i>	
Input	17
Production	16
Storage/ Transportation / Collection	6
Milk processing	5
Marketing	21
Quality	25
Access to finance	5
Trust in chain	3
Other	9
<i>Presenters (total number)</i>	
Knowledge users (chain actors)	27
Knowledge brokers (e.g. researchers, consultants)	54

with the local context would help to shed light on the failure we observed in dairy. Hence, we coded the dairy interview reports, project documents and external evaluation reports and revisited the meeting minutes to identify the contextual conditions in the dairy sector and to what extent



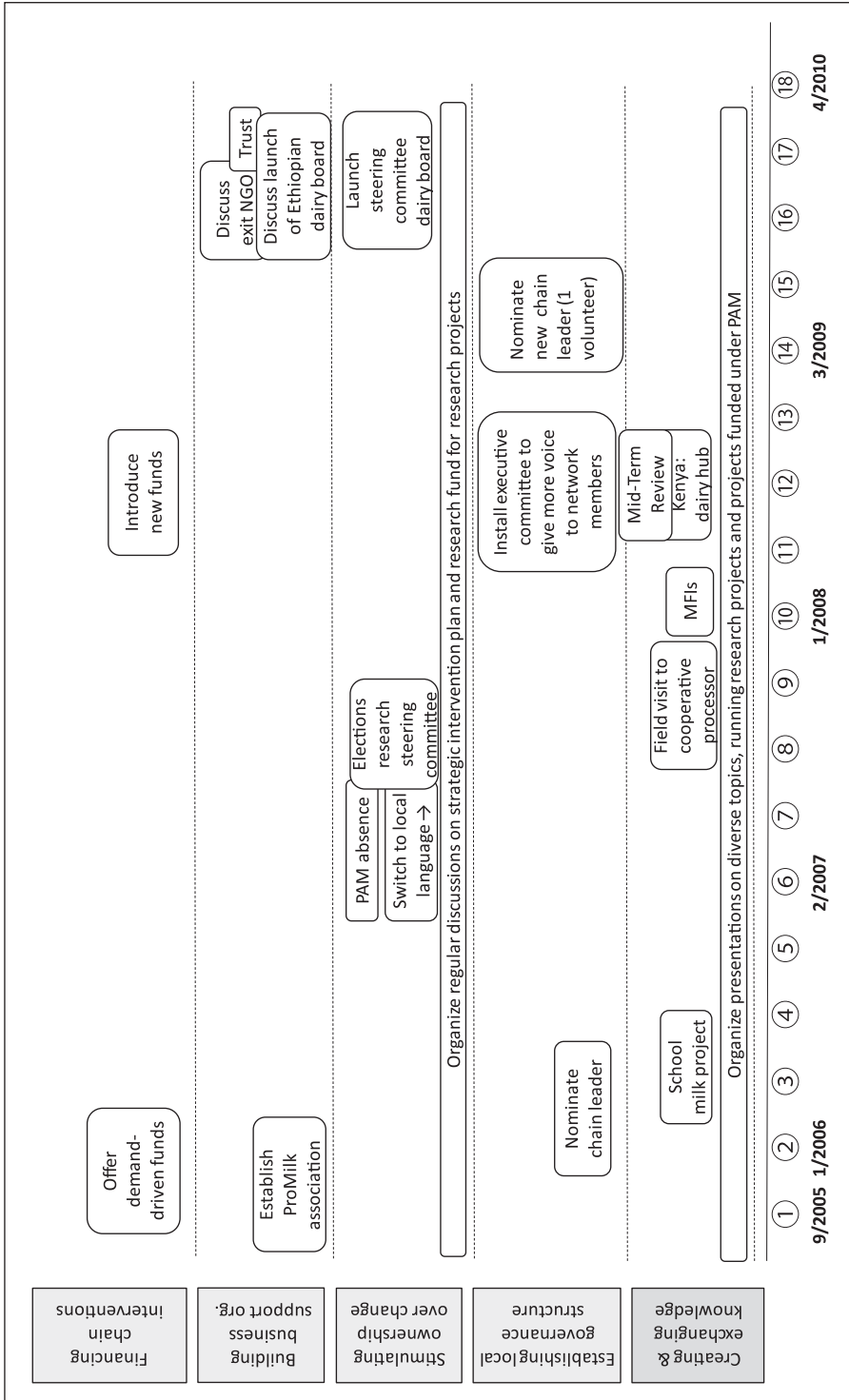


Figure 1. Key Events in the Dairy MSN.

Alpha's intervention matched them. We found misalignment between Alpha's intervention and initial contextual conditions and how this misalignment significantly affected the unfolding of the Dairy MSN. While going through the data, we were also attentive to the question why Alpha did not respond earlier to these first signs of what we saw as instances of failed contextual bridging. In the external mid-term and post-implementation review reports, we identified specific references to internal organizational dynamics that seem to have impeded Alpha's contextual bridging, which we interpreted as limited organizational reflexivity. In this stage, we also shared our case narrative with a key informant to validate our findings and discuss emergent theoretical ideas.

In the final stage, we juxtaposed our findings with other published cases of market-facilitating NGOs to sharpen our insights (Eisenhardt, 1989; Langley, 1999). Systematically comparing and contrasting our failure case with published success cases forced us to explicate the underlying mechanisms behind the distinct outcomes. We realized that the degree of organizational reflexivity was centre stage in understanding the failed instances of contextual bridging we observed in our case. This helped us to theorize about different kinds of process failures and their interrelations. Table 3 summarizes our iterative coding process, presenting the data structure (Gioia, Corley, & Hamilton, 2013). An overview of illustrative quotes is available from the first author on request.

## Findings

In this section we first highlight how Alpha actively promoted its Dairy MSN, while also attempting to rebalance the power relations in the dairy value chain. We then clarify how these activities misaligned with the initial contextual conditions in the dairy sector, exemplifying design failures. We continue by showcasing how Alpha failed to properly respond to these first signs of misalignment, indicating orchestration failures. We then illuminate how this ultimately led to a failed exit strategy and demise of the network, showing a maintenance failure of the novel relational structure. We conclude by discussing Alpha's limited organizational reflexivity as the explanatory mechanism for the manifestation of these failures.

