

Microloans from an organizational perspective

- A case study from Cambodia

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Socialhögskolan

Bachelors thesis

VT 14



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Acknowledgements

I want to thank JWOC, my supervisor Jan Magnusson. I would also like to thank Tanja, Libby, Ryan, Gaëtan, Marcus and everyone else who have been involved in the process of writing this thesis. I would also like to thank SIDA which provided me with a Minor Field Study scholarship which enabled me to go to Cambodia.

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Abstract

The purpose of this study was to understand how identity could be created in organizations working with microloans. The purpose was also to see how this identity was manifested in terms of rules, guidelines and symbolic manifestations. The result of this thesis was analyzed from a symbolic perspective which worked as a tool to understand how identity could be created in an organization working with microloans. The data which is used in this study was gathered in Siem Reap, Cambodia in November and December 2013. This is a qualitative ethnographic case study. The data in this study comes from interviews and observations made at JWOC (Journeys within our community), an organization working with microloans. Documents written by JWOC have also been used in this thesis. The material which was gathered generated themes from which the analysis was made, following themes were used; controlling, power, we and them, humour, heroes, belief in the future, and education. The result shows that education was the guiding principle in JWOC. Education also worked as a unifying factor since it was valued both by the organization and its staff members. Humour worked as a coping strategy when the workload was too heavy. Humour also united the staff and created a sense of belonging in the organization. The results also show that JWOC had a comprehensive selection process when they chose the staff members and the borrowers. This enabled the organization to have people within the organization whom believed in its values. This was a way to create identity. The members of the organization were also more likely to be loyal to JWOC since they shared its values.

Keywords: microloan, Cambodia, identity, education, symbolic perspective, culture

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Abbreviations:

CGAP - The Consultative Group to Assist the Poor

JWOC - Journeys within our community

NGO – Nongovernmental organization

MFI – Microfinance institution

1. Introduction and background

This thesis was made in Siem Reap, Cambodia. The data was collected in November and December 2013. In this chapter I will give a brief introduction to the topic of this thesis and a short description of the current situation in Cambodia. I will also give the reader a description of which problem I focus on. I will as well describe the purpose of this thesis and which research questions I will answer. I will also explain how I limited the scope of this thesis

1.1 Introduction to microloans

In 2006 Mohammed Yunus and the Grameen Bank won the Nobel peace prize because of their work with microloans. Microloans are small loans which are taken by poor for a short amount of time people in developing countries. The aim of these loans is to create an income generating activity so the people can rise up out of poverty (Chhay, 2011 and Gnegy et al, 2011).

There are more failures reported on microfinance projects than there been reports of successful projects. Microfinance has been used more frequently to fight poverty since the Grameen Bank was successful in Bangladesh. The Grameen Bank gives loans, mainly to woman in groups. The loan is personal but if a person in the group cannot pay the loan back, it is the other group members' responsibility to pay the loan back. A small amount of the loan is paid back every week. This is called a loan cycle. When all the money is paid back, the loan cycle is over (Adams and Raymond, 2009).

The Consultative Group to Assist the Poor (CGAP) which is part of the World Bank writes reviews of United Nations Development Programs' (UNDP). CGAP criticizes the microfinance projects in Pakistan. In the report CGAP wrote that only two out of 27 institutions working with microfinance in Pakistan were sustainable. Many of the clients who are taking microloans do not pay enough interest to keep the organizations sustainable. It is also hard for the institutions to find good employees who want to work in the rural areas. CGAP has written similar reports when they have evaluated microfinance in Cambodia, Nicaragua, Sri Lanka and Madagascar (Adams and Raymond, 2009).

Banks normally don't lend money to people who don't have any security to pay the money back. By controlling who is worth getting a loan and who is not Muhammed Yunus claims that the banks have created a worldwide apartheid system. Muhammed Yunus means

that people should be assessed from their capacity and what they are able to do. Muhammad Yunus tried to convince the banks in Bangladesh to give loans to poor people. He succeeded and in 1983 a new law was settled in Bangladesh and the frames of this law made it possible to found a bank for the poor, the Grameen Bank. In 2007 Grameen Bank gave loans to seven million poor people in 78 000 villages in Bangladesh, 98, 6% paid back the money and 97% of the borrowers were woman (Yunus and Weber, 2007).

1.2 Current situation in Cambodia

The late Cambodian history is characterized by war and conflicts. After the Khmer Rouge period the country had economic despair. This has led to mistrust of public institutions and banks also after the Khmer Rouge period. The past years the economy has grown. In 2007 there were 30 % of the people who lived below the poverty line. Cambodia has ratified the UN conventions on human rights but there are problems with implementing them. Cambodia has also ratified laws to protect children and woman. Despite this, traditions, values and stigma still make children and women discriminated in the society (Regeringskansliet mänskliga rättigheter i Kambodja, 2010). The population of Cambodia is 14.4 million (Nationalencyklopedin, 2013). In Cambodia microfinance is considered to be an important tool to get woman involved in the society and to gain autonomy. In 2005, 42% of the woman in Cambodia had never attended school, for men the number was 21%. The Royal Government of Cambodia had tried to increase the opportunities for woman. The reason why the difference between the genders is so big is explained by social and cultural factors in the country (Chhay, 2011).

1.3 Problem discussion

There are many different kinds of MFIs (microfinance institutions) which are giving small loans to poor people. These organizations are working in different ways which makes it hard to make a conclusion of their work (Adams & Raymond, 2008. p 422). Because of this it is hard to know which motive the MFIs have and what they want to achieve by giving the loans. It is also hard to understand how identity can be created in such organizations. In 2004 there were 400 000 people who took microloans in Cambodia. Even if there are a lot of people in Cambodia who are getting microloans there is very little research done about microfinance in the country (Allén, 2009. p 273). It has been found that there is a strong correlation between level of education and successful entrepreneurs. Education such as basic business process should benefit the borrowers (Gnegy et al., 2011. p 4). How does this affect the borrowers, do

they gain a lot of knowledge or is it a way for MFIs to create identity and a sense of belonging in the organization? Are the microfinance institutions really providing education to their borrowers and if they do, how do they provide this education? What are their objectives to give small loans to poor people? How does the staff look at their profession? Who is making the decisions of who is going to get the loan? What is needed to get a microloan and what must the borrower do when he or she gets the loans? Can everyone get a loan or do you need to fulfil certain claims to get the loans? How can this effect the identity in the organization? How can the structure of the MFI be explained and how is the group dynamic among the staff members in the MFI? What are their visions and how do the MFI want to appear, what is the identity that they want to show? It is also interesting to understand how microcredit which was created in a different cultural context works in Cambodia and to understand how an organization can be structured when the concept comes from another cultural context and how this affect the identity of the organization. The NGO which is investigated in this thesis is registered both in the USA and in Cambodia. How can this effect the organization and are there symbolic values that are brought to Cambodia from the USA? How does this affect the identity of the organization? How can these values be implemented and what problems can it cause? Liljefrost (2012. p 99) found that Jamii Bora created identity because they strived to give the tools to the borrowers to empower themselves instead of having a more paternalistic view on the borrowers. Is this picture representative for other MFI? There are many ways to create identity in organizations and every organization is different. Therefore is it hard to know how identity can be created in a MFI.

1.4 Purpose and research questions

The purpose of this thesis is to investigate how a NGO which works with microloans creates identity within the organization. The purpose is also to see how this identity is manifested in term of rules, guidelines and symbolic manifestations. In this thesis I will stress how the staff is affected by the structure in the organization and also how it can affect its borrowers.

In which way can identity be created within an NGO which works with microloans?

What consequences can this identity have for the staff working in the organization?

In which ways can rules, guidelines and symbolic manifestations affect the staff and the borrowers?

