Management Practices in Nonprofit Organizations: A Study of Development Organizations in Andhra Pradesh

A thesis submitted to the University of Hyderabad for the award of a Ph.D. degree

by

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DECLARATION

I, **S. SANJAY KUMAR** hereby declare that this thesis entitled, ***"Management Practices in Nonprofit Organizations: A Study of Development Organizations in Andhra Pradesh"***, submitted by me under the guidance and supervision of **Dr. B. RAJA SHEKHAR** is an original and independent research work. I also declare that it has not been submitted previously in part or in full to this University or any other University or Institution for the award of any degree or diploma.

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CERTIFICATE

This is to certify that this thesis entitled, ***"Management Practices in Nonprofit Organizations: A Study of Development Organizations in Andhra Pradesh"***, submitted is a record of bonafide work done by **S. SANJAY KUMAR,** a research scholar for Ph.D. programme in School of Management Studies, University of Hyderabad under my guidance and supervision.

The thesis has not been submitted previously in part or in full to this or any other University or Institution for the award of any degree or diploma.

Dean

Supervisor

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CONTENTS

	Page No.
DECLARATION……………….……………………………………....	i
CERTIFICATE…………..…………………………………………	ii
ACKNOWLEDGEMENTS…..………………………………………	iii-iv
CONTENTS……………………………………………………....	v
LIST OF TABLES ……………………………..………………….	vi-xvi
CHAPTER I: INTRODUCTION…………………………………………...	1-56
CHAPTER II: NONPROFIT MANAGEMENT: THEORY, CONCEPTS AND PRACTICES………………………………………….	57-137
CHAPTER III: ANALYSIS OF GOVERNANCE PRACTICES…………	138-182
CHAPTER IV: ANALYSIS OF STRATEGIC MANAGEMENT PRACTICES..	183-234
CHAPTER V: ANALYSIS OF MARKETING MANAGEMENT PRACTICES…………………….....................................	235-278
CHAPTER VI: ANALYSIS OF HUMAN RESOURCE MANAGEMENT PRACTICES..………………………………………………	279-331
CHAPTER VII: ANALYSIS OF FINANCIAL MANAGEMENT PRACTICES…………………………………………………	332-369
CHAPTER VIII: SUMMARY AND CONCLUSIONS……………………	370-416
REFERENCE AND BIBLIOGRAPHY…..…………………………………	417-431
APPENDICES AND RESEARCH INSTRUMENTS………………………	432-448

LIST OF TABLES

Sl. no.	Table no.	Description of the table	Page no.
1	3.1.1	Organization size-wise variation in CEO appointment	138
2	3.1.2	Governing body participation in planning across size	139
3	3.1.3	Governing body diversity across size	139
4	3.1.4	Influence of organization size on governing body size	140
5	3.1.5	Governing body structure and description of roles across size	141
6	3.1.6	Governing body's awareness of roles across size of the organizations	141
7	3.1.7	Board/Governing body commitment across size	142
8	3.1.8	Variations in frequency of meetings across size	143
9	3.1.9	Members attendance at the meetings across size	144
10	3.1.10	Variation in support extended to governing body members across size	145
11	3.1.11	Practice of constituting sub committees or expert groups across size	146
12	3.1.12	Review of CEO Performance across size	146
13	3.1.13	Effectiveness of board/governing body across size	147
14	3.2.1	CEO appointment across scale of operations	148
15	3.2.2	Governing body participation in planning across scale of operations	149
16	3.2.3	Governing body diversity across scale of operations	150
17	3.2.4	Governing body awareness of roles across scale of operations	150
18	3.2.5	Governing body commitment across scale of operations	151
19	3.2.6	Board Effectiveness across scale of operations	152
20	3.2.7	Meeting frequency in a year across scale of operations	153
21	3.2.8	Attendance at meetings across scale of operations	153
22	3.2.9	Size of the board/governing body across scale of operations	154
23	3.2.10	Support to governing body members across scale of operations	155
24	3.2.11	Practice of constituting sub–committees across scale of operations	155
25	3.2.12	Performance review of CEO across scale of operations	156
26	3.3.1	CEO appointment across age of the organisation	157

Sl. no.	Table no.	Description of the table	Page no.
27	3.3.2	Governing body participation in planning across age of the organization	157
28	3.3.3	Governing body diversity across age of the organisation	158
29	3.3.4	Governing body awareness across age of the organisation	158
30	3.3.5	Board effectiveness across age of the organisation	159
31	3.3.6	Attendance at meetings across age of the organisation	159
32	3.3.7	Board size across age of the organisation	160
33	3.3.8	Support to governing body members across age of the organisation	161
34	3.3.9	Practice of constituting sub–committees across age of the organization	161
35	3.3.10	Performance review of CEO across age of the organisation	162
36	3.4.1	CEO Appointment across sources of funding	162
37	3.4.2	Governing body participation across sources of funding	163
38	3.4.3	Governing body diversity across sources of funding	163
39	3.4.4	Structure, description and awareness of roles across sources of funding	164
40	3.4.5	Governing body commitment across sources of funding	165
41	3.4.6	Meeting frequency across sources of funding	165
42	3.4.7	Meeting attendance across sources of funding	166
43	3.4.8	Size of the governing body or board across sources of funding	166
44	3.4.9	Support extended across sources of funding	167
45	3.4.10	Sub-committees across sources of funding	168
46	3.4.11	Performance review across sources of funding	168
47	3.4.12	Board effectiveness across sources of funding	169
48	3.5.1	CEO appointment across number of programmes	170
49	3.5.2	Participation of Governing body in planning across number of programmes	170
50	3.5.3	Governing body diversity across number of programmes	171
51	3.5.4	Governing body awareness across number of programmes	171
52	3.5.5	Governing body commitment across number of programmes	172

Sl. no.	Table no.	Description of the table	Page no.
53	3.5.6	Effectiveness of board/governing body across number of programmes	172
54	3.5.7	Governing body meetings across number of programmes	173
55	3.5.8	Board size across number of programmes	173
56	3.5.9	Support extended across number of programmes	174
57	3.5.10	Practice of constituting sub-committees across number of programmes	174
58	3.5.11	Performance review of CEO across number of programmes	175
59	4.1.1	Clarity and purpose of mission statement across size	183
60	4.1.2	Justification for existence across size	184
61	4.1.3	Type of plans across organization size	185
62	4.1.4	Involvement in planning across size	186
63	4.1.5	Program congruency with mission across size	187
64	4.1.6	Basis of programme design or selection across size	187
65	4.1.7	Allotment of resources across size	188
66	4.1.8	Type of performance indicators used across organization size	189
67	4.1.9	Mission evaluation frequency across organization size	190
68	4.1.10	Mission modification and reasons across the size of organizations	190
69	4.1.11	Communication of plans to external and internal stakeholders across size	191
70	4.1.12	Involvement of clients in programme development across size	192
71	4.1.13	Evaluation frequency of programmes and organization systems across size	193
72	4.2.1	Mission statement across scale of operations	194
73	4.2.2	Justification across scale of operations	195
74	4.2.3	Mission evaluation frequency across scale of operations	195
75	4.2.4	Mission Review / change of mission across scale of operations	196
76	4.2.5	Types of plans across scale of operations	197
77	4.2.6	Involvement in strategic planning across scale of operations	198
78	4.2.7	Communication of plans across scale of operations	199

Sl. no.	Table no.	Description of the table	Page no.
79	4.2.8	Program congruency and basis of program design across scale of operations	200
80	4.2.9	Basis of programme design or selection across scale of operations	200
81	4.2.10	Involvement of clients across scale of operations	201
82	4.2.11	Allotment of resources across scale of operations	201
83	4.2.12	Program performance indicators across scale of operations	202
84	4.2.13	Frequency of evaluation of systems across scale of operations	202
85	4.3.1	Mission statement across age of the organisation	203
86	4.3.2	Justification across age of the organisation	204
87	4.3.3	Mission evaluation frequency across age of the organisation	204
88	4.3.4	Mission Review/Reasons for mission change across age of the organization	205
89	4.3.5	Types of plans across age of the organisation	205
90	4.3.6	Communication of plan to stakeholders across age of the organization	206
91	4.3.7	Program congruency across age of the organisation	207
92	4.3.8	Involvement in planning across age of the organisation	207
93	4.3.9	Allotment of resources across age of the organisation	208
94	4.3.10	Performance indicators across age of the organisation	209
95	4.3.11	Evaluation frequency of programmes and systems across age of the organization	209
96	4.3.12	Involvement of clients in program development across age of the organization	210
97	4.4.1	Mission Statement across sources of funding	210
98	4.4.2	Justification across sources of funding	211
99	4.4.3	Mission evaluation across sources of funding	212
100	4.4.4	Modification of mission statement and reasons across sources of funding	213
101	4.4.5	Types of plans / strategic plan across sources of funding	214
102	4.4.6	Involvement in planning across sources of funding	215
103	4.4.7	Communication of plans across sources of funding	216

Sl. no.	Table no.	Description of the table	Page no.
104	4.4.8	Program congruence across sources of funding	216
105	4.4.9	Basis of program design / selection across sources of funding	217
106	4.4.10	Involvement of clients across sources of funding	218
107	4.4.11	Allotment of resources across sources of funding	219
108	4.4.12	Program performance indicators across sources of funding	219
109	4.4.13	Evaluation of systems and programs across sources of funding	220
110	4.5.1	Mission statement across number of programmes	221
111	4.5.2	Justification across number of programmes	221
112	4.5.3	Mission evaluation across number of programmes	222
113	4.5.4	Reasons for mission change across number of programmes	222
114	4.5.5	Types of plans across number of programmes	223
115	4.5.6	Involvement in planning across number of programmes	224
116	4.5.7	Communication of plans across number of programmes	224
117	4.5.8	Program congruency across number of programmes	225
118	4.5.9	Basis of program design/selection across number of programmes	225
119	4.5.10	Involvement of clients across number of programmes	226
120	4.5.11	Allotment of resources across number of programmes	226
121	4.5.12	Performance indicators across number of programmes	227
122	4.5.13	Systems and program evaluation across number of programmes	227
123	5.1.1	Recognition of marketing and marketing mix across size	235
124	5.1.2	Use of market research in selection of services and programs across size	236
125	5.1.3	Basis of segmentation of target groups across size	237
126	5.1.4	Launching of services and test marketing/pilot study across size	238
127	5.1.5	Approach to pricing across size	239
128	5.1.6	Distribution channel effectiveness and efficiency across size	240
129	5.1.7	Establishing point of contact across size	241
130	5.1.8	Complementary role of distribution channels across size	242
131	5.1.9	Emphasis on promotion and promotional efforts across size	243

Sl. no.	Table no.	Description of the table	Page no.
132	5.1.10	Purpose of client feedback across size	244
133	5.2.1	Recognition of marketing and marketing mix across scale of operations	244
134	5.2.2	Use of market research in selection of services and programs across scale of operations	245
135	5.2.3	Basis of segmentation of target groups across scale of operations	246
136	5.2.4	Launching of services and test marketing / pilot study across scale of operations	247
137	5.2.5	Approach to pricing across scale of operations	248
138	5.2.6	Distribution channel effectiveness and efficiency across scale of operations	248
139	5.2.7	Establishing point of contact across scale of operations	249
140	5.2.8	Complementary role of distribution channels across scale of operations	250
141	5.2.9	Emphasis on promotion and promotional efforts across scale of operations	250
142	5.2.10	Purpose of client feedback across scale of operations	251
143	5.3.1	Recognition of marketing and marketing mix across age of the organisation	252
144	5.3.2	Use of market research in selection of services and programs across age of the organisation	252
145	5.3.3	Basis of Segmentation of target groups across age of the organisation	253
146	5.3.4	Launching of services and test marketing / pilot study across age of the organisation	254
147	5.3.5	Approach to pricing across age of the organisation	254
148	5.3.6	Distribution channel effectiveness and efficiency across age of the organisation	255
149	5.3.7	Establishing point of contact across age of the organisation	255

Sl. no.	Table no.	Description of the table	Page no.
150	5.3.8	Complementary role of distribution channels across age of the organization	256
151	5.3.9	Emphasis on promotion and promotional efforts across age of the organisation	257
152	5.3.10	Purpose of client feedback across age of the organisation	257
153	5.4.1	Recognition of marketing and marketing mix across sources of funding	258
154	5.4.2	Use of market research in selection of services and programs across sources of funding	259
155	5.4.3	Basis of segmentation of target groups across sources of funding	260
156	5.4.4	Launching of services and test marketing/pilot study across sources of funding	261
157	5.4.5	Approach to pricing across sources of funding	261
158	5.4.6	Distribution channel effectiveness and efficiency across sources of funding	262
159	5.4.7	Establishing point of contact across sources of funding	263
160	5.4.8	Complementary role of distribution channels across sources of funding	264
161	5.4.9	Emphasis on promotion and promotional efforts across sources of funding	264
162	5.4.10	Purpose of client feedback across sources of funding	265
163	5.5.1	Recognition of marketing and marketing mix across number of programmes	266
164	5.5.2	Use of market research in selection of services and programs across number of programmes	266
165	5.5.3	Basis of segmentation of target groups across number of programmes	267
166	5.5.4	Launching of services and test marketing/pilot study across number of programmes	267
167	5.5.5	Approach to pricing across number of programmes	268

Sl. no.	Table no.	Description of the table	Page no.
168	5.5.6	Distribution channel effectiveness and efficiency across number of programs	268
169	5.5.7	Establishing point of contact across number of programs	269
170	5.5.8	Complementary role of distribution channels across number of programs	269
171	5.5.9	Emphasis on promotion and promotional efforts across number of programs	269
172	5.5.10	Purpose of client feedback across number of programmes	270
173	6.1.1	Written recruitment policy across size	279
174	6.1.2	Service and pay rules across size	280
175	6.1.3	Work manual across size	280
176	6.1.4	Conduct and disciplinary rules across size	281
177	6.1.5	Basis of selection across size	282
178	6.1.6	Review of recruitment policy and procedures across size	283
179	6.1.7	Orientation across size	284
180	6.1.8	Training and development across size	284
181	6.1.9	Frequency of performance appraisal across size	285
182	6.1.10	Performance evaluation criteria across size	286
183	6.1.11	Basis of promotion and prospects across size	287
184	6.1.12	Compensation structure across size across size	288
185	6.1.13	Perquisites across size	289
186	6.1.14	Non-monetary rewards across size	289
187	6.1.15	Personnel search across size	290
188	6.1.16	Culture of innovation across size	291
189	6.1.17	Grievance handling across size	292
190	6.1.18	Human resource planning across size	292
191	6.1.19	Retention strategy across size	293
192	6.1.20	Succession planning across size	293
193	6.2.1	Recruitment policy across scale of operations	294
194	6.2.2	Disciplinary rules across scale of operations	295

Sl. no.	Table no.	Description of the table	Page no.
195	6.2.3	Work manual across scale of operations	295
196	6.2.4	Basis of selection across scale of operations	296
197	6.2.5	Orientation across scale of operations	297
198	6.2.6	Training and development across scale of operations	298
199	6.2.7	Basis of performance evaluation across scale of operations	298
200	6.2.8	Promotion criteria across scale of operations	299
201	6.2.9	Compensation structure across scale of operations	300
202	6.2.10	Personnel search across scale of operations	301
203	6.3.1	Recruitment policy across age of the organisation	302
204	6.3.2	Disciplinary rules across age of the organisation	302
205	6.3.3	Work Manual across age of the organisation	303
206	6.3.4	Basis of selection across age of the organisation	303
207	6.3.5	Orientation across age of the organisation	304
208	6.3.6	Training and development across age of the organisation	305
209	6.3.7	Basis of performance evaluation across age of the organisation	305
210	6.3.8	Promotion criteria across age of the organisation	306
211	6.3.9	Personnel search across age of the organisation	308
212	6.3.10	Grievance redressal across age of the organisation	308
213	6.3.11	Succession planning across age of the organisation	309
214	6.4.1	Recruitment policy across sources of funding	310
215	6.4.2	Disciplinary rules across sources of funding	310
216	6.4.3	Work manual across sources of funding	311
217	6.4.4	Basis of selection across sources of funding	312
218	6.4.5	Orientation across sources of funding	313
219	6.4.6	Training and development across sources of funding	313
220	6.4.7	Performance evaluation criteria across sources of funding	314
221	6.4.8	Basis of promotion across sources of funding	315
222	6.4.9	Compensation basis across sources of funding	316
223	6.4.10	Personnel search across sources of funding	317
224	6.4.11	Grievance redressal across sources of funding	317

Sl. no.	Table no.	Description of the table	Page no.
225	6.5.1	Recruitment policy across number of programmes	318
226	6.5.2	Disciplinary rules across number of programmes	319
227	6.5.3	Orientation program across number of programmes	319
228	6.5.4	Training and development across number of programmes	320
229	6.5.5	Basis of performance evaluation across number of programmes	320
230	6.5.6	Basis of promotion across number of programmes	321
231	6.5.7	Compensation structure across number of programmes	322
232	6.5.8	Personnel search across number of programmes	322
233	6.5.9	Grievance redressal across number of programmes	323
234	7.1.1	Financial manual/policy/procedures across size	332
235	7.1.2	Budgetary control across size	333
236	7.1.3	Budget approach across size	334
237	7.1.4	Incremental, ZBB & Performance based budgets across size	335
238	7.1.5	Internal financial control across size	336
239	7.1.6	Purpose of auditing and audit reports across size	338
240	7.1.7	Sources of funds across size	339
241	7.1.8	Investment management across size	339
242	7.1.9	Fund raising across size	340
243	7.2.1	Financial policy and procedures across scale of operations	342
244	7.2.2	Budgetary control across scale of operations	343
245	7.2.3	Budgetary approach across scale of operations	344
246	7.2.4	Budgetary concepts across scale of operations	344
247	7.2.5	Purpose of auditing and audit reports across scale of operations	345
248	7.2.6	Fund raising across scale of operations	347
249	7.3.1	Fiscal manual across age of the organisation	348
250	7.3.2	Budgetary control across age of the organisation	348
251	7.3.3	Budgetary approach across age of the organisation	349
252	7.3.4	Budgetary concepts across age of the organisation	350
253	7.3.5	Internal financial control across age of the organisation	351
254	7.3.6	Purpose of auditing and audit reports across age of the organisation	351

Sl. no.	Table no.	Description of the table	Page no.
255	7.3.7	Fund raising across age of the organization	352
256	7.4.1	Financial policy and procedures across sources of funding	353
257	7.4.2	Budgetary control across sources of funding	354
258	7.4.3	Budgetary approach across sources of funding	355
259	7.4.4	Budgetary concepts across sources of funding	355
260	7.4.5	Receivable management across sources of funding	356
261	7.4.6	Investment management across sources of funding	357
262	7.4.7	Purpose of auditing and audit reports across sources of funding	357
263	7.4.8	Fund raising across sources of funding	358
264	7.5.1	Financial policy and procedures across number of programmes	359
265	7.5.2	Budgetary control across number of programmes	359
266	7.5.3	Budgetary approach across number of programmes	360
267	7.5.4	Purpose of auditing and audit reports across number of programmes	361

CHAPTER I

INTRODUCTION

1.1 Introduction

A massive upsurge of organized, private, voluntary activity is underway virtually in every corner of the globe – a phenomenon that has been aptly described by Salamon (1994) as “global associational revolution”. This associational revolution is the product of significant popular demands for greater opportunity, dissatisfaction with the operations of both the market and the state in coping with the inter-related social and economic challenges of our day, the availability of external assistance, and a variety of other factors. The broad range of social institutions that occupy the social space between the market and the state known variously as the “nonprofit”, the “voluntary”, the “civil society’, the “third”, the “social economy”, the “NGO” or the “charitable” sector include within it a sometimes bewildering array of entities viz. hospitals, educational institutes, old age homes, homeless shelters, day care centres, rehabilitation centres, grassroots development organizations, vocational training centres, environmental groups, community based organizations, social clubs, professional organizations, religious congregations, self-help groups, human rights organizations, advocacy groups and many more.

Due to their unique combination of private structure and public purpose, their connections to citizens, their flexibility, their generally smaller scale and their capacity to tap private initiative in support of public purposes, these organizations are being looked to increasingly to perform a number of critical functions: to help deliver vital human services such as health, education , counseling, and aid to the poor, often in partnership with the state and the market; to empower the disadvantaged and bring unaddressed problems to public attention; to give expression to artistic, religious, cultural, ethnic, social and recreational impulses; to build communities and foster those bonds of trust and reciprocity that are necessary for political stability and economic prosperity; and generally to mobilize individual initiative in the pursuit of common good.

1.2 Defining the Nonprofit sector

A cursory look at the research on nonprofit sector draws one's attention to the substantial debate and discussion on varied terms or labels used to define organizations that are considered to be part of nonprofit sector. Organizations which might be called 'non-governmental organizations' in one country are termed 'voluntary organizations' or 'nonprofit organizations' in another, for little or no apparent reason. There is no straightforward way through the terminological mire of the world's third sector organizations, although each of the above terms can be seen to be culturally generated, and its usage can be historically traced back to specific social, economic and political contexts (Lewis, 2001). 'Voluntary organization' or 'charity' are terms widely used in Britain, where there is a rich tradition of voluntary work and volunteering and a history of charity law which emphasizes Christian, sometimes paternalistic, values. 'Nonprofit organization' is commonly used in the United States, where the market has long been dominant and alternative forms of organization receive fiscal benefits if they can demonstrate that they are not commercial, profit-making entities. The term 'non-governmental organization', which tends to be applied mainly either to third sector organizations which work internationally or to those which belong to developing country contexts, has its roots in the United Nations system established after the Second World War. The designation 'non-governmental organization' was awarded to international non-state organizations given consultative status in UN activities. It is frequently argued that the 'non-governmental' tag lacks precision and meaning because it describes organizations by what they are not instead of by what they are.

In response to the terminological confusion which exists within wider third sector research, Salamon and Anheier (1992) show that most definitions of nonprofit organizations (their terminology and unit of analysis) have been either legal (focusing on the type of formal registration and status of organizations in different country contexts), economic (in terms of the source of the organization's resources) or functional (based on the type of activities undertaken by the organization). In place of these types of definition, Salamon and Anheier (1992) have developed what they term the 'structural/operational' definition for the non profit sector, which they base on the observable features of an organization. The definition proposes that a nonprofit organization has the following five key characteristics: it is formal, that is, the organization is institutionalized in that it has regular meetings, office bearers and some organizational permanence; it is private in that it is institutionally separate from government, though it may receive some support from government; it is nonprofit distributing, and if a financial surplus is generated it does not accrue to owners or directors (often termed the 'non-distribution constraint'); it is self-governing and therefore able to control and manage its own affairs; and finally it is voluntary, and even if it does not use volunteer staff as such, there is at least some degree of voluntary participation in the conduct or management of the organization, such as in the form of a voluntary board of directors.

For the purpose of this study the "structural/operational" definition proposed by Salamon and Anheier is reckoned and any reference to the terms such as "voluntary organization", "non-governmental organization", "not for profit organization" or "third sector organization" implies reference to the organization that fits into the "structural/operational" definition given by Salamon and Anheier unless otherwise stated.

1.3 Theoretical perspectives on origins of Nonprofit Organizations

The question of organizational origin and institutional choice of nonprofits has drawn the attention of scholars engaged in nonprofit research and is studied using an inter-disciplinary approach. Several theories have been propounded to explain as to why certain goods and services are offered predominantly by the nonprofit organizations. Though no single theory is capable of completely explaining the growth of nonprofits, they are complementary to each other and together offers deep insights that enrich our conceptual understanding of nonprofit sector.

1.3.1 Public goods theories

In 1975, the economist Burton Weisbrod was among the first to publish a theory that attempted to explain the existence of nonprofit organizations in market economies. The paper entitled "Toward a theory of the voluntary nonprofit sector in a three-sector economy" became very influential and laid the groundwork for what became known as the "public goods theory of nonprofit organizations"- a theory that has been expanded and revised and, perhaps most importantly, influenced the development of other theories in the field (Kingma, 2003).

The Weisbrod model explains the existence of nonprofit organizations with the help of two basic concepts: "demand heterogeneity" for the provision of public goods and "median voter." Demand heterogeneity refers to the demand for public and quasi-public goods, and the extent to which this demand is, broadly speaking, similar across the population (demand homogeneity) or if different population groups have divergent demands for such goods in both quality and quantity (demand heterogeneity). The median voter represents that largest segment of the demand for public and quasi-public goods within the electorate. Another way to define the median voter is to think of the statistically average person and the demands she would make on governmental spending policies. In a competitive liberal democracy, government officials, in seeking to maximize their chances of re-election, will strive to provide a given public good at the level demanded by the median voter. This strategy of public goods provision, by which the government satisfies the demand of the median voter, would leave some demands unmet, for example demand by consumers who require the public good at quantitative and qualitative levels higher than expressed by the median voter. This unfilled demand for the public good may be satisfied by nonprofit organizations, which are established and financed by the voluntary contributions of citizens who want to increase the output or quality of the public good. In other words, nonprofit organizations are gap-fillers. They exist as a result of private demands for public goods not offered by the public sector. By implication, due to market failure, the public good would be unlikely to be supplied by for profit organizations.

The basic model of nonprofit organizations considers the production of a single public good in situations of demand heterogeneity. In reality, of course, the situation is more complex, as quasi-public goods vary in quality and come in different versions or models. For example, there is not solely one health care or one education service, but many different kinds. But the important point Weisbrod identifies applies to the basic as well as the more elaborate models of public good provision: in a heterogeneous society, one would expect more nonprofit organizations than in homogeneous societies where the median voter segment of the demand curve for public goods would be much wider. Thus, the number of nonprofit organizations is positively related to the increase in the diversity of a population-diversity not just in terms of ethnicity, language or religion, but also in age, lifestyle preferences, occupational and professional background, income, etc. Existence of large number of religious and linguistic minority educational institutions in India lends support to this argument.

1.3.2 Trust-related theories

In contrast to the public goods theory, which addresses the rise of nonprofit organizations in response to governmental undersupply of public and quasi-public goods, trust-related theories take a different starting point. Information problems inherent in the goods or services provided and the trust dilemmas associated with them would lead to the rise and growth of nonprofit organizations.

Arrow (1963) and Nelson and Krashinsky (1973) suggested that asymmetries in information between provider and clients in health care and social services might lead to fears on the part of consumers about being taken advantage of and a consequent demand for “trustworthy” organizations. Nelson and Krashinsky (1973) argued that this demand could be connected to the strong presence of nonprofit organizations in fields such as day care. By implication, for profit providers would have an incentive to take advantage of information asymmetries to the detriment of consumers, resulting in an unfair exchange. In the aggregate, this would lead to what we defined as market failures above.

Hansmann took the market failure thinking further and suggested that nonprofits typically “arise in situations in which, owing either to the circumstances under which the service is purchased or consumed or to the nature of the service itself, consumers feel unable to evaluate accurately the quantity and quality of the service a firm produces for them” (1987). The advantage nonprofit organizations have over forprofit firms is the signal of trustworthiness that arises from the non-distribution constraint, i.e. the prohibition of distributing profits to owners and equivalents. Constrained in their ability to benefit from informational asymmetries, nonprofits have less incentive to profit at the expense of consumers than do forprofit organizations.

The advantage of nonprofit organizations is however only a relative one, as lower incentives to profiteer from information asymmetries may be part of a larger incentive structure that tends to reduce both cost and revenue related efficiencies. In other words, nonprofit organizations have a comparative advantage over forprofit organizations where the value of consumer protection signaled by the non-distribution constraint outweighs inefficiencies associated with the nonprofit form, in particular limited access to capital markets (because of disincentives for profit-seeking investors) and lower incentives for managers to impose strict cost minimization.

The non-distribution constraint makes nonprofit organizations appear more trustworthy than forprofit organizations under conditions that make monitoring expensive and profiteering is likely to take place. One such scenario arises when the ultimate beneficiaries of a service are unknown to donors. The information asymmetry exists between the donor and the collecting charity, as it would be financially most inefficient to monitor the actual "delivery" of the donations to some unknown child many thousand miles away. This possibly explains the reasons as to why most of the hostels and schools for underprivileged maintained through foreign donors, be it individual, faith-based organization of a charity, are managed by nonprofit organizations.

Another scenario of information asymmetry and trust is related to situations when inadequate feedback loops exist between the actual recipient and the customer demanding and paying for a service. These are client groups that may be unable to give full testimony of the quality of medical and psychological care provided. For customers, i.e. those paying for the service, such situations pose a dilemma, leading to a search for trust-engendering signals such as the non-distribution constraint. When individual contributions cannot be matched with collective services provided, another wide arena for information asymmetries and trust issues arises. This is a version of the collective action and free-rider problem, where those collecting contributions and responsible for service delivery could take advantage of the informational disparities and succumb to the moral hazard involved.

1.3.3 Entrepreneurship theories

In contrast to the heterogeneity and trust-related theories, which emphasize aspects of the demand for services, entrepreneurship theories try to explain the existence of nonprofit organizations from a supply-side perspective.

An entrepreneur is defined as an individual with a specific attitude toward change, whose function is to “carry out new combinations.” According to the classic formulation by Joseph Schumpeter, the Austrian-American economist, entrepreneurs are the innovative force in capitalist economies (Badelt, 2003). They are part of the “creative destruction” that drives the capitalist system. They innovate by introducing new ways of seeing and doing things, and thereby displace old ones. Thus, if entrepreneurs drive missions and objective functions (and their inputs and outputs), one would expect to see not only innovations in goods and service delivery arise from nonprofit organizations, but also competition between alternatives. In classical economic terms, the entrepreneur is understood as the one who assumes the risk of organizing and managing a new business venture or enterprise. Psychologists who have analyzed entrepreneurs argue that entrepreneurs have a persistent opportunity orientation and think in terms of how things can be done instead of why things can’t get done. “Entrepreneurs are innovative, opportunity-oriented, resourceful, value-creating change agents” (Dees et al., 2001).

Social entrepreneurs differ from business entrepreneurs in that, instead of creating monetary value or economic value for the firm, they create social value. They adopt a mission to create and sustain social value; recognize and relentlessly pursue new opportunities to serve that mission; engage in a process of continuous innovation, adaptation, and learning; act boldly without being limited to resources currently in hand, exhibit a heightened sense of accountability to the constituencies served and for the outcomes created (Dees et al., 2001).

The most influential supply-side theorists in the nonprofit field have been Estelle James (1987), Susan Rose-Ackerman (1996), and Dennis Young (1983). In a series of papers in the 1980s and 1990s, they laid out the basic argument for what became known as the entrepreneurship theory of nonprofit organizations. To appreciate entrepreneurship approaches, one has to understand that they take a very different starting point from the theories reviewed so far. They question the emphasis trust-related theories place on non-distribution and the way heterogeneity theories emphasize demand for public and semi-public goods. While these aspects are acknowledged as important, they also, in the eyes of entrepreneurship theorists, miss two critical points. First, nonprofit organizations may not be interested in profits in the first place. In fact, their objective function may lie elsewhere and assume non-monetary forms. Second, the provision of services may not at all be the real, underlying reason for the organization's existence, and these activities may serve only as the means for achieving some other ultimate goal or objective.

According to James (1987, 1989), nonprofits try to maximize non-monetary returns such as faith, or numbers of believers, adherents, or members. They are primarily interested in some form of immaterial value maximization, and the non-distribution constraints of monetary profits are only secondary to their organizational behaviour. This reasoning points to the importance of religion and other value bases and ideologies. Indeed, James suggests that entrepreneurs, or ideologues in Rose-Ackerman's terms, populate nonprofit fields eager to maximize non-monetary returns. He further points out that nonprofits are strategically located in areas of taste formation or where primary socialization takes place (day care, nurseries, schools) as also in critical life situations (hospitals, hospices, homes for the elderly), and situations of special need (disability, divorce, and other major life events). Entrepreneurship theories argue that during such phases and situations, people are more open to questions relating to religion than they would be under "normal" circumstances. Hence, nonprofit entrepreneurs seek out such opportunities and combine service delivery with religious or otherwise ideologically colored "messages" in an effort to garner adherents, believers, or recruits.

Whether nonprofit entrepreneurs try to maximize quantifiable aspects (such as members) or abstract concepts (such as “salvation” or some ideology) is irrelevant; what matters is that they often seek to combine such maximization efforts with service delivery. In this sense, many value-based nonprofits bundle products: one product that is the true and preferred output (e.g. salvation) and the other the necessary or auxiliary co-product, a means rather than the ultimate objective. Rose-Ackerman (1996) suggests that value-based or ideology-based nonprofit organizations tend to develop into multiple-product firms, and Weisbrod (1998) argues that the product bundling is a key aspect of the revenue behaviour of many nonprofit organizations.

Badelt (2003) comments that original entrepreneurship theories tried to explain the existence of nonprofits, modern theories of organizational development try to extend this approach by describing and explaining the process of institutional change, in particular product bundling, thus ending up with a behaviour theory of organizations. In other words, entrepreneurs create and react to demand heterogeneity, and thus become a critical element of the institutional dynamics of modern society. He thus aptly summarizes the relevance of entrepreneurship theories and entrepreneurs.

1.3.4 The stakeholder theory

The stakeholder theory, associated primarily with the work of Avner Ben-Ner, is rooted in organizational economics and economic theories of institutions. The theory builds on Hansmann’s trust argument, in which a variety of problems might make it difficult for the consumers of a particular commodity to police the conduct of producers by normal contractual or market mechanisms, thus resulting in contract or market failure. According to this reasoning, as we have seen, nonprofits exist because some demand for trust goods in market situations are not met by private firms.

Ben-Ner and Van Hoomissen (1991) also acknowledge the supply side and recognize that nonprofits are created by social entrepreneurs, religious leaders, and other actors who are not motivated by profit primarily. They refer to these and all other interested parties on both the demand side and the supply side as "stakeholders." The theory Ben-Ner and Van Hoomissen develop is built upon the interests and behaviours of stakeholders in the provision of trust-related goods. The stakeholder theory begins with Hansmann's reasoning that the trade of trust-related goods typically entails a conflict of interest between seller and buyer. The buyer wants the lowest possible price at the best quality, while the seller wants the highest possible price at the lowest quality in order to maximize profits. In a perfect market with perfect information flows, the buyer knows how much it costs to produce the product and other relevant information, and firms know consumer preferences, therefore both parties maximize their utility and transactions take place at the most efficient price. Unfortunately, under conditions of information asymmetry, consumers are at a disadvantage and subject to profiteering by profit-seeking firms. Because of the non-distribution constraint, nonprofits can resolve this conflict, because they are not motivated by profit and therefore are less likely to downgrade their products to maximize profits.