### *Networking for inclusive markets*

Alpha engaged in three strategies to establish its platform for exchange among dairy stakeholders.

*Creating and exchanging knowledge.* The first strategy was to stimulate knowledge creation and sharing by organizing formal presentations. In the initial meetings, Alpha invited key stakeholders to share their views on the challenges and opportunities in the dairy value chain. Such presentations became a recurrent item on the meeting agenda and covered a wide range of topics, as depicted in Table 2. Presentations were mainly given by consultants, researchers and recipients of funds from the PAM programme. In addition to presentations, Alpha facilitated exchange visits to promote 'best practices' like a work visit to a farmer cooperatives' new processing plant (MSN-9) and an exchange visit to Kenya (MSN-12).

*Establishing local governance structure.* Alpha's second strategy was to establish a local governance structure and thereby build local capacity to govern the network as exit strategy. Each PAM network was governed by a central body of a chain leader representing the sector and guaranteeing 'the ownership of the MSN' (web archives PAM); an Alpha-nominated chain facilitator to facilitate communications, prepare the meetings, and draft minutes<sup>3</sup>; and a lead advisor from Alpha to oversee the developments in the respective value chain in relation to PAM's objectives.

**Table 3.** Data structure.

First-order codes	Second-order themes	Aggregate theme
Organizing presentations Organizing field visits Launching new (research) projects Using local business service providers Nominating chain leader Launching executive committees Emphasizing demand-driven fund application Offering opportunities for participatory governance Refraining from meeting participation by NGO's programme manager Shifting the meeting language from English to Amharic	Creating and exchanging knowledge  Establishing local governance structure  Stimulating ownership over change	Networking for inclusive markets
Discursive appeals to see network as theirs Support ProMilk Discuss the launch of Dairy Board as exit strategy Addressing distrust in chain Troubled relations between processors and producers Extant duopolistic market structure impeding producers Offering funds for chain interventions	Building business support organizations  Financing chain interventions	Rebalancing power relations in the chain
Dairy seen as import substitute rather than export commodity Little governmental interest in dairy sector Incumbents questioning support to ProMilk Incumbents questioning the mandate of NGO to intervene in the dairy sector Questioning the strong focus on smallholders Limited fund applications Low capacity of dairy stakeholders Questioning the usefulness of research activities	Misalignment with government interests  Misalignment with incumbent interests  Misalignment with sector capacity	Design failures
Promoting school milk feeding programme Discussing the need for quality standards Questioning the lack of participation of market parties in the meetings Questioning the lack of participation of government institutions in the meetings Concerns about exit of Alpha Critiquing the high rotation among participants	Limited collective wins achieved  Limited institutional embedding  Limited capacity development	Orchestration failures
PAM project as innovation M&E system within the organization	Limited experiential knowledge Weak organizational mechanisms for reflexive learning	Limited organizational reflexivity

Alpha had a strong preference for a processing company to be elected as the chain leader. Being in the middle of the chain, processors were expected to have a strong self-interest in creating both upstream and downstream chain linkages and being able to promote market and quality requirements throughout the sector (MSN-1, pp. 15–16). This worked in the Ethiopian apiculture sector where Alpha partnered with a local lead firm that was widely recognized and accepted as industry champion prior to the formal launch of the Honey MSN. In the Dairy MSN, however, there was only one processing company present at the first meeting. Elections for the chain leadership position were thus postponed to the second meeting when five small and medium-sized processors attended. Network participants were given the option of either electing one of these firms or nominating the intended president of the Ethiopian Milk Producers and Processors Association (henceforth dubbed ‘ProMilk’), which had just been established with the aid of Alpha. This president – who was also chair of a large dairy cooperative that was planning to start with dairy processing – was ultimately elected chain leader.

*Stimulating ownership over change.* The third strategy Alpha adopted was to stimulate ownership over the change process in three main ways. First, Alpha encouraged participatory decision-making in the meetings. For example, the network’s goals as laid down in the Strategic Intervention Plan were regularly discussed and participants had a say in allocating funds for research to address knowledge gaps they identified. The second way to encourage local ownership was to adjust the set-up of the meetings. From meeting 7 onwards, Alpha decided to alter the meeting language from English to the local language. Similarly, Alpha’s PAM programme manager refrained from participating in meetings 7 and 9 ‘to enable the stakeholders to voice their issues freely and to empower [them] so that they will carry the process forward even in the absence of the programme’ (MSN-6, p. 5). Finally, Alpha promoted a ‘demand-driven’ approach to funding: chain actors themselves had to take the initiative to draft funding proposals.

### *Rebalancing power relations in the dairy value chain*

At the start of the PAM project, the Ethiopian dairy sector was marked by a duopolistic market structure: although a handful of small-scale processors were active, two incumbent processing companies dominated the market, of which one was a parastatal that was privatized two years after the start of PAM. This duopolistic market structure seriously impeded market participation by dairy farmers. They had few alternatives to sell their milk, while the processors were also in the position of ‘price makers’ (RES-13). To improve the position of dairy farmers in the chain, Alpha established a new business association and financed different chain interventions. Collectively, these strategies contributed to what McKague and Siddiquee (2014, p. 122) call ‘rebalancing power relationships for the benefit of poor producers’.

*Building business support organizations.* Alpha was strongly in favour of business associations for value chain development, as they could lobby the government for strong sector policies and provide services to their members (Alpha, 2005a). Throughout the PAM programme Alpha helped launch and strengthen business associations, including ProMilk in 2005. Founding members were small and medium-sized processors and nascent cooperative processors. The president of ProMilk was also the chair of a large dairy cooperative with over 800 smallholder farms, which was in the process of undertaking processing activities. As this president was elected as the ‘chain leader’ of the Dairy MSN, it was assumed that ProMilk would play a key role in leveraging change in the dairy value chain. As such, network members were regularly updated in the meetings on the challenges this business association faced to become a formal entity and secure funding for its professionalization.