1.5 Limitations

In this thesis I focus on the perspective of the loan giver. When I chose my topic I wanted to compare how the loan giver and the borrower viewed the loans. Since I chose to write my thesis in a country where I don't know the cultural context it would have been hard for me to compare these two versions and I would also had to be dependent on interpreters. I also considered focusing on the gender perspective. Most of the people who get microloans in the world are woman (Adams and Raymond, 2009). Therefore I was interested in how this affected the relation between the men and the woman in families which received microloans. I would have had to ask very personal questions and therefore I decided to not choose this perspective. I also did not find it ethically correct for me, as a foreigner who doesn't speak their language, to come to their homes and ask them a lot of personal questions. The staff at the organization studied in this thesis, JWOC (Journeys within our community) speaks good English so I could get my information without any translator. I made a case study in only one organization and by having such a narrow approach I was able to focus on my research questions. In the beginning I was considering studying two organizations but due to the limited time I had for this study I chose to only study one organization.

2 Existing research

In this chapter I will present a few studies about microloan. Both Emilia Liljefrost (2012) and Johanna Hietalahti (2013) have written their PHD dissertations about microloan. I will also present the result from an academic journal about microloan which was made in Cambodia written by Daraka Chhay (2011). I will as well present a short summary of the gender perspective related to microloans. In addition I will present an article about the importance of providing training to the borrowers. I will as well give a short introduction to microloans and how identity can be created in organizations working with microloans

2.1 Microloans and identity

As mentioned, CGAP is a part of the World Bank. It has 30 different financiers. These are national aid agencies, private foundations and regional development banks. The purpose with CGAP is to contribute with knowledge among organizations which works with microloans. One of the key principles of CGAP is "microfinance is a powerful tool in the fight against poverty" (Liljefrost, 2012. p 65). With this statement, CGAP creates a common goal to strive towards.

This also creates identity in the organization since it has something that unites it. Another of the key principles in the organization is “financial sustainability is important to reach as many poor as possible”. By saying this, CGAP strengthen their identity and create a vision to work towards. Liljefrost (2012) studied the organization Jamii Bora in Kenya. She found that the organization rather would be identified as a social oriented organization which works to strengthen poor people than an organization working with finance (Liljefrost 2012. p 98). Liljefrost found that Jamii Bora was proud to be self-sustainable and not being depended on donors and money from foreigners. According to a person working for Jamii Bora they strive to change peoples’ lives, they have for example a project to help drug addicts to become drug free. The most important message that Jamii Bora sends is that they can give the tools to help people but they need to do the work themselves. All things that are described here about Jamii Bora are examples of how identity can be created in a microfinance institution. The conviction that they give the tools to people to empower themselves create a sense of unity in the organization. They don’t just give away money, they are actually sure that their working method is much more efficient since they invest in the people. This creates a difference between Jamii Bora and other organization and this also strengthen the identity in the organization.

2.2 Microloans and symbolic manifestations

Liljefrost (2009) has written her PHD dissertation about what impact the symbolic and social capital has on MFIs and its borrowers. Her study was made in Kenya. The local anchoring, rules and religious values are examples of symbolic capital in the organizations she studied. By the official framework the organizations had, the norms of the organizations were created. The MFIs norms and values created expectations towards the organizations and the borrowers. It was also found that these expectations made it easier to understand how people in the organization were going to act. It became a tool for the MFIs and the borrowers to understand each other.

It was also shown that front figures in the MFIs played an important role. The borrowers who had made success with their loan were often mentioned in different contexts. These people became the norm and current borrowers and future borrowers were expected to strive towards this norm. By going through webpage s’ from different MFIs working across the world it was found that the MFIs are putting good borrowers on their webpage. Even though the individuals belong to different organizations, the message the MFIs want to give is clear.

They want to give the impression that microloan is a tool to fight poverty and powerlessness (Liljefrost 2012 p. 165).

In a case study from South Africa the loan takers, which all were woman gave their objectives in taking microloan. Some said that they took microloans because of financial problems and others said that they wanted to make it possible for their children to attend school (Heitalahti, 2013. p 70). The MFI where they got the microloans gave the loans without any collateral which the official finance services required. It was a big change in the peoples' lives and for them the MFI represented the formal world. The loans were given to groups in loan cycles. It was supposed that it would create corporation and solidarity among the woman. However, it was found that it created a tense atmosphere within the groups where the loans were given. They were worried about the debts and this created suspicion against their fellow group members' business. The groups had problems to pay back the loans and the group members complained on untrustworthy members of the group. The women were forced to fight towards each other in a market which was easily saturated (Heitalahti, 2013. p 180).

Hietalahti means that it is taken for granted that the microfinance clients automatically would cooperate with each other. She means that the already existing social dynamics among the clients such as tensions and the relations between group members are underestimated. It was also found that the most successful borrowers were the ones who used their social network and their social status. The richest borrowers could afford to buy good cars and to spend nights at hotels. This became symbolic manifestations which showed that they were successful. Successful borrowers took advantage of their situations and some borrowers owed money to the successful ones. This made the social relations in the group even more unequal. (Hietalahti, 2013. p 93). The MFI tried to create identity and solidarity among the group members by giving them loan in groups, which appeared to not be a successful method. Since there were conflicts among the group members, the MFI failed to create identity and a sense of fellowship.

Liljefrost (2012. p 110) found that religion can work to create a sense of affinity in one of the MFIs she studied. It can be problematic when borrowers put their religious values higher than their loyalty to the organization. In some cases borrowers gave their money to someone who needed it more than they did. Even though, borrowers were proud that they belonged to a MFI which shared their religious values. This created identity within the MFI.

2.3 Microloans in Cambodia

In Cambodia, microloans are considered to be an important tool to fight poverty and to develop the local economy. Microloans are supported both by donors and then government, which often is the key to success. Even though, the poorest of the poor have never received microloans in Cambodia (Alldén, 2009. p 270).

A study from Cambodia shows how LWF (The Lutheran World Federation) works with so called "Village Banks" where the inhabitants in communities are responsible themselves for the microloans. The loans rotate between the borrowers. This could actually be a way for the MFI to try to create identity in the organization. If the borrowers feel that they are selected and that they are responsible for the loans themselves, it could create a sense of affinity among the borrowers. The motive to give loans was to give borrowers a sustainable economic situation. The study shows that out of the 214 borrowers who took part in the study, 56.5 % had started up own activities such as selling goods and food. 30 % of the borrowers said that they could send their children to school to a greater extent than before. 10 % said that their family relations had improved. 19 of the borrowers said that their family relations had got worse because the borrowers' husbands did not want their wives to be a part of the microloan program. 27 of the borrowers said that the loans created tension in the community because the neighbours who did not get a loan became jealous. 22% said that loans could have had negative influences (Chhay, 2011).

2.4 The importance of providing training

Borrowers who are getting microloans should not only receive the loan itself. To be able to use the loan as effectively as possible, the borrowers should also receive training. There is also a correlation between successful entrepreneurs and the amount of "human capital". Human capital can be defined as the work experience, educational background and also demographic aspects such as age and gender. Basic business training has a positive impact on people who are about to start up new business. To give the borrowers a better chance to succeed the lender must not only provide business training, they must also provide a detailed description of how the loan process works. This could work as a way to create identity in MFIs the borrowers might feel chosen and proud to get the loan and the education. Borrowers should know when they should pay back the loan and how much they need to pay back. The borrowers should also be prepared for what happens if they default. The lender must also stress that the loan is supposed to be used for the business and not for personal items. Training

to make a plan for an effective business entity and budget training should also be given to the borrowers (Gnegy et al., 2011).

2.5 The gender perspective

It has been shown that the microloans which women are getting often are smaller than the loans that men are taking. Research shows that in the south of Asia the loans have been used by the women's husbands instead. In some cases, the men took the money to do investments and in some cases the men have claimed that it has been their right to take the money. Women who have received a loan and started up an income generating activity have often been denied to take another loan. Because of this the women had to liquidate their business (Mayoux, 2010).