The stakeholder theory also relates to Weisbrod's theory of public goods and demand heterogeneity in which limits to government provision drive demand-side stakeholders to seek institutions to fill their needs. Similar to Hansmann's approach, Ben-Ner argues that nonprofits are created by consumers and other demand-side stakeholders in order to "maximize control over output in the face of informational asymmetries." The key demand-side stakeholders are those who feel so strongly about the quality of the service provided and protection from moral hazard that they decide to exercise control over the delivery of service themselves. They thus become demand- and supply-side stakeholders at the same time. For example, parents may decide to start a day care centre for their children to achieve greater control over day care services. The situation for stakeholder control applies to non-rival goods primarily, as providers cannot selectively downgrade the services provided. Ben-Ner suggests that the combination of information asymmetry, non-rivalry, and stakeholder control sends much stronger signals of trustworthiness than the "milder" formulation by Hansmann. In this sense, Ben-Ner's argument is a stricter theory than the trust-related theory and describes a narrower range of demand and supply-side conditions under which nonprofits emerge. Housing co-operative societies and consumers co-operatives are classic examples in support of stake holder theory.

1.3.5 The inter-dependence theory

The approaches reviewed so far establish some notion of conflict between governmental provision and nonprofit provision, most clearly in the case of the heterogeneity theory. Unlike them, the interdependence theory takes a different starting point and begins with the fact that government and the nonprofit sector are more frequently partners rather than foes. Salamon criticizes economic theories in their failure to describe this symbiotic relationship between the nonprofit sector and government. His criticism particularly targets Weisbrod's public goods theory and Hansmann's trust theory, which view nonprofits as institutions apart from government and perhaps even, better than government—in essence, picking up the pieces in areas where government fails. In reality, the extensive government support of the third sector can be understood if we consider what Salamon labels the "third-party government" and describes it as "the central characteristic of this pattern is the use of non-governmental or at least non-federal governmental, entities to carry out governmental purposes, and the exercise by these entities of a substantial degree of discretion over the spending of public funds and the exercise of public authority."

The voluntary failure theory, the opposite of the market failure theory (in which nonprofit organizations exist where the public sector fails), argues that voluntary action exists because of people's natural tendencies for collective action and sense of social obligation. People volunteer out of choice, which thus explains the vibrancy and sustainability of the sector. Because of lower transaction costs, at least initially, voluntary organizations based on collective action typically precede government programs and other activities in addressing social problems of many kinds. However, voluntary action is limited, sporadic, unorganized, and at times inefficient. Government may step in to assist the voluntary sector in areas of weakness. There are four main areas of weakness in the voluntary sector:

> *Philanthropic insufficiency* (resource inadequacy) suggests that the goodwill and charity of a few cannot generate resources on a scale that is both sufficient and reliable enough to cope with the welfare and related problems of modern society. A reason for this insufficiency, aside from the sheer size of the population in need, is the fact that

> third sector goods are quasi-public goods, and thus subject to the free-rider problem whereby those who benefit from voluntary action have little or no incentive to contribute.
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> *Philanthropic particularism* refers to the tendency of voluntary organizations and their benefactors to focus on particular subgroups or clients while ignoring others. This leads to problems such as: addressing only the needs of the "deserving" poor; inefficiency due to duplication of effort whereby each particular subgroup wants their "own" agency or service; service gaps in the population; and those who control the organization's resources having particular groups they favour.
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> *Philanthropic paternalism* means that voluntary associations may lack sufficient accountability, and discretion on behalf of donors may lead to activities that benefit issues or needs close to the donors' interests but not necessarily reflective of wider social needs. After all, voluntary contributions and charitable giving depend on individual good will; they do not represent a right or entitlement.
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> *Philanthropic amateurism* points to the fact that voluntary associations frequently do not have professional teams of social workers, psychologists, etc., since they can ill afford to pay for such expertise. Therefore, they rely disproportionately on volunteers, who may not possess professional skills, in dealing with social problems.

In short, the voluntary sectors' weaknesses correspond well with the government's strengths, and vice versa. Government can provide a more stable stream of resources, set priorities through a democratic process, discourage paternalism by making access to care a right and not a privilege, and improve quality of care by setting benchmarks and quality standards. The interdependence theory moves away from the conventional thinking that characterizes some of the economic theories presented above, and shows nonprofit-government relations in a less competitive light, emphasizing collaboration instead. Government and the nonprofit sector complement each other and compensate each other's strengths and weaknesses and work with synergy.

1.3.6 The social origins theory

This comparative–historical theory was developed by Salamon and Anheier (1998b) in response to the limitations of economic approaches on the one hand, and the conventional welfare state literature on the other. The aim of the theory is to explain the variations in size and composition of the nonprofit sector cross-nationally. To do so, the theory identified those social factors that will lead to the development of a sizable, economically important nonprofit sector as opposed to a smaller, less important sector. Based largely on the notion of path-dependent development, Salamon and Anheier (1998) suggest that the nonprofit sector across countries has different historical "moorings" and reveals different social and economic "shape."

Based on modifications of Esping-Andersen's analysis of the welfare state (1990; see also Huber et al. 1993) and the nonprofit sector, four types of "nonprofit regimes" (Salamon and Anheier, 1998) were identified. Each of these types is characterized not only by a particular state role, but also by a particular position for the third sector; and, most importantly, each reflects a particular constellation of social forces. They suggest that nonprofit regime types, as well as the policies and the policymaking style associated with them, help account for cross-national differences in the nonprofit sector scale and structure. These regimes are differentiated in terms of two key dimensions—first, the extent of government social welfare spending and, second, the scale of the nonprofit sector.

In the *liberal model*, represented by the US and the UK, a lower level of government social welfare spending is associated with a relatively large nonprofit sector. This outcome is most likely where middle-class elements are clearly in the ascendance, and where opposition from either traditional landed elites or strong working-class movements has either never existed or has been effectively held at bay. This leads to significant ideological and political hostility to the extension of government social welfare protections and a decided preference for voluntary approaches instead. The upshot is a relatively limited level of government social welfare spending and a sizable nonprofit sector.

The *social democratic model* is very much located at the opposite extreme. In this model, exemplified by Sweden, state-sponsored and state-delivered social welfare protections are extensive and the room left for service-providing nonprofit organizations quite constrained. Historically, this type of model was most likely to emerge where working-class elements were able to exert effective political power, albeit typically in alliance with other social classes. This is particularly true in the case of Sweden, where working-class political parties were able to push for extensive social welfare benefits as a matter of right in a context of a weakened, state-dominated Church and a limited monarchy. While the upshot is a limited service-providing nonprofit sector, however, it is not necessarily a limited nonprofit sector overall. Rather, the nonprofit sector performs a different function in social democratic regimes—one of advocacy and personal expression, rather than service-providing. In Sweden, a very substantial network of volunteer-based advocacy, recreational, and hobby organizations turns out to exist alongside a highly developed welfare state. In this kind of setting, in fact, the nonprofit sector may actually come closest to the ideal of a "civil society" sector functioning to facilitate individual and group expression.

In between these two models are two additional ones, both of which are characterized by strong states. However, in one, the corporatist model present in France and Germany, the state has been either forced to or induced to make common cause with nonprofit institutions, so that nonprofit organizations function as one of the several "pre-modern" mechanisms that are deliberately preserved by the state in its efforts to retain the support of key social elites while pre-empting more radical demands for social welfare protections. This was the pattern, for example, in late nineteenth-century Germany, when the state, confronting radical demands from below, began to forge alliances with the major churches and the landed elites to create a system of state-sponsored welfare provision that, over time, included a substantial role for nonprofit groups, many of them religiously affiliated (Anheier and Seibel 1998; Seibel 1990).

The *statist model* is the fourth possible model. In this model, the state retains the upper hand in a wide range of social policies, but not as the instrument of an organized working class, as in the social democratic regimes. Rather, it exercises power on its own behalf, or on behalf of business and economic elites, but with a fair degree of autonomy sustained by long traditions of deference and a much more pliant religious order. In such settings limited government social welfare protection does not translate into high levels of nonprofit action, as in the liberal regimes. Rather, both government social welfare protection and nonprofit activity remain highly constrained. Japan possibly represents this model.

Because of the complexity and relative amorphousness of the factors it identifies as important, the social origins theory is even more difficult to test empirically than the other theories discussed above, in particular the microeconomic theories. It lacks the parsimony of economic theories and calls for difficult qualitative judgments about the relative power of broad social groupings such as the commercial middle class or landed elites. Even then the resulting consequences establish only "propensities" and "likelihoods" rather than fully determined results (Young and Steinberg, 1995; Ragin, 1998). What is more, the four patterns identified by this theory are really archetypes, and many of the actual cases may in reality be hybrids that encompass features from more than one pattern.

1.4 Global Civil Society: An Overview

Despite their growing presence and importance nonprofits have long been the lost continent on the social landscape of the world. Much of our recent history, social and political discourse has been dominated by a "two-sector model" that acknowledges the existence of only two spheres outside of the family unit - the market and the state, or the business and government. Fortunately this gap in knowledge has been filled by the findings of the Johns Hopkins Comparative Nonprofit sector Project that studied civil society in 36 countries around the world representing different geographical regions, cultural and historical traditions and levels of development (Salamon et. al., 2003). The five major cross-national findings are:

1.4.1 Economic Significance

The civil society sector, in addition to its social and political importance turns out to be a considerable economic force contributing to national expenditures and employment. It has aggregate expenditures of $ 1.3 trillion as of late 1990's. If it were to be considered a separate national economy, its expenditures would make it the seventh largest economy in the world. It is also a major employer with a total aggregate work force of 45.5 million full time equivalent workers including religious worship organizations which means one in every 20 economically active persons are engaged in the civil society sector.

1.4.2 Significant volunteer involvement

Civil society organizations have demonstrated the ability of mobilizing sizable amount of volunteer effort. Of the 45.5 million full time equivalent workers in the 36 countries studied, over 20 million, or 44 percent, are volunteers as against 25 million, or 56 percent, paid workers. The actual number of people volunteering for the civil society organizations in the 36 countries is estimated to be 132 million which is close to 10 percent of adult population in those countries.

1.4.3 Variations among countries

There are variations among countries in respect of work force engaged in civil society sector. The size of work force in civil society sector is large in developed countries compared to developing and transitional countries which is evident from the finding that 7.4 percent of economically active population is engaged in the civil society sector in the developed countries and is more than three times larger than the developing and transitional countries where the percentage of economically active work force engaged in civil society sector is 1.9 percent. Variations also exist among countries in respect of reliance on volunteer work force. On an average volunteers account for 38 percent civil society work force but for individual countries the figures vary between 20percent (Hungary, Israel, Brazil, and Egypt) and 70 percent (Sweden and Tanzania). While in developed countries the volunteers represent 2.7 percent of economically active population, in developing and transition countries they constitute only 0.7 percent of economically active population. Another important finding is that the paid employment and volunteering are mutually reinforcing and questions the conventional understanding that volunteers are a substitute for paid employment.

1.4.4 Multiple functions and roles

Civil society organizations perform multiple functions. They deliver a variety of human services, from health care and education to social services and community development. But this is only one of its functions. Also important is its advocacy role, its role in identifying unaddressed problems and bringing them to public attention, in protecting basic human rights, and in giving voice to a wide assortment of social, political, environmental, ethnic, and community interests and concerns. It is also a natural home of social movements, and it functions as a critical social safety valve, permitting aggrieved groups to bring their concerns to broader public attention and to rally support to improve their conditions. Beyond those mentioned above it also provide vehicles through which an enormous variety of other sentiments and impulses- artistic, cultural, spiritual, ethnic, occupational, social and recreational- find expression and thus perform a broader expressive function. Their role in community building and creating social capital crucial for effective functioning of a democratic polity and a market economy is very significant.

When it comes to civil society work force distribution by field and type of activity, service functions such as education, health, housing; economic development and the like absorb the lion’s share of activity with 64 percent of paid and volunteer full time equivalent work force engaged in service functions. However a significant portion i.e. 32 percent of the work force is primarily engaged in expressive functions. Within the service function education and social services are dominant.

1.4.5 More than a substitute for government

Contrary to the common perception, philanthropy accounts for a smaller share of civil society organizations revenue. In 24 of the 34 countries for which data is available, the dominant source of revenue is fees and charges for the services provided and the related commercial income received from investments and other commercial sources. The next major source is public sector support. There are considerable variations among the countries in revenue structure. The developing and transitional countries marked by relatively small size civil society sector have the highest levels of reliance on fees and charges with 61 percent of revenue coming through fees and charges and 22 percent and 17 percent of revenue coming from government and private philanthropy respectively. The revenue structure of civil society organizations in developed countries is quite different with fees and government providing for nearly equal share i.e. 45 percent and 48 percent respectively while the private philanthropy is contributing to only 7 percent of the total revenue. In the developed countries of Western Europe such as Ireland, Belgium, Germany, the Netherlands, France, Austria and United Kingdom as well as Israel, public sector support is the largest source of revenue for civil society organizations. Instead of creating a "classic" welfare state characterized by government provision of a full range of welfare services, Western European countries more often created a welfare *partnership* in which the state finances welfare services but relies heavily on private civil society organizations for their delivery. This has stimulated the growth of civil society sector in these countries.

1.5 Distinct Regional Patterns

Apart from the major findings discussed above the study has also helped in recognizing certain regional patterns by dividing the developed countries into four socio-political subgroups and the developed and transitional countries into three regional subgroups plus a fourth "other" category. The patterns of civil society evolution in various clusters are more or less distinct.

1.5.1 The Anglo-Saxon cluster

The United Kingdom, The United States and Australia that share a high level of economic development and a common historical association with the Anglo-Saxon political and legal tradition have also historically shared a common approach to social policy characterized by a relatively small, hands–off role for the state and significant reliance instead on private, charitable activity. Reflecting this tradition the civil society organizations occupy a significant role with focus on essentially service functions. It has sizable volunteer presence and contrary to popular perception private charity constitutes a relatively small share of total civil society organization revenue.

1.5.2 Nordic Welfare States

The three Scandinavian countries of Finland, Norway and Sweden, the civil society is larger due to the sizable volunteer work force with small percentage of paid work force reflecting the broad welfare-state policies adopted in these countries with limited reliance on private philanthropy and private civil society organizations for delivery of basic social and human services. However a rich social movement history has long characterized these countries giving rise to strong advocacy and professional organizations.

1.5.3 European-style welfare partnerships

Austria, Belgium, France, Germany, Ireland, Israel, Italy, the Netherlands, Spain which are included in the socio political group of Western European-style welfare partnerships have a distinctive pattern characterized by large civil society sector staffed by mostly paid employees, heavily engaged in service provision and extensively financed by tax revenue. Though Spain and Italy exhibit some differences the pattern described above is the dominant pattern in this region.

1.5.4 The Asian Industrialized Model

Japan and South Korea have perceived a different path in the evolution of civil society sector. The civil society in these countries is considerably small and heavily service oriented with much of focus on health and education fields due to the work of western missionaries. The government bureaucracies have exerted an unusual control over the institutions to make sure that they adhere to authorize governmental priorities resulting in generally small and passive civil society sectors.

1.6 Patterns in developing and transitional countries

The developing and transitional countries of Africa, South Asia, The Middle East, Latin America and Central and Western Europe displayed somewhat different course in the development of their civil society sectors. In some respects the civil society sector is developing more robustly due to expanding communication technologies, frustration with state-centre approaches and new efforts to empower the rural poor. Traditional clientelistic systems of social control and modern authoritarian political regimes have often conspired to limit the space available for the development of independent organizations that might threaten the social and political status quo.

Small size of urban middle class with large number of marginalized rural poor also impeded the growth of civil society institutions in these countries. Reflecting these forces the average size of civil society sector in the developing and transitional countries is below the all country average. The volunteer component of civil society work force is also well below the all country average. It enjoys low level of government support and depends heavily on fees and private philanthropy with much of it coming from international sources. Though the countries included in this group commonly share a number of features they also differ from each other in important aspects.

1.6.1 The Latin American Model

The civil society sector in Latin America is slightly larger than the developing and transitional country average. The volunteer participation is unusually small. The sector is heavily oriented to service functions, particularly education, which absorbs a third of the total civil society work force. While some of this represents religious education open to all, a significant portion also reflects elite private education. Fees and charges constitute unusually large component of the total revenue and government support is unusually low. There is also evidence of emergence of advocacy and empowerment-oriented organizations.

1.6.2 The African pattern

African countries appear to have a robust civil society sector with an average of 2.5 percent of economically active population engaged in the sector. Volunteers account for half of the civil society organization work force. While 60 percent of the work force is engaged in service activities a large component of this works with development organizations that tend to be more advocacy and empowerment oriented than traditional charity oriented suggesting a substantially larger empowerment character. The scale is constrained due to limited financial support from government.

1.6.3 The Central and Eastern European model

Reflecting the powerful influence of Soviet-style regimes that came to power in the aftermath of World War II, these countries have very small civil society sector. Within this very small sized civil society sector there is large presence of expressive activity limited largely to sports, recreational and professional associations. In the aftermath of the collapse of socialist regimes reliance on private philanthropy has increased and large share of the civil society sector revenue comes from private philanthropy.

1.6.4 Other developing countries

The civil society sector in India, Pakistan and Morocco is relatively small, well below that in the developing and transitional countries as a whole. There is unusually high involvement in service activities and relatively limited involvement in expressive functions. Another notable feature is that the limited civil society organizations in Pakistan receive unusually high level of private philanthropic support perhaps owing to strong Islamic tradition of charitable tithing (Zakat). In contrast to this the level of private philanthropy in India is low while the size of government support is on par with the all country average.

1.7 Evolution of Indian Nonprofit Sector

The historical development of civil society organizations in India falls into three distinct phases: pre-colonial, colonial and post-colonial. In the pre-colonial period (1500 BC to the late 1700 AD) philanthropy, voluntarism, mutuality and provision of social welfare were based on traditional social institutions such as religious groups, kin groups, and guilds and were relatively independent of the state. The colonial period brought Western –style philanthropic and charitable institutions affiliated with Christian churches and missions. The post colonial period was characterized by the growth of development oriented organizations grounded in the Gandhian movement, social welfare associations promoted by the growing professional class, empowerment groups linked to socialist movements and grassroots development organizations.

The origins of voluntarism and charity in India can be traced back to the ancient Hindu religious scriptures *Rig Veda* and *Upanishads* around 1500 BC. The emergence of Buddhism around 600 BC made voluntarism and the provision of social assistance and education the key missions of monastic life. As a result, organized religion, especially monasteries, played an important role in providing public services, formal education, public utilities and services to the poor and the needy. Religion also influenced the protection of trees and animals. The key institutions that provided social assistance and emergency relief were kin groups and guilds. Pre- colonial period also witnessed Indian craftsmen organized into guilds that later became influential in the affairs of local communities. In addition to the regulatory and economic role in determining wages and standards, guilds performed an important social function by providing social protection for widows, orphans and elderly. Voluntary membership fees and fines were main sources of support to the guilds which also received charitable donations. Islamic influences dating from 14th century tended to weaken above mentioned social welfare systems but at the same time religious schools proliferated with generous grants from the state.

By the end of 18th century Britain gained control of most of the Indian territories and introduced modern charitable institutions such as schools, colleges, hospitals and orphanages run by missionaries. In rural areas, missionaries established self help groups, co-operative credit societies and training facilities to promote self reliance and development. Emulating them, Indian reformers and Western-educated professionals established similar institutions. Influenced by Christian missionaries, Hindu, Sikh and Islamic groups launched their own movements and affiliated organizations including schools, historical societies and political parties. Caste associations have emerged, particularly in South India, seeking amelioration of lower castes within the hierarchy of Hindu caste system. Organizations promoting professions in arts, culture and research were formed by the British elite and their membership was initially restricted to Europeans. Trade unions were formed as early as 1890's to organize workers and present their demands to the authorities. The emergence of nationalist movement against British colonialism led to the formation large number of voluntary associations for promoting national education, economic development, self-governance and self-reliance as well as social reforms and eventually resulted in forming Indian National Congress in 1885. With the advent of Mohan Das Karam Chand Gandhi and his emergence to the centre stage of national movement, Gandhian movement took shape which is seen essentially as a fusion of traditional and Western influences. Gandhian organizations sought to address social problems through holistic approach and are rooted in local culture. Yet they emphasized on economic development consistent with self- sufficiency and pursued far-reaching social reforms including education, sanitation, eradication of untouchability and egalitarianism without affecting the traditional relationships. During the early period after India attained independence in 1947 these Gandhian organizations received considerable state support and are regarded as back bone of civil society sector promoting rural development and empowerment. Nonetheless the activities of many older religious and educational institutes continued without major hindrance.

The Indian government, under the leadership of Nehru, embarked upon a massive "planned development" strategy with considerable support from both within India as well as from international donors including the United States Agency for International Development (USAID) and the World Bank (Sukhatme, 1989). Development, as understood at the time, was built upon an ideal of economic progress – progress as greater production, economic growth, and industrialization. The Government of India engaged numerous civil society organizations in economic development programs and began providing support to their activities.

The period between mid 60's and mid 70's marked a concurrent shift in perspective amongst development planners away from macro level industrial growth strategies to efforts focused on meeting the "basic needs" of the poor. The Indian government launched programs in the early and mid-1970s to improve food supply, nutrition, elementary education, rural health facilities, and basic infrastructure including water supply, roads, electrification, and housing (Guhan, 1988). This period might also be seen as a refocusing by development planners and practitioners on the conditions of individuals rather than on the national economy at large, and was fueled by a pledge in 1973 by Robert McNamara, then President of the World Bank, to allocate resources to improving productivity and welfare of the rural poor. In June of 1976, the International Labour Organization organized a conference where it proposed a "Basic Needs Approach" to development "aiming at the achievement of a certain specific minimum standard of living before the end of the century." Indeed, throughout the late 1970s and early 1980s, Integrated Rural Development programs emerged in virtually all parts of the developing world, promoted by bilateral and multilateral organizations as well as by governments. The influx of foreign funds and government support stimulated further growth of civil society sector.

Just as the "basic needs" and "integrated rural development" approaches dominated development discourse in the 1960s and 1970s, the idea of "participatory development" rose to popularity amongst development practitioners and planners in the 1970s and 1980s. The ascent of "participation" to prominence in development discourse - both in terms of practice and policy - came about for two reasons. The first was that the benefits of centrally planned development strategies had failed to reach the poor. The emphasis of development programs on large-scale and heavy industry in the 1950s and early 1960s had little impact on the predominantly agricultural population, while green revolution technologies favoured regions with irrigation and infrastructure (Bernstein, 1992; Ghosh and Bharadwaj, 1992). This bias towards big projects contributed to the emergence of a class of rich modernized farmers, a growth in income disparities between regions, and an increased marginalization of the rural poor. Thus, when Indira Gandhi returned to power in 1971 it was with the campaign slogan *garibi hatao* (abolish poverty) that promised increased spending on programmes intended to help the poor more directly. A second reason for the increased attention to "participation" was that alternatives to top - down planning, particularly as demonstrated by social activists and NGOs, had emerged by the late 1970s and early 1980s. For example, social and political change were emphasized in the work and writings of Paulo Freire in South America on "conscientization" (published in the early 1970s), and in other works on a set of methodologies known as Participatory Action Research (e.g., Fals-Borda and Rahman, 1991; Freire, 1973). At the same time, however, more moderate social workers and organizations were promoting citizen involvement leading to more cost-effective economic change and service delivery (Rahnema, 1997).

Throughout the 1970s and 1980s, India as well as many other countries of the South witnessed an unprecedented growth in NGOs, particularly in the form of young, educated, and professional individuals joining and creating development organizations (Alliband, 1983; Fisher, 1998; Society for Participatory Research in Asia, 1991). Many of these professionals were dissatisfied with state development practices, and sought to develop more participatory alternatives of their own. A number of these newly formed organizations sought financial support from foreign funding organizations and Northern NGOs. This was common not only in India, but throughout the developing world (Crow, 1992; Fisher, 1998). During this period, state agencies continued to support welfare-oriented NGOs, especially those providing services and relief in flood and drought prone regions and those working with refugees from the Bangladesh war in 1971, but increased their control and monitoring of groups involved in political activities and those linked to foreign funders. This dualistic approach to NGOs by the Indian government might be described in terms of a "shadow state"- support for the creation of a parastatal apparatus of voluntary organizations that provide welfare services and over which some degree of control can be retained, and opposition to organizations that challenge this order (Sen, 1999; Wolch, 1990).

Following the end of the Cold War in 1989, a distinctly new policy approach has emerged amongst international aid organizations. This "new policy agenda" is characterized by a combination of two key elements - “macro-economic reform” and “good governance” (Edwards and Hulme, 1996; Robinson, 1994). Economic reform, based on an assumption that markets and private sector initiative are the most efficient mechanisms for achieving economic growth, is not new. What is new, however, is a policy agenda that combines economic liberalization with elements of “good governance” and democratization. A World Bank study in 1989 on recent economic crises in sub-Saharan Africa attributed the region’s difficulties to a “crisis of governance” that can be corrected by “a systematic effort to build a pluralistic institutional structure, a determination to respect the rule of law, and vigorous protection of the freedom of the press and human rights” (World Bank, 1989 as cited in Robinson, 1994). Good governance has been described as consisting of “transparency, accountability, freedom of speech and association, greater participation in political decision-making, and due process” (Lateef, 1992). The new aid agenda, which marks an important departure from a primarily neoliberal (market reform and state retrenchment) approach, has for several years been a key feature of development funding policy in the World Bank, the International Monetary Fund, the European Community, and Japan (Archer, 1994; Edwards, 1994).

Associated with the new policy agenda has been an increase in attention amongst the international aid community to civil society organizations and institutions. While civil society organizations are not limited to development oriented NGOs, it is important to recognize that there has been an increasing international attention to the work of development NGOs. NGOs are viewed by many official aid agencies and the public as being more efficient than governments in providing development services and in reaching the poor; and they are also perceived as being important players in democratization processes (Edwards and Hulme, 1996). This convergence of liberalization and democratization approaches into a new policy agenda, have contributed to substantial change in the NGO sector. Not only is development aid being increasingly channeled through NGOs rather than through governments, but there has also been pressure on NGOs to expand and scale-up their work, sometimes to the extent of replacing state services. The proportion of total bilateral aid channeled through NGOs from Organization for Economic Cooperation and Development (OECD) countries has increased from 0.7% in 1975 to 3.6% in 1985 and to at least 5% in 1993–94, totaling US$ 2.3 billion

(Edwards and Hulme, 1996). Fund transfers from NGOs in the North to the South increased fourfold from US$ 0.9 billion in 1970 to $4 billion in 1985, accounting for 10% of total aid from OECD countries (Cernea, 1988; Crow, 1992). This growth in NGO numbers and funding has occurred despite a lack of sufficient empirical evidence to support the assumptions that NGOs are more efficient service-providers or significant players in democratization processes (Edwards and Hulme, 1996; Mackintosh, 1992). Rio Earth Summit in June 1992 gave impetus to international environmental movement and consequent rise in the number of NGOs focused on environmental issues operating at various levels ranging between international and local levels.

In India, the effects of these changes have also been widely felt. For the first time in 1985, the Government of India officially acknowledged the role of voluntary organizations as development actors in its Five-Year Plan and earmarked funds for rural voluntary agencies (Government of India, 1985). In 1986, the government created the Council for Advancement of People's Action and Rural Technology (CAPART), an agency that now funds various NGO activities throughout the country. It was also decided that all new recruits for the Indian Administrative Service (the most elite cadre of Indian civil servants, who operate state and federal agencies) would be required to spend 10 days with a rural voluntary organization as part of their training. In the subsequent plan, the government announced its intentions to create a country-wide network of NGOs (Government of India, 1992). In terms of foreign funding, India's annual NGO revenue from abroad (from bilateral, multilateral, and Northern NGO sources) in the early 1990s was estimated at about US$ 0.52 billion, which was equivalent to about 25% of official aid flows (Robinson et al., 1993). The number of NGOs registered with India's Ministry of Home Affairs under the Foreign Contribution and Regulation Act increased from 5,099 in 1985 to approximately 16,000 in 1992 (Mohanty and Singh, 1996; Tripathi et al., 1991).

Liberalization, new aid agenda and environmentalism, apart from leading to increase in size and scale of the NGO sector, has significantly increased its scope with many civil sector organizations expanding their activities to include policy advocacy at the national and international level, human rights, women's issues, child rights, consumer advocacy and political education for decentralized local governance, citizenship, good governance and environmental issues.

1.8 State - Nonprofit Relationship

From an institutional perspective, the presence of a sizable nonprofit sector is contingent on collaboration with government. Salamon's (1995) analysis of the workings of the US nonprofit sector identified institutional patterns of third-party government in many policy fields, which suggested that strengths and weaknesses of both government and the nonprofit sector complement each other, leading to interdependent structures of service delivery and finance over time. The growth and development of the nonprofit sector in its service and civil society capacities could not have taken the course it did by relying solely on private voluntary contributions. Need consistently outweighs levels of private donations to nonprofit organizations. Direct government support of nonprofit organizations comes in the form of direct payments, tax exemption, preferential regulatory treatment, and deductibility of donations. Nonprofits also benefit indirectly from payments through subsidies to individual clients, i.e. third-party payments. The public - private partnerships that result from this array of support mechanisms allow the nonprofit sector to assume its roles at the required scale.

The relationship between the nonprofit sector and government is complex and multifaceted. The meaning and magnitude of the relation differ by type of organization (Large vs. Small, National vs. local associations), field (social services vs. international development), and levels of government involved (central, state, local). What is more, the relationship involves different aspects like funding (grants, fee-for-service contracts, concessionary loans, etc.), non-monetary support (facilities, expertise, goods and services in kind), mandates (government policy to involve nonprofit associations in implementing policy), regulations and accountability.

The theoretical rationales for government and the nonprofit sector to develop some form of relationship in which nonprofit sector's role is characterized as (i) substitute and supplement (ii) complement and (iii) adversary as discussed below:

The notion that nonprofit organizations are supplements and substitutes to government rests on the public goods and government failure argument suggested by Weisbrod (1988) and Douglas (1987). Nonprofits offer a solution to public goods provision in fields where demand preferences are heterogeneous. Nonprofits step in to compensate for governmental undersupply.

The theory that nonprofit organizations are complements to government was proposed by Salamon (1995, 2002b), and finds its expression in the third-party government thesis. Nonprofits are typically the first line of defense in addressing emerging social problems of many kinds, but face resource insufficiencies over time that, in turn, can be compensated for by government funding. This theory implies;

(i) Nonprofit weaknesses correspond to strengths of government, i.e. public sector extends revenue support to nonprofit and regulates to ensure equity,

(ii) The financing and providing roles are split between government and nonprofits respectively.

Transaction cost theory, which also supports the complementary role, suggests that it may be more efficient for government to delegate service provision by contracting out non-core functions to nonprofit organizations. Indeed, Kramer (1987) states that contracting-out brings a number of advantages to the public sector, such as avoiding start-up costs, generating more accurate cost determinants, avoiding civil service staff regulations, and easing the process of altering and stopping programs. Even though there are also disadvantages involved (e.g. difficulty to maintain equal standards, loss of public control and accountability, monitoring costs), both government and nonprofits have incentives to cooperate.

The theory that nonprofit organizations and governments are adversaries is supported by public goods arguments and social movement theory: if demand is heterogeneous, minority views are not well reflected in public policy; hence self-organization of minority preferences will rise against majoritarian government. Moreover, organized minorities are more effective in pressing government (social movements, demonstration projects, think-tanks); however, if nonprofits advocate minority positions, the government may in turn try to defend the majority perspective, leading to potential political conflict.

Young (2000) has suggested a triangular model of nonprofit–government relations, and argues that, to varying degrees, all three types of relations are present at any one time, but that some assume more importance during some periods than in others. Najam's Four C's model (2000) offers a more detailed view of nonprofit–government relations by examining the extent to which their respective organizational goals and means overlap.

(i) *Cooperative:* If the goals and means are similar, then government and nonprofit organizations develop a cooperative relationship.

(ii) *Complementary:* If the goals are similar but the means are dissimilar, then a complementary relationship between government and nonprofit organizations emerges. For example, many nonprofits in the field of social service provision and community health care complement basic government services.

(iii) *Co-optive:* If the goals are dissimilar and means are similar, then government tries to build a co-optive relationship with nonprofit organizations. An example would be the humanitarian assistance funds channeled to local grassroots organizations in African countries for programs that are similar to governmental ones. In such situations, government may try to co-opt grassroots organizations and nonprofits to further its own goals.

(iv) *Confrontational:* If the goals and means are both dissimilar, then government and the nonprofit sector are in a confrontational relationship. Examples include the activities of Greenpeace to pressure governments on environmental issues, an advocacy group demanding better welfare services for the urban poor, or the anti-globalization groups demonstrating against the World Trade Organization.

Social movements, as private action to change government policy, have a deliberately conflictual relationship with government. What is more, successful social movements have the potential to change government policy and thus create a legal and regulatory environment in which nonprofit organizations can grow and flourish, leading to more collaborative or neutral relations. Since social movements involve political activity and political associations, social movements also have the potential for an ongoing politicization of nonprofit–

government relations. The government - nonprofit relationship, then, as viewed through a social movement perspective, can be described as a cycle: private actions are translated into public concerns via formal legal entities, which evolved from the initial social movement; these formal legal entities also influence government policy and government responds either by directly addressing the issue, or a more popular response is to fund nonprofits that in turn address these public concerns. As a consequence, nonprofit organizations must adjust their behaviour and programs to reflect public policy and government priorities.