*Financing chain interventions.* In addition to developing business support organizations, Alpha offered several funds for interventions to achieve the goals set out in the dairy's Strategic Intervention Plan. Examples of funded activities include farmer trainings on milk hygiene and quality, experiments with using aluminium rather than plastic cans for milk collection, an exchange visit to the new processing plant of a large dairy cooperative, and the drafting of a bankable business plan to secure investor support for such a plant. This latter focus on establishing new (cooperative) processors was explained at the first meeting:

By establishing their own processing plants, [cooperatives could] create a sustainable milk market for their members as well as other suppliers. The milk price would not be dictated by other private companies, [the] milk price for the producers will not fluctuate by seasonality (fasting seasons) and the profit from the business will go to the cooperative members who, in most cases, are the milk producers/suppliers. (MSN-1, p. 10)

In an interview, Alpha's dairy lead advisor clarified further that by increasing the competition through new entrants, 'processors are willing to pay better prices for higher quality. . . [and] the increased competition will stimulate them to engage in contracts and training for their suppliers'. The increased processing capacity did indeed increase competition for the supply of raw milk, leading to increased income for farmers (Alpha, 2009b). Under the programme, Alpha would ultimately provide support to eight new processors, who represent about half of the total processed dairy market supply (Alpha, 2012).

### *Design failures*

Extant studies suggest that a critical step in poverty interventions by NGOs is to be sensitive to the local norms, values, knowledge bases and relations (Dyck & Silvestre, 2018; McKague et al., 2015; Venkataraman et al., 2016). Our findings suggest that when such sensitivity is lacking, *design failures* become more likely – misalignments between intervention and initial contextual conditions that likely may affect the development path of the intervention. In our case, Alpha underestimated three complexities at hand and how these might interact with its intervention.

*Misalignment with government interests.* At the inception of the PAM programme, the Ethiopian government was primarily interested in supporting export-oriented commodities such as coffee, honey and flowers to increase foreign exchange reserves (Alpha, 2005a). As aptly summarized by the respondent from the Ministry of Trade and Industry: 'If you go for export, you know the government will support you.' Unlike honey, dairy was not considered an export commodity and not a government priority. And Alpha's approach to dairy as an import substitute (Alpha, 2005b) was initially not recognized by the government. In fact, most respondents lamented the lack of government attention to the sector, complaining that the dairy sector was only considered as a 'secondary economic activity' to supplement household consumption or as a 'hobby' (RES-9).

*Misalignment with incumbent interests.* From the very start of the PAM programme, the two incumbent companies showed reluctance to participate in Alpha's initiative. They viewed Alpha as a traditional development NGO serving the interests of producers and cooperatives and expected Alpha to engage in activities like farmer training and capacity building. Even more so, Alpha started to intervene in a market characterized by tension and distrust, particularly between producers and processors. Producers felt that the rejection rates by processors were too high and prices paid too low, while processors complained about the sub-standard quality of the raw milk and farmers' low quality awareness.

While prior to the official launch of the Dairy MSN, Alpha had noted that ‘the absence [in a workshop] (and the apparent reluctance to cooperate) of one of the biggest milk processing companies in Ethiopia was unfortunate’ (Alpha, 2006, p. 14), it seemingly showed little sensitivity to the incumbent firms’ position and the troubled relations between producers and processors when designing the intervention. This is suggested by its scoping report; the dairy chain scored similar to the other chains under study on its collaborative ethos (Alpha, 2005b). Another indicator is its support for the launch of business association ProMilk with nascent cooperative processors among the founding members and its support for the nomination of ProMilk’s president – who was also the chair of a large dairy cooperative – as chain leader of the Dairy MSN in the network formation stage. In so doing, Alpha was taking sides in the divide between incumbent processors and producers.

An alternative would have been to adopt a lead-firm strategy, which focuses on established local firms and their linkages with (smallholder) suppliers (Gereffi, Humphrey, & Sturgeon, 2005). By transferring knowledge and resources to their suppliers, local lead firms may not only increase their own business performance, but also improve the market opportunities and benefits for their suppliers (Humphrey & Navas-Alemán, 2010). In the apiculture value chain, for instance, Alpha supported the local lead firm’s interest to export honey to the European Union, which aligned with the government’s export-led growth strategy. Working with this frontrunner company created relevant spillovers for the other seven honey processors/traders and leveraged impact for their smallholder suppliers, the latter aligning with Alpha’s interest in promoting inclusive markets. In the dairy sector, however, adopting a lead-firm strategy would have implied partnering with already very powerful players, of which one was still a parastatal at the start of the programme. Informal conversations with Alpha’s staff and internal documents suggest that this was considered problematic for ideological reasons. Illustrative is the next quote from an internal progress report: ‘Due to our support, this monopoly has now been broken by other processors’ (Alpha, 2009b, p. 13).

*Misalignment with sector capacity.* Compared to the other agricultural value chains under the PAM programme, the capacity of the dairy sector to engage in participatory deliberations and mobilize for collective action was limited. The sector was marked by ‘low capacitated stakeholders’ (RES-13) and even ‘the biggest processors have a limited mind-set and cannot lead the sector’ (RES-8). In effect, from the very start the Dairy MSN showed signs of misalignment with sector capacities. For instance, in the second meeting, the chain facilitator observed that there was a lack of leadership to develop the chain and poor commitment to the network. Likewise, in the third meeting, it was noted that as the only sector under the PAM programme, the dairy sector under-utilized the available programme funds. This under-utilization became a recurrent agenda item. Explanations were sought in the members’ lack of proposal-drafting skills and difficulties in raising the required own contribution (MSN-8, p. 3). Another indicator was the slow organizational development of business association ProMilk, reportedly because ‘members pull in different directions’ (MSN-7, p. 3) and are ‘not ready to work together’ (MSN-10, p. 3). Finally, Alpha’s knowledge creation and exchange strategy through the organization of formal presentations did not fully match the capacity, needs and interests of the dairy stakeholders. Although interview respondents said that the meetings had helped them ‘to think differently’ (RES-1), seek solutions (RES-17) and obtain relevant market intelligence (RES-5), participants also questioned the relevance of certain presentations and field visits and critiqued the academic nature of the presentations, having little value for dairy farmers (e.g. MSN-8, p. 2).