In a study about Génesis, a MFI in Honduras it was found that the borrowers feel more independent since they took the microloans. All the borrowers in Génesis were woman. In Génesis the borrowers had to save a part of the loan so they could use it if an emergency situation occurred. The study also shows that the woman were less dependent on their men after taking loans. The women were also less inclined to stay in destructive relationship because the women were no longer economically dependent on their men (VonderlaakNavarro & Sherraden, 2007). There are several MFIs which only give microloans to women; this can also be a way for MFIs to create identity among the organizations. Women start to believe in themselves and they might also support each other.

3. Method

In this chapter I will explain which methods I used to gather and analyze data for this thesis.

3.1 Choice of method

I have chosen the qualitative method. Within this qualitative method I used three different ways to collect data. I have gathered documents and made interviews and observations. By using three different methods I had a greater chance to understand the social realities. My study is a case study from a NGO in Cambodia. My study is an ethnographic study; by taking part in the everyday work I got closer to the reality of the people I studied (Ahrne & Svensson, 2011. p 27). The information that I could not get by observations and documents I got from interviews with the staff members. By taking part in the everyday life, I could see how different rules in the organization affected the borrowers and the staff members. It also enabled me to find out what the guiding principle in the organization was and how identity

could be created. By using several methods, I could also get a deeper understanding of how this identity affected the people within the organization.

This case study focuses on the norms of the organization and the interaction among the people within the organization. This focus is common for case studies in social sciences. The description of the current situation in Cambodia, the background about microfinance and the previous research put the case study in a bigger context, which also is of great importance in a case study (Jacobsson & Meeuwisse, 2008. p 51).

With my case I wanted to capture the social reality and social processes which occur within the organization. By doing my case study at JWOC, I had the chance to see how the everyday life in a microfinance institution can be. By studying one organization and going deep into the analysis of it, I got a profound awareness of rules, guidelines and identity in the organization. It also enabled me to see how this was manifested in the social reality. I did not choose my case because it was unique; I chose it because by studying the organization, I could answer my research questions. Since I studied JWOC I got an insight into how MFIs can create identity. This type of case is called exemplifying case (Bryman, 2008. p 77).

Since my time in the field was limited I wanted to gather as much data as possible in a short amount of time. An ethnographic study should last for a longer time, which mine did not. I focused on a special theme i.e. the rules, guidelines and identity in the organization. This made it possible for me to make a so called micro ethnographic study (Bryman, 2008. p 379).

3.2 Selection

I chose to write the thesis in Cambodia because there are a lot of MFIs working there. Another reason is that I will contribute with knowledge about microloans in Cambodia since there is not much research done about microloans in Cambodia (Allén, 2009). Since I made my case study in a country I never been to before, it was difficult for me to picture how the process of my work would be. When I first visited the JWOC I had an idea of which research questions I was going to answer. I was also aware that the research questions maybe would change a little, which they did. After my first field visit I got an idea of which aspects I was going to focus on. These aspects became the core in the study. I did not do any strategic selection for in thesis, instead I choose to be open to every aspect that could occur in the case study (Jacobsson & Meeuwisse, 2008. p 51). Before I went to Cambodia I was in contact with two NGOs that work with microloans. In case I had had difficulties in conducting a case study at the first one I had the other organization as a backup. At an early stage I understood that it

was possible for me to make my case study at the first organization, which I did. The reason why JWOC was interesting to study was that they have been working with microloans since 2006; I knew that they had a long experience of working with microloans in poor communities. It was also interesting because the most of the staff who works with the microfinance project are students who volunteer for the organization. There seemed to be structures within JWOC which could be related to the theoretical framework of this thesis, the culture metaphor and the symbolic perspective.

3.3 Observations

One of the main methods in this thesis is participant observations. In the observations that I made, my focus was to understand the culture of the organization I studied (Bryman, 2008 p 378). I had one key informant who helped me to access the organization. The key person was the microfinance manager and he was the one who gave me access to talk to other people within the organization. The key person also gave me useful documents and we had several long conversations about the organization and how it works. He was open to answering my questions and he made it possible for me to get an idea of how the organization is structured. Since he was the person I met most, it was a risk for me to take only his perspective instead of perspectives of other members of the organization (Bryman, 2008 p 387).

During my observations I did ask people questions about their work but I preferred that the informants gave me the information spontaneously. The spontaneous comments were more natural and I also avoided asking leading questions (Bryman, 2008 p 388).

The observations I made included training of the staff working with the microfinance program, field visits with the microfinance manager and field visits with the staff. I also participated when the staff counted the money and when they gathered before going to the field. During the field visits I made I saw how JWOC gathered the weekly payment from the borrowers. The meetings and the trainings was in Khmer and the Power Point presentations which were used in the training sessions were in English. Despite this I decided to take part in the trainings and the meetings. It gave me good opportunities to talk to the staff during the breaks. I could also see how the manager of the microfinance program taught the staff about the values and guidelines of JWOC. I do not speak Khmer which is the language in Cambodia. This made it harder for me to understand the social codes from the people whom I met. A lot of the culture essence is in the language therefore was it harder for me to understand the Cambodian culture. Almost everyone in the JWOC staff spoke English which

made it possible for me to talk with them without an interpreter; it helped me a lot because when an interpreter is used a lot of information can be lost during the translation process (Ahrne & Svensson, 2011 p 87).

3.4 Documents

A lot of the data that I got was from documents about JWOC. These documents were given to me personally by the staff of JWOC and I also used information from their webpage. When I used documents from the organization it was possible for me to meet the people who actually wrote some of these documents. In this way I could get the version from the document confirmed by the people who wrote them. Even if I met the author of the document and he could confirm that I had understood them in the right way it is not an objective description of how the MFI worked. Therefore I had to get other sources of information as well (Bryman, 2008 p 497).

Before I started my field study I went through the webpage of JWOC and different documents that could be found there. In that way I got a good idea of how they were working. By doing that I was able to show the staff in the organization that I already had knowledge about their situation. This made it easier for me to connect with the people within the organization (Bryman 2011. p 387).

After my first day in the field I got a lot of documents about JWOC. I studied these documents thoroughly. When I returned to the field I had a very clear picture of how the organization wanted to appear. By knowing this, I could see if they were working in the same way as was described in the documents. The documents also helped me to not spend time asking basic questions about the organization. It is important to stress that the documents play a big role in this thesis. Since my time in the field was limited and I had a lack of time to do observations and interviews, I use a lot of the information I got from the documents in the analysis and result chapter. The documents I used are the microfinance handbook which JWOC uses, reports from surveys which JWOC makes in every loan cycle, a report about the microfinance program written by JWOC, various Power Point presentations and the webpage of JWOC.

3.5 Interviews

In this thesis I have made semi-structured interviews. I had a few questions prepared, but the interviews were not limited by them. I didn't hinder the respondents to elaborate more on the topic and I was ready to ask unplanned questions (Bryman, 2008. p 206). Only two of my

interviews were recorded and transcribed. In the occasions where I felt that the person I was interviewing was feeling uncomfortable with the situation, I preferred to not record the interview. Of course it would have been better if I could have the material that I got from the interviews recorded, even though I decided that it was more ethically correct not to do it. Instead I took notes during my interviews. Since I had a lot of contact with the staff members during the observations I had a chance to build up relations with them through time. By doing this it was easier for me to connect with people.

In ethnographic studies like the one that I made, interviews are often a complement to the observations (Ahrne & Svensson, 2011. p 56). Therefore, interviews are not the main method in this thesis; it should instead be seen as a complement to the other methods I used. The interviews also helped me to get the first contact with people within the organization. Since the interviews I made were conducted with people on high position at JWOC I could control if what they said matched the result I obtained from the observations (ibid).