The assumption among many scholars of the nonprofit sector is that nonprofit organizations offer the state a flexible, localized way to respond to emerging or entrenched social and economic problems. These organizations are more able than government bureaucracies to be both responsive to shifting public needs and to establish long-term service relationships with clients. Government agencies can rely on existing, often community-based, organizations to manage and deliver specialized goods and services that would be costly for them to establish and maintain. In doing so, the government also shifts the financial and political risks of collective good provision to the nonprofit sector. In turn, nonprofits receive reliable streams of funding and clients, tax exemption, and preferential regulatory treatment from public sources.

1.9 Nonprofit - Corporate interactions

There are typically three types of NGO-Corporate interactions: NGOs as fundraisers, seeking corporate donations; NGOs as campaigners, critical of corporate practices; and, the newest relationship, that of NGOs working with companies in trying to improve the social impacts of their business practices, through assisting in the establishment of codes of conduct, fair trade practices and other sets of standards (Sayer, 2003).

An emerging literature has traced these relatively new, but growing, interactions between NGOs and companies (Bendell, 2000, 2005; Dhanarajan 2005; Frame 2005; Hayes and Walker 2005; Sayer 2005; Utting 2005; Eade and Sayer 2006). The influence and power of businesses, particularly large transnational companies, has grown in recent decades. By 2000, the top 200 corporations' combined sales were bigger than the combined economies of all the nations in the world except for the biggest ten. The top 200 corporations' combined sales were 18 times the size of the combined annual income of the 1.2 billion people (24 per cent of the total world population) living in 'severe' poverty (Anderson and Cavanagh, 2000). This awesome economic might, heedless of national boundaries, has given corporations immense influence with governments and multilateral institutions in relation to macro-economic debates about structural adjustment, trade, debt, investment and finance. Thus, 'Corporations have emerged as the dominant governance institutions on the planet, with the largest among them reaching into virtually every country of the world and exceeding most governments in size and power' (Korten, 1995). In this era of globalization, privatization, deregulation and neoliberal economic ideology, corporate power has also grown in relation to that of national governments, which have declining influence over trade, investment and finance policy.

In addition to political and economic influence, companies increasingly control technological advances and information and will therefore influence the shape of future development and the distribution of prosperity (Korten, 1995). Compelling evidence shows that economic growth is a pre-condition for sustainable social development and poverty alleviation, despite the fact that growth on its own does not ensure either sustainability or sufficiently equitable distribution to reduce poverty (UNDP 1996; Hanmer et al., 2000; World Bank Group, 2000). The corporate sector is clearly the main engine of that growth, playing a key role in the creation of jobs, the generation of tax revenue, the earning of foreign exchange, the generation of finance, the achievement of access to new markets, and the transfer of technology and administrative skills (Oxfam et al., 2002). At the same time, corporations have the potential to create immense problems for poor people. Profit maximization and competition motivate corporate activity; unregulated, this can have a negative effect on natural resources, on the environment, on local prices and on jobs. Large foreign corporations can destroy smaller local business, monopolize markets and reduce the access that others have to productive opportunities. All of these are particularly vital to the livelihoods of poor people. The corporate sector has little orientation towards the creation of equity, and no obvious incentive to ensure that its goods and services reach all people (Korten, 1995; Oxfam et al., 2002). In the last decade, foreign direct investment and equity investment in most developing countries has far outstripped official development assistance, often referred to as foreign aid. Aid levels continue to decline, and many donor governments and multilateral development banks are proposing that creating an 'enabling environment' for the corporate sector and providing incentives for investment are more effective ways of promoting development than direct aid (ADB, 2001).

While corporate activity can make immense contributions to the development process, poor corporate practices can harm the lives of poor people who are already vulnerable. As the power of corporations grows, so do demands for them to behave with a greater sense of environmental and social responsibility, by reducing the problems their operations may create and by demonstrating a positive role in the countries and communities where they operate. In the face of economic liberalization and globalization, the capacity and willingness of governments to regulate corporate activity has diminished; they have reduced their function as corporate governors and regulators, and lessened their role as mediators between the demands of capital and the demands of society as a whole. Into this space has stepped civil society, expressed in terms of campaigners, protesters and consumer activists pressuring companies on environmental, social and labour issues.

The earliest interaction between NGOs and companies took the form of requests for donations and material support. This uncritical relationship corresponded to an early stage in the development of NGOs, which then either primarily were involved in famine and disaster relief or viewed work on poverty and underdevelopment in terms of the provision of welfare (Smillie, 1995; Sogge, 1996a). As development NGOs became more aware of the underlying causes of poverty, they began programmes to 'help people help themselves', to build local capacity and to examine the social and political barriers to equal opportunity for the poor and dispossessed. NGOs also became more vocal in advocacy about the causes of poverty and vulnerability, which inevitably led them towards critical campaigns against company policies and practices. Early examples of these included the campaigns against the promotion of powdered baby milk in developing countries and criticisms of companies investing in apartheid South Africa (Smillie, 1995; Fowler and Biekart, 1996; Sogge, 1996b).

While fund-raising from companies and critical advocacy both remain a significant part of development NGOs' work, the newest area for interaction between companies and NGOs is that of engagement in order either to jointly pursue social programmes or to improve the core business practice of the company. A transition in NGO relationships with corporates has occurred 'from one of confrontation to one of consultation and even association' (Rodgers, 2000). Corporations are increasingly seeking NGO advice and cooperation, not only in joint work on social and environmental projects in the community, but also in ways to make their own core business practices more socially and environmentally acceptable. Regardless of whether the motivation is one of cynical public relations or a genuine desire to address the issues, companies are approaching NGOs and other parts of civil society seeking advice, ideas and cooperation in policy formation, standard setting, promotion of best practice, monitoring and evaluation, and implementation of programmes and policies. Because much of the pressure for improvement emanated from NGOs, it is increasingly difficult for them to refuse to get involved when companies acknowledge these criticisms and seek help with change. Each side is investing knowledge, staff and finance to achieve agreed goals.

Increasingly, stakeholders see a convergence in rights and expectations for business and civil society; business leaders increasingly recognize an implicit social responsibility of businesses and the possibility that civil society actors can help business actors meet their obligations as good citizens. Similarly, civil society organizations experiencing the costs and limitations of confrontational influence strategies see the potential for harnessing market forces in the service of their social goals. (Covey and Brown, 2001)

Starting from two traditional, primary but quite antithetical areas of interaction with corporations where NGOs are beneficiaries from corporate donations to charity and hostile critics of corporate activities, interaction between NGOs and corporations has spanned into a third area of co-operation, consultation and association due to increasing recognition by NGOs of the central role corporations play in shaping development paths of nations and communities. This is reinforced by recognition on the part of corporations of the risks of failing to respond to social criticism, as well as the benefits of working with NGOs to become more socially responsible.

Thus, NGO engagement with the corporate sector can be classified into broad categories: donors and marketing relationships; critical advocacy; lobbying and campaigning; programme work on codes of conduct, industry standards, fair trade and social auditing; and cooperation in development and relief work (Elkington, 1997). Bendell's four-category typology of NGO–business relations divides NGO activity into that dependent on raising revenue within the market and that working outside the market, and also separates work between that of a confrontational style and that of a collaborative approach (2000). NGOs working in the market in a collaborative style are 'facilitating change', engaged in such activities as consultancy and monitoring of standards. Those working in the market in a confrontational style are 'producing change', engaging in activities like fair trade and other alternative economic schemes. NGOs that are collaborative, yet outside the market, are 'promoting change' by working on such things as codes of conduct and standards. Finally, NGOs working outside the market in a confrontational style are 'forcing change'. This category includes the campaigners, demonstrators and boycotters critical of corporate activity.

1.10 Approaches to Nonprofit Management

From the foregoing discussion it becomes quite evident that nonprofit organizations in general have been recognized as a major economic force contributing immensely for the well being of the society. Nonprofits are relied when the state and private sector fails to efficiently produce and distribute goods and services owing to government failure or market failure. The unique characteristic features of nonprofits like nonprofit/non-distribution of profit nonprofit, independent status, adherence to values, flexibility, rootedness, adaptability etc of as against the inherent weaknesses of state bureaucracies like red-tapism, corruption, rigidity, formalism, hierarchies, authority and power led the governments to contract out social welfare services to nonprofit organizations. The growing realization among the corporates that the nonprofits are best poised to effectively partner in pursuit of their corporate social responsibilities led to their increased engagement with nonprofits. Also, the disenchantment of bilateral and multilateral aid agencies with development role played by domestic governments and the necessities of new aid agenda contributed to increased preference of donors for nonprofits to launch and implement their projects and programmes. Thus nonprofit organizations have emerged as dominant players in the development process.

Having brought NGOs more fully into the mainstream development policy processes, pressures of accountability then led some aid donors and policy makers to examine more closely whether NGOs are properly equipped to play these new high-profile roles. Studies undertaken by or for aid donors such as those by Stark Biddle (1984), Tendler (1982) and Riddell (1999) were frequently less than flattering about the realities of the claims made by and on behalf of development NGOs. These studies found that many of the taken-for-granted advantages and achievements attributed to NGOs could not be uncritically assumed, and showed that the positive press which NGOs often received was in some cases based more on wishful thinking than on hard facts. Not all of the pressure for management thinking was driven from the outside. As NGOs have grown in scale and ambition, some have themselves recognized limits to their own effectiveness and begun to examine management and organization issues in more depth, recognizing that idealism and alternative ideas require a sound organizational framework if they are to make any impact on longstanding and complex problems of poverty and inequality.

Among some researchers on development, interest in NGOs has begun to take on a more critical, reflective tone as the emphasis has shifted away from the notion of NGOs as a 'magic bullet' for poverty reduction (Hulme and Edwards, 1997). There is more serious thought being given to questions of efficiency, accountability and effectiveness within NGO work (Fowler 1997). NGOs are increasingly being viewed as just one type of development actor within a wider institutional landscape which includes the state and the market, and in which ideas about the promotion of synergy are gradually taking precedent over rather mechanistic notions of 'comparative advantage' and the dogma of privatization policy (Tendler 1997).

Much has been written in development literature on the rise of nonprofit organizations. The focus of research is predominantly on the role of NGOs in the development processes and the potential of NGOs to challenge existing policy and practice (Lewis, 1999). Very little of this literature has been concerned with the structure and management of these organizations. Where there has been research carried out on the internal management and organization development of NGOs, this work has, as Stewart (1997) points out, tended to be at the expense of wider context and politics.

Considerable attention has been given to understanding management in the worlds of business and government, with a succession of management fads and 'gurus' in the last few decades (Bate, 1997; Micklethwait and Wooldridge, 1996) and more recently with the rise of 'new public management' in the public sector (Ferlie et al., 1996; Minogue et al., 1998). In a 1990 article in the Annual Review of Sociology, DiMaggio and Anheier suggested a "road map" for nonprofit sector research. The research questions sought to be raised were (i) Why do nonprofit organizations exist? This leads to the question of organizational origin and institutional choice. (ii) How do they behave? This addresses questions of organizational behaviour. (iii) What impact do they have and what difference do they make? These points to the famous "So what?" question.

The last years have been fruitful ones for theories of nonprofit organizations, and a number of answers have been worked out for the "why" questions. The questions of organizational behaviour and impact are being focused and much of the available literature is based on studies conducted in western countries. Another limitation is that they are by and large confined to individual organizations and specific fields. Literature on nonprofits engaged in development activities at grass roots level, as some analysts such as Najam (1996b), Clarke (1998) and Stewart (1997) have pointed tended to be either donor-driven (and therefore with a tendency not to confront political complexity) or written by NGO activists (which has lent a 'feel good' quality to some of this work). All this leaves a weak, normative literature on NGOs.

Two strands of thinking are observed among researchers and practitioners on management in nonprofit organizations. One is consistent with the argument that management capacity is the lifeblood of all organizations, irrespective of whether they are private entities, public agencies, not-forprofit concerns or non-governmental varieties. (Udoh James, 1998) The other is along the line that existing theories developed for other sectors went so far, but not far enough. (Billis and Harris, 1996) Emphasizing the distinctiveness of many of the management challenges of third sector, a group of third sector scholars have set about developing a body of new theory, concepts and models. Also of particular relevance here is the gradual change in the stance of many nonprofit practitioners that 'mangerialism' is antithetical to the values that pervade nonprofit sector and the growing recognition that "how to go" is as important as "where to go" in contrast to the suggestion that the fact that they are doing something about a problem is more important than worrying about whether what they are doing is effective or adequate (Riddell and Robinson, 1995). In other words, the fact that something 'gets done' is only one aspect of management, because it may also be important to consider the way in which it is done. The apprehension that "managerialism" posits threat to the functioning of value- driven nonprofit by undermining the instrumental values was sought to be allayed by Paton (1991) through his argument that the functions of management (such as controlling, planning, motivating, directing or monitoring) can be distinguished from the style of this management (such as consultative, participatory, cooperative or top-down).

The scenario existing in relation to management among practitioners in nonprofit sector has been aptly described by Lewis as "growing but reluctant interest". Citing the early articles that appeared on ICVA's NGO Management News letter and later in some academic journals which appeared to him as "NGO Management debate" he states that the discussion is between writers some of whom were excited by the new emphasis on 'alternative' management practices - such as empowerment, participation and other bottom-up approaches - while others were frustrated at the ways in which the idealism of NGOs, along with the growing expectations of funders and policy makers, often seemed to outstrip NGOs' own understanding and practice of basic management skills. The first perspective is reflected when Korten spoke of a 'new development professionalism', which rather than supporting central control,

> [these NGOs] … support self-assessment and self-correction driven by a strong orientation to client service and a well-defined sense of mission. Highly developed management systems provide rich flows of information to facilitate these self-management processes. (Korten, 1987: 156)

The second perspective emerges from Dichter's (1989) counter-argument that development NGOs needed to be able 'to walk before they can run'. Dichter described an organization in which leaders and staff were given courses in participatory leadership training by a well meaning development organization when they really needed to learn far more basic practical management skills such as 'how to set up and keep administrative, accounting, book-keeping, and record-keeping systems for the co-op'. In another case, Dichter related how a Northern NGO, planning to establish a presence in West Africa, provided a preliminary state-of-the-art 'development management' training to its expatriate executive director, who then went to set up the local country office and proceeded to make two basic management mistakes. First, the director did not pay attention to the need to make sure that the right person was carefully recruited for the job, and without any feel for local culture or job markets appointed a person too quickly who turned out to be unsuitable. Second, he neglected to make sure that basic information systems were established, selected an office in an inappropriate area of town, and neglected the practical matter of setting up a proper vehicle maintenance programme. Very soon these somewhat prosaic management shortcomings undermined the NGO's efforts to carry out its work successfully. Such problems have not necessarily gone away.

Edwards (1999) also found in a study of NGO work in South Asia that lack of attention to 'the basics' of management was an important contributory factor in the failure of NGO initiatives, such as selecting appropriate staff and local partners, maintaining a clear sense of purpose and goals, and maintaining good communications with clients and constituents.

Dichter (1989) argued therefore that thinking about NGO management needs to start 'plain' rather than 'fancy', and that in his cases the preoccupation with experimental, 'participatory' development management styles was frequently found to be at the expense of more basic management tasks. NGOs needed to understand budgeting and personnel issues; they needed to analyse the markets, legal framework and policy environment within which they operated; and they required a knowledge of how to maintain relationships, information systems and assets. Dichter's case was close to the 'management is management' idea the argument that no matter what kind of organization we are talking about, generic management rules apply at least in the early years of a development NGO. Rejecting simple North/South, business/voluntary or top-down/bottom-up dualisms, he suggested that basic management principles are not that different for North and South, or for business and the not-for- profit sector. According to him:

> Indeed, if 'good' management in a generic sense exists, it encompasses task, people,

> process and organisation. What makes for salient differences are context and the ends of management. These cannot be ignored, any more than we can forget that different theories of management are themselves contextual. (Dichter, 1989: 385)

1.11 Review of Literature

Having brought NGOs more fully into the mainstream development policy processes, pressures of accountability then led some aid donors and policy makers to examine more closely whether NGOs are properly equipped to play these new high-profile roles. Studies undertaken by or for aid donors such as those by Stark Biddle (1984), Tendler (1982) and Riddell (1999) were frequently less than flattering about the realities of the claims made by and on behalf of development NGOs. These studies found that many of the taken-for-granted advantages and achievements attributed to NGOs could not be uncritically assumed. They showed that the positive press which NGOs often received was in some cases based more on wishful thinking than on hard facts. Not all of the pressure for management thinking was driven from the outside. As NGOs have grown in scale and ambition, some have themselves recognized limits to their own effectiveness and begun to examine management and organization issues in more depth, recognizing that idealism and alternative ideas require a sound organizational framework if they are to make any impact on longstanding and complex problems of poverty and inequality.

Among some researchers on development, interest in NGOs has begun to take on a more critical, reflective tone as the emphasis has shifted away from the notion of NGOs as a 'magic bullet' for poverty reduction (Hulme and Edwards 1997). Fowler (1997) draws attention to more serious thought being given to questions of efficiency, accountability and effectiveness within NGO work. Much has been written in development literature on the rise of nonprofit organizations.

Lewis (1999) says focus of research is predominantly on the role of NGOs in the development processes and the potential of NGOs to challenge existing policy and practice. Very little of this literature has been concerned with the structure and management of these organizations.

Where there has been research carried out on the internal management and organization development of NGOs, this work has, as Stewart (1997) points out, tended to be at the expense of wider context and politics.

Some analysts such as Najam (1996b), Clarke (1998) and Stewart (1997) have pointed out that literature on nonprofits engaged in development activities at grass roots level, tended to be either donor-driven (and therefore with a tendency not to confront political complexity) or written by NGO activists (which has lent a 'feel good' quality to some of this work). All this leaves a weak, normative literature on NGOs.

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Rochester (2003) points out that literature on governance underlines the importance of governing bodies, exhibits a high degree of agreement about their key functions or roles (Widmer, 1993; Harris, 1996), highlights problems with the successful implementation of the board role and provides us with explanatory theories for the frequency with which boards fail to carry out their key functions successfully. The weakness of this body of literature, however, is that it tends to treat issues of governance as generic. The nature of the board's role and the issues faced in implementing it are seen as essentially the same, regardless of variations in the size or function of nonprofit and voluntary sector organizations or of the environments in which they operate.

Klausen (1995) draws attention to a growing acknowledgement of the heterogeneity of the third sector. Appreciation of the differences between organizations within the sector may be of similar importance to the differences between them and organizations in the other sectors. As Salamon (1998) presents, on the one hand, there are the well-resourced, formally organized and staff-led ‘big battalions’ that have ‘accounted for significant numbers of paid employees and made major contributions to the economy’. Smith (1997) on the other hand talks of the multitude of ‘grassroots associations’ which are small, relatively informal and entirely or largely dependent on the voluntary work of their members. Rochester and Billings (2000) argue that these two very different kinds of organization can be seen as the opposite ends of a spectrum in between which we can find a range of organizational forms with varying levels of formality and professionalism.

Lewis (2001) emphasizes that NGOs vary very significantly in their structure and in the nature of their operations. The term ‘NGO’ includes large, bureaucratic organizations with multi-million dollar budgets as well as small, informal local initiatives. Some NGOs are engaged in long-term community development work, others provide short-term emergency relief in response to natural disasters or human calamities created by conflict. More attention to the ways in which the diverse range of development NGOs is managed could enrich the theory and practice of organizations of all types.

In his study, Harris (2001) has noted that the experience of board members in local agencies varied significantly from that of their counterparts in national organizations. A survey by Cornforth and Simpson (Cornforth, 2001) found that the ability of charities in England and Wales to recruit and support board members was related to their size.

Misra et al. based on their study of NGOs in Indian context argued that the manner of managing the external stake holder linkages defines the quality of organizational governance, and depends upon the management style and presence of prudent resource management systems and procedures. The researchers speculated that the debate on NGO governance and accountability which is divided between two extremes of ‘autonomy’ and ‘accountability’ will move in the direction of 'accountable autonomy', keeping the conditions of democratic governance in the frame (Misra et al., 2005).

Reviewing the literature related to strategic planning in organizations that are mostly in USA, Stone et al. (1999) concluded that a number of key things are known about strategic management in the voluntary nonprofit sector. Many voluntary nonprofit organizations have not adopted formal strategic planning. Those that do adopt formal strategic planning, primary determinants are organizational size, characteristics of the board and management, prior agreement on organizational goals and mission, and funder requirements to plan. Principal outcomes of formal planning are changes in organizational mission, structure and board and management roles. The relationship between formal planning and performance is not clear but seems to be associated with growth and with who participates in the process.

Analyzing the nature of strategic management in Non-Government organizations in India on the basis of secondary information, Thomas (2003) suggests that dominant mode of strategy formulation is experiential rather than by design. Key to the strategic management is the mission and initial directions given by the founders. However this study is based on secondary sources and involved national level organizations.

Stephen (2002) based on his study of organizations in India and Bangladesh concludes that the governance, human resource management and financial management have been quite systematic in most of the organizations. His study is confined to organizations whose staff members have attended several NGO management training programmes over a period of 10 years. It requires a cautious approach in generalizing the findings to the organizations whose staff members have not participated in the trainings.

1.12 Research Gap

The limitation of the research referred to above is that it is under taken mostly in western context and there is need to raise and answer similar questions in the context of India. Limited research based on secondary sources and confined to large organizations in India is inadequate to draw general conclusions. Research that is undertaken in South Asian context draws attention to the issue of failure of many NGOs due to the neglect of basic management issues but does not describe sufficiently the practices in those organizations. The fact that different geographical areas experience variations not only in socio-cultural factors but also vary in terms of development orientation and institutional setting raises curious questions about the validity and relevance of experiences gained from western context. When we recognize that, within Indian context, grassroots development work received attention and focus much earlier in some parts of the country while in some parts it is relatively a new phenomenon it brings to the fore the existing literature has left voids that are to be filled by undertaking context specific studies.

1.13 Need for the Study

Evidently nonprofit sector research has become a pre-occupation for many scholars in the past two decades and there has been enormous amount of literature that is produced. Much of the research during early years was focused on the question of organizational origin and institutional choice. It is only recently that nonprofit organization behaviour started engaging the attention of researchers. One serious limitation of nonprofit research that many scholars admit is that, it is context specific and predominantly emanated from the studies undertaken in United States and United Kingdom. It is vehemently argued that nonprofit sector is heterogeneous and varies across size, functions, ideology, geographical regions and not to say socio-political and cultural contexts. There is wide gap in the existing literature to inform us of the theory and practice of nonprofit management in different contexts. In order to reduce the gap, if not bridge, it is imperative to conduct context specific studies to produce knowledge that covers the spectrum of nonprofit organizations and their contexts.

1.14 Significance of the Study

The present study assumes significance from the fact that it is aimed at studying management practices in development organizations in Andhra Pradesh and contributes to enrichment of our understanding of management practices in nonprofit organizations in specific context. The findings may be useful not only in terms of throwing light on practices being followed in the organizations studied but also enables meaningful comparisons with similar studies done elsewhere to know whether the context really matters when it comes to basics of management which is a highly debated topic among practitioners and theorists. This study may also be of some interest to the practitioners and policy makers and development management professionals aspiring to do better while doing well.

1.15 Objectives of the Study

The broad objective of the present study is to understand the management practices in development organizations in the state of Andhra Pradesh and to know the variations among development organizations in the practices across the size, scale, age, sources of funding and the number of programmes.

More specifically the objectives of the study are:

(i) To study the governance practices and variations in governance practices between organizations of different size, scale, age, sources of funding and number of programmes;

(ii) To study the strategic management practices and variations in strategic management practices between organizations of different size, scale, age, sources of funding and number of programmes;

(iii) To study the marketing management practices and variations in marketing management practices between organizations of different size, scale, age, sources of funding and number of programmes;

(iv) To study the human resource management practices and variations in human resource management practices between organizations of different size, scale, age, sources of funding and number of programmes and

(v) To study the financial management practices and variations in financial management practices between organizations of different size, scale, age, sources of funding and number of programmes.

1.16 Research Methodology

The research is descriptive and is based on the data obtained from primary and secondary sources.

1.16.1 Primary sources of data

The data pertaining to the practices related to governance, strategic planning, marketing management, human resource management and financial management is collected from the organizations using structured questionnaire. This data is supplemented by the information gathered through unstructured interviews.

1.16.2 Secondary sources

The primary data, that is collected through structured questionnaire and unstructured interviews, is collated with the secondary sources available in the form of written, published or printed documents like plan documents, minutes, policies, financial statements, annual reports, brochures etc.

1.16.3 Population size

One practical problem in identifying the population size was that there is no reliable source of information pertaining to NGO's in Andhra Pradesh. The District Registrar, in each district maintains a register which comprises particulars of organization registered in respective districts. However this doesn't provide any authentic proof of that organizations listed are operational and is highly unreliable for identifying organizations that are functional. It is observed that several registered organizations become defunct and their status is not recorded.

In view of this practical problem, the district/regional and state level networks of NGO's have been approached. The list of NGO's maintained by them appeared to be more appropriate for identifying NGO's that are active. Based on information obtained from networks like COVA(Confederation of Voluntary Associations), Sankalpa, CWS (Centre for World Solidarity) having network partners across the state and International NGO's like Action Aid, OXFAM etc. having local partnerships, it is estimated that around 400 NGO's are consistently active. The population size determined in the above mentioned manner for the purpose of study is around 400 organizations.

1.16.4 Sampling technique

The organizations included in the sample are selected using purposive sampling technique method since willingness to participate in the study is a major consideration.

1.16.5 Sample size and sample profile

A sample size of 40 organizations that is 10 percent of population size is selected for the study. In order to ensure that the sample is representative of the population it is decided to have distribution of sample region-wise. Therefore around 15 organizations are selected from Andhra region, 19 from Telangana region and 6 from Rayalaseema region. To facilitate comparison across size, organizations with different annual budget size are included in the sample. The number of large organizations whose annual budget size is above rupees one crore are 11. Medium size organizations with annual budget ranging between 25 lakhs and one crore rupees are 12 and small organizations with annual budget of less than 25 lakhs of rupees are 17. To facilitate comparison across age 10 organizations that have been existing for 20 or more than 20 years, 21 organizations that are existing for more than 10 years but less than 20 and 9 organizations existing for 10 or less than 10 years are included in the sample. The justification for having almost twice the number in the age group of more than 10 years and less than 20 years lies in the fact that the number of organizations established during the decade of 1990s are almost double the organizations established during the preceding or succeeding decade. For comparison across the scale of operations 5 national level organizations, 4 state level organizations, 4 regional level organizations, 12 district level organizations and 15 mandal level organizations are included in the sample. The number of organizations included in the sample is in proportion to the number in the population. To allow comparison across the source of funding 17 organizations that are dependent on direct funds from international NGO's, 15 organizations that are dependent on funds receive from international NGO's through intermediary or international NGO affiliate organizations, 6 organizations dependent on government sources and 2 organizations dependent on corporate sources are included in the sample. 27 organizations with 4 or less than 4 programs and 13 organizations with more than 4 programs are included in the sample to enable the comparison across the number of programs. The reason for bi-furcating the sample into organizations with 4 or less than 4 programs and more than 4 programs is that 4 programs are found to be the median for the entire sample.

1.16.6 Data analysis tools

The data obtained using the questionnaire and unstructured interviews are collated with information obtained from secondary sources and qualitative interpretations are drawn to identify the practices. Once the practices are identified each of the practice is cross tabulated across organizations varying in size, scale, age, sources of funding and the number of programs and analysis is done using the percentage of organizations in which the specific practice is followed.

1.17 Scope of the Study

It has been mentioned earlier that nonprofit organisations are heterogeneous. The study covers within its ambit development organizations located within territorial region of Andhra Pradesh. Included in the study are organizations with operations in the state of Andhra Pradesh but not necessarily confined to the state of Andhra Pradesh. The organizations selected for the study are engaged in multitude of activities with varying degree of focus on social, political and economic empowerment of women and marginalized, natural resource management and sustainable development, community and rural development, health, education, child rights, legal aid and awareness and advocacy. It extends to grassroots organizations as well as grassroots support organizations. It covers organizations based in rural, semi-urban and urban areas.

1.18 Limitations of Study

One of the limitations of the study is that it is undertaken in specific geographical context and therefore the findings of the study on their own may not be relevant for other regions. The second limitation is that it has very limited relevance to nonprofits involved in other activities such as running hospitals, educational institutions and recreational services etc. The third and important limitation is that this study as such is not intended to assess in any manner the performance of the organizations vis-à-vis its management practices and therefore not reliable to make any judgments regarding organizational effectiveness and efficiency.

1.19 Chapterization scheme

Chapter I maps the civil society sector at global, regional and national level in terms of structure, composition and significance and discusses various theoretical perspectives on origins and growth of the sector. It also discusses the approaches to the management of nonprofit sector and deals with review of literature, need for the study, significance of the study, objectives of the study, methodology, scope and limitations of the study along with scheme of chapterization. In the Chapter II that immediately follows nonprofit management theory, concepts and practices are discussed briefly. Chapter III provides the analysis of various governance practices and their variations across size, scale, age, sources of funding and number of programs. Chapter IV discusses strategic management practices and analyses the variations across the five above mentioned dimensions. Chapter V focuses on the marketing management practices and presents the variations across organizations varying in size, scale, age, sources of funding and the number of programs. Chapter VI deals with the human resource practices and their variations across the dimensions of size, scale, age, sources of funding and number of programs. In chapter VII financial management practices are analyzed and variations observed across the all the five dimensions. Finally summary of major findings and conclusions are presented in Chapter VIII.

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CHAPTER II

NONPROFIT MANAGEMENT: THEORY, CONCEPTS AND PRACTICES

For long, organizational theorists have grappled with the issues of relationship between organizational structure and task environment, rational behavior of organizations and their evolution which culminated in development of theories that explain how task environment influences the choice of structures, the extent to which organizations behave rationally in decision-making and their limitations and how the organizations respond to the environmental influences and continuously evolve in order to sustain themselves.

For organizational theorists "organization" means; a social entity that includes people, some form of resources and technology; a goal directed entity that serves an explicit purpose; a structured arrangement where tasks are divided into separate activities and coordinated; a bounded entity with an identifiable boundary that makes it possible to judge the organization from its environment. The following section offers a broad understanding of different organizational theories.

2.1 Modern theories of organizations

2.1.1 Bureaucracy

Max Weber's (1978) seminal essay on bureaucracy is considered to be the landmark in development of modern organizational theories. According to him bureaucracy is characterized by division of labour where activities are divided systematically among various positions; selection and promotion of employees on the basis of professional and technical competence; hierarchy of positions and the job descriptions they entail; formal rules that provide guidelines for best practice and job performance; maintenance of records on administrative decisions, rules and guidelines, and organizational activities; impersonal office where officials are entrusted with responsibilities and receive a salary in return, but they cannot appropriate the positions and offices they occupy.

It has been argued that bureaucracy is best suited for stable, routine task environments and is less suited for organizations in changing task environments with high degrees of uncertainty. It is only the task environment that matters rather than ownership or stated objective and therefore any organization, be it forprofit, nonprofit or public, can be bureaucratic. It is to be noted that, elements of bureaucracy like written rules, formal job descriptions, performance criteria, and hierarchies exist in most organizations. The extent of bureaucratization depends on organizational age and size. Larger organizations tend to have more bureaucratic elements, in particular a more formal administration, and older organizations tend to be more routine and stable in their task performance.

The bureaucratic management model emphasizes the need for organizations to operate in a rational manner with specialization of labor, formal rules, and regulation, based on impersonality, a well-defined hierarchy, and a system of career advancement based on merit. The key factors are stability of the task environment, possibility of standardized procedures, well-defined and hierarchically arranged job descriptions.

2.1.2 Scientific Management Theory

The theory of scientific management developed by Frederick Winslow Taylor (1967) was one of the first attempts to use scientific methods to organize the workplace more efficiently. It assumes that workers would accept highly directive management as well as fractionated and routine jobs in exchange for higher pay. Another assumption is based on acceptance theory, a notion introduced by Chester Barnard (1938), which states authority in organizations does not rest on managerial capability alone but primarily on the willingness of subordinates to accept orders.

2.1.3 Human Relations Theory

The simplistic motivational model that linked worker motivation to pay alone and the emphasis on hierarchy and authority relations between management and workers are fiercely contested on the ground that they create organizations without human beings. This led to the development of human relations approaches that include a broader set of motivations, in particular self-fulfillment, autonomy, and social needs. The importance of small group behavior is recognized and the need for critical match between formal and informal structures in organizations is emphasized.

2.1.4 Theory X, Theory Y and Theory Z

Douglas McGreogor's (1960) distinction between Theory X and Theory Y reflects the tension between scientific management school and human relations school. Theory X states that most people dislike work and will try to avoid it, most people need to be coerced, controlled, directed to work toward organizational goals, most people shun responsibility, have little ambition, and seek security above all. In contrast, Theory Y states that people do not inherently dislike work, will exercise self-direction if given the chance and favor self-control over external control. They accept responsibility, value creativity and seek ways to express it. Rewards are more important than punishment.

This dichotomy is further expanded by Theory Z which emerged from analyzing American and Japanese management models and the theories underlying their assumptions (Ouchi 1991). Theory Z states that people seek long-term employment, consensual decision-making and individual responsibility, a combination of informal control with explicit and formalized evaluation criteria, moderately specialized job descriptions that allow for personal advancement and a holistic concern for the organizational culture, including the well-being of employees and their families. Management by Objectives (MBO), developed by Peter Drucker (1954) and Total Quality Management (TQM) developed by Deming (2000) are related to Theory Z approach.

2.1.5 Bounded rationality

The assumption that there is one best way of doing things and decisions are based on administrative rationality is far removed from reality. Management and organizational design are intrinsically political and decisions are made under certain constraints. This gave impetus to the notion of limited or bounded rationality (Simon 1976). Bounded rationality suggests that managers have inadequate information not only about the decision they reach but also about alternative options and their implications, face considerable time and cost constraints in decision-making and have certain preset "frames" of reference that lead them to overlook some aspects while overemphasizing others.

It is argued that managers act more like “satisficing beings” than “rational beings”. In the course of making decisions they seek alternatives until they find one that appears satisfactory rather than continue searching for optimal decisions.