### *Orchestration failures*

Our data suggest that the above design failures constrained network-level outcomes early on in the change process. That is, the Dairy MSN failed to create collective wins necessary to motivate and

sustain network participation. The embedding of the network in the wider institutional environment was limited, while the network showed little progress in developing the collective capacity for steering the change process. Evidence of such slow progress in the network's evolution was readily transparent in the first meeting minutes and by 2008 the dairy value chain was still largely dependent on Alpha's input, as was pointed out in the programme's mid-term review conducted by external consultants. Still, Alpha did not substantially alter its activities. Rather, it followed the general recommendations made by the external consultants for *all* value chains under the PAM programme. As such, we define the limited network-level outcomes as manifestations of *orchestration failures* – failures to adapt the intervention in a timely manner to the negative feedback born of the initial misalignment between intervention and local context.

*Limited collective wins achieved.* The misalignment between Alpha's intervention and the incumbent processors' interest in safeguarding their dominant market position, together with the government's relatively low priority to the dairy sector, seriously hampered the achievement of collective wins – benefits from network participation that accrue to the sector as a whole. These wins are critical for creating commitment among participants to value chain interventions (Morris, 2001). For instance, the school milk initiative to enhance nutrition among children and expand market opportunities announced in meeting 2 petered out, as no government ministry took ownership. Moreover, the debate about quality standards in the sector never really took off, even though raw milk quality was a major concern for *both* processors and producers. Alpha's decision not to pursue a local lead firm strategy made instigating the quality debate more challenging. Large local firms are in a position to define and set quality standards as well as create market demand and pressure for their adoption by downstream producers (Gereffi et al., 2005). Without a powerful local lead firm, the quality debate in the dairy meetings was largely driven by consultants, researchers and Alpha's advisors, who could only urge and train producers to take quality and hygiene matters seriously. The Ethiopian Quality and Standards Authority also gave two presentations on existing milk standards, but as the latter were voluntary, the Authority had little clout.

*Limited institutional embedding.* The misalignment between Alpha's intervention and the local context also led to low levels of institutional embedding – the degree of sustained participation by organizations from different societal sectors in the meetings. Most importantly, the two incumbent processors hardly participated in the meetings.<sup>4</sup> This lack of participation was noted by network participants, and it was believed that their absence seriously impeded the achievement of collective results. The main reason is that the incumbent processors did not recognize the Dairy MSN as a representative platform; it was perceived to be overly representative of small dairies and cooperatives. Nor did it help that Alpha supported the market entry of new (cooperative) processors. In effect, the incumbent processors accused Alpha of creating unfair market competition and viewed Alpha as what Human and Provan (2000, p. 356) would call an 'activist' network convener. As one stated:

Alpha has engaged in activities that it should not have, such as organizing and assisting (technical, material and financial) producers and particularly [small and medium-sized] processors. Such interventions distort the playing field for the development of the competitive dairy market in the country. [. . .] We reached here through several ups and downs and if others are supported by Alpha, they will be able to easily compete with us [. . .] The launch of an Ethiopian dairy board is the type of intervention we expect from NGOs and donors such as Alpha. (RES-9)

The limited institutional embedding of the Dairy MSN was also exemplified by the failure of relevant government ministries to participate in the meetings. The ministry representatives were

frequently rotated and had little or no power in government decision-making and policy processes. As a result, they failed to diffuse and implement the new knowledge within their organizations. This lack of government involvement was explicitly mentioned by the interview respondents who wanted the government to develop strong sector policies and participate in the meetings, and the following question was raised in the meeting minutes: ‘How much of our effort could be effective with such limited involvement of the policy makers?’ (MSN-15, p. 15). Despite Alpha’s efforts to mobilize the public sector, the network failed to spark the government’s interest in dairy during the PAM project.

*Limited capacity development.* The misalignment between Alpha’s intervention and the incumbent interests also affected Alpha’s efforts to build sector capacity for change through its support to business association ProMilk. Not only did ProMilk experience start-up difficulties and internal struggles among its members of small and medium-sized processors and producer organizations, it also lacked political clout as the two incumbent processors withheld their support from the organization. In an interview, we observed how the incumbent company’s respondent pronounced the name ‘ProMilk’ with a sour expression as he argued that joining ProMilk was not an attractive proposition for the company, given the clashing interests of producers and processors. The other incumbent’s representative added that the organization lacked legitimate authority to influence the government for strong sector policies. The refusal of the two incumbent processors to join ProMilk and ProMilk’s own limited organizational development also raised internal debates within Alpha on how to continue supporting this organization. Recognizing that processors had almost no interest in the association, Alpha questioned ‘whether it is useful to have the producers and processors organized in one association or whether to focus on strengthening different groups’ (Alpha, 2010, p. 30).

The misalignment with sector capacities also affected the patterns of network participation. Turnover was high (see Table 2) and commitment to participate in the meetings was low with many participants leaving the meeting after the lunch break (RES-14). The use of English that farmers could not understand in meetings during the first 18 months, the repetitive meeting format and the questionable added value of certain presentations and field trips were all factors that played a role. More importantly, however, is that the high network turnover limited the creation of a collective knowledge base. As Alpha’s dairy advisor stated: ‘The high rotation and irregular participation of members resulted in slow and unaggressive knowledge dissemination and internalization.’ Finally, leadership remained problematic in the network. When the dairy network’s chain leader resigned and a new chain leader had to be elected, only one person volunteered for the position: the owner of a small private dairy-producing enterprise that had successfully started milk-processing with the aid of Alpha’s PAM programme. In meeting 15, this entrepreneur was elected as the new chain leader, but ‘she [was] not strong enough to steer the network towards change’ (RES-8).