Since I was taking part in the everyday work of the staff I also had a lot of informal conversations with them. Sometimes during these interviews it was not possible for me to take notes; instead I had to take mental notes which can be useful when it is inappropriate to take notes (Bryman, 2008. p 399). There are a lot of disadvantages of taking mental notes; there is always a risk of not remembering the information in a correct way. I also interpreted my mental notes unconsciously. Despite that I got useful information during these informal interviews which reminded me more of conversations than interviews. In the beginning of the field study I could see that the barrier between me and the people I wanted to interview was too big. Our different cultures created distance between me and the informant (Ahrne & Svensson, 2011. p 50). During my observations I started to overcome this barrier and to understand the social context where I was. After that I could start to ask my informants more relevant questions and we began to understand each other, this is when I started to collect useful data.

The interviews I did were strongly affected by the environment and the social context I made them in (Ahrne & Svensson, 2008 p 40). All the interviews were made either at the JWOC office or during field visits. When I visited the field, I was travelling on the back of a scooter and a staff member drove it. This gave me a good opportunity to have conversations and ask questions about how he or she viewed what happened in the field.

3.6 The risk of being too descriptive

Since I focused a lot on understanding the social context where I made my study there is a tendency that this thesis is very descriptive. When I started to write the results and analysis chapter I realized that I was describing details about the social context and explaining thoroughly how the organization is built up. Geertz recommends writing these “thick descriptions”. At first these descriptions can appear to be irrelevant and it can lead to a risk that the researcher describes the social environment too much (Bryman, 2008. p 40). Loftland and Loftland write that there is a risk of writing too many details and that this can lead to not have enough room for analyzing the data (ibid). Despite that I found it important to describe JWOC in a detailed way since the reader of this thesis most likely doesn’t have any pre understanding of the organization. It was also necessary to describe the organization thoroughly to make a good analysis. If I had not described the structure of JWOC as I did the reader would not have understood the analysis I made.

3.7 Reliability and validity

The findings of this thesis are not truer than any other versions of the same social reality. Studies in social science stress that there are different perceptions of social problems and realities (Jönsson, 2010). What I described in this thesis is only one possible way to look upon the social reality. Therefore it is also important to remember that the findings in this thesis do not represent other MFI than the one I studied. Even though it shows how a MFI can work. Still it is important to discuss reliability and if the result of the study would be the same if the study was made again (Bryman, 2008. p 49). There are several MFIs which work in Cambodia and elsewhere in the world; the same methods which I used can be used to study other organizations. The probability that another researcher would find the same results as me is low since different organizations are structured in different ways. On the contrary, there are tendencies in the results which are similar to other studies.

Since I have used triangulation, i.e. combination of three different methods, I avoided getting a narrow picture of what I studied. If I, for example, had only used interviews, I would not have seen the symbolic manifestations “in action” which my observations enabled me to do. The documents I have used helped me to find patterns which I was going to look for in my interviews and observations. The triangulation makes my results more reliable since the different methods have confirmed each other (Bryman, 2008. p 354).

In this thesis there is a strong connection between the observations that I have made and the theoretical ideas I have developed. I use the data I have gathered and connect them to the symbolic perspective and the culture metaphor. By doing this, I secured that I had internal validity which is important in ethnographic studies like the one I have made (Bryman, 2008. p 352).

It is not likely that the result of this study can be generalized to all similar environments. In case studies like the one I have done, there is often a problem with external validity (Bryman, 2008. p 352). Even though the structure of the NGO I studied is unique, there are still many similarities with other NGOs working with microfinance. Therefore it is possible to apply my study to similar environments.

There is criticism towards reliability and validity within qualitative research. It is questioned because in qualitative research no definite conclusion is made. I assume that there are a lot of ways to look upon the reality and therefore I also chose to use more than one method to gather and analyze my material. By doing this I also make the result of the study more reliable (Bryman, 2008 p 354).

3.8 The advantages and disadvantages of the method

When you apply more than one method there is a greater chance that the result is correct (Bryman 2008. p 354). Because I have used more than one method I sometimes got different answers to the same questions. This is not negative; instead it helped me to understand that there are different ways to look upon the same reality (Ahrne & Svensson, 2011. p 28). I have used three methods in this thesis, observations, document analysis and interviews. I had a limited time to do this triangulation. Despite that I chose to use all the three methods since one of them would not have been enough to understand the complex structure of the organization I studied.

The main idea with an ethnographic study is to try to get closer to someone else's perspective (Ahrne & Svensson, 2011. p 83). Since I do not speak Khmer and it was the first time I visited Cambodia it was difficult for me to understand what was happening around me. I could talk to people and ask them questions about their work. In this way I could start to understand what was happening around me. I could also understand the structure of the organization by studying the documents. What I could not do was to listen to informal conversations that the JWOC staff had. Instead, I focused on the way people talked to each other, when they laughed and the atmosphere among the staff.

It is also possible that people in JWOC perceived me to be someone who was working on behalf of the management of the organization. Because of this, I cannot be sure that the information that I got was correct. This is also a reason why it was important for me to use more than one method so I could compare the different answers I got (Bryman 2008. p 354).

Since I already knew which theoretical framework I was going to use when I went to the field, there was a risk that I made interpretations of what I saw at an early stage. For example, I assumed that humour played a role in the organization. Does humour play an important role or was it only a way for me to make a first interpretation of what I saw? When I got further into the analysis, it became one of the cornerstones in this thesis. There is a risk that I missed out important things to analyze since I already from the beginning looked for data that could fit into the theoretical framework I chose. In the result and analysis chapter I discuss the meaning of having documents and power point presentations in English. Then I make an analysis of how this affect the organization I studied. There is risk that I take this analysis to far, it might only be the most practical way for JWOC to have the documents in English since there are sometimes people who don't speak Khmer who have to understand the texts.

Since there was a risk in seeing things in the organization only because I could relate it to the theoretical framework I decided to add more theoretical framework when I collected the data and finished the analysis. Then I developed the analysis with the new theoretical framework. When I went to the field I knew that I was going to use the symbolic perspective (Bolman & Deal 2005). When I finished the analysis I added a theory which explains how organizations can work as cultures (Morgan, 1999). This enabled me to confirm the analysis that I already had done. It also enabled me to see the data I gathered from a different perspective.

3.9 Ethical issues

During the process of data collection I stressed that it was not compulsory to participate in the study. In this way I fulfilled the information requirement (Bryman, 2008. p 130). I also asked the manager of JWOC if I was allowed to use the JWOC name in the thesis which I was allowed to do. Even if I explained what I was doing and what the purpose of the thesis was, I cannot be sure that everybody understood what I was doing. I also have to question myself if the people I observed really had the opportunity to say no to participation in the study. My key informant made it possible for me to get in contact with the staff members and to join them on their field visits. The key informant was also the manager of the microfinance program and the staff's boss. Did they really have the chance to tell their manager that they

did not want to have me in the field? I did what I could do to tell them that it was voluntary to participate in the study; still there are doubts if everyone in the staff really wanted to participate. In the interviews I made I clarified that the people would be anonymous. I also told my informants that they did not have to answer the questions I asked.

In a study it is also important to fulfil consent requirement (ibid) which stresses that it is important that the people who provided me with information allowed me to use it in my study. I was from the beginning clear that I was visiting the NGO to learn how they work and that I was going to learn that by doing observations and interviews. Some of the data I use in this thesis is not information that I got from people; it is information that I got from peoples' actions. This makes it harder to fulfil the consent requirement since I analyzed the actions and made my own interpretations what the actions meant. Since I in the result and analysis chapter emphasize that my interpretations of the social reality only is one possible way to look at the same reality, I admit that I don't present the only true version of the reality. Since I was allowed to use the information that I got from my study I assumed that I also was free to do my own interpretations on peoples' actions.