2.1.6 Neo-institutional theories

Neo-institutional theories have also deeply influenced management and organizational thinking (Powell and DiMaggio 1991). It is called “institutional” because the theory focuses on the socially constructed, script-bound, embedded nature of mundane everyday behaviors as well as their importance. The belief that the rational actor model of organizations is insufficient and that organizational actions are formed and shaped by institutions i.e. the prevailing social rules, norms, and values that are taken for granted is at the core of neo-institutional thinking is. Institutions constrain and also form individual and organizational behavior by limiting the range of available options that are perceived as legitimate. Legitimacy, understood as conformance with institutional expectations, thus becomes the central resource that organizations require for long-term survival. In addition, since all organizations in a particular organizational field are subject to the same institutional expectations and constraints, they will tend to become homogeneous over time, a process called isomorphism. Powell and DiMaggio (1991) differentiate between three mechanisms of institutional isomorphic change.

Coercive isomorphism

Coercive isomorphism appears as a reaction to direct or indirect pressure to abide by institutional expectations. Such pressures are typically exerted by organizations on which the pressured organization depends. For example, coercive pressures exerted by government and other funders help explain how nonprofits change from informal, voluntary and amateur groups to increasingly bureaucratic and professionalized organizations through the coerced adoption of accounting, monitoring, performance, and certification requirements. Similarly, with the replacement of volunteers by service professionals, such as trained social workers, counselors, art historians, or educators, normative pressures effect change in the same direction (Sokolowski 2000).

Mimetic isomorphism

Mimetic isomorphism occurs in situations of technological or environmental uncertainty. Faced with uncertainty, organizations may mimic, or model themselves after, other organizations that are perceived as successful. For example, mimetic pressures help explain why nonprofits, facing considerable financial uncertainty, begin to utilize business techniques and profit-making activities.

Normative isomorphism

Normative isomorphism derives from professional norms and standards that guide the work of professionals in organizations and thus shape organizational behavior. For example, the rules, regulations, and ethics of the social work profession contribute to similarities across social service and welfare agencies, irrespective of organizational form.

2.1.7 Contingency Theory

Contingency theory views organizations as systems of interrelated parts, stresses the importance of environmental factors, and suggests that there is no one best way to manage. In contrast to scientific management, contingency theory argued that, rather than seeking universal principles that apply to all or most organizations, analysts should identify contingency principles that reflect the demands of particular types of task environments organizations work in.

2.1.8 Population ecology Theory

One of the most influential schools is population ecology, which models systems of organizations. Its key insight is that much change occurs as a result of variation in the birth and death rates of organizations, through selection rather than adaptation (Aldrich 1999). The notion of niches, resource dependencies, comparative advantages, and environmental carrying capacities are concepts to explain organizational development over time both at the individual and aggregate level. Recombination (use elements from different forms) and re-functionality (move into new niche, field) are important processes. Several concepts are important for understanding the approach of organizational population ecology.

Niches are relatively distinct combinations of resource sets that organizations use as input and which make them less prone to competition from others. Finding, defending, and optimizing niches on either the demand or the supply side become a key task of organizational survival and organizations that fail in these tasks are more prone to extinction over time. The term "niche" is a relative one, as the resources condition on the demand and supply side are relative to those of other organizations and potential competitors. Next to organizational niches, there are form niches, and they consist of "the social, economic, and political conditions that can sustain the functioning of organizations that embody a particular form" (Hannan and Carrol 1995: 34). Nonprofit organizations would constitute one such form. The survival of nonprofits generally and irrespective of particular fields and organizational niches depends on the extent to which general form conditions can be maintained.

Related to the term niche is the notion of environmental carrying capacity, which refers to the number of organizations that can be supported by the social, economic, and political conditions, given available resources. To the extent that existing or newly founded organizations can draw on resources without competing against each other, the limits of the environment's carrying capacity have not been reached. However, once resources become scarcer, or some organizational forms become more efficient in resource use, the survival of other organizations will be put in question.

Behind this reasoning is a basic insight of organizational population ecology, which sees organizational forms as being in more or less open competition with each other (Aldrich 1999). While policies define the rules of the game, over time mismatches develop between the potentials and constraints they impose on forms, and thereby either increase or decrease their competitive edge over others. Over time, this dynamic leads to shifts in the composition of organizational fields in terms of form.

Organizational theory offers a threefold explanation for the varying compositions of nonprofit, forprofit, and public agencies across different fields. First, for some periods, the carrying capacity of organizational fields may be such that different forms can survive, each operating with a comparative advantage that reduces direct competition. Second, once conditions change, some organizations may be more favored in their survival than others and begin to expand, and others may succeed in establishing niches that allow them to continue to exist. Third, new organizations may enter, being enticed by new opportunities and other considerations. It is thus concluded that form diversity and different form composition are a function of environmental changes.

Organizational theory also points to two basic processes, re-combination and re-functionality, that lead to the development of new forms (Romanelli 1991). Re-combination involves the introduction of new elements into an existing organizational form, for example, benchmarking, franchising, branding, and other corporate management tools in nonprofit organizations, or corporate responsibility programs in businesses. Re-functionality means the relocation of one form in a different context, e.g. the migration of forprofit providers into fields previously populated primarily by nonprofits.

2.1.9 Resource-dependency theory

Next to population ecology, resource-dependency approaches recognize the contingent, open systems nature of organizations (Pfeffer and Salancik 1978). Resource-dependency theory argues that organizations face environmental constraints in the form of external control over resources the organization needs to ensure operational efficiency and continued survival. Since few types of organizations are resource independent, they necessarily become interdependent with their environments. At the same time, external actors in control over critical resources will attempt to influence the organization and threaten managerial autonomy. Organizations will, however, not simply comply with external demands, but attempt to employ various strategies to manage dependencies and regain managerial freedom and autonomy. In the process, the organization influences and changes its environments as well. Pfeffer and Salancik (1978) suggest that among the strategies organizations employ are various types of inter-organizational linkages, including mergers, joint ventures, and the movement of executives within industries. This may either help reduce dependence on given critical resources or help obtain other resources that are in turn critical to the external actors trying to exercise control.

In the nonprofit context, the resource-dependency perspective is particularly useful in understanding the perpetual quest for a balanced mix of revenue sources. In both Western Europe and the US, the overly heavy reliance of some types of nonprofits on government financing has given rise to concerns about governmentalization, bureaucratization, and loss of autonomy, as well as goal deflection of nonprofits (Kramer 1981; Anheier et al. 1997). All of this can be understood as a failure of nonprofits to manage and neutralize dependency on government resources. It may also partially explain the current revived interest in fostering philanthropy and civic engagement in many countries as an attempt to regain resources with no “strings attached” that increase the managerial scope of action.

2.2 Organizational Development

Organizations develop not only in response to external forces inherent in the organizational environment but also due to internal forces that shape organizations and their structures and cultures. Organizational theorists speak of life cycles and developmental stages through which organizations typically pass. Most of the stages organizational theorists have identified reflect the experience of forprofit businesses, but they are to some extent also applicable to nonprofits.

2.2.1 Organization life-cycle

The organizational life-cycle comprises of four stages- birth stage, youth stage, midlife stage and maturity stage. At the founding stage of organizations, few formal procedures are in place, the culture and mode of operation is largely entrepreneurial and informal with a premium on survival. Relations among staff are often trust-based and leadership is based on creativity, even charisma. As the organization continues to grow and to implement a bureaucratic structure, formalization and standardization set in to improve efficiency and streamline administrative procedure. Staff relations become more contract-based, and mission statements rather than entrepreneurial vision guide the organization. Midlife stage is marked by the organization's emphasis on control and accountability. Decision making would be centralized. During maturity stage it experiences push towards decentralization with extensive financial controls and focus on renewal. Leadership will be team based and enabling. Each of the four stages points to typical crises that help the organization in its transitions from one stage to the next.

Organizations, in the course of their development, move through different stages identified as entrepreneurial stage, collectivity stage, control stage and elaboration stage. The role of planning and management changes as the organization moves from an initial entrepreneurial state to a phase where managers take on the role of the founders and become consolidators and strategists. During each of the successive phases i.e; entrepreneurial, collective, control and elaboration, planning tends to be little, short-term, long-term and strategic respectively.

2.3 Distinctiveness of nonprofit organizations

Nonprofit organizations are distinct from public and private organizations because of their voluntary nature, non distribution constraint and adherence to values. Unlike public or private organizations they are accountable to multiple stake holders and have multiple bottom lines. They are expected to perform different roles such as the service-provider role, the vanguard role, the value-guardian role and the advocacy role (Kramer 1981).

2.3.1 Service provider role

As service-providers nonprofits can perform various important functions in the delivery of collective goods and services, particularly for minority preferences when the government programs are typically large scale and uniform addressing the choice of median voter. They can be the primary service providers, where neither government nor business is either willing or able to act. They can provide services that complement the service delivery of other sectors, but differ qualitatively from it. Or they can supplement essentially similar services, where the provision by government or the market is insufficient in scope or not easily affordable.

2.3.2 Vanguard role

In their vanguard role nonprofits innovate by experimenting with and pioneering new approaches, processes, or programs in service delivery. This is possible because they are less subjected than business firms to the expectations of stakeholders demanding some return on their investment, and not subject to the electoral process as are government entities. Thus, nonprofit organizations can, in their fields, serve as change agents.

2.3.3 Value guardian role

Nonprofits are the primary mechanism to promote and guard particularistic values and allow societal groups to express and promulgate religious, ideological, political, cultural, social, and other views and preferences thus contributing to pluralism and democratization.

2.3.4 Advocacy role

In the political process that determines the design and contours of policies, the needs of under-represented or discriminated groups are not always taken into account. Nonprofits, in their advocacy role, fill in to give voice to the minority and particularistic interests and values they represent and serve in turn as critics and watchdogs of government with the aim of effecting change or improvements in social and other policies.

2.4 Comparison between nonprofit organizations, business firms and government agencies

Several analysts including Kramer (1981; 1987) and Najam (1996)) have developed lists of characteristics that allow ideal–typical comparisons between nonprofit organizations, business firms and government agencies. These authors suggest that the objectives pursued by different sectors are fundamentally different. The general concern of the government is to optimize overall social welfare by redistributing resources and providing for basic needs that are not otherwise met. The primary criteria for distribution of publicly provided goods and services are equity and social justice.

In contrast, profit maximization for owners through the production of private goods that can be sold in markets is the key objective pursued by private firms. Production is regulated by the interplay of supply and demand, and distribution is based on exchange. Unlike private and public agencies, nonprofits typically aim at maximizing member benefits around some value. If motivated altruistically the aim is to maximize client group benefits. Products have either club or collective good character, and their distribution is either based on collective interests among members or involves solidarity with the client group. Nonprofits also produce private goods, but do so only to cross-subsidize their collective good provision (James 1983, Weisbrod 1998b).

At the organizational-structural level, the bottom-line measure of profit allows business firms to set clear and specific goals that are also easily monitored and measured. High goal-specificity translates into clearly delineated tasks and a formalized structure. Decision-making is top-down and hierarchical, and the controlling authority is vested in the owners or shareholders to whom the organization is also primarily accountable. Government agencies, by contrast, lack a clear bottom-line measure. Goals and mandates are both complex and ambiguous due to changing and at times conflicting political imperatives as well as interventions from outside interest groups. External accountability and the locus of control are split, with public agencies being ultimately accountable to the voters, while direct control is vested in elected officials, which serve as the electorate's proxies. The decision-making process is thus indirectly democratic but internally and directly hierarchical. Ambiguity and conflicting accountability lead to rules-based formalized structures (Rainey and Bozeman 2000). Like public agencies, nonprofits also lack clear-cut bottom lines. Missions tend to be broad and vague, and members and stakeholders may join and support the organization for a diverse set of reasons leading to a complex and diffuse sets of goals. In contrast to public agencies though, nonprofits are primarily accountable to their members who vest operational control into the governing board. The proximity between membership as principal and the board as agent, however, is closer, decision-making procedures are directly democratic, and the organizational structure is informal.

Regarding participation, individual participation of citizens in the state is typically automatic and, given eligibility requirements, the same is also true for public sector agencies whether individuals choose to avail themselves of entitlements or not. In certain cases like prisons it may even be coercive. Participation in business firms is voluntary, although necessitated by economic needs. Participation in nonprofits is typically purely voluntary.

Choices concerning work participation can also be understood as a managerial sorting process (Weisbrod 1998b; Steinberg 1993) that depends on organizational objective functions and individual preferences, motivations, and perceived incentives. There are basically three types of incentives- material, solidarity, and purposive (Clark and Wilson 1961; Etzioni 1975). Material incentives, such as tangible monetary rewards, dominate in business firms whereas government agencies attract participants that respond more to purposive incentives that is goal-related intangible rewards. Purposive incentives are also critically important for members and participants in nonprofit organizations (e.g. religious and political groups, human rights campaigns) in addition to the solidarity incentives resulting from the act of association itself.

Lastly, organizations across the three sectors principally differ in the way they generate financial resources. While public agencies are predominantly financed in a coercive manner through the government's power to tax business firms employ commercial means of financing by way of charging market prices. Nonprofits, by contrast, ideally or typically rely on donations or philanthropic resources, including gifts and grants, dues, and public subsidies. Due to the free-rider problem experienced in financing through donations, nonprofits face chronic resource insufficiency issues (Salamon 1995), which tend to restrict organizational size in comparison with public and business organizations.

Despite the similarities noted between nonprofits and both public agencies and business firms on a number of dimensions it would be problematic to sort them into either public or business administration. On some dimensions they are similar to public agencies and on some other they are similar to business firms thus cutting across both sectors. Therefore both apply partially, but neither fully and nonprofits have retained organizational characteristics that are specific to them. The implication for the development of management models is therefore that nonprofit management is, at the minimum, characterized by greater stakeholder, goal, and structural complexity, resulting from push and pull between the state, market, and civil society underlining the need for a multifaceted, organization-focused approach.

Nonprofit organizations consist of multiple components and complex, internal federations or coalitions among stakeholders and may require a multifaceted, flexible approach to management and not the use of singular, ready-made models carried over from the business world or from public management. Managing organizations that have multiple bottom lines and are therefore intrinsically complex is the true challenge that nonprofit management theory and practice face.

2.5 Nonprofit Management

Nonprofit management is multifaceted. It encompasses administration of an organization's human and material resources, management and development of its finances, marketing of its services, strategic decision making with respect to the organization's environment, including its competitors, collaborating partners, and market niche, measurement, reporting, and guidance of the organization's overall performance, and management of its governance and accountability relationships with its board of directors, funders, clients, and other stakeholders. Most of these dimensions are common to the management of business- sector organizations. However, nonprofit management is specialized in the manner in which it must address many of these functions. Thus nonprofit management and business management are parallel in some ways and different in others.

An attempt to discuss the theory, concepts and practices encompassing governance, strategic management, marketing management, human resource management and financial management is made in the following sections.

2.6 Governance in nonprofit organizations

In the nonprofit sector, financial profits may be generated as a means of supporting the mission, but it is accomplishment of the social mission itself that constitutes the ultimate criterion of success. However, measurement of mission success can be elusive, and appropriate criteria vary from one field of nonprofit endeavor to another and even from one nonprofit organization to another within various fields. As a result, nonprofit organizations must depend on other mechanisms to gauge their performance and guide themselves forward. In particular, it falls to the board of trustees or the governing body of a nonprofit organization to clarify and interpret the mission and determine the extent to which management of the organization is succeeding or failing. The trustees, rather than governing in their own interests, are empowered as agents of society to ensure that the nonprofit organization is meeting its social obligations as effectively as possible. As such, the trustees must use their judgments and interpretations, with whatever quantitative and qualitative information may be available, to assess performance and take actions that will improve performance over the long run (Smith 1995). It is the trustees who are empowered with decisions to hire, fire, reward, or penalize management for the performance of the organization. The separation of management and governance through an independently constituted volunteer board of trustees provides a mechanism of objective oversight of potentially wayward nonprofit management.

The multiplicity of performance indicators reflects multiple bottom lines and the interests different stakeholders will have in monitoring and emphasizing those performance aspects that are of greatest interest to them. These render the governance and management of nonprofit organizations quite complex. Nonprofits operate in areas that are often difficult and where state or private sector can operate efficiently. Social services to the marginalized, and care facilities for children, elderly, women, international humanitarian assistance, advocacy groups, and local community associations are riddled with externalities, and operating in them involves trust and a concern for public goods.

These and similar factors, as Hansmann (1996), Rose-Ackerman (1996), and others suggest, make business transactions more precarious, less efficient, and perhaps even inequitable. The intricacy of governing and managing nonprofit organizations referred to as “law of nonprofit complexity” states that nonprofit organizations tend to be more complex than business firms of comparable size. At a given size, any nonprofit organization would easily surpass the complexity of an equivalent for-profit firm of equal size in terms of its environment comprising diverse constituencies, stakeholders, and multiple revenue sources including donations and grants, fees and charges, and public sector payments such as subsidies, grants and contracts, and its internal components comprising of board, staff, volunteers, members, and clients.

Handy (1990) suggests that many voluntary organizations contain three distinct components. These components are mutual support, service delivery, and campaigning. It could be suggested that nonprofit organizations are frequently several organizations or organizational components in one. More generally, from a governance and management point of view, a nonprofit organization is a combination of different motivations, standards, challenges, and practices. Each component part, while not wholly self-sufficient, puts forward claims on the organization, and develops its own "culture," routines, and procedures over time. Indeed, Kanter and Summers (1987) suggest that the existence of multiple constituencies lies at the core of governance and management dilemmas in nonprofit organizations.Various theories relevant for understanding the functioning of boards' or governing bodies are briefly discussed below.

2.6.1 Agency theory – a compliance model

Principal-agent theory, or agency theory for short, has been the dominant theory of the corporation and corporate governance arrangements. It assumes that the owners of an enterprise (the principal) and those that manage it (the agent) will have different interests. From this perspective the main function of the board is to control managers. This suggests that the majority of a company's directors should be independent of management, and that their primary role is one of ensuring managerial compliance, i.e. to monitor and, if necessary, control the behaviour of management to ensure it acts in the shareholders' best interests.

One difficulty in applying an agency perspective to nonprofit organizations is that there is much more potential ambiguity over who the principals or owners are. However, many aspects of this perspective still have relevance. The principles and regulations concerning nonprofit organizations embody similar ideas on the role of governance. The key role envisaged of the governing body or board in any nonprofit is to see that the staff and management of the organization carry out the objectives.

2.6.2 Stewardship theory – a partnership model

Stewardship theory (Donaldson and Davis, 1991; Muth and Donaldson, 1998) is grounded in a human relations perspective and starts from opposite assumptions to agency theory. It assumes that managers want to do a good job and will act as effective stewards of an organization's resources. Hence, the main function of the board is not to ensure managerial compliance or conformance, but to improve organizational performance. The role of the board is primarily strategic, to work with management to improve strategy and add value to top decisions. In this context it is not surprising that management ideas and practices should be applied to governance. From this perspective board members should be selected on the basis of their expertise and contacts so that they are in a position to add value to the organization's decisions. This perspective is evident in various models of governance across different sectors. Carver (1990), in his policy governance model for non-profit organizations, advocates that the real business of governance is to make policy, articulate the mission and sustain the vision of the organization.

2.6.2 Resource dependency theory – a co-optation model

Resource dependency theory (Pfeffer and Salancik, 1978) views organizations as interdependent with their environment. Organizations depend crucially for their survival on other organizations and actors for resources. The main function of the board, whatever sector the organization is in, is to maintain good relations with key external stakeholders in order to ensure the flow of resources into and from the organization, and to help the organization respond to external change. From this perspective the board is part of both the organization and its environment. The role of the board is one of boundary-spanning. Board members are selected for the important external links and knowledge they can bring to the organization, and to try to co-opt external influences..

2.6.3 A democratic perspective – a democratic model

A democratic perspective on governance suggests that the job of the board is to represent the interests of one or more constituencies or groups the organization serves. The role of the board is to resolve or choose between the interests of different groups and set the overall policy of the organization, which can then be implemented by staff. Central to this view is that any member of the electorate or membership can put himself or herself forward for election as a board member. Expertise is not a central requirement, as it is in the partnership model.

2.6.4 Stakeholder theory – a stakeholder model

Stakeholder theory is based on the premise that organizations should be responsible to a range of groups in society other than just the organizations' 'owners' (Hung, 1998: 106). By incorporating different stakeholders on boards, it is expected that organizations will be more likely to respond to broader social interests than the narrow interests of one group. This leads to a political role for boards negotiating and resolving the potentially conflicting interests of different stakeholder groups in order to determine the objectives of the organization and set policy.

2.6.5 Managerial hegemony theory – a 'rubber stamp' model

Managerial hegemony theory relates back to the thesis of Berle and Means (1932) that although shareholders may legally own and control large corporations, they no longer effectively control them, control having been ceded to a new professional managerial class. From this perspective the board ends up as little more than a 'rubber stamp' for management's decisions. Its function is essentially symbolic to give legitimacy to managerial actions. Although this theory was developed in the study of large business corporations, many of the processes it describes seem just as relevant to nonprofit organizations.

2.6.7 A paradox perspective

Morgan (1986), in his ground-breaking study of organizations, argues that many of the theories and ways of thinking about organizations do not match the complexity and sophistication of the organizational realities. In order to address this problem he argues that it is necessary to take a multi-paradigm or perspective approach in to understand and grasp the multiple meanings of situations and to confront and manage contradiction and paradox, rather than pretend they do not exist. At the same time there has been a growing recognition that many management problems and issues require a move from linear thinking and simple either/or choices to seeing them as paradoxes. Managing paradox means embracing and exploring tensions and differences rather than choosing between them.

2.6.8 Governance and Management

Governance is different from management, which is primarily a staff function, although in many smaller and medium-sized organizations both functions overlap. Harris (1996) suggests that 'there are few, if any, functions which in practice belong unequivocally or on a long-time basis to either board or staff'. In a small voluntary agency the distinction between 'steering' and 'rowing' cannot be made with any confidence and attempts to distinguish between board and staff roles in this way are unhelpful.

It is useful to think of the board as the focal point of governance, and the chief executive officer as the focal point of management. It is about ensuring that the organization is well managed, but not about managing it. It is about giving guidance on the overall allocation of resources but is less concerned with the precise numbers." Thus, governance involves the responsibility for the organization's performance and direction.

Governance is primarily an organizational steering function and closely related to the notion of stewardship. The board or the governing body of the nonprofit is the locus of the governance function. The board or governing body represents the organization to the outside world, in particular vis-a-vis legal authorities and the general public. In nonprofits, where no strict equivalents to "owners" exist, the board is entrusted with the organization and therefore board members are trustees. The task of the board is to make sure that the organization carries out its agreed-upon mission "without the objective of making profit and with the promise not to distribute organizational assets to benefit individuals other than the clients the nonprofit was formed to serve. All nonprofits, even associations, have a binding legal commitment to this overall principle" (Bryce 2000: 31). In essence, governance is about ensuring the fit between the organization's mission and its activities and performance.

2.6.9 Roles and responsibilities of nonprofit boards

Kumar and Nunan (2002) examined the various functions and roles of boards, and the responsibilities that follow from them, and developed a useful classification. Though this is done in the context of United States, in general, it can be construed as relevant to Indian context.

Ten basic responsibilities of nonprofit boards

1. Determine the organization's mission and purpose. It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.

2. Select the chief executive. Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.

3. Provide proper financial oversight. The board must assist in developing the annual budget and ensuring that proper financial controls are in place.

4. Ensure adequate resources. One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.

5. Ensure legal and ethical integrity and maintain accountability. The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.

6. Ensure effective organizational planning. Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.

7. Recruit and orient new board members and assess board performance. All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.

8. Enhance the organization's public standing. The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

9. Determine, monitor, and strengthen the organization's programs and services. The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.

10. Support the chief executive and assess his or her performance. The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

2.6.10 Typical Structures and Characteristics of Nonprofit Boards

Nonprofit boards/governing bodies have specific positions such as president, secretary and treasurer. In some nonprofits committees and task forces that help the board organize and accomplish its work are also constituted. The typical nonprofit board or governing body in

India has seven to thirteen members. Boards must meet regularly, but the frequency of meetings varies from quarterly to bimonthly or annual.

Officers

The officers of the typical nonprofit organization are the key leaders for the organization. In most states in India the legal frame work is provided by the Societies Registration Act, 1860 with state specific amendments or variants. The most common positions are board/governing body chairperson (or president), vice chairperson (vice president), secretary, and treasurer. The chairperson is the chief voluntary officer of the organization and is responsible for organizing and conducting the meetings of the board. Further, it is the chair's responsibility to facilitate the board's work as a team and to ensure that meetings and other board activities are conducted in an effective manner. It is common for the chairperson to oversee the performance of the organization's chief executive on behalf of the board, although some organizations elaborate the process by involving the executive committee in executive performance management.

Committees and Task Forces

Boards/governing bodies engage in much of their work as a full group and, ideally, all members work as a team to accomplish the work of the board/governing body. Nonetheless, most boards also develop committees and task forces to help the board/governing body do its work, and these entities are part of the governance system of the organization. For most boards/governing bodies, some of these units are permanent or "standing" structures, whereas others accomplish a specific task and then disappear. It is increasingly common for boards to refer to the permanent structures as committees and to the limited-term entities as task forces or adhoc committees, although some organizations do use the labels interchangeably. It is common for board/governing body committees to be comprised entirely of board members, but it is increasingly common to also invite non-board members with unique expertise or knowledge to serve. Often, the standing committees are specified in the organization's bylaws, which explain their duties and responsibilities. For boards with elaborate committee systems, the following are among the most common types of committees.

Executive committee

This committee is typically comprised of the officers and sometimes also includes committee chairs or selected other board members. It usually has the authority to act on behalf of the board between meetings and to address organizational emergencies. Some executive committees have the authority to act independently, but many are required to have their actions reviewed and ratified by the full board.

Fundraising or Development Committee

This committee usually is responsible for working with staff and board to organize and implement the organization's fundraising events and activities, including the solicitation of major gifts and grants.

Finance Committee

This committee is responsible for planning, monitoring, and overseeing the organization's use of its financial resources, including developing a budget to allocate the organization's funds. It develops for board action the financial policies the organization requires. Unless the organization has a separate audit committee, the finance committee also oversees and reviews the organization's independent audit.

Personnel Committee

This committee usually is responsible for planning, monitoring, and overseeing the organization's use of its human resources (paid and volunteer). It develops needed personnel policies, including policies guiding performance management and supervision, employee compensation and benefits, and handling of grievances.

Program Committee

It is common for nonprofits to have one or more committees to oversee the organization's system(s) for delivering quality services to clients and to ensure that these services are provided in a timely and responsible manner. This committee may handle certain relations with community leaders and interest groups that have key interests in the programs of the organization and plan for program development or refinement to meet future needs.

It is important that committees and task forces do only work that legitimately is the responsibility of the board, taking care that these structures do not interfere with the operations of the organization.

2.7 Strategic management practices in nonprofit organizations

The concept of strategy has had long use in diplomatic and military history. Since 1960s it has been developed extensively to help private sector organizations improve profitability. Many definitions of strategy have been developed for use in private sector organizations. However, all of them may not be suitable for using them in nonprofit context. Fortunately some of the definitions are equally applicable to the nonprofit organizations as they are to the private sector organizations. It is relevant at this stage to go through some of the definitions of strategy.

2.7.1 Strategic Management

Strategic management is the process by which organizations develop and determine their long-term vision, direction, programs, and performance. Strategic planning involves various techniques and tools to ensure careful formulation, effective and efficient implementation, and evaluation. Strategic management integrates organizational functions and units into a more cohesive, broader strategy. In most cases, it involves the ability to steer the organization as a whole through strategic change under conditions of complexity and uncertainty. Specifically, strategic management encompasses the whole organization (mission, goals, structure, revenue, stakeholders); is outward-looking, and examines the organization in the context of the larger field or environment for developing strategies for action based on a broader understanding of the organization's position; is forward-looking, tries to anticipate the likely conditions in the external environment in the medium to long term, and seeks to identify the major changes that will have to be made to the organization if it is to pursue its mission effectively in the future.

The need for strategic management arises from social change. Most organizations operate in environments that are changing at a different pace, sometimes for unknown reasons and with uncertain outcomes. This creates a need to understand these changes and their implications for the benefit of the organization's mission, operations, and accomplishments. In the business sector, strategic management is used primarily to improve a firm's medium- to long-term profitability; by contrast, in the nonprofit sector, strategic management is used for (re)formulating a mission and objectives, and for achieving them more effectively and efficiently. Strategic management involves self-examination and reflection, which require the organization to look backward as well as forward and to formulate post hoc as well as ad hoc rationalizations of objectives, programs, and activities. For Mintzberg (1979) and others, the process of strategic management is as important as the outcome.

Strategic planning is a systematic process through which an organization agrees on - and builds commitment among key stakeholders to - priorities that are essential to its mission and are responsive to the environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities. The process is strategic because it involves choosing how best to respond to the circumstances of a dynamic and sometimes hostile environment. Nonprofit organizations have many choices in the face of changing client or customer needs, funding availability, competition, and other factors. Being strategic requires recognizing these choices and committing to one set of responses instead of another.

Strategic planning is systematic in that it calls for following a process that is both structured and data based. The process raises a sequence of questions that helps planners examine past experiences, test old assumptions, gather and incorporate new information about the present, and anticipate the environment in which the organization will be working in the future. The process also guides planners in continually looking at how the component programs and strategies fit with the vision and vice versa.

Strategic planning involves choosing specific priorities. The collection of data should (1) surface a variety of choices about what the organization will and will not do, (2) analyze the implications of those choices, and (3) result in making choices, some of which have significant tradeoffs.

Hard choices are often not overly complex, but are those that require making agonizing or unpopular decisions. Planners must strive for consensus on priorities at many levels, from the philosophical to the operational.

The process is about building commitment. Systematically engaging key stakeholders, including clients and the community, in the process of identifying priorities allows disagreements to be engaged constructively and supports better communication and coordination. An inclusive process allows a broad consensus to be built, resulting in enhanced accountability throughout the organization. This commitment ensures that a strategic plan will actively be used for guidance and inspiration.

Finally, strategic planning guides the acquisition and allocation of resources. Too often, decisions are made quickly about new funding opportunities or spending for program and administrative needs in response to situations as they arise without a thorough assessment of the implications. An approved strategic plan helps leaders make proactive and realistic choices between competing funding strategies and between spending for various program and administration needs. Balancing the resource acquisition and spending plans is the essence of the business side of strategic planning.

Strategic planning, however, assumes that an organization must respond to an environment that is dynamic and hard to predict. Strategic planning stresses the importance of making decisions that position an organization to successfully respond to changes in the environment, including changes by competitors and collaborators. The emphasis is on overall direction rather than predicting specific, year-by-year, concrete objectives. The focus of strategic planning is on strategic management (i.e., the application of strategic thinking to the job of leading an organization to achieving its purpose). As a result, although some organizations may develop visions that stretch many years into the future, most strategic plans discuss priority goals no further than five years out, with operational objectives identified for only the first year.

Strategy

Like businesses, most nonprofit organizations operate in a multifaceted, competitive environment. For example, they compete for personnel in the labor market and for consumers in the markets for their services. Unlike the business context, however, those who pay for nonprofit services (donors) are often different from those who consume them (clients). Hence, nonprofits must also compete not only for customers in the conventional sense but also for resources in the markets for grants and contributions. Hence, like business organizations, they seek to find their own competitive niches within which they can excel and assure themselves of sustainable support. Identification of that niche involves several special considerations. First, nonprofit managers must be clear about their social missions and the special "core" competencies of their organizations. It is the mission that differentiates one nonprofit organization from another, and it is the primacy of the social mission that differentiates nonprofits from their forprofit counterparts. Further, reliance on core competencies can assure a nonprofit that it can deliver a particular service better than its current or prospective rivals. Second, nonprofit managers must evaluate each of their possible service activities in terms of their potential contributions to both mission and to net revenue (Kearns 2000). Such evaluations allow nonprofit managers to make choices of appropriate services, and combinations of services, which in tandem allow both fiscal integrity and maximal achievement of mission.

Finally, strategic decision making involves efforts to change and manage an organization's environment as well as determining how to accommodate within it. This is another area of contrast between nonprofit and business management. Generally, for-profit businesses attempt to manage their environments in three ways: (1) by advertising to shape consumer demand for their products and services; (2) by trying to dominate markets so that they can control prices and other key product parameters; and (3) by lobbying through trade associations for favorable treatment in public policy. Although nonprofit organizations also engage in these various strategies to some degree, their emphasis is different. First, although many nonprofits do advertise their services, indeed increasingly so in recent years, often such advertising is aimed at potential donors as opposed to consumers, or to "members" who are both donors and consumers. Second, it is expected that such advertising will be more subtle and subdued than it is in the for-profit sector, if only because nonprofits are subject to criticism and scrutiny if they are seen as too controversial or political, overtly competitive, or spending too much on self-promotion versus direct programming. Third, though nonprofits do advocate within the public policy domain for their own interests, the nature and volume of lobbying is subdued and limited. In a more fundamental sense, however, nonprofits generally try to alter their environments in a different manner than businesses usually do. In particular, they frequently endeavor to educate the public, influence lawmakers, and project public service messages aimed at reducing the social ills or needs to which their organizations are addressed. In short, they attempt to influence the environment in a way that could eventually reduce, rather than strengthen, the demand for their services. In some real sense, the environmental strategy of many nonprofits, especially in fields such as health, social service, or the environment, is ultimately to put themselves out of business. Needless to say, this rarely happens, especially in the short run. When it does happen, however, that is, when nonprofits are successful in fully achieving their social missions, it poses an organizational dilemma for nonprofit management: to find a new mission or to go out of business (Sills 1957).

2.7.2 Models of strategic management

There is no single strategic planning model that applies to all organizations and every situation. The process of strategic planning and the models and tools involved all depend on circumstances, type of organization, and field. In many instances, organizations develop their own approach to strategic planning over time and modify models and tools as part of the planning process.

2.7.2.1 Basic strategic planning

This model is best suited for organizations that are small, with little planning experience, and limited resources available for planning purposes. Some organizations begin the planning process soon after their establishment to take advantage of initial learning experiences. Given the size of the organization, planning activities typically involve most members of the board and staff as well as other key stakeholders, and are conducted by senior management. The process involves several steps:

1. Identify and revisit the vision and mission statement.
2. Select the goals that follow from the mission statement and prioritize those that the organization must reach if it is to accomplish the mission.
3. Identify specific strategies that must be implemented to reach each prioritized goal and explore synergies across strategies. In newer organizations strategies are likely to change and be modified more often than the actual goals.