### *Limited organizational reflexivity*

Why did Alpha display little sensitivity to the complexities at hand in the dairy sector during its initial design decisions? Why did Alpha not significantly change its course of action while the early meeting minutes showed clear evidence of design failure and its consequences for the network’s evolution, also pointed out in the programme’s mid-term review? Our data suggest that Alpha lacked the organizational reflexivity to do so. Drawing on Staber and Sydow (2002, p. 410), we define organizational reflexivity as the extent to which an organization has the capacity to recognize and understand the recursive interplay between an intervention and the local environment in which it operates. Our data suggest that such organizational reflexivity is contingent on (a) the



degree to which an organization has the experiential knowledge to anticipate and understand how its intervention might recursively interact with the local environment and (b) the degree to which organizational routines are in place to effectively monitor this interplay.

*Limited experiential knowledge.* While the value chain approach has since become a popular development tool used by a range of actors (Humphrey & Navas-Alemán, 2010; McKague & Siddique, 2014), it was still an innovation when the PAM programme was launched, not only for Alpha and the Ethiopian stakeholders, but also for the development sector at large. The PAM programme deviated from the many supply-driven interventions that existed at the time by emphasizing that increasing farmer productivity alone was not enough. Collaboration with the private sector, such as processors, traders and exporters, was also needed to ensure a market for the increased production. In addition, the programme moved beyond the sole focus on smallholder farmers to promote broad-based change through multi-actor networking (Alpha, 2005a; 2012). The following quotes are illustrative:

PAM was innovation: Alpha was a ‘trendsetter’ to start a platform with its main focus on and active collaboration with the private sector. Other donors mainly focus on the public sector or on smallholder farmers. (RES-8)

Alpha’s PAM programme entered the as yet largely unexplored field of facilitating multi-actor change. [It] provided development actors in Ethiopia with a unique opportunity to experiment with the value chain approach in a pro-poor context. (Alpha, 2012, p. 39)

Being part of the development sector that historically focused on poor producers, Alpha had little experience in working with private sector parties. This seems to have impeded the organization from realistically assessing the interaction between its intervention and the local context. As aptly summarized in the post-implementation review, it was ‘a business-oriented program’ in a ‘development-minded’ organization (Alpha, 2011, p. 28).

*Weak organizational mechanisms for reflexive learning.* In its 2012 report on the PAM programme, Alpha emphasizes the importance of organizational reflexivity:

It is important for practitioners involved in any development intervention to step back once in a while and reflect on the bigger picture. With the pressures of day-to-day practice, however, there is little time to focus on what has worked and what hasn’t, whether interventions started in the past still makes sense against the backdrop of new developments, and if (or when) it is necessary to adjust one’s approach. All too often, today’s priorities take precedence over what is important for achieving results in the long run. (Alpha, 2012, p. 59)

However, the organizational mechanisms to prompt such reflexivity, such as appropriate monitoring and evaluation systems, were largely absent at the start of the programme. As stated in the post-implementation review:

PAM at the time of its creation did not really fit in the portfolio of Alpha. [. . .] Alpha’s core structure (culture, administrative and financial systems as well as their own monitoring and evaluation system) was not really conducive/appropriate to run an innovative business-oriented programme such as PAM (Alpha, 2011, p. 24)

This was also observed by the consultants in the 2008 mid-term review: Alpha was ‘not structuring its learning; most learning is individual and implicit’ (Alpha, 2008, p. 8). Prompted by this

evaluation, Alpha improved its organizational mechanisms for reflexive learning. For instance, Alpha's staff started to draft case studies on lessons learned, a learning coordinator was nominated, and external research was commissioned (Alpha, 2012). However, the post-implementation review report pointed out that these measures were too little and too late (Alpha, 2011).

Thus, we suggest that the lack of experiential knowledge in networking with private sector parties for inclusive value chains as well as the lack of established organizational mechanisms to collect, share and reflect on how this novel approach to poverty alleviation played out in practice seriously hampered Alpha in anticipating and recognizing the (potential) setbacks in contextualizing its intervention to the Ethiopian dairy sector in good time. It should be noted that Alpha's limited organizational reflexivity was also at play in the Honey MSN. It posed less of a problem in this case, however, because initial design decisions were congruent with the local conditions and consequently the network activities generated mainly positive feedback on the network's evolution.

### *Failed exit strategy*

Towards the phasing out of the project, however, Alpha became aware that it needed to work on its exit strategy from the Dairy MSN and in meeting 16 the 'possible future home of [the MSN] meetings' was explicitly put on the agenda (MSN-16, p. 13). Not only did the project funding end, but Alpha also aimed to focus on sector development rather than meeting facilitation. Yet the limited capacity development in the form of business association ProMilk posed serious challenges for Alpha's exit strategy, as shown in the quotes from Alpha staff:

I am worried about the sustainability of the meetings: who will take over the responsibility after Alpha is phased-out? ProMilk is not strong enough and only consists of processors and producers who are in conflict. (RES-3)

How can we create structures that can operate on their own if Alpha exits? [. . .] How can we push the sector forward and Alpha to the back? (RES-11)

This concern was shared by many interviewees, who realized that Alpha's role was coming to an end. As one participant put it: 'In life, a teacher cannot always stand behind you and we have to work together to do it ourselves now' (RES-17). Business association ProMilk, however, was not considered capable of assuming the role of network convener, as the following quotes aptly illustrate:

ProMilk will fail to take over the Dairy MSN as the association is not yet strong enough to take over [the network governance]. Alpha's PAM should at least strengthen them for another two years. [. . .] The Dairy MSN will fail to exist after Alpha phases out. (RES-5)

When Alpha phases out, the network will collapse. It is always like that. There is no one to organize it. (RES-2)