I have not, and will not use the information that I got from my informants in any other purpose than the write this thesis. By doing that, I fulfilled the use requirement (ibid). I have also been careful with how I presented the result. I have presented it in a way so that my informants would not be affected.

When I was doing my observations I took notes. It was important that the information I got was not available for anyone else than me. To limit the risk that no one else could read my field notes I wrote them in Swedish. This also made it easier for me to feel free to write anything in my field notes since no one at JWOC spoke Swedish. The data that I got from documents and interviews were saved in my computer. I used my e-mail as back up. In this way I fulfil the confidentiality requirement which says that data from the studies should not be available for anyone else except the researcher (Bryman, 2008. p 132).

3.10 Process of analysis

When I started to collect data, I started to code the material as soon as possible. This is a part of grounded theory and the grounded theory stresses that it is necessary to code the material gradually; otherwise there would be too much data to analyze when all the material is gathered. At an early stage of my study I got a lot of documents which I could start to code. This helped me to understand which themes I was supposed to look for in my observations

and my interviews. The coding of the material also became a first step in my analysis (Bryman, 2008. p 354). When I started to code the material I already knew which theoretical framework I was going to use. Because of this I could at an early stage link the material to the concepts in the theory (Jönsson, 2010. p 59). An ethnographic study should last for a longer time which my study did not. But even if a researcher only spends a few weeks in the environment that he is studying it can be called an ethnographic study (Ahrne & Svensson, 2011. p 84). Since my time in the field was limited it was important for me to know what I was looking for during my time in the field. Because of this, the first analysis of the documents was of great importance because it helped me to understand which categories I was going to focus on while I was in the field. The categories I used were controlling, power, we and them, humour, heroes, belief in the future and education. The categories humour and heroes come from the symbolic perspective which Bolman & Deal describe (2005). The categories education, belief in the future and power are words and expressions which occurred when I started to read the documents. When I first read the documents I could see the importance of these themes and therefore I started to code my data from them. The category we and them comes from Liljefrost (2012. p 168). Liljefrost claims that MFIs often are talking negatively about other MFIs to strengthen the identity in the own organization. When I coded the material I tried to find patterns between the categories to get an understanding of how the organization was structured.

4. Theoretical framework

In this chapter I will explain the theoretical framework I have chose to analyze the data. I have used the symbolic perspective which is described in Bolman and Deal (2005). I have also used a description of how it is possible to understand organizations as cultures; this is written by Morgan (1999).

4.1 The culture metaphor

According to Morgan (1999. p 146) organizations have own patterns which can be perceived as a team or a family which believes in the work that is being done. In the culture metaphor, organizations can be understood as cultures. The easiest way to understand the cultures and the subcultures in an organization that you are a part of is to observe it as you were a stranger. The structure in the organization that is being studied will then appear to the one who observes it step by step. After a while, it will be possible to notice which language is being used, which pictures and themes that appears and which rituals people take part of in the

everyday life (Morgan, 1999. p 146). While I was doing my case study I could observe the everyday life of the people in JWOC and by doing that I could slowly start to understand which actions that was of importance. Many organizations state that they are working in a certain way but they are actually doing it in a totally different way in reality. This helped me to have a critical input to what I saw in the field. Morgan (1999) claims that cultures must be interpreted as active and living phenomena. People who are living in a culture are together creating and recreating the cultures and the worlds that they are living in. Therefore it is important to understand which frames of reference that brings an organization together. It is also important to understand where this frames of references come from and how they are maintained. Tom Peters and Robert Waterman stress that successful organizations are build up by common norms, values and ideas (Morgan, 1999. p 160). This was a tool for me to see what brought JWOC together.

4.2 The symbolic perspective

I will use the symbolic perspective as Bolman & Deal (2005) describe it. I will use it as part of the culture metaphor that Morgan (1999) describes. I will do this because the symbolic perspective represents some themes that are a part of the culture metaphor. In the symbolic perspective, the most important is not what happens, it is more important to understand what it means, this is one of the basic assumptions that Bolman & Deal (2005) describe. In this field study, I focused on how these basic assumptions were expressed. In the symbolic perspective, different words can have different meanings to different people. Words do not only mean what the dictionary tells us. Words also have a symbolic meaning. Words can be the carrier of intellectual and emotional messages. The words appeal both our hearts and to our minds. If you work with microloans and you are talking to the borrowers in a respectful way, the respectful attitude towards them can actually mean more than the message that is given in words. By talking to them in a respectful way, the borrowers can feel that you respect them and that you believe in what they are doing.

Meaning, belief and conviction are fundamental in the symbolic perspective. Meaning is created by people and meaning means different things to different people because they interpret it in different ways. This is another of the basic assumptions that Bolman & Deal (2005) mention. According to the symbolic perspective, cultures are the natural environment for human beings to live in. Since the culture is the natural environment for them, it is hard to understand the culture if you live within it. I have chosen the symbolic perspective because it helped me to understand how the people who are working with microloans are

creating meaning to what they are doing. The symbolic perspective has helped me to understand the cultural context within the organization and it also has helped me to understand why people are behaving in a certain way and to find out which relations that existed in the organization. It has also helped me to comprehend how peoples' actions can create identity consciously and subconsciously.

In the symbolic perspective, symbols express the culture of the organization. This helps the members in the organization to understand who they are and what they are doing. This is also one of the basic assumptions which I searched for during my time in the field. Every organization develops values and patterns. These values and patterns can be obvious but they can also exist without anyone knowing about them. Values define what an organization stands for. Values are very fundamental cornerstones in organizations and they separate organizations from each other. The values in an organization make people to feel chosen and unique. Values also create identity within organizations. In the MFI which was investigated in this thesis, there were a lot of rules that the staff members and the borrowers had to follow. They were also supposed to share certain core values with the organization. The symbolic perspective gave me tools to analyze how these rules and values affected the people within the organization.

The symbolic perspective sees structures and processes as a theatre. In this spectacle people are able to express their worries, joys and expectations. This decreases their uncertainty and makes them less confused. It also gives people a platform which helps them to understand the present and gives a vision of a better future. These manifestations create a culture in organizations that unite people. A lot of actions and processes are also of greater importance than what actually is produced. These are the two final basic assumptions that Bolman & Deal describes (2005) and that I tried to find while I was doing this study.

Most organizations focus on the task which they are going to do. Everything that is not related to the task is considered to be less important. Humour and games works as a counterweight to the serious work that the groups are doing. It can also work as a source to creativity and team spirit in organizations. While working with microfinance, you face a lot of challenges in the everyday life. Humour can work as a strategy to allow yourself to forget for a moment all the tasks that you have to do. Humour can also be a tool to unite the staff in an organization.

The symbolic perspective also strives to find the right people who are suitable in the structure of the organization. By doing this it is possible to create a team with identity. This can be

done if the team members share the same beliefs, culture and “soul” as the organization. If a team finds this soul, they are able to do peak performances. Vaill made studies about peak performance groups and found that soul and spirit played a central role in the groups that he studied. The members of the groups said that they felt the spirit, a feeling which played an important role for the meaning and value of the work they did. Lifson and Takagi wrote that Mitsubishi let their new employees go through a long entrance ceremony. They did this to create an identity which stresses professionalism, collaboration and entrepreneurship. By doing this, they created a culture and identity within the organization (Bolman & Deal, 2005). This helped me to understand the importance of finding the guiding principle in the organization I studied. The guiding principle which I found in JWOC helped me to analyze the organization. The way JWOC recruited borrowers and staff members also gave me an understanding of how the rules and guidelines affected them and how identity could be created in the organization.