4. Identify programs and activities for implementing each strategy and specify performance criteria and measures. As in the case of strategies, look for synergies across activities to capitalize on scope economies.
5. Monitor and update the plan through ongoing planning and performance sessions between board, management, staff, and other stakeholders.

2.7.2.2 Issue-based planning

This approach may not involve the entire organization but will focus on particular issues or areas that require strategic attention and managerial action for medium- to long-term performance and sustainability. While the process may begin with the basic planning model shown above, it may evolve into a more in-depth and concentrated seven-step approach:

1. Conduct a full assessment of the organization using tools such as SWOT (strengths, weaknesses, opportunities, and threats) and PEST (political, economic, social, and technological factors), and including financial and other relevant information.
2. Identify and prioritize what emerges as the major issue or issues.
3. Revisit the organizational vision and mission, including the value statement in the light of issues identified.
4. Design strategies for each issue looking for synergies.
5. Establish programs and activities, including performance measures, and assign responsibilities for implementation.
6. Develop an annual operating plan and accompanying budget that can be updated and revised over time for multi-year plans.
7. Monitor plan and conduct annual reviews.

2.7.2.3 Alignment model

The alignment model seeks to ensure strong and close alignment between the organization's mission and its available or potential resource base. The basic assumption is that organizational structure, programs, and activities have to reflect both mission and resources. Alignment models are frequently used by organizations experiencing operational inefficiencies or suffering from overreach, overly ambitious plans, or shifts in their resource base. Overall steps include:

1. Establish a planning group among key stakeholders to revisit and examine the organization's vision and mission to determine if objectives, programs, and activities are in line with resources.
2. Identify programs and activities that are not central to the mission, and seek to reorganize or reduce them.
3. Identify programs and activities that are central to the mission, and examine their efficiency and effectiveness using the full range of available performance measures.
4. Identify areas that need adjustments and improvements.
5. Identify how these adjustments should be made by designing strategies including programs, activities, and performance measures.
6. Assign responsibilities for implementation and monitor performance, including annual reviews.

2.7.2.4 A Ten-Step Strategic Planning Process

The Strategy Change Cycle may be thought of as a process strategy (Mintzberg, Ahlstrand, and Lampel, 1998, p. 199), processual model of decision making (Barzelay, 2001, p. 56), or activity-based view of strategizing (Johnson, Melin, and Whittington, 2003), in which a leadership group manages the main activities in the process but leaves much of the content of individual strategies to others. The ten steps (or occasions for dialogue and decision) are as follows:

1. Initiate and agree on a strategic planning process.
2. Identify organizational mandates.
3. Clarify organizational mission and values.
4. Assess the external and internal environments to identify strengths, weaknesses, opportunities, and threats.
5. Identify the strategic issues facing the organization.
6. Formulate strategies to manage the issues.
7. Review and adopt the strategies or strategic plan.
8. Establish an effective organizational vision.
9. Develop an effective implementation process.
10. Reassess the strategies and the strategic planning process.

These ten steps lead to actions, results, evaluation, and learning at each step in the process. In other words, implementation and evaluation doesn't wait until the "end" of the process but are integral and ongoing part of the process. The general requirements are a dominant coalition (Thompson, 1967), or at least a coalition of the willing (Cleveland, 2002), able to sponsor and follow the process and a process champion willing to push it. In small organizations well-informed strategic planning teams that are familiar with and believe in the process would be able to complete most of the steps in a two- or three-day retreat, with an additional one-day meeting three to four weeks later to review the resulting strategic plan. Responsibility for preparing the plan is delegated to a planner assigned to work with the team or the organization's chief executive who may choose to draft the plan personally. Additional time might also be necessary for securing information or advice for specific parts of the plan, especially its recommended strategies. Large organizations, however, are likely to need more time and effort for the process. And when applied in a network or community, the effort is likely to be considerably more time consuming because of the need to involve substantial numbers of leaders, organizations, and in a community, citizens. Strategy change cycle bears little resemblance to the rigid, formal, detached process. Instead, the Strategy Change Cycle is intended to enhance strategic thinking, acting, and learning; to engage key actors with what is as well as with what can be; to engage with the important details while abstracting strategic messages from them; and to link strategy formulation with implementation in wise, technically workable, and politically intelligent ways.

2.7.3 SWOT analysis

SWOT analysis is a very effective way of identifying the strengths and weaknesses as well as opportunities and threats an organization faces. Using the SWOT framework helps an organization direct its attention and focus its activities into areas with greater opportunities while being aware of its limitations and external threats: strengths and weaknesses are largely internal factors over which the board and management have some influence; threats and opportunities are external factors over which the organization has less influence, sometimes none.

A SWOT analysis involves a series of direct questions developed in the context of the planning issue or problem at hand. These questions are answered either individually or as part of a group process. Answers are collected, analyzed, and interpreted and fed into the various planning models.

2.7.4 Intensity in the planning process

The models, process, tools and techniques discussed appear to be very elaborative, time consuming and resource consuming and may discourage many nonprofits, particularly small in size. It is not always necessary to involve in elaborate and in depth planning exercise. Planning can be undertaken with various levels of intensity.

2.7.4.1 Abbreviated analysis

This uses a typical format of a day-long retreat (plus time to plan retreat) and follow-up meeting(s) by staff to develop detailed annual operating plan to implement strategic plan and involves entire board and staff in respect of small organizations or the board and staff representatives in respect of medium and large organizations. Staff may be entrusted the responsibility of developing annual plan. This exercise would produce a strategic planning document that is 3–8 pages in length and includes mission statement, summary of strategies and list of long-term and short-term program and management/ operations priorities and a detailed annual operating plan as prepared by staff.

2.7.4.2 Moderate analysis

For moderate analysis the format that can be adopted is one or two days of larger group meetings with a smaller meetings of entire board and line staff prior to larger group meetings Few planning committee meetings to discuss past strategies, current issues, and future priorities some collection of data regarding the external environment and stakeholder expectations and needs are also necessary. For smaller organization, usually the entire board and staff and for a larger organization usually the entire board and staff representatives (management team) participate in the process. It includes some external stakeholders input such as clients or funders as well.

Process may require one to three months to complete plus some additional time for staff to develop annual plan. Typical products that come out of the strategic planning process are strategic planning document that is usually 8–12 pages in length and includes and includes mission statement, summary of strategies, list of long-term and short-term program and management/operations priorities, program and management/ operations goals and objectives (optional), summary of environmental assessment (optional), detailed annual operating plan prepared by staff.

2.8 Marketing Management Practices in Nonprofit Organizations

2.8.1 Marketing

For decades, marketing has been defined as the facilitation of exchange (Bagozzi, 1975). In this conceptualization, marketing is concerned with the relationships between, most obviously, an organization that produces products or services and the customers that pay for and use them. However, a focus on exchange also suggests that marketing is concerned with the relationships that link an organization to other publics such as donors, governments, media, taxpayers, other organizations. In the nonprofit sector, marketing must be stretched to include relationships with all these key stakeholder groups. Marketing is therefore understood not simply as the facilitation of the exchange of money for goods and services but as the facilitation of exchanges that are often of a nonmonetary nature. This might, for example, involve an exchange transaction in which one party offers money while the other offers something more abstract like “a good feeling,” a sense of community, or social prestige. Furthermore, the exchange could be nonmonetary in both directions, such as an organization involved in advocacy work that offers messages embodying new ideas to the public, some members of which change their attitudes and behaviors in return. Moreover, nonprofit marketing encompasses not simply two-party exchanges but multiparty exchange relationships that are much more complex than those characteristic of the private sector. Thus marketing for nonprofit organizations, unlike private sector marketing, which defines the market solely in terms of customers, is always focused on two major market constituencies, namely, the resource provision market (volunteers, donors, funders, government grantors) and the resource allocation market (clients, patients, students, legislators, the general public). An organization must manage its relationships in both of these basic markets simultaneously. The complexity of an organization's marketing relationships in these markets will vary, depending on the organization's mission or mandate.

In transaction marketing, the elements of the marketing mix are used to trigger an isolated transaction, whereas in relationship marketing, the long-term quality of the interface between the organization and the customer is paramount (Conway, 1997). It has been argued that transaction-based marketing and relationship marketing are ends of a continuum and that the particular characteristics of nonprofits mean that a focus on relationships is more appropriate (Brennan and Brady, 1999). Relationship marketing is based on the idea that a focus on the provision of continuous value to key constituencies will provide a more valuable set of exchanges with the organization over time than "losing" customers continually and having to develop new ones.

The most common application of this principle is in high-end fundraising, where relationships are assiduously cultivated and sustained to tap extremely generous past donors for second and even third major gifts. This application of relationship marketing involves a great deal of personal contact but not always. Relationship marketing would be equally effective applied to a service-providing nonprofit that wanted to build long-term goodwill in particular communities or an advocacy organization that dealt with public issues where a loyal and strong public response would be needed on a frequent and immediate basis.

What marketing contributes to the management of all of these relationships is an understanding that they are based on mutually beneficial exchanges. It also contributes to understand the wants and needs of the exchange partners and to satisfy those needs, on a short- or long-term basis, which is critical to a nonprofit organization's survival and success. This has been characterized as the marketing concept (Kotler and Armstrong, 1994). The operationalization of the marketing concept in organizations has been described as a market orientation.

Market orientation not only predicts success in attracting financial resources in nonprofit organizations but is also associated with other variables important in mission-driven organizations such as higher degrees of client satisfaction (Gainer and Padanyi, 2002). Sargeant, Foreman, and Liao (2002) have argued that although the marketing concept has relevance in the nonprofit sector, the characterization "societal orientation" is more accurate than "market orientation" when it comes to implementing marketing because nonprofit organizations must be oriented to many groups of key stakeholders as well as to society in general. Regardless of the terminology that is used, the marketing concept appears to be useful to nonprofit organizations by focusing attention on the importance of satisfying the needs of the multiple external constituencies with which they interact.

Marketing has strategic value to nonprofit organizations of all types in terms of enabling them to achieve goals that are much broader than the merely financial and are in fact intimately connected with the fundamental mandate of these mission-driven organizations. It will be seen that the adoption of a market orientation by nonprofit organizations is a way to drive the mission as opposed to detracting from it.

In an era of increasing demand for service, crowded markets, declining sources of traditional support, and a rapidly changing social and economic environment, there is a growing interest in many nonprofit organizations in practices and ideas imported from the business sector (Siciliano, 1997). Nonprofit marketing, once considered controversial in the marketing literature and by many nonprofit managers, is now widely accepted as an effective management tool for nonprofit organizations (Sargeant, 2001). While there is almost universal enthusiasm for the idea of marketing in the nonprofit sector, in many organizations, marketing continues to be understood primarily as "selling," and the activities associated with marketing continue to be mostly advertising, communications, and public relations tasks. Marketing theory, research, and practice in the nonprofit sector have advanced considerably and strategic role that marketing can play in achieving the overall goals of an organization through more explicit focus on its exchange relationships with its various stakeholders is slowly gaining recognition in the nonprofit sector.

2.8.2 Marketing strategies and the marketing mix

To promote mutually beneficial exchanges with a large number of stakeholders, an organization must first understand its market or markets. Research, formal or informal, will be necessary to identify the potential groups the organization wants to interact with as well as to clarify what other organizations or alternatives may exist that also serve the needs of those clienteles. On the basis of this information and analysis, an organization will then be able to decide which groups it makes most sense to serve or to target, based on analysis of the possible clienteles, the alternatives that exist, the human and financial resources that are available to the organization, and its mission. Once these decisions have been made, an organization will then tailor its products, services, and messages, adjust its prices and delivery systems, and promote itself in ways that truly serve the exchange partners.

To be successful nonprofit organizations must develop a solid knowledge of the external and internal capabilities and goals and must then blend its products, prices, promotions, and delivery systems into a "marketing mix" that meets the needs of both the organization and its target markets. Marketers refer to it as "the four P's of the marketing mix"- "product, price, promotion, and place."

2.8.3 Marketing research

If marketing is based on satisfying the needs of an organization's various clienteles, its plans must be grounded in a thorough understanding of these markets. Therefore, the manager must usually preface the crafting of marketing strategies by undertaking some form of marketing research. Formal market investigations in nonprofit enterprises are quite rare. The reasons are several. One is management's belief that it already has an informed relationship with the populations it serves. This conviction is nourished by the fact that nonprofits often do seem to be closer to their clients or customers. Generally nonprofits tend to operate on a small scale in local communities and the interaction that results may furnish the service provider with substantial personal information about the clients. In these circumstances, marketing research may seem unnecessary. In some settings market studies may appear unwarranted because the service deliverer seems to be in a better position than the user to specify the appropriate product. It is however not prudent for the professional nonprofit managers to bypass an earnest and open-minded exploration of their markets (Andreasen, 1982). It has been suggested that because clients and funders are separate constituencies in nonprofit organizations, there is no direct feedback loop as in business marketing, which can lead to poor-quality service over long periods of time (Connor, 1999). Moreover, when clients are ill-served, their remedies may be few and frail. Often the customers of nonprofit organizations are more likely to be disadvantaged and vulnerable or at least to have fewer opportunities to complain or to switch to other offerings. Therefore, despite their apparent closeness to their customers, many nonprofits are sufficiently insulated from and unresponsive to their clienteles. Moreover, market investigations need not be unsupportable in a nonprofit enterprise. Quite simple probes can produce highly profitable insights. Many organizations could easily collect and collate in a more systematic way information that they are already receiving through frontline staff. Nonprofits may also find it more possible or more necessary to rely on publicly available secondary information. Nonprofits may also undertake joint projects with organizations with a common interest.

2.8.4 Segmentation and target marketing

Target marketing is the process whereby decisions are made about which groups an organization will choose to serve. It is achieved by first identifying the main population groups that might be addressed by the enterprise, then selecting those market segments that best fit the organization’s objectives and abilities, and tailoring marketing programs to each chosen segment. In an environment in which human needs are huge and escalating while resources are constrained and shrinking, no organization can reach all possible constituencies. The question then is not whether the enterprise will constrain its domain but how. Market segmentation allows nonprofit organizations to control whom they serve by choosing where it is most effective or most important, according to organizational mandate or mission, to spend limited resources, as opposed to letting the limits of their funding arbitrarily make that decision for them. Segmentation helps an organization focus its resources on the clienteles that best fit its mission, capabilities, and aspirations.

The first step in segmentation is to divide the total market into meaningful groups. There are many possible lines along which the manager may form clusters of potential clients. The most conventional divisions are demographic, geographic, and socioeconomic. These include age, sex, marital status, education, and income because available data are most often arrayed along these lines. Against the operational convenience of segments bounded by demographics, the marketer must weigh the conceptual richness of segments defined by psychographics. Psychographic descriptors include lifestyles, values, attitudes, opinions, and personalities. One may also consider assigning marketing efforts to different groups segmented according to the benefits they seek. A similar scheme is often used in fundraising. An organization may deal with some donors who are motivated by public recognition while others are motivated by the concrete benefits awarded for “membership” donations. Benefit segmentation is attractive because it indicates to the marketer the types of products and appeals that will find favor with the other party. Put another way, benefit segmentation is efficacious because, being rooted in the fundamental notion of exchange it not only identifies homogeneous client clusters but also is suggestive of the most relevant offer for each.

In choosing target markets, the manager may apply several criteria. Logically, the first is whether a candidate segment fits the mission of the enterprise. Because nonprofits must be mindful of many constituencies whose aims and values will not fully mesh, accommodating this criterion may be challenging. A second test is whether the segment aligns with the organization’s present or potential capabilities. Here, too, discerning judgment can be called for. In appraising their goodness of fit with potential target markets, nonprofit managers must take care not to overvalue the capabilities of their organizations and underestimate the strengths of competitors. A third criterion is whether the segment is sufficiently large to justify a special marketing treatment. Many a times nonprofits over ride financial considerations and offer services to small groups. This is acceptable if the organization has other resources available to offset the loss associated with the program but not if the loss associated with serving a particular market endangers the survival of the organization and its ability to continue to serve its mission.

2.8.5 Competition

Competition is an idea that is often rejected in the nonprofit sector or at least understood to apply only to "commercial" markets, such as the market for donations or other markets which involve financial transactions. Adherents of economic theories of the nonprofit sector that consider these organizations to have developed out of market failure argue that nonprofit organizations respond to need and do not compete for clients. Often there is a philosophical aversion to the idea of competition on the part of nonprofit managers, who would prefer to think of their organizations as engaging in cooperative, as opposed to competitive, behavior. Nevertheless, competition is a reality in the nonprofit sector (Oster, 1995). In many countries, the number of nonprofit organizations has exploded, and many of them have been founded specifically because they intend to provide alternative programs or philosophies to the offerings of existing organizations. Moreover, nonprofit organizations are always trying to influence behavior, and their clienteles always have choices about how they choose to act - even if it involves choosing not to avail themselves of services at all, as opposed to choosing the services of another agency (Andreasen and Kotler, 2003). There is no escaping the inevitability of competition.

2.8.6 Positioning

Positioning refers to the place that an agency or its services or ideas occupy in the minds of the individuals in its target market (Trout and Rivkin, 1997). Thus it relates to a concept that is based on understanding how an organization and its offerings are evaluated in terms of the set of alternatives (or competitors) known to the potential clientele. The first step in positioning involves understanding the dimensions that the target market uses to compare organizations and alternatives, and the second seeks to place the alternatives along a continuum of these dimensions.

One of the troubles of positioning in the nonprofit sector is that the multiple constituencies with which organizations interact often evaluate both the dimensions that are used to compare agencies and the position of individual agencies differently. It may also be that different market constituencies use the same dimensions but evaluate competitors differently. The key point is that positioning refers to the dimensions and the relative positions along those dimensions that are in the minds of each clientele in question. A nonprofit organization that serves several clienteles (donors, clients, funders) will develop a unique map for each. These may form a series of grids in which the axes represent different dimensions that different clienteles use to evaluate alternatives or, if all groups use similar dimensions for comparison, a series of grids with the same axes in which the competitive organizations are placed differently along those axes. In either case, the positioning maps are unique for each market constituency and will dictate a unique strategy for each separate clientele. Of course, the grids cannot be mapped unless the perceptions of the target markets are known, and the best way to collect this information is through some form of market research. However, even a dispassionate and objective "back of the envelope" grid can be mapped without expensive data collection if nonprofit managers are willing to talk to their potential audiences and listen to what they say about the evaluative dimensions that matter to them and how they see the alternatives in terms of these dimensions.

2.8.7 Branding

An important marketing idea related to positioning is branding. A brand is a shortcut means of identifying an organization, program, or cause in a way that differentiates it from alternatives. It will embody a set of organization or program characteristics that customers believe will be delivered consistently. It can convey the organization's position in the market, build trust between the organization and its clienteles, raise an organization's profile, and provide insulation from competition (Ritchie, Swami, and Weinberg, 1999). Branding has recently become a popular concept among nonprofit organizations. There are particular challenges to branding in the nonprofit sector. First, branding can absorb considerable financial resources because of the advertising that is required to develop and sustain the brand. This is particularly difficult to justify when a rebranding exercise is undertaken while there are still plenty of old brochures, posters, leaflets, and banners in existence. Second, to create a successful brand, every element of the organization must support the ideas that the brand is trying to communicate. This means that "buy-in" across all functional areas and at all organizational levels must occur and that it must involve more than simple use of a logo or a tagline and include concrete attempts to change service delivery modes and program elements to be consistent with the brand image. Third, in organizations characterized by a large national office and multiple branches with a high degree of local autonomy, it can be very difficult to standardize not only advertising materials but also organizational cultures around the values inherent in the brand.

2.8.8 Managing products and programs in the nonprofit sector

Having chosen target markets by means of thoughtful segmentation and determined a positioning strategy on the basis of competitive analysis, management is in a position to begin formulating the marketing mix. Among the four P's, the program is usually shaped first because the choice of "product" tends to set the bounds for decisions on place (distribution channels), price, and promotion (communications). It should be noted that more often than not, the product under consideration will be substantially intangible. The differences between marketing products, services, and social behaviors can be significant. Services and social behaviors have characteristics that call for different marketing treatments than conventional products. Often clients are unable to judge the quality of services for themselves and have to rely on atmospheric cues, such as the physical facilities or the reassurance of a well-known brand name.

Social behaviors, in particular, are products that bring additional marketing challenges (Kotler and Roberto, 1989). Some are controversial; others are deeply embedded in individuals' lives. Others involve target markets that are entire populations. Moreover, the successful marketing of new or different social behaviors may require changing traditional behaviors for a larger and more remote public good. All of this means that the nonprofit manager who would change social behaviors can expect a formidable task. Among other things, the successful marketer must usually find compelling incentives for individuals to "buy into" what is proposed, mobilize allied organizations to facilitate or even enforce the advocated ways of acting, and counter forceful opposition from determined adversaries.

2.8.9 The Product Life Cycle

The offerings of nonprofits, as in the conventional marketplace, are subject to changing circumstances. A tilt in the balance of competition upon the entry of a new service or service provider, a shift in the market with the emergence of an un served population, or a revision of the organization's position due to the loss of a funding source are observed generally. This suggests that programs need to be constantly reappraised over the course of their lives and that marketing strategies may need to be revised as products age. To assist in this process, the nonprofit manager can borrow the concept of a product life cycle (PLC) very popular with business executives. The idea that markets evolve over the lifetime of an organization and its products or programs and the necessity for adopting different marketing strategies over that lifetime can be usefully applied in nonprofit settings.

2.8.10 Pricing, Costs, and Value

Nonprofit organizations presume that target market cannot afford to pay anything and offer services free of cost. Even in those cases prices are set, the pricing decisions are taken in casual and arbitrary ways. In an era of increasing funding constraints and growing competition for donated revenues, nonprofit organizations will have to revisit their pricing policies. They may find that they are accepting an unnecessary loss of revenue to the enterprise or a diminution of available benefits to customers. Moreover, as more and more nonprofit organizations address the revenue crisis through activities associated with social enterprise, they are going to be setting prices in a competitive marketplace. For these reasons, pricing decisions in the nonprofit sector need to be made in a logical, orderly, and analytical manner.

2.8.11 Reducing Nonfinancial Costs

It needs to be recognized that using a service or accepting an idea will include nonfinancial costs for the clientele of nonprofit organizations. Such nonfinancial costs might include social awkwardness or embarrassment, time costs such as missing work or having to travel to a difficult and remote location or psychological costs associated with giving up familiar or pleasurable habits. Nonprofit organizations need to aggressively and creatively search out ways in which the organization might reduce the nonfinancial costs for their clientele. There are, potentially, a significant number of subtle but substantial barriers to patronage in many nonprofit offerings. These consumer deterrents are, in effect, product costs.

A marketing perspective would argue that before putting resources into promoting a service or a behavior, one should search out opportunities to reduce each of these costs. A "value" approach to pricing suggests that customers compare the benefit they receive for the costs they incur. Lowering the costs to the clientele, including nonfinancial costs, can thus increase the value of the offering substantially. Increasing the value of a product by cutting social, psychological, and time costs may be particularly important in a situation where the organization is about to start charging for a service that has previously been free.

2.8.12 Pricing Principles

Non-profit organizations do not as a general rule price their services or products in such a way as to maximize the net return. On the other hand, their pricing may be targeted towards what the poorest of users can afford. Sometimes they are based on an external subsidy which has been promised conditional to the product being priced at a certain level. In any case it is not unusual for non-profit organizations to find themselves faced with a continuous loss on certain products. It is also not unusual to find that those very products are making a contribution to the overheads and thereby making some of the other services lower priced.

2.8.13 Designing marketing channels

Decisions about how best to distribute an offering to a market or designing suitable marketing channels can have a major effect on the offering itself. A worthy and attractively priced product that is not effectively deployed may well fail. The choice of channels can be more critical in the third sector than in the private sector in some respects. The buyer-seller contact may be of such a nature that makes the quality of the product-channel offering unusually crucial to a satisfactory outcome. It follows from this that the first step in channel design should be to analyze the requirements of the end user. A basic building block in building a marketing channel is the user's specification of acceptable performance. Non profit marketing gains from adopting the retail categorization to analyze information for channel decisions. Social marketing messages that advocate changes in behavior, will not be sought out by the target market. Campaigns directed at this target will have to be readily accessible and ubiquitous in order to reach the target because consumers cannot be expected to seek out this information or put effort into finding it. On the other hand, an organization that provides special services probably expect that their services will be sought out by those who are investigating the services and options that are available in their community. The marketer does have to balance the customer's desire for buying convenience with the service deliverer's need for operating efficiency. Organizations have found several ways to manage the trade-off (Lovelock and Weinberg, 1989). One is to decentralize the customer contact function. Many third-sector organizations market their programs directly to end users. There are substantial advantages in the short, controlled channels that result. Sometimes it is necessary or advisable to take an indirect approach by using channel intermediaries. Channels handled by others may be cheaper, more quickly activated, more expert, and more accessible to end users.

Enterprises that seek changes in social behavior often collaborate with other players in order to complete the "sale." The experienced nonprofit manager will know that inter-institutional cooperation is anything but automatic, however. Even enterprises that want to collaborate will not only bring complementary competencies but also potentially competing values, goals, perceptions, and priorities which may lead to some channel conflict. The management task is to keep it to levels that are workable rather than pathological. Therefore, the third-sector administrator should be cautious in forging channel partnerships that work to the advantage of the distribution system as a whole, including the end user, and recognizing the need for continuous attention to the power relationships and their management that a complex channel requires.

2.8.14 Managing communication programs

Often nonprofit managers tend to equate marketing with advertising. They would be inclined to define all marketing challenges as "communication" problems and overlook opportunities for improved products, prices, and channels. Advertising is burdened the entire marketing task. To avoid charging advertising with more than it can accomplish management should remember that the market is a clamorous place and that people develop built-in defenses against its noise. The advertising program must flow logically from, and fit consistently with, the other parts of the overall marketing strategy. To accomplish that overall effect, management should begin with the embracing objectives of the total marketing effort. Reliance on the goals and guidelines drawn from the mission, portfolio, and priorities of the enterprise as a whole is required. To give further focus to the promotional effort, there should be a subset of targets for the advertising program in particular.

Large nonprofits, have seen the rapid adoption of sophisticated marketing systems and thinking particularly in the market for financial resources and thus in the area of fundraising. But in the competitive markets for the services and social ideas and behaviors that nonprofit organizations offer or advocate, experience has been more mixed. In nonprofits that deal in social services, the influence of the market may be even less evident partly due to the fact that demand for services often outstrips supply. Where the need is vast and the supply of services is limited, rationing is construed to be the central management task, and marketing can seem to be illogical exercise.

These customary organizational arrangements are highly significant for anyone who would champion marketing within a nonprofit organization. They testify to the fact that in many parts of the nonprofit sector, key decisions about the most pivotal parts of the marketing mix are not made solely by marketing professionals but by experts who, in their training and their experience, have little exposure to, curiosity about, or regard for marketing. One must accept that in mission-driven organizations, this is as it should be. The primary purpose of nonprofit organizations is to serve the public good through the production of goods, services, and ideas that are generated on the basis of expert knowledge and not on the basis of market demand.

However, once it has been accepted that expert knowledge is critical to achieving the mission of nonprofit organizations, it is also essential to recognize that facilitating mutually advantageous exchanges between the organization and key elements of its environments is equally critical. Nonprofit organizations achieve their mission not merely through producing services and advocacy but also by ensuring that this production is adequately funded and that their services and ideas are "consumed" by those for whom they are produced.

Marketing's fundamental purpose in the nonprofit sector is the facilitation of these funding and consumption exchanges by focusing on the clienteles that the organization seeks to serve. Healthy organizations are fully responsive to their environments. Lacking unambiguous feedback from a conventional market mechanism, nonprofits must find other ways to ensure that they respond effectively to clients' wants and needs. Without such measures nonprofit mangers risk working hard in wrong directions. Marketing can help avoid that by sharing in monitoring the environment, undertaking market research, communicating the changing wants and needs of key client groups, participating in portfolio analysis, suggesting suitable target markets, branding the organization in the public's mind, participating in the mounting of the organization's offer, fostering the relationships that are crucial to survival, and appraising client satisfaction levels. To do better while doing good and do good perpetually it is imperative to foster long-term, healthy relationships with clients, donors, corporations, the media, governments, legislators, and the public. Marketing actions contribute to a healthy relationship between a nonprofit enterprise and its most significant others.

2.9 Human resource management practices in nonprofit organizations

2.9.1 Human Resources

In contrast to business management, a major facet of the nonprofit manager's responsibilities is the management of volunteers. Moreover, the challenges of managing volunteers in the workforce are substantially different from those of managing paid workers. Although there is consensus among practitioners and researchers that volunteers should be managed with the same seriousness as paid workers, rather than be taken for granted as a free resource, volunteers require a different type of "psychological contract"- one recognizing that their motivations for working, the ways in which they can be best deployed, the sources of their satisfaction, and the means that are appropriate and available for rewarding them vary from those of paid workers (Farmer and Fedor 1999). Individuals volunteer for nonprofit organizations for a variety of reasons, including personal and social satisfaction, work experiences that may ultimately be useful in the paid labor market, and belief in the values and missions of the organizations for which they volunteer. Hence, volunteer motivations and skills must be carefully matched with the particular needs of the organization, and reward systems must reflect the sources of satisfaction that volunteers seek. Moreover, nonprofit managers must recognize the costs of administering volunteer programs and utilizing volunteers and make efficient decisions with respect to the number and types of volunteers engaged, the mix of paid and volunteer workers, and the resources devoted to administration of volunteer programs (Young and Steinberg 1995, 105–107).

Nonprofit organizations also tend to differ from business in the management of paid workers. Although nonprofits often compete in the same labor markets with businesses for paid workers, evidence suggests that there is sorting of workers between the two sectors, with nonprofit workers putting more emphasis on non pecuniary sources of satisfaction and reward. This sorting has several implications for the management of paid staff in nonprofit organizations. First, nonprofits may find that they can successfully compete for needed talent on the basis of alternative rewards, even where they cannot afford to match the monetary salary and benefit levels offered in the business sector. Second, nonprofits may need to manage their paid workers differently, providing them with the job autonomy, nonfinancial means of recognition, and opportunities to contribute to socially worthwhile objectives that will maintain their loyalties and motivations in the context of more modest pay scales.

2.9.2 Nonprofits human resource advantage

The primary goal of nonprofits, for example, is to maximize the ability to deliver on mission. Nonprofits begin with staff attracted to and motivated by their organization's mission and therefore has an extremely powerful "human resource advantage." Watson and Abzug have put forward “people first” human resource approach that emphasized the unique elements of nonprofit sector organizations. It is argued that the nature of nonprofits makes them ideally suited to maximize their outcomes through the people of the organizations. Focus on people results in additional organizational capacity, effective succession planning, engaged and motivated staff, and improved client service delivery. These are not just effectiveness outcomes. They are also the keys to the time, money, and information organizations need to survive and thrive. They also lead to reputation effects that attract staff and funders. Such approach is characterized by the belief that organizational success lies in the creative engagement of the human resources of the organization.

2.9.3 Recruitment

2.9.3.1 Identifying Job Characteristics

The first step in recruitment is figuring out what kind of staff the organization is seeking. It is important to begin any search with a clear idea of the characteristics the organization is seeking in a candidate. In human resource terminology, these characteristics are called KSAs, (knowledge, skills, and abilities). Knowledge encompasses the content knowledge a staff person needs to know prior to being hired. Proficiency in many positions presumes a specific body of knowledge that embodies the facts an individual should know. The term skills refer to proficiency in doing things with objects or ideas. Finally, abilities refer to the capacity to undertake certain work responsibilities.

2.9.3.2 Job Analysis

Job analysis is the process through which KSAs desired for a particular position are determined. It is a process of uncovering various perspectives on what the staff position is, might, and should encompass. A variety of techniques can be used to observe, examine, record, and summarize the main components of jobs. However, given the interest in person-based approaches, techniques are now being developed to analyze the work accomplished in organizations when it is done outside of a traditional job context. For example, work within an entire department, system, process, or skill set may be investigated as the unit of analysis, where multiple people may do many interchangeable tasks (Milkovich and Newman, 2002). Since most organizations have retained the basic job concept for ease in recruitment, hiring, and compensation programs, job analysis is still a viable approach. Through job analysis, data on the content of jobs are gathered, evaluated, quality-controlled, compiled, and summarized (usually in the form of job descriptions) so that jobs are thoroughly and accurately understood.

2.9.3.3 Job Descriptions

After the job analysis phase, most organizations write job descriptions. The job description serves three purposes (i) to help those who will select among applicants consider what is needed for the position; (ii) to advertise to potential staff what the job will entail, and (iii) for use in legal defense against discrimination charges. It is important that the job description be both comprehensive and flexible. No candidate will meet all desired aspects, and the position's requirements will be fluid over time as needs arise. The effective nonprofit manager strikes a balance, articulating clearly what the organization is seeking without writing an unrealistically rigid characterization. For larger organizations, crafting job descriptions in-house may be easier, as there may be numerous similar positions in-house. For smaller organizations, the task is more difficult and is often best accomplished with outside advice from peer networks combined with available sample job descriptions.

2.9.3.4 Searching

Once the job description is in hand, the organization should consider how it will search for applicants. There are many sources of potential employees, grouped for the purpose of discussion here into external and internal types. The primary consideration when drafting a recruitment strategy is determining the goal of the recruitment program. While deciding on the recruitment strategies one should consider aspects like the need to attract large applicant pool, maintain diversity, implications of hiring from outside on employees promotion prospects and motivation of existing employees etc. There is significant evidence that recruitment practices do matter to organizations. For example, there is a broad and extensive literature on the effect of different recruitment strategies on applicant perception (Barber, 1998).

2.9.3.5 External Approaches

Under some circumstances, searching for potential staff from outside the organization is deemed desirable. Several types of sources can be used, depending on the applicant pool targeted. Newspaper advertisement, online (Web-based) recruitment, Professional publications, associations, and conferences, college recruiting and internship programs government job services offices and placement agencies, professional search firms or executive recruiters are some of the external sources of recruitment.