Hence, Alpha reconsidered its strategy to rebalance power relations in the dairy chain by supporting ProMilk and started to promote an alternative institution, the dairy board. In meeting 16, the dairy board was presented as a 'workable option' to take over Alpha's network governance tasks and activities (MSN-16, p. 13). Modelled on the rather successful dairy boards in Kenya and Tanzania, the Ethiopian dairy board would be a legal institution with representatives from the dairy sector, including government ministries, with the aim of improving the policy and business environment for the dairy sector. The launch of the dairy board was also an attempt by Alpha to win over the incumbent processors and get the government more involved. The incumbents believed

that the dairy board was ‘the missing institution’ (RES-9) for developing the Ethiopian dairy sector as it could set and enforce the much-desired quality standards. Another reason for proposing the dairy board was that the MSNs were not legal entities and had an ‘uncertain institutional status’ (Alpha, 2012, p. 33). As Alpha argued in its PAM extension proposal (2009a, p. 31): ‘After PAM ends, it is important for the MSN meetings to continue. For that process, there is a need to merge it into a legal institution.’ This need to formally institutionalize the Dairy MSN was widely recognized by our respondents:

The Dairy MSN has no power. There is no core group of network members, they are constantly changing. Moreover, there is no responsibility or accountability; in short, there are no defined roles for the network members. (RES-5)

The network is a free forum, an exchange forum, where stakeholders in the dairy chain exchange information, technologies, and contact with other stakeholders. [ . . . ] In the meetings many action points are agreed upon. However, if the implementation fails, there is no accountability mechanism to follow up on the activities. (RES-3)

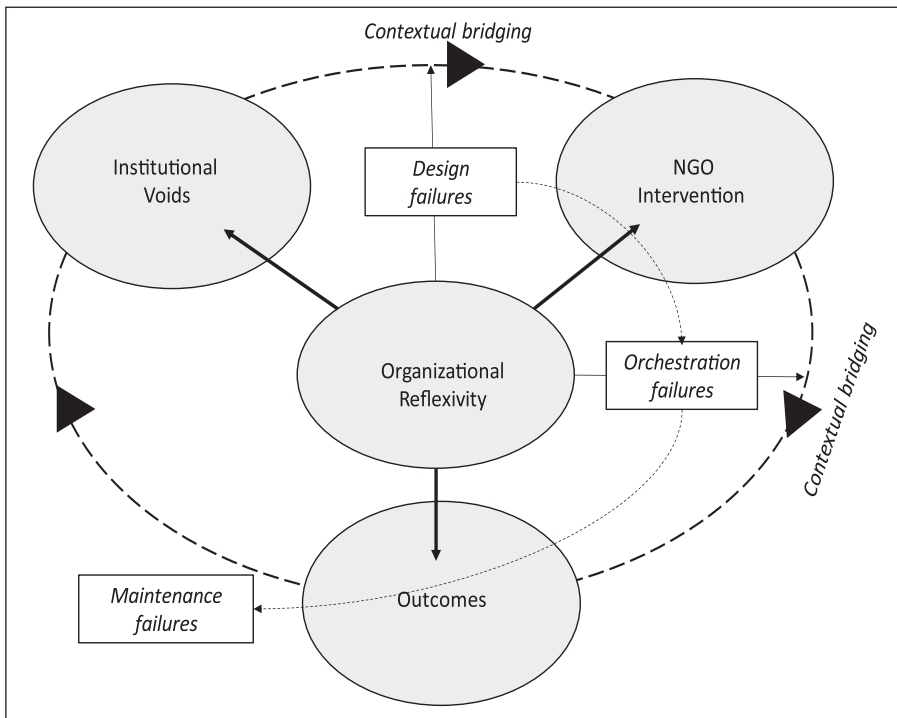
Besides exploring the launch of a dairy board, Alpha put the issue of (dis)trust between producers and processors explicitly on the agenda of meeting 17, arguing that all capacity-building efforts would fail if there was no chain collaboration (MSN-17, p. 14). Alpha also supported ProMilk to organize two bilateral meetings to discuss the troubled business relations, but most processors did not attend (MNS-18). While participants widely supported the idea of launching the dairy board to ensure the network’s durability, give the sector a voice and provide a forum for resolving chain problems, these developments came too late. Alpha’s phasing-out of the project coincided with the collapse of the network as there was no organization capable of taking over the governance of network activities and participants.

## **Towards a Process Model of Cascading Failures in NGO Interventions**

Drawing on our findings and juxtaposing them to known success cases in the literature, we present a process model of cascading failures in NGO interventions (see Figure 2). Central to our model is the notion that institutional voids compel NGOs to design interventions that are consistent with their social mission, which produce important outcomes during implementation that may affect voids. We argue that NGOs’ reflexive capacity to recognize and understand this interplay between intervention and context varies, which affects their ability to properly contextualize the intervention. Our emergent theory clarifies the distinct roles of experiential knowledge and organizational routines in constraining the reflexivity of NGOs, showing how the combination of different reflexivity deficits can trigger a cascade of failure by preventing NGOs from properly aligning their intervention with the voids they enter (design failures) and making timely adjustments as negative feedback unfolds (orchestration failures), which may then evolve into a failure to sustain the intervention after the NGO has exited (maintenance failures). Rather than a distinct activity that NGOs engage in, our model thus depicts contextual bridging as an ongoing, constitutive force undergirding the design, implementation and exit phases of an intervention.

### *Organizational reflexivity and design failures*

The starting point of our model is that institutional voids that impede market participation of the poor provide ‘opportunity spaces’ for motivated NGOs and entrepreneurs (Mair & Martí, 2009;



**Figure 2.** A Process Model of Failure in NGO Interventions.

Tracey & Phillips, 2011). Our case comparisons have revealed that the scope of opportunity may differ substantially across settings, however. For instance, in the Bangladeshi dairy sector, three large processors were open to the idea of collaborating with CARE, including the commercial arm of the country’s largest NGO (McKague et al., 2015). In our case, however, the incumbent processors were consistently reluctant to engage with Alpha, because they viewed it as a traditional development organization that focused on capacitating poor producers. Holding market power, they were also wary of market interference that could change the status quo. While Mair et al. (2012) remind us that voids are not ‘empty spaces’, our study thus suggests that voids are full – not just full of institutions, but also power relationships, capabilities and other actors beyond the targeted beneficiaries that may present significant obstacles for intervening in voids.