5. Results and analysis

In this chapter I will present the findings and the analysis of this thesis. I have chosen to present the analysis and the result chapter together since it will be easier for the reader to understand the result in this way. In the beginning of this chapter I will give an introduction to JWOC and how the organization is structured. This will make it easier for the reader to understand the further analysis. The headlines in this chapter come from the themes from which I coded my data. They also come from the theoretical framework I used and I also related the headlines to the purpose and research questions of this thesis.

5.1 Structures and symbolic manifestations in the organization

JWOC is a non-profit organization and the money that JWOC gets from their projects go back to JWOC. JWOC receives their funding from donors. JWOC does not only work with microloans. They also give scholarships to young Cambodians. The scholarship covers the fee for the University and books. There are about 70 students in Siem Reap who get scholarships from JWOC. All these students are also volunteering between 5-10 hours a week in the projects which JWOC has. JWOC is running schools and also has a project which aims is to help local people to access clean water. The scholarship students are working with these projects. There is a group of scholarship students who are working with the microfinance program. Every Sunday the students go to collect the weekly payment from the borrowers. The microfinance manager is the only person who works fulltime with the microfinance

program. The rest of the staff in the microfinance program is scholarship students. The microfinance manager trains the scholarship students before they start to work in the field. To become a scholarship student there is a selection process that you need to go through. The applicants need to write an essay about why they think education is important. Then JWOC has a panel with their staff and they choose people who they think want to help their community and are eager to get education. After getting the scholarships the students start University. The student and JWOC have then made a reciprocal choice. To become a member of a group it requires a ritual (Bolman & Deal, 2005. p 351). The essay and the training that the students are getting are examples of such rituals. Such rituals should not be seen only as a selection of who is worth to join the organization. There is a symbolic meaning that is of great importance too (Bolman & Deal 2005, Morgan 1999). The students feel that someone believes in them and that they are special. This can also make them more loyal to the organization.

The students receive three months training by JWOC before they start to work in the field. During this training the students are taught how the organization works and about its rules and values. After these three months the students start to work for JWOC in the microfinance project or in other programs which JWOC runs. The students are then ready to use the knowledge they had gained during their training. According to Deal and Kennedy new members of an organization embrace the organization culture and teach it to others (Bolman & Deal, 2005. p 328). This is what happens when the scholarship students work with the borrowers. When they go out to work on the field, they represent JWOC and they are spreading the culture of the organization to the borrowers.

5.2 The role of control and power in the organization

The scholarship students must volunteer between 5-10 hours a week for JWOC. In the documents and in the everyday life the term volunteer is used frequently. Even though it is volunteer work they do, it is compulsory to do it. Most of the University programs they are studying are 4 years. This means that they need to work for free for JWOC during this time; otherwise they cannot complete their University program. They are very dependent on JWOC because the organization is paying their University fees. This makes the relation between the students and JWOC very asymmetric. How can they be able to question the different ways to work when they rely on scholarships from the same organization? Instead of being encouraged to think by themselves they are encouraged to be loyal towards JWOC and the existing rules within the organization. In this way JWOC use power to control the students.

You get power over other people when they believe that you actually have power (Bolman & Deal 2005. p 344). The students believe that JWOC has power because they give them scholarships so they can study at University. In fact the students also have the ability to use power towards JWOC. Without the students the organization would not be able to run its projects.

5.3 Selection process as a way to create identity

The loans that the borrowers get are between 50-300 US dollars. They pay back the loan within six months. Every week they pay back a small amount of the loan. The loans are personal but they are given in loan cycles. The loans are given to groups of between 4-12 people. If a person in the group cannot pay the loan back, it is the other group members' responsibility to pay it back. The group members form the group themselves. They are also selecting a group leader who is responsible for collecting the loan from the group members and then the group leader pays back the loans to JWOC. The loan interest is 3.5 %.

The borrowers do not live further than 5 kilometres from the JWOC office. The reason why they give loans to people in the nearby communities is according to JWOC that it makes it easier for the borrowers to get in contact with the organization. Most of the borrowers are woman but men are also allowed to take microloans from JWOC.

To get a formal loan in Cambodia you need to be able to read and to have formal employment. A lot of the borrowers who want to get loans from JWOC normally don't fulfil these requirements. Approximately 50 % of the borrowers' are illiterate. The most common businesses that the borrowers run are street food selling, motorbike repair shops and grocery stands. The most of the borrowers already have a business when they get the loan; they use the loan to improve their business.

Just like the scholarship students the borrowers also have to pass several steps to become a part of JWOC. First of all the people who want to get a loan need to attend "info night" where they get an introduction to the organization and its policy. During this meeting the borrowers also get hygiene training. The next step is to fill in a loan application, at this point they also sign up for business visits. This means that JWOC will come and see how the loan is supposed to be used. Besides this they also get budget training and have to pass interviews. It is JWOC who decides if a person is going to get loan or not. In the symbolic perspective the most important thing for people is not what happens, but what it means (Bolman & Deal 2005. p 296). By having so many different steps to pass through to get a loan the borrowers

and the JWOC staff members feel important and think that there is a meaning in their actions. The borrowers also feel that they are chosen and that someone believes in them, this enhances the self-confidence among the borrowers.

5.4 The importance of education

JWOC stresses that it is important to provide training for their borrowers. Before they can get the loan they must attend “info night” where they get an introduction to the organization. They also get budget training and JWOC makes business visits to make sure that the potential borrowers have a good plan to use the loan. There is a correlation between education and successful entrepreneurs. It has also been found that education such as basic knowledge about business process should be given to people who receive microloans. This education should generate benefit to the borrowers. I found that JWOC provided training in terms of info night, budget training and business visits (Gnegy et al., 2011).

The training that the borrowers receive should benefit them, but there is also another aspect which is important to look upon. The actual process to get the loan might be more important than the training itself. Bolman and Deal (2005, p 297) write that a lot of events and processes are of greater value than what is actually produced. When the borrowers have gotten their training they feel chosen and feel that they are a part of something. This can actually be of greater value than the education itself.

Half of the borrowers are illiterate, and if you are illiterate, how can you learn about business process and budgets in a short amount of time? That is why the process becomes more important than the training itself. The same analysis can be applied to the scholarship students. They are getting training from their project manager, they are taught how they should behave towards the borrowers and how they should fill in surveys etc. Through the observations that I made during this training there is no doubt that the students learn a lot. They attend workshops where they are encouraged to think and discuss questions like “what should a loan officer think about?” By observing the training I could see that the students started to reflect upon their own roll and how they were supposed to work and what they were doing. The microfinance manager stressed that the loan officers always had to treat the borrowers with respect and that they always should be polite and well-mannered. This is also written in the documents written by JWOC that I have gone through. I could also see how the loan officers used good manners while they were meeting the borrowers. It seems that the official version is not empty words; it is used in the everyday work. Liljefrost (2012) found

that the official framework became the norm in the MFI she investigated. She also found that religious values can work as symbolic capital and bring an organization together. In JWOC education plays a very important role. The scholarship students study at the University and they also get training by JWOC. The borrowers also get training before they get the loans. They value education and this unites the staff. The scholarship students must write an essay why they think education is important when they apply for the scholarship. This means that they try to make the scholarship students to fit in the norm of JWOC. Education will help the staff to work towards a vision, a more developed Cambodia. In an interview with a person who had been working for JWOC for many years in different programs, including the microfinance program he said:

“You know, we are helping people, really helping.”

According to the microfinance handbook of JWOC they define their vision as follows:

“To improve the standard of living of local community by providing access to small loan with reasonable and fair interest rate.”

Vision is when the ideals of an organization transform into how the future should be (Bolman & Deal, 2005. p 308). Education works as one of the main ideals in JWOC and the education will bring a better future to Cambodia. The vision of better future unites the staff members and motivates them to become more educated.