2.9.3.6 Internal Approaches

In some cases, filling staff vacancies from inside the organization is the better strategy. The following are internal approaches that may be undertaken. Employee referral, internal postings and promotion, client and volunteer recruitment are some of the external approaches.

2.9.4 Compensation

Compensation is one of the many important cogs in the total organizational performance machine that must be carefully tended, frequently lubricated and repaired, and upgraded or replaced if it no longer functions adequately in contributing to the achievement of top performance. For example, an organization that is changing its organizational structure must ensure that its pay strategy fits these changes. The most effective pay for self-directed work teams is probably not a traditional salary program; it will probably require careful analysis of the goals of the work teams and their structures, the reasons why teams are being implemented, and the pay strategy history of the organization.

2.9.4.1 Compensation principles

Nonprofits should carefully analyze their organizations' characteristics, the type of work that needs to get done, and the types of people most likely to have these skills and decide to what extent work should be conceived of as jobs or roles. One way to conceptualize this question is whether the organizations want to pay for a job to be done, in which the work requires a defined set of tasks and duties that are relatively stable and that a reasonable number of candidates in the labor market could be found to fill, or if the work requires a unique person's abilities and skills to be applied to a variety of changing organizational needs. Generally speaking, this strategy needs to be determined organization wide, not job by job or person by person, so that the entire pay structure is coherent and consistent.

2.9.4.2 External Competitiveness

After ensuring that job information is complete and up-to-date, attention is to be paid to relevant labour markets. In nearly every organization, several salary markets, or relevant labor markets, will exist. The key to answering the question is to determine where the KSAs the organization needs exist in the labor market. Some professional jobs that are technically or specialty-oriented will most likely be recruited regionally, nationally, or even internationally, sometimes from other nonprofits with similar missions and goals and sometimes from other sources. Thus the relevant labor market for these specialty jobs may also include both for- and nonprofit firms. If key executive positions require skills specialized to particular nonprofit organizational needs, then their appropriate labor market will be national (or international) nonprofits in similar sectors. However, some executive roles may benefit from skills found outside the nonprofit arena. As in all positions, the appropriate relevant labor market for the nonprofit's executives must also be carefully considered and chosen, based on the organization's goals and strategies.

After identifying the relevant markets, benchmark jobs should be identified. These are jobs on which the salary system will be built, so they should be well defined and clearly understood within the organization. Every organization has its own unique jobs that do not exist in the rest of the world and for which no market data are available. However, benchmark jobs should be those that are easily found in other organizations in the relevant labor markets. Benchmarks should also be stable and as a group they should represent nearly all levels within the organization. They should also vary in levels of compensable factors and most should have multiple incumbents. Finally, jobs for which the organization is experiencing particular difficulty recruiting should be included as benchmarks (Wallace and Fay, 1988). Salary data are generally collected from one of two broad sources. Published salary surveys or surveys conducted by the organization or its consultants are the common sources.

2.9.4.3 Internal Equity

Internal equity refers to the perception of fairness in pay for various jobs throughout the organization. In other words, in an internally equitable system, jobs that are of similar levels on key compensable factors, such as skill or knowledge required, supervisory responsibilities, accountability for budget and resources, complexity, or working conditions, will be paid at the same general level. In an equitable system, these differences in internal job value would be appropriately reflected in the pay structure.

2.9.4.4 External competitiveness and internal equity

The competitive pressures of the external labor market, plus the importance of creating organizations in which employees believe they are paid equitably relative to each other, require nonprofit managers to carefully weigh the relative importance of internal and external equity. It is possible that organizations that do not have to attract highly skilled technical workers may find their needs better served by ensuring first an equitable internal hierarchy of jobs and then making sure that it generally matches the relevant market. Alternatively, organizations that are dependent on the attraction and retention of highly skilled workers will probably need to first focus on developing a system in which jobs are paid competitively and then check to ensure that internal considerations are taken care of. What the organization wants to reward should inform and guide this strategic decision. It is on the basis of this important decision that the amount of market data needed and the complexity of the job evaluation procedure should be chosen.

2.9.4.5 Building the externally and internally equitable salary structure

A salary structure creates an administrative means by which pay is determined. It serves to integrate the organization's policies relative to external competitiveness and internal equity in a manageable system that sets minimum and maximum pay levels for jobs, thereby serving to ensure that pay is within the range that supports the organization's rewards strategy.

2.9.4.6 Communicating salary plans

An effective compensation program should communicate several basic areas to all employees (Rubino, 1997). The employee's job description and how it was obtained (job analysis), the methods by which jobs are evaluated and how market data are collected and analyzed should be transparent. Employees should be made clear as to how performance relates to pay and performance is measured and appraised. All administrative policies and procedures and benefit plans should also be communicated. Making the entire salary structure available to all employees is desirable because of the developmental and motivational aspects associated with such disclosure. If individuals know the earning potentials of prospective jobs to which they may aspire, theoretically they may be motivated to acquire the necessary skills and experiences to get them there. Furthermore, the career-tracking characteristics of this scheme should encourage employees to remain with the organization in order to achieve their personal career goals.

2.9.5 Benefits

Careful design and implementation of benefits programs are essential in attracting and retaining a qualified workforce. It is now the rare job seeker who is willing to join an organization unless it offers a reasonable, if not generous, benefits package. Just as salary programs need to be developed with internal equity in mind, benefits programs should consider factors internal to the organization also. In other words, the program should meet key employee needs while satisfying the employer in terms of financial and other policy obligations. In meeting employee needs, the HR professional should carefully consider what types and levels of benefits the employees want. Demographics of employee groups will undoubtedly have an impact on benefits attractiveness but it is not the sole basis on which employees decide attractiveness of benefits. Organizations can satisfy diverse employee groups through flexible benefits, or "cafeteria plans." Some of the benefits are discussed below.

2.9.5.1 Health care

An innovative approach that has recently come under discussion is "defined contribution" health care, in which employers shift the responsibility for provision of insurance to the employee, as in defined contribution retirement plans. Though there are many variations under discussion, the basic idea is that the employer would provide some sort of cash stipend to employees, who would either choose their health insurance on the open market or purchase it from providers sponsored by the employer. Advantages to employers are that costs become more fixed and administrative costs are reduced and some employers are already implementing versions of this system (Sanicola and Johnson, 2001).

In India Employee State Insurance Corporation (ESIC) is established to attend to the health care of non-supervisory employees and employers are under obligation to contribute to the scheme. It has been suggested that nonprofits can consider insurance coverage to all employees under group insurance schemes commercially available or can even encourage individual employees to purchase medical insurance policies by partly or fully reimbursing the costs of such coverage depending on suitability.

2.9.5.2 Retirement plans

Two broad types of retirement plans exist - defined-benefit and defined-contribution. Defined-benefit plans have traditionally been the norm in public sector and nonprofits closely associated with public sector. Defined-contribution plans, on the other hand, define the amount that is put into some kind of investment vehicle. Therefore, the actual retirement income the employee will receive depends on the success of the investment and is therefore unknown, but the amount contributed to the plan is defined. Often the investment is contributed by both employer and employee. These are commonly found in nonprofit organizations in developed countries in the form of tax-sheltered annuity programs. However, like many developing countries, no such mandatory social security scheme exists in India. But provident fund and gratuity are common among nonprofits closely associated with government agencies and large nonprofits. Gratuity is a retirement benefit based on years of service. It is usually 15 days salary for every year served and payable by the employer at the time of retirement of the employee.

2.9.5.3 Housing

Housing is a traditional perquisite and takes different forms. It may be in the form of allowance or subsidy. It is also common for some nonprofits to provide its own accommodation to the employees for a nominal fee or in lieu of allowance. Some nonprofits extend loans at concessional rates of interest. The principal can be repaid in easy installments over a period of time

2.9.5.4 Travel

A fixed allowance to cover the travel expenditure is one of the perquisites offered to many public sector employees. Alternately employees are reimbursed the actual expenses on producing the claim.

2.9.6 Orientation

Most nonprofit organizations provide an orientation for staff and volunteers after they have been hired but before they begin actual work assignments. The material covered in an orientation is usually similar for staff and volunteers. It includes such things as tours of the facility, introductions to key personnel, an organizational overview, details on strategy and programmes being run, personnel policies and conditions of service and other policies approved by the board or governing body. Part of the orientation is job-related. This training can be done during the orientation or at a second session. The challenge in the orientation is to provide enough information to give people the confidence to go to their work assignment ready to work and to help them feel confident enough to ask questions and listen to the experts who are their supervisors and colleagues. If necessary, specific upgrading in specialized skills is also included in induction training.

2.9.7 Training and development

The dictionary says that training is to "gain knowledge of or skill in a subject through study, experience, or education." Training has two functions for the nonprofit organization. First, it establishes a minimum level of competency, and second, it is a benefit of being a part of the organization (Laird, 1985). Training is the way an organization publicly acknowledges that there is a necessary level of proficiency for the people working for the organizational mission. It sends a clear message to people that the organization or agency has standards that those in its employ, paid or unpaid, are expected to meet. Expectations of growth and change through guided learning tell the potential volunteer or staff what the organization values.

2.9.7.1 Needs assessment

Before planning training it is necessary to understand the needs of the potential participants. The adult learning principles tell us that learning is more apt to take place if the learner sees the information as relating directly to his or her life. By understanding the discrepancies between what the attendees currently know and what they need to know in order to perform a new job or task, the trainer can make the instruction responsive to learner needs (Knox, 1986). The needs assessment is a process of uncovering information that guides the trainer's planning efforts. Robinson (1994) identifies three elements that make up a needs assessment. The first is relevancy. The content to be discussed and the activities to be undertaken must make sense to the learners attending the training session. Relationship is the second area to be considered in doing needs assessment. By this Robinson means that the trainer must learn something about the learners' previous experience with this topic. Adult learners are aided by the trainer or teacher who helps them take control of their own learning and understand how they learn. The needs assessment process is a means to move control of content and teaching activities into a joint responsibility between the trainer and the learner. Robinson refers to responsibility as the third element in needs assessment. By encouraging learners to take responsibility for participating in the identification of needs, the trainer conveys an interest in moving the responsibility for the actual learning during the training session into the hands of the learners. This is, of course, in addition to giving learners a say in the training course's content and activities.

2.9.7.2 Sources of needs assessment

Evaluation reports of previous training sessions should be read and the data compiled for future reference. Today's participants in a training session are excellent representatives of those who will attend the next one. Observation of actual volunteer and staff jobs is another excellent way of determining needs for training. Incumbents in the role being trained for are a good source of information about training needs. People who are currently doing the tasks can identify the gaps between what they learned in training and what they needed to know to do the job. This is especially true for the short-term or episodic volunteer. An exit evaluation for this group of volunteers should ask about the training provided. Past participants (employees or volunteers) are also useful sources of information. They are not so closely connected to the program. Time and distance may have given them perspective on their learning experience. Performance evaluations are done by many nonprofit organizations for both staff and volunteers. These reports may be useful in the planning of training sessions. Experts are good sources of ideas. They generally have the most recent information on a topic and can help the trainer bring learners up to date on the latest developments. Standard measures or pretests are a good way to determine learners' knowledge of a topic. These can include tests on the use of machines such as copiers, cash registers, and computers, as well as conceptual knowledge.

Formal training does not stop with orientation, nor does informal training end with an on-the-job explanation of duties by the supervisor. Continuing in-service education is a part of all successful nonprofit organizations. Nothing in any organization or agency is static. Social trends, client needs, membership services, and staffing patterns require constant change and updating. The foundation for active participation in in-service training begins with the first contact with staff, paid and unpaid, and continues as long as the person is affiliated with the organization. In-service education programs are designed to enhance current job skills, build new skills, and train the person for expanded duties. In-service training might also include opportunities for personal development, such as stress management, time management, conflict management, and reduction of burnout. Fowler identified eight types of human resource development methods (Fowler, 2002).

Internally designed courses

These are designed to meet the specific needs of the organization and cost effective when large number of people need to learn the same things.

Pre-packaged courses

The content is sufficiently similar to the needs of the individual and per capita cost is high.

Workshops

Workshops are output oriented and useful for solving a particular problem, especially where joint ownership is needed.

Seminars and conferences

Seminars and conferences provide an exposure to issues or people, network information, create relationships and facilitate individual broadening or gaining insights.

On-the-job training

It is a method of practically exchanging expertise between one person and another and is suitable when the tasks involved are technical or routine or when detailed observation is needed to ensure that competence has been gained.

Exchanges

Exchanges tend to be short term visits to gain an understanding of other ways of doing things, to see innovations, to gain new ideas and horizons and to introduce new staff.

Secondments

It involves taking up a known role in a different setting and help people do old things in new ways as they adapt to other circumstances.

Self-study/correspondence courses

It is systematic way of gathering knowledge by an individual and at times by group work with others doing the same study. They are often chosen where access is difficult, the topic is specialized and there is no urgency and where a recognized qualification is required but course attendance is not an option.

2.10 Financial Management Practices

2.10.1 Finances

Nonprofit organizations are unusual in their diverse mixes of income sources. Nonprofits draw not only on such earned income but also on charitable contributions, government grants and subsidies, and investment income for substantial amounts of revenue. Moreover, the mix of these revenue streams varies widely among nonprofit organizations. Most nonprofit organizations must manage and develop a combination of these sources, using a variety of special skills, including fundraising, investment management, proposal writing, and marketing. Moreover, nonprofit managers must develop appropriate portfolios of revenue sources that maximize the contributions of their organizations to their social mission while maintaining fiscal integrity and balancing the risks associated with the volatility of different revenues sources.

In recent years, nonprofits have given increasing attention to so-called social-purpose enterprise projects that are intended to generate profits while also contributing to mission through the employment or training of target group clientele or by other means. Although these ventures resemble profit-making businesses in many respects and require business-related management skills, their performance must be judged differently in terms of social impacts as well as financial success.

Differences also arise in the area of investment and fund management, where nonprofits must account for the mission impacts of their investments as well as the financial returns. Finally, the management of fundraising is an area of financial management virtually unique to nonprofits. Here, management must consider the appropriate levels of expenditure on fundraising operations, taking into account the returns on investment in fundraising infrastructure, the potentially negative reactions of donors to high administrative overhead, and the policies of regulatory bodies and watchdog groups (Cordes and Rooney 2003).

2.10.2 Financial Accounting

All organizations, commercial as well as non-profit, report their financial status periodically as of a particular date and their performance as of a period, ending with that particular date to meet statutory and legal obligations. Accounting rules and standards are developed and promulgated by standards-setting bodies of respective countries. In India the standards are prescribed by Institute of Chartered Accountants of India- a statutory body - and the fundamental accounting principles, rules and standards for commercial and nonprofit entities are not very different. The principal reason for having rules is to provide comparability across organizations. Without the same rules for preparing financial statements, it would not be possible to compare the financial statements of one organization with those of another. Accounting concepts and principles provide general guidance for determining the rules. Several of the most important concepts and principles are discussed below.

2.10.2.1 The Historical Concept

The amounts reported on the balance sheet are the amounts as of the end of the period. The income statement and statement of cash flows report the activities during the period. They are not estimates of future activities or future status or performance. Some estimates of future performance are necessary, but these are kept to a minimum.

2.10.2.2 The Monetary Concept

All accounts and the numbers on the financial statements are monetary. The common denominator is money and without this common denominator one could not add or subtract from one another.

2.10.2.3 The Realization Principle

Revenue is recognized when goods are delivered to customers, when services are performed, or when contributions are made that are related to the period. Cash may be received either prior to or following the realization of revenue.

2.10.2.4 The Matching Principle

Expenses are incurred in the period in which the related work is performed. In effect, they are "matched" to the revenue that was earned during the period. This does not mean that the expenses need to be equal to the revenue but rather that any expenses incurred in conjunction with the revenue that was realized must be included on the same income statement.

2.10.2.5 Double entry book keeping

Each transaction affects a minimum of two accounts and after recording of transactions in the affected accounts the balance sheet will balance.

2.10.3 Types of financial statements

There are three kinds of financial statements that the executive should be familiar with.

2.10.3.1 The Balance Sheet

Every unit or entity keeping accounts produces a balance sheet as of the last day of an accounting period. The position of the entity in financial terms, as of that day, is presented by the balance sheet. Basically it consists of two sides. One side titled 'assets' contains a list of all the resources owned by the entity and includes cash, bank balances, inventories (stocks of goods), land and buildings, machinery and equipment. The other side titled liabilities and equity lists the amounts owed by the entity to outsiders under liabilities. Assets and liabilities are reported in more or less the same way in the balance sheets of both commercial entities and non-profit entities. However in reporting of 'equity' there is a basic difference. In case of nonprofits capital is not raised from investors and therefore, there is no such item as 'paid up capital'. All the earnings are retained and they are referred to as 'net assets' or 'fund balance'.

The capital contributions, if made as money, are referred to as 'endowments' and if contributed in the form of goods or other assets, they are identified as 'contributed plant' or 'contributed equipment'. It is essential that contributed capital should be separately identified from operating capital and maintains separate statement of contributed capital. This type of capital contributions for acquisition of assets or for endowments is not a feature of commercial operations and finds no place in commercial accounting.

Nonprofits generally follow the 'funds' format in preparing their financial statements. On the liabilities and equity side it uses the terminology of liabilities and fund balance. This is divided into four categories of funds. On top is the maintenance fund, which is basically working capital. The next category is endowment funds, specific to certain commitments such as scholarships, prizes, patient care, specialist chair, etc. The third category is special funds. These include department funds, staff welfare, staff retirement funds (provident fund, pension, gratuity, etc.). The fourth category is capital funds, which includes plant capital, fund for capital expansion, loan from a sponsor and development fund. Since the endowments and the special funds are earmarked for specific purposes it is appropriate that the balance available in these funds should be indicated as being balanced by investments on the asset side. The capital fund account should be reduced by the same amount of cumulative depreciation as the amount of depreciation shown against fixed assets on the asset side.

2.10.3.2 Operating statement

A balance sheet presents the financial picture of the entity as of a point of time but does not indicate or describe the activities during the accounting period. An operating statement summarizes the operations of the entity over a period, describes the events that have taken place between the balance sheets and the reason behind the changes in the balance sheet.

The operating statement starts with 'revenues'. They are increases in equity associated with the operations during the period. Revenues arise when an increase in assets is not accompanied by an equivalent decrease in another asset or an equivalent increase in liabilities. From the revenues expenses are deducted. Expenses are decreases in equity associated with operations during the period. They represent decreases in assets with no equivalent increase in another asset or an equivalent decrease in liabilities. The grants and donations are brought in at the end of the statement as 'other income'. In a commercial statement this would be treated as 'non-operating income'. Depreciation figures areas other expenses. In most commercial operations and many of the non-profit operations, depreciation being a non-cash expense, is added on to expenses at the end as one single number or a group of numbers where depreciation is calculated separately for different depreciable assets. From a management point of view there is merit to this treatment since management can immediately identify the non-cash expenses.

2.10.3.3 Cash flow statements

Balancing of inflow and outflow of cash is a major finance function. An inability to meet payments as they become due cannot only be embarrassing but may lead to legal problems. For executives with responsibility for the longer term sustainability of a project or a non-profit operation, the cash flow statement is a very significant source of information. Cash flow statements also indicate the working capital squeeze often experienced by non-profit organizations operating on a pricing system designed to just recover costs.

The statement of cash flows reports the receipts and disbursements of cash. These flows are organized into three categories: operations, investing and financing. The operations portion of the cash flow statement can be prepared using either the "direct" or the "indirect" method. The direct method shows how much cash was collected from customers and how much cash was paid out to suppliers and employees. The indirect method begins with organization's net income or loss and reconciles it to the change in cash.

2.10.4 Budgetary Control

All transactions carried out in an organization should, be in accordance with the activities that are stated in the annual budget. It is therefore essential to evolve the budget control mechanism, which involves planning, executing the plan, monitoring and evaluating the performance and financially managing the activities of the organization. The system will also help to interpret the vision by preparing a detailed plan of activity in physical and financial terms and provides a yard stick for measuring the performance by comparing the plan with the actual performance activity-wise both in physical and monetary terms. The system will determine the objective to be achieved over the budgeted period and the policy to be adopted to achieve objectives and determines the activities to be undertaken to achieve the objectives.

2.10.4.1 Operations budget

The standard operations budget consists of four components. These are:

Revenues or income

Expenses or expenditure

Quantitative measures of output

Explanations and notes on background, environment, etc.

The first three are numerical projections and the last is descriptive. These components do not differ much between commercial organizations and non-profit organizations. In the commercial ventures additions to resources could consist of realizations from sale of products; capital inflow from promoters or loans from financial institutions. For the nonprofit organizations, the equivalent would be realizations from sales, income from endowments, donations and loans. Both commercial ventures and non-profit organizations make a distinction between pure operations budget and a capital budget, separating sales revenue from other inflows on the one hand and regular expenses from capital expenditures on the other. However, non-profit organizations often tend to treat donations and income from interest on investments of endowment funds, as part of regular income in planning activities.

The normal practice in budgeting exercises is to assume a certain percentage of annual growth and project everything else accordingly. This percentage is usually based on the 'trend' over a period of time. The trend line, based on historical data, is projected to estimate the new levels. This reduces the budgeting operation to a ritual. Thereby organizations lose the effectiveness of the budget as a useful control mechanism and of setting meaningful goals. Exceptions to this practice occur when somebody notices a serious change in the trend or when some responsible executive or a donor has decided that the operations must be expanded in volume or variety or both.

Revenue items

In considering revenue, non-profit organizations face the same uncertainty in regard to income from sales as the commercials do. They face an additional uncertainty in so far as donations are not assured and may fluctuate from year to year. Income from investment of endowments is moderately steady over short to medium terms and can be included as a reasonably certain income in the budget estimates. Donations create a problem of uncertainty, which is taken into account by some of the non-profit organizations.

Building in uncertainties

Non-profit organizations handle this uncertainty by having a budget which provides for certain specific activities to be taken up or certain capital expenditures to be incurred, only if donations are received over and above a certain figure for the year. Conversely certain donations are specific to certain activities and are budgeted accordingly.

A break up of the sources of revenue by different types of services, by interest income from endowments and from donations will provide greater precision in revenue forecasting. Each individual source can then be examined for the probable revenue for the next year. Where different categories of services are provided, the individual estimate should be built up from the respective departments providing the different services. This is true even in situations where the total number of clients or customers is a determining factor. For example, the total number of inpatients and outpatients will determine the volume of total activities. The various services that are provided by the various units within the institution then become the revenue sources. Assumptions on the individual trends of each service units and factors affecting them, including trends in paying patients versus free work, will have to be estimated through careful analysis at the unit level.

Expenses

Expenses can be handled in two formats. The first is to go by categories of expense, one line for each category. For example, all wages are shown as one item; employee benefits become the next item. The total is indicated as employee costs. Similarly, each item of expense is listed, such as communications, power, water, repairs and maintenance, etc. The second format is to show the expenses as related to specific programmes. In other words, each individual unit or activity is shown as earning its anticipated revenue and incurring anticipated expenses. Some allocation of overheads or indirect costs may be necessary.

Control is facilitated if each individual unit can be treated as a revenue and expense centre. Each unit, department or programme, would show both the revenue expectations and the expenses, broken up by personnel costs, (salary and benefits) and other major items of expense. A supplementary statement could indicate the aggregates of categories of expenses for the organization as a whole. A simple computer program can take care of this. The following illustrations are only of the formats and not indicative of all items to be included in these statements.

Quantitative measures of output

Process or output measures are particularly useful in evaluating lower level staff performance. But while they measure efficiency they do not necessarily relate to the objectives of the programme. However, they are the easiest to measure and can be usually related to manpower requirements and manpower planning. Result measures or outcomes are more oriented to the purpose of the project. It may therefore be more indicative of the actual value of money spent on the cause. Even so, there may be doubts as to the final result that is being measured. It should be noted that the use of process measures and result measures are not mutually exclusive. Every organization needs to decide on the measures or combination of measures that it wants to review and include in its plan. They consider the measures that are most useful for control purposes.

Background and environmental factors

A budget represents a plan for future action. It is, therefore, necessary to set out in detail the back ground and other factors likely to influence the assumptions underlying the budget. Such background information is usually prepared ahead of time and circulated to all executive who are likely to be involved in the planning or budgeting process. The information provided would include the state of the economy, prognosis for the immediate future, new legislation in the offing and other political and/or social factor: supportive of the programme or factors to be recognized a: being against the programme.

In order to use the budget as a control device, the operating departments need to be kept informed of how their revenue or other measures of output or process on the one hand and expenses on the other hand are holding up against the budget. This is a function of the budget manager or a person who is assigned the budget control responsibility in the finance function.

Budget managers or their equivalents in the finance department have a tendency to concentrate their attention only on the expense side. A periodic evaluation of performance, preferably every month, is necessary to ensure that the performance is keeping more or less in line with the projections. Serious deviations, even when they are positive on the revenue side, need to be examined with the same concern as there is an apparent tendency towards overrunning of expenses. The point is to ascertain whether what looks like an aberration represents a random event or some more serious and permanent development. Experts do recommend that the budget should be built up on the basis of a distinction between fixed and variable costs. There is merit to this approach. Fixed costs cannot be controlled in the short run. If the programme is not performing as projected, variable costs are the ones that can be reduced and the relative amount of fixed costs, included in the total cost and expenses, do not make the expenses performance elastic.

2.10.5 Financial Management

A commercial organization works towards maximizing the return to the investor. In other words, the investor envisages that the operations will generate a net surplus of funds accruing to him. The finance function becomes primarily responsible for ensuring this. The related responsibilities fall into three broad areas (i) raising funds, (ii) allocation of funds for various uses, and (iii) ensuring adequacy of funds to meet the needs from day-to-day. These responsibilities are not very different in nonprofit organizations the difference is on emphasis.

Finance function in a non-profit organization

2.10.5.1 Raising Funds

Initial funding of non-profit organizations is usually by the sponsoring donor. The significant difference is that unlike promoters of commercial entity the sponsors do not expect a return on investment. The funds can be raised on a convincing 'cause' and not on the basis of expected returns. However, stating expected results in convincing quantitative terms could often be a significant requirement for funding commitments. Commitment is almost always for an indefinite period. In course of its existence nonprofits can raise funds from different sources discussed in brief below.

Endowments

These are usually for a specific purpose and are restricted as to usage. From a financial management point of view the significant aspects of an endowment are that they are for specific purpose and that they are often endowed with the proviso that the endowment be invested and the earnings utilized for the particular purpose. Endowments or grants which are to be invested and the income alone to be used, maintaining the capital intact, is also a common funding arrangement for non-profit organizations.

Donations

Donations may be for specific purpose or general purpose. They do not usually carry the restriction that the original corpus must be preserved, and only interest can be used. It can be assumed that donations are the major source of funds for non-profit organizations. These may be one-time grants or recurring on a regular basis, for example annually, from donors who have made a commitment to support the operations.

Fees

Membership fee collected from members and fee charged on the services offered to the clientele which is much less than the cost of producing the services.

Cash generated through sale of paid services

Generally nonprofits provide services free of cost or below cost to the deserving. However, it is not uncommon to find some nonprofits particularly in the health and education fields selling services to the paying clients. Even in the case of other types of institutions, to the extent to which some services are sold, it is a source of funds.

Interest income

Endowment funds generally tend to be invested in fixed income securities. In addition, a non-profit organization may have accumulated funds over a period of time awaiting investment in buildings or equipment. These would also be kept in fixed deposits with banks, in fixed income securities or savings accounts with banks. All these produce income. In many cases both the investments and the income from them are quite substantial.

2.10.5.2 Allocation of funds

Nonprofits generally have very limited flexibility in terms of allocation of funds for the reason that major portion of their income comes in the form of donations meant for specific purpose or project or programme. Where ever some flexibility exists the resources are to be allocated in best possible manner to realize the objectives of the organization.

Salaries and related expenses

These include all personnel-related costs, including salaries, other benefits including retirement benefits and perquisites. Many of the non-profit organizations are 'service' organizations and consequently personnel costs form a high proportion of their total requirements for funds on a regular month to month basis.

Expenses

Include in this category are all operating expenses such as materials, water, power, communications, rent, repairs and maintenance. Most of these are regular recurring costs and have to be met and payments made promptly to keep the operation going.

Capital expenditures

Capital expenditures fall into two broad categories. The first is replacement of worn out or obsolete equipment or buildings. The second category is the totally new acquisition. It may be to make an existing operation more efficient or to start a new product. The first two items of cash outflow, namely, salary and salary-related expenses and other running expenses tend to be regular. Capital expenditures in regard to need and timing are, by and large, under the control of the organization.

Debt servicing

If the organization has taken loans, the requirements of debt servicing have to be met. These include interest payment and return of the principal. The quantum and timing are covered by the loan agreement and there is usually very little flexibility.

2.10.5.3 Balancing inflow and outflow in a non-profit operation

A non-profit organization does not have the pressure to maximize profits. However, it needs to deploy funds at its disposal to provide more or better service to whomever the organization is supposed to serve. Idle funds often reflect the inability of the organization to utilize them for the purposes for which it exists. The challenge to the non-profit finance executive in short-term cash management arises more from the inflexibility due to funds being 'designated' or earmarked for specific purposes. It is imperative for the nonprofits to ensure timely receipts and payments for smooth functioning of the organization.

2.10.6 Managing Investments

Non-profit organizations face a special challenge in managing their investments. Often they have property funded by the original promoters. Such property may consist of land, buildings and equipment. In addition there are usually endowments of various amounts, the income from them being earmarked for designated purposes. Specific research or development grants are also available as funds to be invested for income or for temporary safe keeping while being drawn down to meet the related expenses as they arise. Some non-profit organizations fund their legal obligations to employees, such as gratuity or provident fund, by handing it over to external agencies such as Life Insurance Corporation or Provident Fund Commissioner's office. Many organizations do not, because self-financing of these obligations would be cheaper by managing the funds internally. External agencies compute the annual premium for gratuity liability based on projected retirement age of employees and a notional return on the premiums cumulatively. In addition there is an administrative charge. In fact by investing the equivalent premiums prudently, it is not difficult to reduce the total cost of gratuity benefit to the employer, assuming normal retirement patterns. Managing the provident fund liability internally gives the same advantage. Market returns on investments are generally higher than the notional return.

The magnitude of these funds is often very substantial and the responsibility of managing them lies with the treasurer's office or the general administration. The funds may be designated but for investment purposes they are often pooled. Irrespective of the actual size of the funds, there are very few instances where specific guiding principles are laid down by the board or management. Rather, the boards tend to decide on investment on a situation to situation basis at board meetings. These meetings may take place only after a lapse of several weeks or months (three months is customary). Consequently, the organization could find itself sitting with large amounts held in short-term bank deposits, earning nominal interest or seeking advice from the banker.

2.10.6.1 General principles for managing investments

Liquidity

There should be enough liquidity in the system to meet day-to-day obligations. The outflow of cash is usually easier to predict. Mostly there is a pattern. Wages and salaries have to be met on a monthly and weekly basis. Other bills - supplier's, telephone, wage and salary-related legal payments are predictable. If construction work is going on, there is usually an agreed schedule of payment. If equipment has been ordered the delivery dates are known, at least approximately, and terms of payment are known early. A detailed projection of anticipated payments for three months on a weekly basis and for another three months on a monthly basis is not difficult. Many commercial corporations use such forecasts and non-profit organizations can easily emulate their counterparts.

The inflows are usually more difficult to predict. Revenue generated in the form of fee are normally predictable. Investment income is also predictable as to quantum and time. Grants from foundations can be usually predicted within reasonable time margins. Governments grants are less predictable and are often delayed due to excessive formalities and bureaucratic apathy.

Depending on the matching of the inflow and outflow of cash, it is a general rule of thumb, to hold in current account or very short-term bank deposits, enough funds to meet a month's normal expenses. However, this is a very general rule and each organization can decide, based on its particular circumstances and experience, how much liquidity is required for carrying on its operations without financial embarrassment.

Safety versus returns

Non-profit organizations generally tend to consider safety of the principal to be more important than the actual return. Funds provided for a 'cause' is not a suitable vehicle for anything that seems speculative.

Fund managers now experience great difficulty in managing fund due to substantial decline in interest earnings. There has been erosion of principal on investments in mutual funds. The fund manager has to keep in close touch with what is happening in the business world and market outside. He cannot simply rely on the advice given by the local bank manager or the stock broker any more. He must assess the current available return on investment with the assumed return for self-financing of legal obligations such as provident fund and gratuity. The same is true of pension plans where they exist. These require regular deductions from salary and funding of employers' contribution.

An option of handing over the liability and the fund management to external funding agencies such as the Life Insurance Corporation is available. The differential earned in interest and the rate offered by LIC made self-financing attractive at one time, but this differential may not be adequate any more. All investment in securities such as bonds, mutual funds must be kept track of in terms of market prices on a weekly basis and any drastic changes investigated. It is advisable to inform the changes in the financial markets at frequent intervals to the head of the institution who may then want to consult the executive committee or finance advisory committee on any disturbing aspects. In the changed circumstances the non-profit organizations may have a good case to consider appointment of a financial consultant on retainer. A professional who is not a broker or a banker would have to be considered.

2.10.7 Strategies for Generating Revenue

Nonprofit organizations have been facing the difficult task of soliciting financial support to pay for the programs and projects created and implemented by them. It does not sound naive when it is said that the fate of the majority of nonprofit organizations is in the hands of their funders. Nonprofits create a host of programs in concert with their mission and then seek grant monies to support them. Soliciting financial support may be direct or indirect. It is direct when the nonprofits that seek support implements programs or projects on its own and indirect when the support is sought through an intermediary or umbrella organization. Many grassroots NGOs in South Asia seek support through intermediary organizations with which they maintain network relationships. When programs are fresh and innovative, the fundraising task is easier. But as programs become more commonplace, regardless of their need and importance, the task gets more difficult.

The problem posed due to heavy reliance on funding agencies have led many nonprofits, particularly in the western context, to explore the potential for generating earned income by charging fees for service, selling products, the development, sale, and lease of buildings and land, and "soft" property or income-earning assets such as copyrights, patents, and trademarks. Popularly known as "social enterprises' these earned income ventures, if successful, provides its organization with an additional stream of revenue or support. But they are serious endeavors that require not only a significant amount of research and planning but also a change or shift in attitude among board and staff as well. This model is being replicated in South Asia and other developing countries which have witnessed the rise in micro finance business models with NGOs playing key role. A third scenario that has surfaced is the corporate-nonprofit joint venture. Nonprofits are working with the business community in a variety of innovative ways to accomplish their own goals and often those of their partners too. The e-choupal business model of ITC portends similar corporate - nonprofit partnership in Indian context.