Given the politically charged nature of voids, NGOs should be attentive and sensitive to the local context when designing their interventions. Prior studies have acknowledged this point by highlighting the importance of contextual bridging (McKague et al., 2015; Venkataraman et al., 2016). However, our study suggests that contextual bridging by NGOs may not always be effective. While Alpha stimulated the development of indigenous knowledge and practices by organizing participatory network meetings, hiring local business service providers and establishing local governance structures, among others, these efforts had little effect because Alpha failed to contextualize its intervention in three important ways. The selection of dairy was not aligned with government priorities; the support to new (cooperative) processors was at odds with incumbent interests; and the use of a multi-stakeholder network as an organizational vehicle for promoting inclusive markets did not dovetail with the sector’s capacity, exemplifying design failures.

To explain this lack of contextual sensitivity, our data analysis revealed the mechanism of organizational reflexivity. In our case, Alpha had little experiential knowledge in value chain

interventions and multi-actor change processes, which constrained its ability to critically reflect on the (potential) recursive interplay between intervention and context. Ideology also played a role here as Alpha could not accept a key characteristic of value chain dynamics: lead firms drive the organization of the chain (Gereffi et al., 2005). In the dairy case, this would have implied partnering with already very powerful processors. Being strongly embedded in the development logic (Battilana & Dorado, 2010), Alpha was not motivated nor open to collaborate with these market parties. However, it also lacked the relevant experiential knowledge to be aware of how this decision would play out in the unfolding of the intervention. As such, these findings complement prior accounts that trace an organization's reflexivity to its structural field position and exposure to institutional pressures (Greenwood & Suddaby, 2006) by uncovering internal organizational factors that may undermine an NGO's reflexivity. This finding contrasts with known success cases where NGOs had accumulated trial-and-error learning, enabling greater reflexivity when designing interventions. For instance, Mair et al. (2016) describe how the NGO Gram Vikas had learned that implementing its water and sanitation programme too quickly would not result in durable change in the targeted villages and made changes in its intervention strategy accordingly. Thus, attending to NGO reflexivity and the internal organizational mechanisms that prompt such reflexivity is critical because constrained reflexivity may have a profound impact on the unfolding of subsequent intervention failures, as we argue next.

### *Organizational reflexivity and orchestration failures*

Contrary to the portrayal of contextual bridging as a distinct activity that is predominantly performed at the start of an NGO project (McKague et al., 2015; Venkataraman et al., 2016), our findings suggest that contextual bridging should be seen as an ongoing dynamic. When experiential knowledge deficits constrain the reflexivity of NGOs and prevent them from designing interventions that are sensitive to local norms, values and power disparities, negative feedback is likely to build up during implementation. To increase the 'fit' with the evolving context, NGOs may need to adapt their intervention, particularly because interventions may also have unintended side effects (Khan et al., 2007). Hence, NGOs also need reflexivity to monitor the interaction between intervention and context during implementation to further contextualize their intervention. Again, extant studies seem to have focused on NGOs with high levels of reflexivity. For instance, CARE Bangladesh was aware of the potential side effects of its intervention for actors other than the targeted beneficiaries and helped them to adapt to the new market structure (McKague & Oliver, 2012). In our case, however, organizational mechanisms such as an appropriate monitoring and evaluation system to feed information back to the NGO and prompt such reflection were weakly developed, resulting in orchestration failures.

An example of how initial design decisions may trigger a development path that needs reflexive agency in order to be corrected in good time can be illuminating here. Alpha's support for the launch of business association ProMilk (uniting *both* producer groups and processors) and the nomination of ProMilk's president (also chair of a large dairy cooperative) as 'chain leader' reinforced incumbent processors' initial perception that Alpha was serving the interests of poor producers. This sidelining of incumbents is in sharp contrast to extant studies, which indicate that elite actors should be enlisted into the change project to co-create and negotiate 'proto-institutions' (Lawrence, Hardy, & Phillips, 2002; Zietsma & McKnight, 2009) that support inclusive markets. For instance, CARE Bangladesh embedded lead processing firms into its change project through pilot projects where they experimented with new technologies to determine milk quality, a solution that served both farmers and processors and suffused the market (McKague et al., 2015). Likewise,

NGO Gram Vikas involved elites in its programme to enlist support for its intervention ‘as the voice of the elites is heard and accepted by the village’ (Mair et al., 2016, p. 2033). Alpha, by contrast, only started to leverage the position of local lead firms as it began to exit from the project by exploring the launch of a dairy board, a ‘proto-institution’ that incumbent processors believed necessary to bring the government on board and solve the quality problems in the market. Thus, while Alpha was insufficiently aware of how its actions might play out within the local environment due to a lack of experiential knowledge, it also lacked appropriate mechanisms to monitor the negative feedback from the environment necessary to adapt the intervention in good time and prevent orchestration failures.

### *Intervention outcomes*

Our study suggests that it is the configuration of particular organizational reflexivity deficits that will trigger different patterns of failure in NGO interventions. In our case, we observed a cascading pattern of failure in that initial design failures evolved into subsequent orchestration failures and ultimately maintenance failure. In other words, the idea of establishing a dairy board as an alternative governing body to business association ProMilk was necessary, but it occurred too late. When Alpha began to exit, there was no organization ready to assume its role governing the dairy network’s activities and participants. Alpha’s exit thus resulted in the network’s demise, which was caused by design and orchestration failures that occurred because Alpha lacked *both* the necessary experiential knowledge and monitoring routines.