I went to the field with the staff members when they met the borrowers and I could see how they used what they had learned in the training. The combination of the training and the process of training makes the scholarship students feel chosen and that they are part of a bigger context. This, in combination with the tools that they learn from the education, makes the scholarship students very determined to do their tasks. For the scholarship students the knowledge and the process are very important. They get training so they can run the project and they also get a feeling of being part of something. This makes JWOC very strong as an organization and it also creates identity. Since they feel chosen and they believe they are doing something good, it makes the staff very determined to carry out their tasks well. Morgan (1999) claims that cultures always create and recreate the reality in organizations. The process of getting education and the symbolic meaning of it is created and recreated by the people in JWOC. The process never ends, it is alive and it can also be changed.

5.5 Cultural differences and identity in the organization

JWOC is registered in Cambodia and in the United States. Even though there are only two none Cambodian people working at the office in Siem Reap, most of the documents and guidelines are written in English. Even the Power Point presentations which are given to people who want to become scholarship students are in English. Hofstede claims that a lot of managers assume that if something works in one culture, it will work everywhere. This can lead to catastrophic consequences (Bolman & Deal, 2005. p 305). JWOC brought a foreign language and with that another culture to Cambodia. Even if the most of the staff speak English, there can still be problems due to the language barrier. Information can be lost if someone does not understand the documents that he or she is reading. Hofstede also writes that a common culture can keep an organization together. What happens with JWOC when the Cambodian culture and a foreign culture meet? According to Hofstede it depends on whether the managers become bicultural or not. In JWOC the managers who are Cambodians spoke good English and they had adapted the language and the culture. Two of them have also been to USA to find new donors and make presentations about JWOC. But is it enough? The question which also needs to be asked is whether it is right to bring another culture to an already existing culture. JWOC assumes that young Cambodians want to go to the University to study management and finance, which are the most common programs that the scholarship students are studying. It is important to remember that what is discussed here is not the everyday life culture of the USA and Cambodia. What is discussed is culture from an organizational perspective. Organizations from USA tend to be individualistic and people in organizations want to be winners. If you do not succeed in such organizations it can have consequences (Morgan, 1999. p 144). JWOC has a blacklist with borrowers who have not been successful; this is one example of how they brought another culture to Cambodia.

When the students got into the University they are forced to work for free in a project they haven't chosen because of their own conviction. There is a fixed way to do it. They haven't chosen what they will work with and most likely they do not dare to question the organization because they depend on it. Just like Hietalahti (2013) found that MFIs are not aware of the already existing social dynamics within the groups where the loans are given, JWOC did not think about the already existing social dynamics within the Cambodian culture. The students are also told the "truth" and "right knowledge" about the microloans. Hietalahti (2013) found the same when field workers taught the borrowers the "truth" and the "right knowledge". Hofstede (Bolman & Deal, 2005. p 305) found that it is easier to keep an organization

together if the staff learns the culture of the homeland. Even if the JWOC is based both in Cambodia and in the USA it was founded by US citizens. Their donors are also mainly from USA. JWOC is trying to force the culture and the language on the scholarship students. There are a lot of rules that the students most follow. Some of them are:

“Do not commit any improper act whether criminal or not which will damage the reputation of the JWOC or management.”

“Eat breakfast before you arrive.”

“Avoid negative thoughts and actions.”

(Power point presentation used in a training session)

It is clear that there are paternalistic tendencies in these rules. Many of the students are working during the daytime, studying in the evening and volunteering for JWOC at Sundays. When I met them I could see how focused they are to accomplish their mission. Despite that, they are taught to follow rules which are fundamental in the everyday life.

5.6 Control as a way to create identity

By going through the documents which I got from JWOC I found that it is clear that they make a big difference between good borrowers and bad borrowers. The documents show that a good borrower always pays back the loan on time. Borrowers who have been late with their payment more than a certain amount of times are put on a blacklist and can never get a loan from JWOC again. In these documents there is also written what will happen to a borrower if he or she defaults:

“If a borrower defaulted after Week 12 but has not ran away (left his home), JWOC will try to put pressure on the group to pressure the borrower to repay.”

By using such strong words JWOC show that they are ready to face problems when they occur. According to the symbolic perspective organizations are mainly judged by the picture they show of themselves. Therefore it is in the interest of JWOC to show that the organization has a plan of what they will do if difficulties occur. The organization creates in this way credence to the purpose of the organization (Bolman & Deal, 2005. p 346). If there were no plan for what JWOC would do if a borrower doesn't pay back the money on time they would

not give a credible image of how the organization is working. In the same document it is written;

“Loan default includes cases where borrowers run away or are unable to repay. As part of JWOC’s group loan policy, all team members are responsible for up to 50% of their group members’ loan.”

To be able to create legitimacy in the viewers’ eyes, organizations must adapt to the expectations of the society (Bolman & Deal, 2005. p 334). JWOC is not just giving the loans without any claims; they are also showing that there is a system which works and that they are aware of the problems that might occur. There is also a plan to handle these problems. In this way they have adapted to the expectations that others have for the organization, for example their donors. JWOC shows that they are a serious organization which cares of its reputation. By showing the tough side, JWOC has created an identity for the viewer. This identity could appear in a different ways depending on who is observing it. JWOC has created different identities in different contexts.

During the observations that I made the staff members also mentioned that it was good that the borrowers get loans in groups. They told me that it is good both for JWOC and for the group. One staff member told me that some of the borrowers want to get personal loans instead. Then he explained to me that according to the JWOC policy personal loans are not allowed. By saying that he clearly showed that he is loyal to the JWOC loan policy. What JWOC did not consider is the social dynamics that already existed among the group members before they formed the group. Hietalahti (2013) found that if someone does not pay back the loan it will create tension within the group. JWOC only meets the borrowers in the beginning and in the end of the loan cycle. During the rest of the time they only meet the group leader. This means that JWOC actually is not aware of how the group dynamics is working. Why do some borrowers want to get loan by themselves? Are the group members complaining about untrustworthy group members like Hietalahti (2013) found? The staff members belonged to one subculture and they thought that loans should not be given to borrowers personally and the borrowers who wanted personal loans belonged to another subculture. These subcultures were coexisting in the same organization (Morgan, 1999).

5.8 Humour and good manners as symbolic manifestations

Most of the students have jobs which they go to during the day time. In the evenings they study at the University and they volunteer for JWOC on Sundays. The microfinance manager also works a lot; he has only one day and a half off each week. Despite this, they were not complaining at all when they met every Sunday to collect money from the borrowers. Before they went to the field to collect the money there was a short meeting where they decided who was going to do what. Even if these meetings were in Khmer and I did not understand the words that were said, I could feel that it was a friendly atmosphere in the room. They laughed and joked a lot and when the group split up to go to the field it seemed like they were in a good mood. The humour had a socializing effect in the group and it sent signals of affinity within the group (Bolman & Deal, 2005. p 326).

In this way, humour is a symbolic manifestation and it creates identity within the group. Since the students bring a good mood to the field, they also keep the good mood when they meet the borrowers. By doing this they also fulfil one of the most important guidelines which JWOC has, to be polite and respectful towards the borrowers. The good manners that the students use also affect the borrowers. If the borrowers were not treated with respect, they could lose trust towards JWOC.

During my observations I could also see that the students were smiling and they were making small talk with the borrowers and tried to establish good contact with them. A friendly treatment and a smile don't take too much effort, but the most important thing is not what happens but what it means (Bolman & Deal, 2005 p 296). A smile and a friendly behaviour can mean a lot in the meeting with the borrowers. Due to all the rules that they have to follow and the pressure that they have, friendly behaviour can make the borrowers feel more comfortable. If the opposite happened, that the staff from JWOC thought that their only mission was to collect the money, it could have created a lot of tension among the borrowers. The controlling and the rules in combination with a disrespectful treatment from JWOC would have been catastrophic for the borrowers. They could feel that they were controlled and the relation between the borrowers and JWOC would have been harmed. Instead, JWOC has chosen to focus on treating their borrowers with respect and this makes it possible to maintain the structure of the organization. If it was not for the humour and the good manners, which are symbolic manifestations, the relations between JWOC and the borrowers would have been much worse.

