



## An Organisational Psychology of Poverty Reduction: Does it all Add Up?

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## Overall Plan

- Development landscape
- I/O Psychology features
- Example Project ADDUP



## LANDSCAPE: Human Statistics

- Global population 6 billion
- Approx. half in economic poverty (US\$2 per day)
- 1 billion on < \$1 per day, Extreme poverty
- Approaching 1/6 chronically undernourished
- Child poverty around 1 in 2 (1 billion/2)
- Poverty levels dropping in South and East Asia
- Poverty levels rising in sub-Saharan Africa
- Half world's wealthiest bodies are: Corporations...  
(Source: Shah, 2006)



## Millennium Development Goals

- (1) Eradicate extreme poverty & hunger
- (2) Achieve universal primary education
- (3) Promote gender equality and empower women
- (4) Reduce child mortality
- (5) Improve maternal health
- (6) Combat HIV/AIDS, malaria & other diseases
- (7) Ensure environmental sustainability
- (8) Develop a global partnership for development
  - E.g., open trade, governance, private sector

- Source: Annan (2000)

- The "MDGs" are not without critics, e.g., Easterly (2006)
- Easterly focuses a lot on 'bottom-up' dynamics...



## 2005 Paris Declaration on Aid

- Ownership
- Managing for Results
- Mutual Accountability
- Alignment
- Harmonisation



## Organisations and Poverty

- Multilateral (e.g., UNs, WHO, W/Bank)
- National Agencies (e.g., NZAID)
- Government civil services
- Non-governmental NGOs
- Consultant groups and individuals
- Social Entrepreneurs



## And 'Business' organisations?

- Concept of "capacity development" ('Empowerment')
- Commercial orgs have more potential to foster (OECD)
- May also harmonise and align with aid sector on projects
- International Joint Ventures
- Small to Medium Enterprises
- Employers in countries receiving migrants



## An Inter-disciplinary undertaking

- MDGs are multi-disciplinary
- Paris Declaration is *inter*-disciplinary
- E.g., Organisations have to work well
- Organisational *studies* are needed
- Including relatively micro-level disciplines,
- Like for example I/O psychology -
- Which focuses on People at Work



## FEATURE: I/O Psychology

- I/O psychology has been silent on poverty
- At research and policy meetings, not present
- Psychological perspectives not taken seriously
- Despite acceptance of behavioural concepts like
- "Business confidence," "radius of trust", "incentives"
- I/O psychology has to take some responsibility for this (very) low profile



## Servants of Power?

- Baritz's (1960) critique
- Arguably still with us
- A self-imposed stereotype
- Perhaps some lack of confidence
- Implicit "crisis" in I/O psychology?
- *How* do we become more responsive, and socially responsive?
- As a discipline, and as a Profession



## Riposte: Socio-Cultural Context?

- After all, aid work is often "cross-cultural"
- And cross-cultural comparisons are 'big' in I & O
- So, too, is cross-cultural, executive "adjustment"
- They have assumed figure rather than ground
- Arguably deflecting interest from development
- Could this be a bit of a "discounting" bias?
- What about other forms of diversity? E.g.,
  - **Political**
  - **Economic**



## Socio-Political Context

- The influence of Political Skill is growing in I & O
- But hasn't yet reached the international context
- High development interest, though, in "governance"
- Micro-level analyses of motivation may be useful
- E.g. undermining of social contract in civil service workers (Ferrinho & van Lerberghe, 2002)
- PRG Currently co-undertaking workshop with GDN
- On "Budget Support"
- Can report next year!

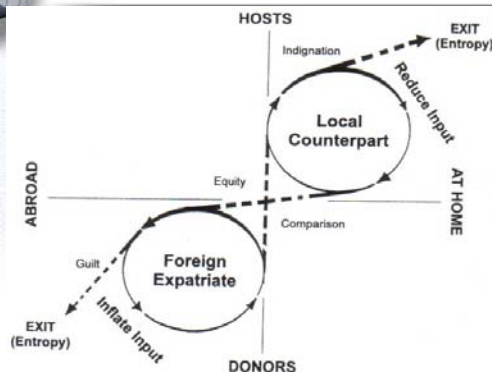
## Socio-Economic context

- Irony that I/O Psychology has neglected this!
- At the risk of making another discounting error:
- The most obvious (and salient?) feature of many workplaces IS...
- PAY, and in particular, RELATIVE remuneration
- In development work, pay often VERY diverse
- & ironically mirrors the very gaps it might reduce
- E.g., between expatriates and locals
- Not unusual for ratios to be 10:1 or greater
- How would it make *you* feel? Especially re career?