Notwithstanding this maintenance failure, Alpha’s efforts still addressed the institutional void that motivated its work in the first place. Alpha’s intervention was successful in terms of opening up more opportunities for farmers to sell their milk and incentivizing processors to invest in their suppliers by supporting the rise of new (cooperative) processors. The Dairy MSN was also an important impetus to get government recognition for the sector. Whereas the Ethiopian government paid scant attention to the dairy sector at the inception of the project, in the wake of the PAM project, dairy became part of Ethiopia’s Agricultural Growth Programme and a Livestock State Ministry was established. The PAM project also helped to promote multi-stakeholder networks as a mechanism for public deliberation in Ethiopia, a context that has had little experience with innovative and open cross-sector dialogue. In a follow-up donor project, for instance, the Ethiopian government was actively involved in different livestock platforms. Alpha itself underwent a steep learning curve in using multi-stakeholder networks as a mechanism for promoting inclusive value chains and markets. As such, our study suggests that a cascading pattern of failure may still contribute to institutional transformation processes in void-rich settings.

While our findings confirm the common critique that the time frame adopted in donor-funded projects is too short to realize institutional change, it does raise the speculative question of whether more could have been achieved *if* Alpha had had greater reflexivity. We postulate that experiential knowledge and organizational monitoring interact to determine NGO reflexivity, which in turn may trigger distinct patterns of failure in NGO interventions. For instance, when NGOs do have relevant prior experience but lack the necessary monitoring mechanisms, initial gains at the design stage may still be annulled by orchestration failures when the context changes unpredictably during implementation or when unintended consequences arise. By contrast, NGOs with little relevant experience but strong monitoring may detect and correct design failures early on, allowing their interventions to yet have durable impact. Thus, as these possible pathways illustrate, our findings suggest that NGO interventions can be marked by very different failure processes depending on whether NGOs possess or lack particular reflexive capacities.

## Discussion and Conclusions

To conclude, we argue that this study has implications for three broader themes: (1) the study of institutional voids; (2) the study of NGOs as organizational actors; and (3) the study of failure in NGO interventions.

First, our study has important implications for studying institutional voids. Our study suggests that when incumbent companies have vested interests in maintaining voids, they are unlikely to perceive NGOs with social agendas as 'neutral third parties'. This is crucial for successful value chain interventions, however (Morris, 2001). By highlighting the politicized nature of voids, our study thus calls for a closer examination of how NGOs build legitimacy for their interventions, preventing them from being 'perceived as favouring particular sectarian interests' (Morris, 2001, p. 129). Studying NGO legitimacy is indeed salient as NGOs are being increasingly criticized and scrutinized not only on their accountability and transparency (Chowdhury, 2017; Reimann, 2005), but also on their market-centric interventions in contexts of poverty (Chowdhury & Willmott, 2019).

Here, we believe that our insights on voids as contested spaces help to connect scholars of international business and institutional theory, as called for by Doh, Rodrigues, Saka-Helmhout and Makhija (2017). While strategic responses to institutional change projects are a central theme in institutional theory (Oliver, 1991), there has been little systematic exploration of resistance by incumbents or other local (elite) actors to void-filling interventions. In developing an understanding of the contested nature of voids, institutional theory could benefit greatly from international business scholars who highlight that incumbent firms may be motivated to maintain voids and block institutional reforms to protect their interests (Carney, 2004; Doh et al., 2017).

Second, by showing the need for NGOs to be reflexive towards the politicized nature of voids and by uncovering two organizational mechanisms for prompting such reflexivity, our study suggests that we must focus less on what NGOs do to promote inclusive markets and more on how NGOs overcome setbacks and handle negative feedback in making markets work for the poor. As such, our study heeds Suddaby's (2010) call to redirect attention from outside to inside organizations and underscores the need to study NGOs as distinct organizational actors (Watkins et al., 2012). More work is needed to better understand how NGOs can increase their reflexivity over time through learning within and across interventions, using organizational mechanisms like 'networks of practice' (Agterberg, van den Hooff, Huysman, & Soekijad, 2010). Future research could also explore the idea that local NGOs may have higher levels of reflexivity compared to Western-based NGOs, given prior assertions that 'only the locally embedded really have the in-depth understanding of local contexts to be able to unpick the complexities and to anticipate the ramifications of attempted interventions' (Khan et al., 2010, p. 1431).

Third, our study has important implications for studying failure in NGO interventions in contexts of poverty, which remain poorly understood and theorized in organization science (Martí & Mair, 2009). Whereas we have described a cascading pathway of failures in a single case, future research could further explore other failure patterns in NGO interventions. Future research could also study different pathways to failure at the organizational field level. NGOs in contexts of poverty do not operate in isolation. In fact, many donor-funded NGO projects run in parallel with or in sequence to one another. This raises pertinent questions on how knowledge about success and failure is diffused throughout the organizational field, thereby affecting the collective knowledge base on what does and does not work to successfully bring about change in contexts of poverty. It is these knowledge flows that might prompt NGO reflexivity given that organizations not only learn from direct experience with failure, but also from the failure experiences of similar organizations (Madsen & Desai, 2010).

In conclusion, in reporting on how a development NGO launched a multi-stakeholder network to promote inclusive markets in Ethiopia, our study contributes to the vibrant institutional literature on how NGOs operate as intermediaries of change, while also reflecting the increased scholarly interest in how organizations address complex societal problems like persistent poverty.

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## Notes

1. This research was executed by the second and third authors in 2010, and partially funded by Alpha.
2. When quoting respondents, we refer to 'RES-continuous number' to protect their identities.
3. This nomination was part of PAM's broader goal to build local capacity in business service provision in value-chain development and multi-actor change processes.
4. One incumbent company was reportedly present at meetings 12 and 13. The company was invited to give a presentation in meeting 12 (RES-2). The other incumbent only became involved towards the phasing-out of the project, as it was interested in founding an Ethiopian dairy board (RES-9). This incumbent did in fact join the task force launched in meeting 17 to explore the organizational design and mandate of the board.

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### **‘Alpha’ Programme Documents**

- (2005a) *PAM programme proposal document*.
- (2005b) *Value chains identification for intervention*.
- (2006) *PAM activity report I*.
- (2008) *Mid-term review of PAM programme*.
- (2009a) *PAM extension proposal*.
- (2009b) *Programme annual report 2008*.
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