2.10.7.1 Program-Related Products

Program-related products are those that are closely identified with the organization and promote the organization's mission as well as earn money. The nonprofit Scojo Foundation combines a number of strategies in its business. Scojo's enterprise distributes high-quality, low-cost near-vision ("reading") glasses to women-run microenterprises in India. These women then sell the reading glasses to a portion of the more than 200 million people in India who need glasses to accomplish tasks such as reading a ledger, threading a needle, mending a shoe, or fixing a radio. To meets its mission, Scojo markets the reading glasses to one group of its constituents so that they can "see up close" and to another so that they can earn enough money to support their families. Still other nonprofit organizations provide job training for their clients and employ them in their business to manufacture a product or supply a service in the commercial arena. These enterprises are often called "affirmative" businesses.

2.10.7.2 Program-Related Services

Nonprofit organizations involved in economic and community development offer brokerage services, environmental organizations run landscaping businesses. Under the financial inclusion policy of Reserve Bank of India, NGOs are recognized as eligible entities to act as Business Facilitators and Business Correspondents and such services enable NGOs to earn income from the activities which are mostly programme related. In another type of program-related service, nonprofits market the expertise of their staff members.

2.10.7.3 Hard Property

The sale, lease, development, and rental of land and buildings sometimes referred to as hard property offer ways of making use of an organization's downtime. Unlike the business activities cited earlier, these are not always related to the mission of the nonprofit organization. Colleges and universities renting excess dormitory, cafeteria, gymnasium, and field space during slack summer months to such groups as professional sports teams and summer camps, nonprofits renting their facilities for conferences and meetings and developing commercial space are examples of generating revenue from hard property.

2.10.7.4 Soft Property

"Soft property" is a form of income generation that exploits income-earning assets such as copyrights, patents, trademarks, and even art and artifacts. In this category, nonprofit organizations can generate earned income in several ways, including cause-related marketing and licensing.

2.10.7.5 Cause-Related Marketing

Cause-related marketing, also called joint-venture marketing, links a for-profit organization with a nonprofit organization for their mutual benefit. For some nonprofits, cause-related marketing can offer new sources of financial support and increased public exposure. For their corporate partners, cause-related marketing can provide an opportunity to increase product sales and gain public recognition while supporting the causes they care about. Corporations such as McDonald's work with nonprofit social services agencies to hire people with disabilities.

One of the more recent types of corporate-nonprofit collaborations is one in which the nonprofit organization helps market the products or services of the corporation in return for a donation or a percentage of sales. Corporations view this supplemental sales force or distribution arm as another vehicle to enhance their marketing efforts. For corporations, this approach also helps improve brand image and increase awareness. Nonprofit organizations view this approach as a way to increase and diversify their revenue, as well as to enhance the ways in which they are viewed by potential contributors and other important groups. One way in which this happens is when a corporation secures the permission of nonprofit management to offer its products or services to the members of the nonprofit. Here the nonprofit organization makes various plans available to its members and receives a commission from the corporation in return for sales to members.

2.10.7.6 Licensing

Licensing is the term commonly used for the legal agreement whereby one party authorizes a second party to use its name, logo, characters, or products. In the case of corporations and their nonprofit partners, it is typically the nonprofit that grants a license to a corporation, for which the nonprofit receives a royalty based on sales. When licensing arrangements are well targeted, both licenser and licensee benefit financially, as well as in increased publicity. For example, the Save the Children Federation licenses the rights to its children's designs to companies that manufacture greeting cards, calendars, eyeglasses, and decor for children's rooms.

From the discussion above it is evident that nonprofit organizations have begun to view business venturing as a viable way to obtain revenue to support program budgets. Many have experimented and succeeded in creating businesses that offer various products and services to the public and have co-ventured with the private sector in cause-related marketing campaigns and licensing agreements. The trend is quite pronounced in developed countries and there are signs of this trend emerging in developing countries. The institutional environment prevailing in developed countries and the support from various associations, foundations, professional bodies and academic institutions made it possible for nonprofits in respective countries successfully explore the potential of raising revenues from business ventures.

Although many nonprofits may be eager to plunge into earning income, they should not do so without thoroughly exploring the risks and returns associated with business venturing. Creating successful enterprise is hard work. It is not for everyone, and it is not a quick fix. Before beginning to think about specific businesses, a nonprofit is advised to take a critical look at whether nonprofit enterprise is compatible with its organization's culture and mission. A nonprofit should explore how earning income will fit into the overall structure of the organization, and it should secure the support of staff and other key constituents. The extensive investigation and analysis to explore the marketplace, develops a marketing strategy, operating plan, financial plan, and legal structure for each business contemplated should be undertaken. With the selection of the most promising venture and an organizational commitment secured once again, the nonprofit should develop its business plan and seek the capitalization required for start-up and ongoing operations.

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CHAPTER III

ANALYSIS OF GOVERNANCE PRACTICES

The practices related to the governance of selected nonprofit organizations are analyzed to understand the variations across the size, scale, age, major source of funding and the number of programs of the organizations.

3.1 Analysis across size of the organisation

Table 3.1.1 shows that, 70 percent of the organizations have a nominated CEO and 30 percent have an appointed CEO. Out of the organizations with 1 crore and above annual budget that can be called as large organizations 81.8 percent have CEO who is appointed as against 18.2 percent with nominated CEO. Among organization with a budget varying between 25 lacks and 1 crore referred to as medium size organizations only 16.7 percent have an appointed CEO as against 83.3 percent with nominated CEO. In case of organizations with less than 25 lacks budget referred as small organizations, it is observed that 6 percent have a CEO who is appointed and the remaining 94 percent have nominated CEO. In case of organizations that have a CEO who is nominated, 57 percent are with less than 25 lacks budget, 35.7 percent are with a budget of 25 lacks to 1 crore and a very small percentage i.e. 7 percent have a budget of above 1 crore.

Table 3.1.1: Organization size-wise variation in CEO appointment

Organization size	**CEO appointment**		Total
	Appointed	Nominated	
Large	9 (81.8)	2 (18.2)	11 (100.0)
Medium	2 (16.7)	10 (83.3)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.1.2: Governing body participation in planning

Organizational size	Governing body participation in planning		Total
	Intense	Nominal	
Large	10 (90.9)	1 (9.1)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	12 (100.0)
Small	2 (11.8)	15 (88.2)	17 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

When it comes to participation of general body members in planning an overwhelming 91 percentage of large organizations have general bodies or boards whose members' participation is rated as intense. In contrast 33.3 and 11.8 percent of medium and small organizations respectively have governing bodies/boards whose participation is rated as intense. Conversely 66.7 and 88.2 percent of medium and small organizations have governing bodies that are rated as nominal in respect of participation in planning.

Table 3.1.3: Governing body diversity across size

Organizational size	Governing body diversity			Total
	Broad	Reasonable	Narrow	
Large	10 (90.9)	1 (9.1)	0 (0.0)	11 (100.0)
Medium	2 (16.7)	8 (66.7)	2 (16.7)	12 (100.0)
Small	2 (11.8)	7 (41.2)	8 (47.1)	17 (100.0)
Total	14 (35.0)	16 (40.0)	10 (25.0)	40 (100.0)

In terms of diversity in composition of governing bodies, it transpires from table 3.1.3 that 91 percent of large organizations have governing bodies whose diversity is broad in terms of expertise. In respect of medium and small organizations the percentages are 16.7 and 11.8 respectively. It can also be seen that 66.7 percent of medium size and 41.2 percent of small organizations have governing bodies that are considered reasonable in terms of expertise and socio-economic and cultural background. Around 47 percent of small organizations have governing bodies that are narrow in terms of expertise and socio-economic and cultural background.

Inference

It could be inferred from the above analysis that as the size of the budget increases, the probability of having an appointed CEO increases. Organizations with small budgets generally have CEO who is nominated by the governing body or the board. It can also be inferred that majority of large organizations have governing bodies or boards that participate intensely in planning activities of the organization while majority of small organizations have governing bodies whose participation is nominal indicating relationship between organization size and level of participation of governing bodies in planning activities of organization.

Regarding diversity of governing bodies, the inference that could be drawn is that large organizations are more diverse in terms of expertise. Small organizations have little diversity and medium organizations strike the middle path with reasonable diversity in terms of expertise and also socio-economic and cultural diversity. This suggests a relationship between organizational size and degree of diversity in governing body with diversity increasing as the size of the organization increases.

Table 3.1.4: Influence of organization size on governing body size

Organization size	Board Size				Total
	Eleven and above	Nine	Seven	Less than seven	
Large	5 (45.5)	4 (36.4)	2 (18.2)	0 (0.0)	11 (100.0)
Medium	4 (33.3)	2 (16.7)	5 (41.7)	1 (8.3)	12 (100.0)
Small	0 (0.0)	6 (35.3)	11 (64.7)	0 (0.0)	17 (100.0)
Total	9 (22.5)	12 (30.0)	18 (45.0)	1 (2.5)	40 (100.0)

Table 3.1.4 depicts the influence of organization size on the size of governing body. It shows that small organizations account for 61.1 percent of the organizations with a governing body size of seven and large organizations account for only 11.1 percent of organizations with same size of the governing body. Among the organizations with a governing body size of 11 or more none is from the category of small organizations. 5 out of 9 (55.6 percent) and 4 out of 9 (44.4 percent) are from large and medium category respectively. Within the category of large

organizations only 18.2 percent have a governing body size of seven. In case of medium sized organizations around 50 percent have a governing body size of seven or less.

Inference

It can be inferred from the above analysis that there is more chance for a large organization to have a bigger governing body and less chance to have a small size governing body compared to small organizations, which has very less chance of having a bigger governing body and more chance of having a small governing body. Medium organization has only one- third chance to have governing body of bigger size of eleven or more and two-third chance of having governing body of a size of nine or less.

Table 3.1.5: Governing body structure and description of roles

Organizational size	Governing body structure and members' roles		Total
	Described	Not described	
Large	11 (100.0)	0 (0.0)	11 (100.0)
Medium	11 (91.7)	1 (8.3)	12 (100.0)
Small	17 (100.0)	0 (0.0)	17 (100.0)
Total	39 (97.5)	1 (2.5)	40 (100.0)

From table 3.1.5 it can be analyzed that irrespective of the size of the organization almost all the organizations have a written description of governing body structure and roles.

Table 3.1.6: Governing body's awareness of roles across size of the organizations

Organizational size	Board/Governing body's awareness of roles			Total
	Satisfactory	Good	Excellent	
Large	2 (18.2)	7 (63.6)	2 (18.2)	11(100.0)
Medium	7 (58.3)	5 (41.7)	0 (0.0)	12 (100.0)
Small	14 (82.4)	3 (17.6)	0 (0.0)	17 (100.0)
Total	23 (57.5)	15 (37.5)	2 (5.0)	40 (100.0)

Table 3.1.6 gives a summary of responses when it was sought to know the level of awareness of governing body members. In respect of large organizations 18.2 percent rated the level of awareness of their governing body members as satisfactory, 63.6 percent as good and 18.2 percent as excellent. Among small organizations the 82.4 percent have rated awareness level as satisfactory, 17.6 as good and none as excellent. Among medium size organizations 58.3 percent have rated awareness levels as satisfactory and 41.7 percent as good.

Inference

The above analysis leads to the inference that governing bodies of large organizations are likely to have high level of awareness followed by medium size organizations. Small size organizations are less likely to have governing bodies with high levels of awareness. This has to be noted with a caution that individual members of the governing bodies may vary in their levels of awareness within each category. This inference makes sense only when governing bodies' awareness is considered to be the aggregate of levels of awareness of individual members.

Table 3.1.7 Board/Governing body commitment

Organizational size	**Board/Governing body commitment**			Total
	Low	Moderate	High	
Large	0 (0.0)	3 (27.3)	8 (72.7)	11 (100.0)
Medium	2 (16.7)	5 (41.7)	5 (41.7)	12 (100.0)
Small	1 (5.9)	14 (82.4)	2 (11.8)	17 (100.0)
Total	3 (7.5)	22 (55.0)	15 (37.5)	40 (100.0)

Table 3.1.7 shows that majority of respondent organizations i.e. 55 percent claim that respective general bodies display moderate level of commitment to the mission, objectives and programs of the organization. 37.5 percent say that level of commitment is high and negligible percent say it is low. Out of the total of 15 organizations that reported high level of commitment 8 (53.3 percent) are large organizations, 5 (33.3 percent) are medium organizations and 2 (13.3 percent) are small organizations. Of the total of 22 organizations

that reported moderate level of commitment 14 (63.6 percent) are small organizations, 5 (22.7 percent) are medium organizations and a very small number of 3 (13.6 percent) are large organizations.

Inference

The inference that can be drawn from the above analysis is that the organizations which are large in size are more likely to have governing bodies with high level of commitment and small organizations are more likely to have governing bodies with moderate level of commitment. Medium organizations are mid way and have more or less equal chances of having governing bodies with moderate or high level of commitment. Hence, it may be said that organizational size influences over all commitment displayed by the governing body. This need not be the case in respect of commitment displayed by individual members.

Table 3.1.8: Variations in frequency of meetings across size

Organizational size	No. of board/Governing body meetings in a year				Total
	One	Two	Four	Six	
Large	2 (18.2)	5 (45.5)	4 (36.4)	0 (0.0)	11 (100.0)
Medium	1 (8.3)	2 (16.7)	8 (66.7)	1 (8.3)	12 (100.0)
Small	2 (11.8)	8 (47.1)	6 (35.3)	1 (5.9)	17 (100.0)
Total	5 (12.5)	15 (37.5)	18 (45.0)	2 (5.0)	40 (100.0)

Table 3.1.8 depicts the frequency of meetings of board or governing body meetings. It emerges from the data that in 45 percent of the organizations governing body meets once in a quarter, in 37.5 percent of the organizations they meet once in six months and in 12.5 percent of the organizations meetings takes place once in a year. In 66.7 percent of the medium organizations meetings are held quarterly. In 45.5 percent of large and 47.1 percent of small organizations meetings are held every six months.

Inference

It can be understood from the above analysis that governing bodies of medium organizations are more likely to meet quarterly. In comparison, both half yearly and quarterly meetings of the governing bodies are common in large and small organizations with little more inclination towards half yearly meetings.

Table 3.1.9: Members attendance at the meetings across size

Organizational size	Attendance at meetings		Total
	Above 80 percent	Meets quorum	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	10 (83.3)	2 (16.7)	12 (100.0)
Small	11 (64.7)	6 (35.3)	17 (100.0)
Total	29 (72.5)	11 (27.5)	40 (100.0)

Table 3.1.9 presents the general picture in respect of attendance of members at the board or governing body meetings in the organizations selected for study. Overall 72.5 percent of the organizations witness more than 80 percent attendance of members and 27.5 percent reported that the attendance is sufficient to meet the quorum. Comparatively more number of small organizations i.e. 6 out of 11 (54.5 percent) reported that attendance is sufficient to meet quorum as against large and medium organizations. Medium organizations with 83.3 percent of them recording more than 80 percent attendance at meetings are slightly ahead of large organizations that recorded similar attendance in 72.7 percent of large organizations.

Inference

There are no significant variations observed between organizations of different size in respect of attendance at governing body meetings except that nearly half of the organizations where mere quorum requirement is met are small.

Table 3.1.10: Variation in support extended to governing body members across size

Organization size	Extent of support to the board or governing body members			Total
	Complete	Partial	Marginal	
Large	6 (54.5)	5 (45.5)	0 (0.0)	11 (100.0)
Medium	1 (8.3)	8 (66.7)	3 (25.0)	12 (100.0)
Small	1 (5.9)	8 (47.1)	8 (47.1)	17 (100.0)
Total	8 (20.0)	21 (52.5)	11 (27.5)	40 (100.0)

Table 3.1.10 shown above can be analyzed to understand the functioning of governing body. When it is probed to know the extent of support extended by the staff to the governing body members, it is revealed that 52.5 percent of the organizations extend partial support. Around 27 percent get marginal support and 20 percent get complete support. It is evident from the table that in 54.5 percent of the large organizations complete support is extended to the members of the governing body by providing them with all the information required well in advance so as to have meaning full deliberations before finalizing decisions. In respect of small organizations such support is extended in a small percentage of organizations. While none of the large organizations had faced a situation where support is marginal from the staff, 47.1 percent of small organizations have faced such situations. It is also observed that in 66.7 percent of medium size organizations and 47.1 percent small organizations board or governing bodies enjoy partial support. Out of the 8 organizations that receive complete support 6 (75 percent) are large organizations.

Inference

In half of the organizations studied governing bodies get partial support and around a quarter of them get marginal support. In those cases where complete support is extended, governing bodies of large organizations have better chances of getting such support. In both medium and small organizations governing bodies stand little chance of getting complete support. In medium size organizations the boards or governing bodies have two-third chance of getting partial support and in small organizations it is 50 percent. The possibility of governing bodies getting marginal support is more in small organizations compared to medium organizations.

Table 3.1.11: Practice of constituting sub committees or expert groups across size

Organization size	Practice of constituting sub-committees or expert groups		Total
	Followed	Not followed	
Large	9 (81.8)	2 (18.2)	11 (100.0)
Medium	2 (16.7)	10 (83.3)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.1.11 above depicts that 12 organizations have constituted sub-committees or expert groups for closer examination of issues that require governing body's consideration. 28 organizations have not constituted such committees till date. It is notable that 9 (75 percent) out of 12 organizations that have sub-committees comprising of governing body members and experts are large organizations and 94 percent of organizations that do not have sub-committees are small organizations.

Inference

It indicates that it has become common for the large organizations' governing bodies to function through sub-committees. This phenomenon is however is not observed in medium and small organizations.

Table 3.1.12: Review of CEO Performance

Organization size	CEO performance		Total
	Not Reviewed	Reviewed	
Large	2 (18.2)	9 (81.8)	11 (100.0)
Medium	9 (75.0)	3 (25.0)	12 (100.0)
Small	17 (100.0)	0 (0.0)	17 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

It can be observed from the table 3.1.12 that governing body reviews the performance of CEO on the basis of meeting goals and objectives in 30 percent of the organizations studied.

Among those organizations where performance review is done, 75 percent are large organizations and 25 percent are medium organizations. Among large organizations, performance review is done in 81.8 percent organizations.

Inference

Even though performance review of CEO is done in less than one-third of the organizations studied, major chunk of them are large organizations implying that large organizations are keen on reviewing the performance of CEO based on meeting goals and objectives set for the organization. No such review takes place in small organizations.

Table 3.1.13: Effectiveness of board/governing body

Organizational size	**Board/Governing body effectiveness in performing expected functions**		Total
	High	Low	
Large	9 (81.8)	2 (18.2)	11 (100.0)
Medium	3 (25.0)	9 (75.0)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Table 3.1.13 above represents the variations across the size in respect of effectiveness of the board or governing body. It is evident from the table that in 67.5 percent of the organizations studied, the effectiveness of the board/governing body is rated as low and in 37.5 percent of the organizations the boards/governing bodies are rated high in their effectiveness. Among large organizations 81.8 percent have boards/governing bodies whose effectiveness is high and in sharp contrast 94.1 percent of the small organizations have boards/governing bodies whose effectiveness is low. Among medium size organizations only 25 percent are having boards/governing bodies that are highly effective.

Inference

It can be deduced from the above analysis that boards/governing bodies of large organizations are likely to be highly effective as against the boards /governing bodies of small or medium organizations that are likely to be low in effectiveness.

3.2 Analysis across scale of operations

Table 3.2.1: CEO appointment

Scale of operations	CEO appointment		Total
	Appointed	Nominated	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	12 (100.0)
Mandals	0 (0.0)	15 (100.0)	15 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.2.1 shows that, 80 percent of the organizations whose operations extend across the nations have a CEO who is appointed by the governing body / board and is paid employee. In contrast 100 percent of the organizations whose operations are confined to mandal level have CEO who is nominated from among the members of governing body/board. It is also observed that the percentage of organizations with appointed CEO increases with the increase in scale of operations with only exception of state level organizations which can be ignored.

Inference

Therefore it can be inferred that organizations that confine their operations to local level nominate CEO from among the members of the board. The possibility of appointing paid CEO increases with the increase in scale of operations.

Table 3.2.2: Governing body participation in planning

Scale of operations	**Governing body participation in planning**		Total
	Intense	Nominal	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	6 (50.0)	6 (50.0)	12 (100.0)
Mandals	1 (6.7)	14 (93.3)	15 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 3.2.2 shows that, the participation of governing body members in planning is intense in 80 percent of the organizations whose operations are at national level. At the same time it can also be seen that 93.3 percent of the organizations whose reach is not beyond a mandal or two mandals, the governing body participation is nominal. The percentage of organizations whose governing bodies intensely participate increased with the increase in scale of operations with the only exception of state level organizations.

Inference

It could therefore be concluded that scale of operations influence the level of participation of governing bodies in planning process. Organizations with large geographical presence are more prone to have governing bodies that participate intensely in planning activities of the organizations than organizations functioning in small geographical and local areas.

Table 3.2.3: Governing body diversity

Scale of operations	Governing body diversity			Total
	Broad	Reasonable	Narrow	
National	4 (80.0)	1 (20.0)	0 (0.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	0 (0.0)	4 (100.0)
District	4 (33.3)	5 (41.7)	3 (25.0)	12 (100.0)
Mandals	1 (6.7)	7 (46.7)	7 (46.7)	15 (100.0)
Total	14 (35.0)	16 (40.0)	10 (25.0)	40 (100.0)

Table 3.2.3 depicts that 80 percent of the organizations with operations spread across the nation have governing bodies that are broad in terms of diversity in expertise. As we move down to the mandal level, the percentage of organizations with boards/governing bodies whose diversity is broad decreases to 6.7 percent. It can also be observed that diversity is narrow in 46.7 percent and 25 percent of organizations whose operations are spread across few mandals and district respectively.

Inference

It can therefore be inferred that the scale of operations is one of the determining factor of governing body's diversity in terms of expertise.

Table 3.2.4: Governing body awareness of roles

Scale of operations	Governing body awareness of roles			Total
	Satisfactory	Good	Excellent	
National	1 (20.0)	3 (60.0)	1 (20.0)	5 (100.0)
State	1 (25.0)	3 (75.0)	0 (0.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	0 (0.0)	4 (100.0)
District	7 (58.4)	4 (33.3)	1 (8.3)	12 (100.0)
Mandals	13 (86.7)	2 (13.3)	0 (0.0)	15 (100.0)
Total	23 (57.5)	15 (37.5)	2 (5.0)	40 (100.0)

Table 3.2.4 shows that overall 57.5 percent, 37.5 percent and 5 percent of the organizations studied have governing bodies whose awareness level is satisfactory, good and excellent respectively. It can be noted that 86.7 percent and 58.4 percent of the organizations with operations confined to few mandals and a particular district respectively have governing bodies whose awareness level is satisfactory.

Inference

As we move up from mandal level to national level, the percentage of organizations with governing bodies whose awareness level is good increases indicating a likelihood of positive relationship between the scale of operations and awareness level of governing body.

Table 3.2.5: Governing body commitment

Scale of operations	Governing body commitment			Total
	Low	Moderate	High	
National	0 (0.0)	0 (0.0)	5 (100.0)	5 (100.0)
State	0 (0.0)	1 (25.0)	3 (75.0)	4 (100.0)
Region	0 (0.0)	2 (50.0)	2 (50.0)	4 (100.0)
District	2 (16.7)	6 (50.0)	4 (33.3)	12 (100.0)
Mandals	1 (6.7)	13 (86.7)	1 (6.7)	15 (100.0)
Total	3 (7.5)	22 (55.0)	15 (37.5)	40 (100.0)

Table 3.2.5 shows the level of commitment of governing body/board across scale of operations. It is evident from the table that 100 percent of the organizations with national presence have governing bodies/boards with high level of commitment. The percentage of organizations within each category with high level of commitment of governing body / board are 75 percent, 50 percent, 33.3 percent and 6.7 percent respectively for state level, regional level, district level and mandal level organizations. It implies that 86.7 percent of organizations with operations confined to few mandals have governing bodies / boards with moderate level of commitment.

Inference

It can therefore be inferred that state level and national level organizations are more likely to have governing bodies/boards with high level of commitment where as district and mandal level organizations are more likely to have governing bodies/boards with moderate level of commitment. There exists relationship between scale of operations and level of commitment of governing body/board.

Table 3.2.6: Board Effectiveness

Scale of operations	**View on board**		Total
	High	Low	
National	3 (60.0)	2 (40.0)	5 (100.0)
State	3 (75.0)	1 (25.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	4 (33.3)	8 (66.7)	12 (100.0)
Mandals	0 (0.0)	15 (100.0)	15 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

From the table 3.2.6, it can be observed that overall 32.5 percent of the organizations studied have governing bodies/boards rated as high in effectiveness. It can also be observed that none of the mandal level organizations and only 33.3 percent of district level organizations have governing bodies/board that are high in effectiveness. On the other hand regional, state and national level organizations have 75 percent, 75 percent and 60 percent organizations respectively with governing bodies/boards that are high in effectiveness.

Inference

It can therefore be inferred that mandal level organizations are very unlikely to have governing bodies/boards that are highly effective. National level, state level and regional level organizations are more likely to have governing bodies or boards that are highly effective.

Table 3.2.7: Meeting frequency in a year

Scale of operations	Meeting frequency in a year				Total
	One	Two	Four	Six	
National	0 (0.0)	2 (40.0)	3 (60.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	1 (25.0)	0 (0.0)	4 (100.0)
Region	1 (25.0)	2 (50.0)	1 (25.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	2 (16.7)	7 (58.3)	0 (0.0)	12 (100.0)
Mandals	0 (0.0)	7 (46.7)	6 (40.0)	2 (13.3)	15 (100.0)
Total	5 (12.5)	15 (37.5)	18 (45.0)	2 (5.0)	40 (100.0)

From the table 3.2.7 it is evident that overall 46.7 and 4 percent of the organizations respectively meet two and three times in a year whereas only 13.3 percent of them meet six times**.** This is seen from the table that 40 percent or more than 40 percent of the organizations working at various capacities meet twice a year in order to discuss about the issues and challenges. This is a deviation for the district level organizations. Moreover 60 percent of the national and 58.3 percent district level organizations respectively, are found to meet four times in a year.

Table 3.2.8: Attendance at meetings

Scale of operations	Attendance at meetings		Total
	Above 80 percent	Meets quorum	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	12 (100.0)	0 (0.0)	12 (100.0)
Mandals	8 (53.3)	7 (46.7)	15 (100.0)
Total	29 (72.5)	11 (27.5)	40 (100.0)

Table 3.2.8 shows that the organizations with "above 80 percent attendance" at meetings of governing body/board at national level, regional level and district level organizations are 80 percent, 75 percent and 100 percent respectively. It is only in case of mandal level and state

level organizations that attendance of 80 percent and above is witnessed in around 50 percent of the organizations.

Inference

Even though it is difficult to discern a pattern of relationship between scale of operations and attendance of members, it can be said that the attendance at the governing body meetings is just sufficient to meet the quorum in relatively high percentage of organizations in respect of mandal level organizations.

Table 3.2.9: Size of the board/governing body

Scale of operations	Size of the board/governing body				Total
	Eleven and above	Nine	Seven	Less than seven	
National	3 (60.0)	1 (20.0)	1 (20.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	0 (0.0)	3 (75.0)	0 (0.0)	4 (100.0)
Region	1 (25.0)	2 (50.0)	1 (25.0)	0 (0.0)	4 (100.0)
District	4 (33.3)	4 (33.3)	4 (33.3)	0 (0.0)	12 (100.0)
Mandals	0 (0.0)	5 (33.3)	9 (60.0)	1 (6.7)	15 (100.0)
Total	9 (22.5)	12 (30.0)	18 (45.0)	1 (2.5)	40 (100.0)

Table 3.2.9 indicates that 60 percent of the organizations with national level operations have eleven or more members on governing bodies/boards compared to organizations whose operations are limited to few mandals where 60 percent of them have seven members on the board. It can also be observed that 75 percent of state level organizations have governing bodies of a size of seven and 50 percent of regional level organizations have a governing body of size of nine.

Inference

It can be concluded that national level organizations are more likely to have bigger boards of size eleven and above and state and mandal level organizations are more likely to have boards of the size of seven. As regards regional level organizations they are more likely to have boards/ governing bodies of a size of nine. This indicates that the scale of operations influences the size of the board or governing body.

Table 3.2.10: Support to governing body members

Scale of operations	Support to governing body members			Total
	Complete	Partial	Marginal	
National	2 (40.0)	3 (60.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	1 (25.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	6 (50.0)	3 (25.0)	12 (100.0)
Mandals	1 (6.7)	7 (46.7)	7 (46.7)	15 (100.0)
Total	8 (20.0)	21 (52.5)	11 (27.5)	40 (100.0)

Table 3.2.10 depicts that overall partial support is extended to the governing body/board members by the staff in 52.5 percent of the organizations. There are no significant variations across the scale in respect of organizations that get partial support. It is however noticeable that among national level organizations in 40 percent of the organizations governing bodies/boards receives complete support as against 6.7 percent of mandal level organizations indicating that national level organizations are more likely than other level organizations to get complete support. It also indicates that mandal level organizations are least likely to get complete support and more equally likely to get partial support or marginal support from staff.

Table 3.2.11: Practice of constituting sub–committees

Scale of operations	Practice of constituting sub–committees		Total
	Followed	Not followed	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	12 (100.0)
Mandals	1 (6.7)	14 (93.3)	15 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.2.11 shows that 80 percent of the national level organizations constituted sub-committees to deliberate and decide on behalf of governing bodies or to aid governing bodies in taking decisions. The percentage of organizations gradually reduced to 6.7 as we move from national level to mandal level organizations. Alternately 93.3 percent of mandal level organizations have not constituted any sub-committees. The percentage of organizations decreased to 20 percent as we move from mandal level to national level organizations.

Inference

This indicates that scale of operations influence the decision to constitute sub-committees and the internal structure of governing body.

Table 3.2.12: Performance review of CEO

Scale of operations	**Performance review of CEO**		Total
	Not reviewed	Reviewed	
National	1 (20.0)	4 (80.0)	5 (100.0)
State	1 (25.0)	3 (75.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	9 (75.0)	3 (25.0)	12 (100.0)
Mandals	15 (100.0)	0 (0.0)	15 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

It transpires from the table 3.2.12, that performance review of CEO is undertaken in 80 percent of the national level organizations and 75 percent of state level organizations. The respective percentages are 50 and 25 for regional and district level organizations. None of the mandal level organizations review the performance of CEO.

Inference

It is evident from the data presented and analyzed above that national level organizations are most likely to review the performance of CEO and mandal level organizations are most unlikely to review the CEO's performance. The possibility of performance review of CEO increases with the increase in the scale of operations.

3.3 Analysis across age of the organisation

Table 3.3.1: CEO appointment

Age of the organization	CEO appointment		Total
	Appointed	Nominated	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	5 (23.8)	16 (76.2)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

There is no significant variation observed across the age of the organizations in terms of appointing or nominating CEO. Hence it can be concluded that the age of the organization has no bearing on the appointment of CEO (table 3.3.1).

Table 3.3.2: Governing body participation in planning

Age of the organization	Governing body participation in planning		Total
	Intense	Nominal	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	8 (38.1)	13 (61.9)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 3.3.2 shows that overall 40 percent of the organizations studied have governing bodies whose participation is intense. It also shows that among the organizations which are not more than 10 years old, 33.3 percent have boards/governing bodies that intensely participate in planning activities. Among organizations that are more than 10 years but less than 20 years old, intense participation is witnessed in 38.1 percent. This rises further to 50 percent in respect of organizations that are more than 20 years old indicating that older organizations are

more likely to have boards/governing bodies that tend to participate intensely in planning activities.

Table 3.3.3: Governing body diversity

Age of the organization	Governing body diversity			Total
	Broad	Reasonable	Narrow	
10 year or less	3 (33.3)	3 (33.3)	3 (33.3)	9 (100.0)
10 above & below 20	6 (28.6)	10 (47.6)	5 (23.8)	21 (100.0)
Above 20	5 (50.0)	3 (30.0)	2 (20.0)	10 (100.0)
Total	14 (35.0)	16 (40.0)	10 (25.0)	40 (100.0)

It is observed from the table 3.3.3 that 66.6 percent, 76.2 percent and 80 percent of organizations respectively in the age group of less than 10 years, 10 to 20 years and above 20 years have governing bodies/boards that are broad or reasonable. Even though variation is small it never the less indicates that as the organizations grow in age they tend to broaden the diversity of their governing bodies.

Table 3.3.4: Governing body awareness

Age of the organization	Governing body awareness			Total
	Satisfactory	Good	Excellent	
10 year or less	6 (66.7)	3 (33.3)	0 (0.0)	9 (100.0)
10 above & below 20	13 (61.9)	7 (33.3)	1 (4.8)	21 (100.0)
Above 20	4 (40.0)	5 (50.0)	1 (10.0)	10 (100.0)
Total	23 (57.5)	15 (37.5)	2 (5.0)	40 (100.0)

The percentage of organizations within the category of above 20 years of age that have awareness levels good or excellent is as high as (60percent) compared to less than 10 years group and 10 to 20 years group where 33.3 percent and 38.1 percent organizations in respective groups have similar awareness levels (table 3.3.4).

Inference

It indicates that organizations older in age tend to be slightly ahead of the organizations in terms of governing body awareness.

Table 3.3.5: Board effectiveness

Age of the organization	**View on board**		Total
	High	Low	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	5 (23.8)	16 (76.2)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

It is viewed from the above table 3.3.5, that among the organizations in the age group of less than 10 years 66.7 percent have boards whose effectiveness is low. Among those in the age of 10 to 20 years, 76.2 percent of the organizations have boards/governing bodies whose effectiveness is low. As against this, 50 percent of the organizations in the age group of 20 and above have governing bodies whose effectiveness is high.