## EXAMPLE: Project ADDUP

- Are Development Discrepancies Undermining Performance?
- A rich moment in a poor country
- An elephant in the parlour
- A *herd* of elephants in the parlour!
- *More* of barrier to teamwork than cultural diversity
- Set in motion a series of case, experimental and survey studies
- Conducted on the smell of a proverbial oily rag

1<sup>ST</sup> some THEORY: Double De-motivation? (OECD, 2004)



## An Organisational Survey

	Expatriate	Malawian
<i>Items about foreign expatriates</i>		
Some expatriates on large salaries feel guilty because they earn much more than local workers	3.4	2.0
Expatriates are better employees than their local counterparts	2.7	1.6
<i>Items about local instructors</i>		
Expatriates who work abroad should work under the same terms and conditions as local people	2.2	4.1
Most companies are unfair to their local employees	3.3	4.6
Local people are de-motivated by the large salaries that some expatriates earn	2.9	4.2

Scale ranged from 1 – 5, with higher ratings indicating stronger agreement. All differences are statistically significant

## And Expatriates on Local salaries?

- They realised that higher paid expatriates did feel some guilt
- They understood better that local staff were de-motivated
- They may have been partly better able to *share perspectives?*

## Laboratory Experiments

- Variation on Deci paradigm
- Participants = students
- Measures = intrinsic motivation, equity sensitivity
- Procedure = free choice period, paid not at all, diversely, diversely with knowledge of diversity

### KEY RESULTS

- Knowing pay diversity led to double de-motivation
- Especially for “equity sensitive” individuals
- And in pay systems that have wider pay diversity  
– Source: Carr et al (2005)

## Critical Incidents from Pacific

### The Solomon Islands (RAMSI)

- **Two sides of the same (human factors) coin:**
  - “Australians are coming in with a higher and higher and better lifestyle, making a lot of money... what RAMSI [Regional Assistance Mission to Solomon Islands] might get in one week is what Solomon Islanders might live on in a year... that's just sure to engender some bitterness eventually” (Prominent Solomon Islands Church Leader, 2005)
  - “I was introduced to your work recently during a visit to the Solomon Islands, when an AusAID employee was talking about her experiences in this location, in particular her guilt regarding the gulf that exists between herself and the local islanders” (Senior Staff Counselling in Aid sector, March 2006)
- **2007: The debate continues, SICHE closed, RAMSI ‘under fire’**
- **UPNG industrial tension (and goodwill to resolve politics)**

## ADDUP: An Inter-disciplinary Team

### Landlocked Economies

Chiwoza Bandawe and Dixie Maluwa-Banda, Univ. of Malawi,  
Callist Tumwebaze & Leon Matagi, Makerere University Uganda

### Island Nations

Glynn Galo, University of the South Pacific, Solomon Islands  
Leo Marai, University of Papua New Guinea

### Economies in Transition

Erhua Zhou, Huazhong University of Science & Technology  
Trilok Papola, Indian Society of Labour Economics

### Coordinating and Advisory Institutions - South

Ishbel McWha, Project Manager/PhD candidate  
Tony Banks, NZAID  
Rod McBride, AusAID

### Project Advisors - North

Chief Collaborator: Prof. Mac MacLachlan, Centre for Global Health  
Adrian Furnham, University College London  
Thea Hillhorst, Sociology, Wageningen University

### INTER-DISCIPLINARY ETHOS:

Health, Education, Management, Economics, Geography, Dev. Studies,  
Counselling, Sociology, Disaster Relief, and I/O psychology



## A Draft Measure

### IDENTITY

Inner conflict, blind spot, empathy

### DOMINANCE

Superiority, backlash, neutrality

### INJUSTICE

Blind spot, indignation, empathy

### CAPACITY

Intent to stay vs leave, satisfaction

Expats on local pay, locals on international pay will be less de-motivated than expats on intl. pay and locals on local pay



## Overall Process

- Avoid double de-motivation itself
- Country site visits, team recruited
- Critical Incidents
- Delphi technique (local variations)
- Online survey (q-squared)
- In-country workshops with policy makers/friends of ADDUP
- Dissemination national and international, including ESRC website
- No “IP”

## Quo Vadis?

- Website for ADDUP due to be launched soon
- Povia
  - ([majordomo@massey.ac.nz](mailto:majordomo@massey.ac.nz))
  - Subscribe povio
  - End)
- Call for Task Force:
  - Organisational Psychology & Poverty Reduction
- Interviews with a range of figures in development policy, practice and research
  - “The Industrial Psychologist”
- Encourage talented graduates in I and O
- Keep pursuing the Inter-disciplinary

## Some References

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