Of course there are a lot of aspects in the relation between the borrowers and JWOC which need to be considered to truly understand the relation. There are different aspects which make the relation asymmetric, humour and a polite behaviour helps to make this relation a bit more equal. JWOC is not representing the formal world as the MFIs Hietalahti (2013) studied. They are also human beings like everybody else and they show this with humour and good manners.

5.9 We and them

MFIs and individuals often talk about “the others”, the ones that are not honest, not trustable and lazy. In this way the MFIs strengthens the values that they are representing (Liljefrost, 2012. p 168). By having strict rules to become a member of JWOC and talking about “others” they make the organization stronger. When I made my field visit, we passed by another MFI and a person from the JWOC staff said with contempt:

“That’s a profit organization.”

That is a way to strengthen the values that JWOC represents. They look down on MFIs which take profit from the microloans. JWOC is a non-profit organization and one of their main ideals is to help others. Any surplus that JWOC makes goes back to the organization. Therefore it is important for them to make a stand and explain that they are not making a profit.

Since there is only one person employed in the microfinance program they really rely on the students. If JWOC understood that the students actually have a lot of power, the students would also gain this power, then the relation between the students and JWOC would not be as asymmetric as it is now.

5.10 The role of heroes for the identity of the organization

JWOC claims that they are targeting the poorest people with their loans. The fact that there are many demands to get the loans means that the poorest are excluded. After the training and business visits JWOC decides if a person will get a loan or not. Maybe the education is just a subterfuge to find the borrowers who fit into the norm that JWOC has. The borrowers don’t get much training and since half of the borrowers are illiterate, how could they possibly understand the budget training? JWOC justify their selection of who is getting the loans and who is not by saying that the loans should be used in an effective way, if you cannot do that, you should not get a loan. Since there is a correlation between giving training to the

borrowers and a more efficient way of using the money they are justifying their selection even more (Gnegy et al., 2011). After the potential borrowers have received the training JWOC makes a decision about who is getting a loan and who is not getting a loan. Most of the people who are getting a loan already have a small business. The others can easily be excluded if JWOC doesn't believe in them. JWOC claims that they give loans to the poorest people in the poor communities. But do the poorest people really have a small business before they take a loan? Instead of helping the poorest they are looking for good entrepreneurs who can improve their business. This is what the research says that MFIs should do (ibid). The problem is that JWOC claims that they are helping the poorest, which is only partly true. They are giving loan to poor people, but not the poorest of the poor. If they did that, they would invest in the people who don't have any business yet. Alldén (2009. 170) claims that the poorest of the poor never have received microloans. Therefore, it is not that surprising that JWOC doesn't do it either.

But who has set the norm? Where do all these rules come from? In a Power Point presentation which was presented to the students during the training, the following was written on one slide;

“By the wisdom of Brandon & Andrea Ross, Microfinance Project was established and rapidly grew from year to year.”

In one of my interviews I could see that these names were mentioned. They started JWOC and even if they were not present physically in the everyday life it seemed like they had a lot of influence in the organization. Morgan (1999. p 150) mentions the importance that the founders can have for the philosophy of an organization. Brandon and Andrea can be seen as heroes in JWOC and they have become role models. Heroes are guiding people through difficult times and when we experience stress and uncertainty (Bolman & Deal, 2005. p 312). In JWOC, the founders played a role to inspire new staff members since it was them who brought the “wisdom” and the vision to improve the lives in the poor communities in Siem Reap. The willing to improve the living conditions could also be seen in my observations and in the documents that I have been studying. These cornerstones were brought into JWOC by the founders of the organization.

6.0 Conclusion

My thesis shows that there are many ways for a MFI to create identity within the organization. Despite that, it is important to remember that the findings in this thesis do not represent all MFIs. It gives a hint of how MFIs might work. The main factor that united JWOC and created identity within the organization was education. JWOC stressed the importance of education both for the borrowers and for the scholarship students. By doing this, education became the guiding principle in the organization. The students that got scholarship from JWOC also had to volunteer for the organization.

This rule made the relation between the scholarship students and the organization very asymmetric. Since they were dependent on the organization they could not speak up against it if there were something that they did not like. If they did, they could fear that JWOC was not going to pay their University fees anymore and then lose what they value the most, education. There is also another way to look upon this. Since JWOC were paying the University fees they were grateful to JWOC. JWOC did not only enabled them to attend University, they also gave them working experience and a chance to contribute to improve the living conditions in poor communities. This motivated the scholarship students to create a good reputation of JWOC and to do a good job.

Since education is the guiding principle in the organization, JWOC strives to find staff members and borrowers who fit in this norm. To find the “right” people, JWOC had an enrolment processes to find the people who were suitable for JWOC. The scholarship students had to write an essay about why they thought education is important and the borrowers had to attend info night and budget training. After this, JWOC could choose the people who they thought would fit in the organization. By doing this, JWOC excluded a lot of people, but on the contrary they found the people who shared their norms and values. This also worked as a way to create identity within the organization.

Since JWOC is a NGO from the USA, they brought another culture and another language to Cambodia. They also brought many rules that the staff members and the borrowers needed to follow. By bringing a new culture they also created a new identity which the Cambodians were not used to. There are clearly paternalistic tendencies in the organization since the staff members and the borrowers had to fit into a certain norm and had to adapt to a new culture.

Even if there are critical aspects to analyze, it is important to remember that the atmosphere among the staff members and the borrowers was good. Even if the scholarship students are

studying and working hard they never told me anything negative about their situation. Humour worked as a symbolic manifestation to unite the staff. Humour united the staff working with the microfinance program and it became a tool to deal with the difficulties in their everyday life. Another way to create identity in the organization was to talk about other MFIs which worked in different ways. During an observation I did, a staff member pointed at a building and explained that it was the office of a MFI which makes profit. He clearly showed his contempt. This strengthened the unity and the feeling that he belonged to JWOC and that he believed in its working methods.

The previous research shows that there are many different aspects to consider while working with microloans, such as avoiding tension among the borrowers (Hietalahti, 2013). Liljefrost (2012) found that religion could work as a unifying factor. This thesis shows that education could be another unifying factor. Education, humour, selection of scholarship students and borrowers and looking down at other organizations contribute to creating identity in JWOC. This identity makes JWOC to the organization that it is and without this identity the organization would work in a different way. There are of course ethical issues that can be discussed about the working methods in the organization, which also is discussed in this thesis. If JWOC did not value education as much as they do the identity of the organization would be totally different. Education created a meaning in the everyday life of the scholarship students and it kept them motivated and focused to continue to study at the University and to work for JWOC. How could they be motivated to do this if they did not have the conviction that education is extremely important and that it will lead to a better future? The identity which is created makes the staff members determined to do their tasks and to spread a positive reputation of JWOC. This also makes them more loyal to rules that the organization has. For example, a staff member showed that he was loyal to JWOC when one borrower asked them if they could get personal loans instead of loans in groups. He said that this was not possible according to the loan policy and he clearly showed that he agreed with the loan policy.

Since the staff members believe in what they are doing it enables them to use humour and good manner towards each other and the borrowers, which makes the identity in the organization even stronger. The conclusion of this thesis is that education can play an important role to create identity in a MFI. Education worked as the guiding principle and by having this core in the organization it was easier to find other things to strengthen the identity even more. Since the staff members believed in the values of the organization, they were more likely to follow the rules and the guidelines that the organization had.

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