Inference

It can be inferred that the organizations established in 90's tend to have boards that are more likely to be low in their effectiveness compared to those that are established either in 80's or during the first decade of the new millennium. Rather than age, contextual factors may possibly explain this variation.

Table 3.3.6: Attendance at meetings

Age of the organization	**Attendance at meetings**		Total
	Above 80 percent	Meets quorum	
10 year or less	5 (55.6)	4 (44.4)	9 (100.0)
10 above & below 20	15 (71.4)	6 (28.6)	21 (100.0)
Above 20	9 (90.0)	1 (10.0)	10 (100.0)
Total	29 (72.5)	11 (27.5)	40 (100.0)

Table 3.3.6 shows that an overwhelming 90 percent of the organizations in the age group of 20 years and above recorded more than 80 percent attendance of the members. It also shows that as the age of the organization decreases the percentage of organizations with attendance just sufficient to meet quorum increases.

Inference

It can be inferred that older organizations are more likely to have governing body or board meetings with more members present compared to other organizations.

Table 3.3.7: Board size

Age of the organization	Board Size				Total
	Eleven and above	Nine	Seven	Less than seven	
10 year or less	0 (0.0)	5 (55.6)	4 (44.4)	0 (0.0)	9 (100.0)
10 above & below 20	6 (28.6)	3 (14.3)	12 (57.1)	0 (0.0)	21 (100.0)
Above 20	3 (30.0)	4 (40.0)	2 (20.0)	1 (10.0)	10 (100.0)
Total	9 (22.5)	12 (30.0)	18 (45.0)	1 (2.5)	40 (100.0)

It is portrayed in the table 3.3.7 that the board size of the organizations varied across the age. In respect of organizations whose age is less than 10 years sizes of 9 and 7 are commonly observed. None of them has a board with 11 or more members. Among organizations in the age group of 10 to 20 years 57.1 percent have board/governing bodies of a size of 7 exhibiting higher prosperity to small board compared to organizations in the age group of 20 and above where 30 percent of them have boards/governing bodies of a size of 11 and above.

Table 3.3.8: Support to governing body members

Age of the organization	Support to governing body members			Total
	Complete	Partial	Marginal	
10 year or less	1 (11.1)	4 (44.4)	4 (44.4)	9 (100.0)
10 above & below 20	4 (19.0)	11 (52.4)	6 (28.6)	21 (100.0)
Above 20	3 (30.0)	6 (60.0)	1 (10.0)	10 (100.0)
Total	8 (20.0)	21 (52.5)	11 (27.5)	40 (100.0)

Table 3.3.8 depicts that 30 percent of the organizations in the age group of 20 and above get complete support. It also shows that the percentage of organizations in the respective groups that receive complete support and partial support increased from 11.1 percent to 30 percent and 44.4 percent to 60 percent respectively indicating that the possibility of getting complete support or partial support increases with age of the organization.

Table 3.3.9: Practice of constituting sub–committees

Age of the organization	Practice of constituting sub–committees		Total
	Followed	Not followed	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	5 (23.8)	16 (76.2)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

From the table 3.3.9 it is clearly seen that overall in 70 percent of the organizations irrespective of their ages, the practice of forming sub-committees is not followed and in rest of the organizations it is followed. Above 20 years of operational experience category 40 percent of the organizations follow this practice of constituting sub-committees. The organizations with more than 10 and less than 20 years of operation have got the highest figure of 76.2 percent in not following the practice. This is also a no deviation in 66.7 and 60 percent of the organizations respectively, with “10 years or less” and above 20 years of operational experience.

Table 3.3.10: Performance review of CEO

Age of the organization	Performance review of CEO		Total
	Not reviewed	Reviewed	
10 year or less	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	16 (76.2)	5 (23.8)	21 (100.0)
Above 20	6 (60.0)	4 (40.0)	10 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

Data presented in table 3.3.10 shows that overall performance review of CEO is done in 30 percent of the organizations and is not done in 70 percent of the organizations with varying years of operation. In the category "10 years or less" the CEO performance review is done merely in 33.3 percent cases and "above 20 years" category it is done in 40 percent cases.

Inference

This indicates that the possibility of review of CEO performance in organizations possibly does not have any relation with the age of the organization.

3.4 Analysis across major sources of funding

Table 3.4.1: CEO Appointment

Major source of funding	CEO Appointment		Total
	Appointed	Nominated	
International	10 (58.8)	7 (41.2)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	14 (93.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.4.1 shows that 93.3 percent of organizations that receive international funds through intermediary or affiliate organizations have a CEO who is nominated by the governing body

as against 41.2 percent of the organizations that receive international funds directly. Nearly 60 percent of organizations receiving international funds have a CEO who is appointed. This indicates that source of funding has some influence on mode of appointment of CEO.

Table 3.4.2: Governing body participation

Major source of funding	Governing body participation		Total
	Intense	Nominal	
International	11 (64.7)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organizations	4 (26.7)	11 (73.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 3.4.2 above shows that 64.7 percent of organizations that receive international funds directly the participation of governing body members are intense. In contrast 73.3 percent of the organizations that are receiving international funds indirectly the participation of governing body members is nominal and indicates that governing body members' participation has some relationship with the major source of funding.

Inference

In case of organizations receiving government funds it can be seen that the participation of governing body members is nominal in all the organizations.

Table 3.4.3: Governing body diversity

Major source of funding	Governing body diversity			Total
	Broad	Reasonable	Narrow	
International	11(64.7)	5 (29.4)	1 (5.9)	17 (100.0)
International through intermediary or affiliate organizations	2 (13.3)	6 (40.0)	7 (46.7)	15 (100.0)
Government	0 (0.0)	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	14 (35.0)	16 (40.0)	10 (25.0)	40 (100.0)

It can be observed from the table 3.4.3 above that the governing body diversity is broad in around 64.7 percent of the organizations receiving international funds directly followed by it are the organizations whose major support is from corporate sources. In case of organizations that receive major funding from government and international funding through intermediary organizations the diversity is either reasonable or narrow. Therefore, it can be concluded that organizations receiving international funds directly are more likely to have governing bodies that are broad in terms of expertise.

Table 3.4.4: Structure, description and awareness of roles

Major source of funding	Governing body's awareness of roles			Total
	Satisfactory	Good	Excellent	
International	6 (35.3)	9 (52.9)	2 (11.8)	17 (100.0)
International through intermediary or affiliated organizations	13 (86.7)	2 (13.3)	0 (0.0)	15(100.0)
Government	3 (50.0)	3 (50.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	23 (57.5)	15 (37.5)	2 (5.0)	40 (100.0)

Table 3.4.4 shows that in only 35.3 percent of the organizations receiving international funds directly, the awareness level of governing body is satisfactory compared to organization that receive international funds indirectly where in 86.7 percent of the organizations the awareness level of governing body is satisfactory. Organizations receiving major support from government sources and corporate sources are ahead of organizations receiving international funds indirectly with 50 percent of them have governing bodies/boards with good awareness of roles and responsibilities. The above analysis suggests that major source of funding influences the level of awareness of governing body.

Inference

It is observed that irrespective of major sources of funds, all the organizations have written description of roles. But some differences noticed in terms of the governing body's general awareness of roles.

Table 3.4.5: Governing body commitment

Major source of funding	Governing body commitment			Total
	Low	Moderate	High	
International	0 (0.0)	7 (41.2)	10 (58.8)	17 (100.0)
International through intermediary or affiliated organizations	3 (20.0)	11 (73.3)	1 (6.7)	15 (100.0)
Government	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	0 (0.0)	1 (50.0)	1 (50.0)	2 (100.0)
Total	3 (7.5)	22 (55.0)	15 (37.5)	40 (100.0)

Table 3.4.5 shows that 58.8 percent of the organizations receiving international funds directly and 50 percent of organizations whose major source of funding is either government or corporate have governing bodies that are rated high in the level of commitment. As against this is 93.3 percent of the organizations receiving bulk of their funds through intermediary organizations have governing bodies that are rated as moderate or low indicating that sources of funds do have some influence on the level of commitment of governing bodies at least in respect of organizations receiving funds indirectly.

Table 3.4.6: Meeting frequency

Major source of funding	Meeting frequency				Total
	One	Two	Four	Six	
International	3 (17.6)	7 (41.2)	7 (41.2)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organizations	1(6.7)	4 (26.7)	9 (60.0)	1 (6.7)	15 (100.0)
Government	0 (0.0)	4 (66.7)	2 (33.3)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	5 (12.5)	15 (37.5)	18 (45.0)	2 (5.0)	40 (100.0)

It is observed from table 3.4.6 that the governing bodies meet once in a quarter in 60 percent of organizations receiving funds indirectly. Among organizations receiving major support from government half yearly meetings are conducted in 66.7 percent of the organizations.

Inference

It suggests that quarterly meetings are common in organizations receiving funds indirectly. Half yearly meetings are more common in organizations that rely heavily on government support. Half yearly and quarterly governing body meetings are equally likely in organizations receiving international funds directly.

Table 3.4.7: Meeting attendance

Major source of funding	**Meeting attendance**		Total
	Above 80 percent	Meets the quorum	
International	14 (82.4)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organizations	10 (66.7)	5 (33.3)	15 (100.0)
Government	5 (83.3)	1 (16.7)	6 (100.0)
Corporate	0 (0.0)	2 (100.0)	2 (100.0)
Total	29 (72.5)	11 (27.5)	40 (100.0)

From table 3.4.7 it is seen that attendance at meetings of governing body is more or less similar in all the organizations except that organizations with corporate funding have witnessed attendance just required to meet the quorum compared to others where the attendance is more than 80 percent in nearly 80 percent of the organizations.

Table 3.4.8: Size of the governing body or board

Major source of funding	**Board size**				Total
	Eleven and above	Nine	Seven	Less than seven	
International	7 (41.2)	4 (23.5)	6 (35.3)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organizations	2 (13.3)	2 (13.3)	11 (73.3)	0 (0.00)	15 (100.0)
Government	0 (0.0)	5 (83.3)	1 (16.7)	0 (0.0)	6 (100.0)
Corporate	0 (0.0)	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	9 (22.5)	12 (30.0)	18 (45.0)	1 (2.5)	40 (100.0)

Table 3.4.8 shows that 41.2 percent of the organizations receiving funds from international NGO's directly have governing bodies of size 11 or more and 23.5 percent have governing bodies of a size of 9. Nearly one-third of them have governing bodies with 7 members. In contrast 83.3 percent of the organizations whose major support is from government sources have 9 members of their governing bodies and 73.3 percent of organizations receiving international funds indirectly have 7 members of their boards.

Inference

It can be inferred from above that organizations with direct international funding sources are more likely to have bigger size governing bodies and organizations with indirect sources of international funds are more likely to have smaller boards. Organizations whose major source of funding is from government agencies are more likely to have governing bodies of medium size.

Table 3.4.9: Support extended

Major source of funding	**Support extended**			Total
	Complete	Partial	Marginal	
International	6 (35.3)	9 (52.9)	2 (11.8)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	8 (53.3)	6 (40.0)	15 (100.0)
Government	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	8 (20.0)	21 (52.5)	11 (27.5)	40 (100.0)

Table 3.4.9 above suggests that complete support is extended to governing body members by the CEO and staff in 35.3 percent and 50 percent of the organizations respectively from the category of organizations receiving international funds directly and from corporate sources. It is also seen that 52.5 percent of the organizations who receive their funding from various sources extend their support partially to the governing body members. In case of organizations that depend mostly on government sources and indirect international sources,

40 percent and 50 percent of the organizations respectively extend only marginal support to its governing body members.

Inference

It can be therefore inferred that support extended to the governing body members depends on the sources of funds they are attached with.

Table 3.4.10: Sub-committees

Major source of funding	Sub-committees		Total
	Followed	Not followed	
International	10 (58.8)	7 (41.2)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	14 (93.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It is observed from the above table 3.4.10 that, in nearly half of the organizations with direct international funding support and corporate support sub-committees have been formed but such sub-committees seen in organization receiving international funds indirectly or from governmental sources.

Table 3.4.11: Performance review

Major source of funding	Performance review		Total
	Not reviewed	Reviewed	
International	6 (35.3)	11 (64.7)	17 (100.0)
International through intermediary or affiliate organizations	15 (100.0)	0 (0.0)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

Review of performance of CEO is done by the governing body on the basis of achievement of goals and objectives. It is seen from the table 3.4.11 that, 64.7 percent and 50 percent of the organizations receiving international funds directly and corporate funds respectively review their performance. In contrast to this none of the organizations receiving funds from government sources or indirect sources review the performance of the CEO suggesting that sources of funds matter when it comes to evaluation of CEO performance.

Table 3.4.12: Board effectiveness

Major source of funding	**Board effectiveness**		Total
	High	Low	
International	11 (64.7)	6 (35.3)	17 (100.0)
International through intermediary or affiliate organizations	1 (6.7)	14 (93.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Table 3.4.12 above shows that, board or governing body effectiveness is high in 64.7 percent the organizations that are dependent on international funds directly received and 50 percent of the organizations dependent on corporate funds. When this is contrasted with organizations that receive funds indirectly from international sources or government sources, it can be observed that 93.3 percent and 100 percent of them respectively show low level of effectiveness.

Inference

Therefore it can be concluded that sources of funds also contribute to effectiveness of organizations.

3.5 Analysis across number of programmes

Table 3.5.1: CEO appointment

Number of programmes	CEO appointment		Total
	Appointed	Nominated	
4 & less than 4	6 (22.2)	21 (77.8)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It is observed from table 3.5.1 that the possibility of CEO being nominated is high in respect of organizations with four or less than four programmes compared to organizations with more than four programmes, where there are more or less equal chances of CEO being appointed or nominated.

Table 3.5.2: Participation of Governing body in planning

Number of programmes	Participation of Governing body in planning		Total
	Intense	Nominal	
4 & less than 4	8 (29.6)	19 (70.4)	27 (100.0)
More than 4	8 (61.5)	5 (38.5)	13 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Governing body participation in planning is more likely to be nominal in organizations with four or less than four programmes and more likely to be intense in organizations with more than four programmes as evident from the fact that 70.4 percent organizations with four or less than four programmes experience nominal participation of governing body in planning activities compared to 61.5 percent of the organization with more than four programmes that experience intense participation of board or governing body (table 3.5.2).

Table 3.5.3: Governing body diversity

Number of programmes	Governing body diversity			Total
	Broad	Reasonable	Narrow	
4 & less than 4	7 (25.9)	14 (51.9)	6 (22.2)	27 (100.0)
More than 4	7 (53.8)	2 (15.4)	4 (30.8)	13 (100.0)
Total	14 (35.0)	16 (40.0)	10 (25.0)	40 (100.0)

It can be inferred from the table 3.5.3 that the diversity of board or governing body is broad in 53.8 percent of organizations with more than four programmes and it is reasonable in case of organizations with four or less than four programmes. This suggests that the diversity of governing body varies with the number of programmes being run by the organization.

Table 3.5.4: Governing body awareness

Number of programmes	Governing body awareness			Total
	Satisfactory	Good	Excellent	
4 & less than 4	18 (66.7)	9 (33.3)	0 (0.0)	27 (100.0)
More than 4	5 (38.5)	6 (46.2)	2 (15.4)	13 (100.0)
Total	23 (57.5)	15 (37.5)	2 (5.0)	40 (100.0)

From table 3.5.4, it is seen that there is an apparent relationship between the number of programmes and level of awareness of governing body. While 66.7 percent of the organizations with four or less than four programmes have governing bodies with satisfactory level of awareness, only 38.5 percent of the organizations with more than four programmes have satisfactory level of awareness. In nearly 60 percent of the organizations with four or more than four programmes, the governing body's awareness level is either good or excellent.

Table 3.5.5: Governing body commitment

Number of programmes	Governing body commitment			Total
	Low	Moderate	High	
4 & less than 4	3 (11.1)	16 (59.3)	8 (29.6)	27 (100.0)
More than 4	0 (0.0)	6 (46.2)	7 (53.8)	13 (100.0)
Total	3 (7.5)	22 (55.0)	15 (37.5)	40 (100.0)

From the above table 3.5.5, it is indicated that, the commitment of governing body is moderate in 59.3 percent of the organizations with four or less than four or less than four programmes. At the same time 53.8 percent of organizations with more than four programmes have governing bodies with high level of commitment. This says the tendency of organizations with less number of programmes to have governing bodies with high level of commitment.

Table 3.5.6: Effectiveness of board/governing body

Number of programmes	Effectiveness of board/governing body		Total
	High	Low	
4 & less than 4	7 (25.9)	20 (74.1)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Governing body effectiveness is low in 74 percent of the organizations with four or less than four programmes compared to 53.8 percent of the organizations with more than four programmes. This shows that organizations with less number of programmes have nearly three-fourth possibility of having governing bodies which are low in effectiveness where as it is one-half for the organization with more number of programmes (table 3.5.6).

Table 3.5.7: Governing body meetings

Number of programmes	Members attendance		Total
	Above 80 percent	Meets the quorum	
4 & less than 4	16 (59.3)	11 (40.7)	27 (100.0)
More than 4	13 (100.0)	0 (0.0)	13 (100.0)
Total	29 (72.5)	11 (27.5)	40 (100.0)

It is mentioned in the table 3.5.7 that the attendance at the meeting of governing bodies of organizations with more than four programmes is 80 percent or above in respect of all organizations. Only about 60 percent of the organizations with four or less programmes displayed more than 80 percent of the attendance of members at the meetings. This suggests that attendance tends to be high in respect of organization with more number of programmes compared to organizations with less number of programmes.

Table 3.5.8: Board size

Number of programmes	Board size				Total
	Eleven and above	Nine	Seven	Less than seven	
4 & less than 4	5 (18.5)	5 (18.5)	16 (59.3)	1 (3.7)	27 (100.0)
More than 4	4 (30.8)	7 (53.8)	2 (15.4)	0 (0.0)	13 (100.0)
Total	9 (22.5)	12 (30.0)	18 (45.0)	1 (2.5)	40 (100.0)

It is evident from table 3.5.8 that, 59.3 percent of organizations with four or less programmes have a board/governing body size of seven. In contrast 84.6 percent of the organizations with more than four programmes have governing bodies where size is either nine or more.

Inference

This is inferred that organizations with number of programmes tend to have boards or governing bodies which are big in size relative to organization with less number of programmes.

Table 3.5.9: Support extended

Number of programmes	Support extended			Total
	Complete	Partial	Marginal	
4 & less than 4	5 (18.6)	13 (48.1)	9 (33.3)	27 (100.0)
More than 4	3 (23.1)	8 (61.5)	2 (15.4)	13 (100.0)
Total	8 (20.0)	21 (52.5)	11 (27.5)	40 (100.0)

It is seen from the table 3.5.9 above that there is no significant variation found in extending complete support to the governing body by the organizations irrespective of the number of programmes run. But when it comes to the partial support it is viewed that organizations extend their support to the governing bodies where more than 4 programmes are being carried out.

Table 3.5.10: Practice of constituting sub-committees

Number of programmes	Practice of constituting sub-committees		Total
	Followed	Not followed	
4 & less than 4	6 (22.2)	21 (77.8)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 3.5.10 portrays about the practice of constituting sub-committees in the organizations. It is seen that on an average in 50 percent of the organizations sub-committees are constituted irrespective of their programmes run as described in the table. Whereas in 22.2 percent of the organizations it is followed, it is not followed in case of the rest of the organizations with four and less than four number of programmes being undertaken. For more than four number of programmes' conducting organizations, it is seen that 46.2 percent of them follow this practice.

Table 3.5.11: Performance review of CEO

Number of programmes	Performance review of CEO		Total
	Not reviewed	Reviewed	
4 & less than 4	21 (77.8)	6 (22.2)	27 (100.0)
More than 4	7 (53.8)	6 (46.2)	13 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

From the above table 3.5.11, in nearly 80 percent of the organizations with four or less than four programmes review of performance of CEO by the board is not done as against 53.8 percent of organizations with more than four programme performance where review is not carried out.

Inference

It can be inferred that organizations with more number of programmes are more likely to review the performance of CEO compared to organizations with less number of programmes.

3.6 Conclusions

3.6.1 Variations of governance practices observed across the size of the organization

The analyses and inferences drawn from each of the tables presented above can be summarized and explained as below. Over all in only 30 percent of the organizations chief executive officer is a paid employee and in rest of the organizations the Secretary or the President of the board or governing body is nominated as chief executive officer and is responsible for the day to day functioning of the organization. The most common reason stated is financial constraint. It has been stated by respondents of small organizations that programme funding agencies allocate very meagre amounts for administrative expenses and it is impossible to appoint and pay for the CEO. It is observed that almost every small organization is being headed by Secretary or President of the governing body who is instrumental in setting up the organization. Though their contribution is considered as voluntary in theory, in practice it is pursued as if it is full time remunerative work. This partly explains the reason behind small organizations having nominated CEO. It is apparent from the responses to the queries raised during the course of interviewing that ‘self- employment’ is one of the reasons behind some respondents’ particularly heading small organizations, decision to set up non-profit organization. They have expressed a sense of satisfaction that is derived from providing employment to few people by setting up an organization. This may not undermine altruistic motive but suggests possibility of existence of other motives.

The reasons behind nominal participation of the governing bodies in medium and small organizations relative to the large organizations are related to the manner in which the governing body and CEO relations are structured. Theoretically speaking, CEO is accountable to governing body for implementing the decisions taken or approved by it. In organizations with appointed CEO the relationship between CEO and governing body is structured in such a manner that both plays their respective roles and maintains accountability. In small organizations where the CEO is nominated by the governing body the role distinction is conspicuous by its absence and the governing body is reduced to a ‘rubber stamp’ that uncritically endorses decisions taken by the CEO and passes them off as its decisions. Often the governing body members are handpicked by CEO for meeting the statutory requirements and governing body members feel that they are rendering service by being part of the governing body. They generally do not reckon that their roles and responsibilities go far beyond occasional signing of documents and attending meetings.

Small organizations tend to be less diverse in respect of governing body composition. The reason is their inherent limitation to find people who would volunteer to contribute in terms of bringing expertise. The problem is compounded by the fact that such experts should fit the bill of CEO.

Another is geographical limitation. Since small organizations confine their operations to small towns and few mandals, their reach is limited and often confined to few employees, health workers and social activists. However it is observed that small organizations maintain reasonable level of diversity in terms of gender, social-economic and cultural diversity since they knew that programme funding agencies look for diversity. Very few have asserted that diversity in composition of governing body matters when it comes to decision making. Such limitations are not generally experienced by large organizations. Moreover the reputation, visibility and connections enjoyed by large organizations enable them to recruit governing body members without much difficulty. This is further substantiated by the fact that nearly 80 percent of the large organizations have boards/governing bodies with 9 or more members.

The structure and roles of the board/governing body is described in almost all the organizations. But such description is necessitated by the statutory requirements. The laws under which the organizations were registered prescribe that the bye-laws, aims and objectives and the governing body details along with the roles and responsibilities of governing body members are to be filed along with the application for registration and registration is contingent on fulfilling the prescribed conditions. In nearly 60 percent of the organizations the level of awareness of the governing body of the roles is found to be satisfactory rather than good or excellent. It testifies that such description has little bearing on the actual functioning of the board. This is more pronounced in case of small organizations where the members consider their role as symbolic.

As regards the commitment of the board/governing body to the mission and goals of the organization, it is moderate in majority of the organizations. However large organizations are found to be exceptions to this general phenomenon with two-thirds of the organizations having boards/governing bodies that displayed high level of commitment. The plausible explanation to this lies in the fact that board/governing body members of large organizations are either professionals or persons with long years of experience in the non-profit sector and most of them are attracted to the board/governing body by the reputation and demonstrated good work of the organizations rather than to oblige someone close to them. They do feel a sense of pride in their association and are motivated to contribute their best for the organizations' mission and goals.

Frequency of board/governing body meetings and attendance at board/governing body meetings apparently are similar but a close examination reveals that in more than 50 percent of the small organizations few members turning up for the meetings indicating a low level of involvement in discharging the responsibilities as members of board/governing body. Given the fact that the board/governing body has to invariably rely on the chief executive officer (CEO) and the staff for their informational needs, the functioning of the board/governing body is influenced by the support extended to it by the board and staff. It is observed that the much support is available to the boards/governing bodies of the large organizations and to some extent to medium organizations. The extent of reliance the CEO places on the board/governing body for guiding the organization through policy making and the willingness of the CEO to leverage from the expertise of the board influences the kind of support that is extended to the board/governing body. Lack of faith on the boards/governing bodies' ability to play the stewardship role naturally deters the CEO and staff to facilitate flow of information to the board/governing body. The power wielded by the board/governing body also determines the extent of support. The power and authority that is practically exercised is shaped by the separation of roles and responsibilities in practice rather than in theory. This understanding explains to a great extent, the logic behind CEO and staff of large organizations extending support to the governing body and lack of such support to the small organizations. The same logic underlies the board/governing body reviewing the performance of CEO on the basis of his or her attainment of goals in large organizations and complete lack of such review in small organizations.

3.6.2 Variations of governance practices observed across the scale of operations

The percentage of organizations with appointed CEO increases with the increase in scale of operations with only exception of state level organizations which can be ignored. Organizations that confine their operations to local level nominate CEO from among the members of the board. The possibility of appointing paid CEO increases with the increase in scale of operations. The percentage of organizations whose governing bodies intensely participate increased with the increase in scale of operations with the only exception of state level organizations. Scale of operations influence the level of participation of governing bodies in planning process. Organizations with large geographical presence are more prone to have governing bodies that participate intensely in planning activities of the organizations than organizations functioning in small geographical and local areas. The scale of operations is one of the determining factor of governing body's diversity in terms of expertise. Organizations with governing bodies whose awareness level is good increases indicating a likelihood of positive relationship between the scale of operations and awareness level of governing body.

State level and national level organizations are more likely to have governing bodies/boards with high level of commitment where as district and mandal level organizations are more likely to have governing bodies/boards with moderate level of commitment. There exists relationship between scale of operations and level of commitment of governing body/board. National level organizations are more likely to have bigger boards of size eleven and above and state and mandal level organizations are more likely to have boards of the size of seven. As regards regional level organizations they are more likely to have boards / governing bodies of a size of nine. This indicates that the scale of operations influences the size of the board or governing body.

The attendance at the governing body meetings is just sufficient to meet the quorum in relatively high percentage of organizations in respect of mandal level organizations. National level organizations are more likely than other level organizations to get complete support. It also indicates that mandal level organizations are least likely to get complete support and more equally likely to get partial support or marginal support from staff. Scale of operations influence the decision to constitute sub-committees and thus internal structure of governing body. The possibility of performance review of CEO increases with the increase in the scale of operations.

Mandal level organizations are very unlikely to have governing bodies/boards that are highly effective. National level, state level and regional level organizations are more likely to have governing bodies or boards that are highly effective.

3.6.3 Variations of governance practices observed across the age of the organization

There is no significant variation observed across the age of the organizations in terms of appointing or nominating CEO. Hence it can be concluded that the age of the organization has no bearing on the appointment of CEO. Organizations that are more than 20 years old indicating that older organizations are more likely to have boards/governing bodies that tend to participate intensely in planning activities. Even though variation is small it never the less indicates that as the organizations grow in age they tend to broaden the diversity of their governing bodies. Organizations older in age tend to be slightly ahead of the organizations in terms of governing body awareness. Board size of the organizations varied across the age. Older organizations are more likely to have governing body or board meetings with more members present compared to other organizations. The possibility of getting complete support or partial support increases with age. The organizations established in 90's tend to have boards that are more likely to be low in their effectiveness compared to those that are established either in 80's or during the first decade of the new millennium. Rather than age, contextual factors may possibly explain this variation. The possibility of review of CEO performance in organizations with more number of programs is nearly double that of the organizations with less number of programs.

3.6.4 Variations of governance practices observed across the major sources of funding:

Source of funding has some influence on mode of appointment of CEO. In the organizations that are receiving international funds indirectly the participation of governing body members is nominal and indicates that governing body members' participation has some relationship with the major source of funding. In case of organizations receiving government funds it is observed that the participation of governing body members is nominal in all the organizations. Organizations receiving international funds directly are more likely to have governing bodies that are broad in terms of expertise. Organizations with direct international funding sources are more likely to have bigger size governing bodies and organizations with indirect sources of international funds are more likely to have smaller boards. Organizations whose major source of funding is from government agencies are more likely to have governing bodies of medium size. Irrespective of major sources of funds all the organizations have written description of roles. But some differences noticed in terms of the governing body's general awareness of roles. Major source of funding influences the level of awareness of governing body.

Organizations receiving bulk of their funds through intermediary organizations have governing bodies that are rated as moderate or low indicating that sources of funds do have some influence on the level of commitment of governing bodies at least in respect of organizations receiving funds indirectly. Governing bodies meet once in a quarter in 60 percent of organizations receiving funds indirectly. Among organizations receiving major support from government, half yearly meetings are conducted in 66.7 percent of the organizations. It suggests that quarterly meetings are common in organizations receiving funds indirectly, half yearly meetings are more common in organizations that rely heavily on government support. Half yearly and quarterly governing body meetings are equally likely in organizations receiving international funds directly.

Attendance at meetings of governing body is more or less similar in all the organizations except that organizations with corporate funding have witnessed attendance just required to meet the quorum compared to others where the attendance is more than 80 percent in nearly 80 percent of the organizations. Support extended to the governing body members depends on the sources of funds. Nearly half of the organizations with direct international funding support and corporate support subcommittees have been formed but such sub committees seen in organizations receiving international funds indirectly or from governmental sources. Sources of funds matter when it comes to evaluation of CEO performance. Therefore it can be concluded that sources of funds also contribute to effectiveness of organizations.

3.6.5 Variations of governance practices observed across the number of programs

The possibility of CEO being nominated is high in respect of organizations with 4 or less than 4 programs compared to organizations with more than 4 programs where there are more or less equal chances of CEO being appointed or nominated. Governing body participation in planning is more likely to be nominal in organizations with 4 or less than 4 programs and more likely to be intense in organizations with more than 4 programs.

The diversity of governing body varies with the number of programs being run by the organization. There is an apparent relationship between the number of programs and level of awareness of governing body. The tendency of organizations with less number of programs, have governing bodies with high level of commitment. Organizations with more number of programs tend to have boards or governing bodies which are big in size relative to organizations with less number of programs. Attendance tends to be high in respect of organizations with more number of programs compared to organizations with less number of programs. Organizations with more number of programs are more likely to review the performance of CEO compared to organizations with less number of programs. Organizations with less number of programs have nearly three-fourth possibility of having governing bodies which are low in effectiveness where as it is one-half for the organization with more number of programs.

CHAPTER IV

ANALYSIS OF STRATEGIC MANAGEMENT PRACTICES

The practices related to the strategic management are analyzed across the size, scale, age, major source of funding and number of programs to understand the variations in practices being followed among the organizations selected for the study.

4.1 Analysis across size of the organization

Table 4.1.1 refers to the opinions expressed by the respondents after delving into the purpose of the mission statement. The opinions are broadly classified for the purpose of analysis and depicted in the table. The table explicates that 32.5 percent of the organizations have mission statements that clearly reflect the purpose and values of the organization.47.5 percent of the organizations have mission statements that are vague and express the purpose in broad terms and 20 percent of the organizations consider them as essential ingredients of any funding proposal. Almost all large organizations have mission statements that express clearly the purpose of organization including the values and constituency served. Majority of medium organizations that is 66.7 percent have mission statements that are vaguely express the purpose of organization. Around 6 percent of the small organizations match large organizations in terms of clear expression of purpose and values and around 58.8 percent have statements that are vague and 35.3 percent framed mission statements because they need one to state in their proposals.

Table 4.1.1: Clarity and purpose of mission statement

Organization size	Mission statement			Total
	Clearly conveys the purpose and values	Vague expression of purpose	Prepared to state in proposals	
Large	10 (90.9)	1 (9.1)	0 (0.0)	11 (100.0)
Medium	2 (16.7)	8 (66.7)	2 (16.7)	12 (100.0)
Small	1 (5.9)	10 (58.8)	6 (35.3)	17 (100.0)
Total	13 (32.5)	19 (47.5)	8 (20.0)	40 (100.0)

Inference

It can be inferred from the analysis above that large organizations have mission statements that clearly articulate their identity, purpose, target groups and values. Few medium size and small size organizations though recognized the need for mission appears to have not realized the various aspects of mission statements.

Table 4.1.2: Justification for existence across size

Organization size	Justification for existence		Total
	Able to justify in the light of mission	General without reference to mission	
Large	7 (63.6)	4 (36.4)	11 (100.0)
Medium	1 (8.3)	11 (91.7)	12 (100.0)
Small	5 (29.4)	12 (70.6)	17 (100.0)
Total	13 (32.50	27 (67.5)	40 (100.0)

The responses given by the respondents to the question that sought to know the extent to which they could justify the existence of organization in the light of mission statement are grouped. The summary of responses is shown in the table 4.1.2. It can be understood that around 32.5 percent of the respondents have been able to justify the existence of organization in the light of mission statement and 67.5 percent have justified in general terms without reference to mission statement. It can be noted that the 53.8 percent of the respondents that are able to justify existence in the light of mission statement are from large organizations. Conversely, 63.6 percent of respondents from large organizations were able to justify the existence of organizations in the light of mission statement. Only 8.3 percent of medium organizations respondents are able to justify in the light of mission statement and 91.7 percent of respondents from medium organizations without reference to mission.

Inference

It implies from the above analysis that mission statement formally exists in all types of organizations. But variations exist between large, small and medium organizations in recalling and appreciating its relevance for the organizations. Large organizations are ahead of medium and small organizations in understanding the significance and relevance of mission statement.

Table 4.1.3: Type of plans across organization size

Organization size	Type of plans			Total
	Strategic plan developed through abbreviated process	Statement of future plans	Programme action plan	
Large	7 (63.6)	4 (36.4)	0 (0.0)	11 (100.0)
Medium	1 (8.3)	4 (33.3)	7 (58.3)	12 (100.0)
Small	0 (0.0)	6 (35.3)	11 (64.7)	17 (100.0)
Total	8 (20.0)	14 (35.0)	18 (45.0)	40 (100.0)

Table 4.1.3 shows the type of plans developed by the organizations across size. It shows that only 20 percent of the organizations have a strategic plan that is developed in one or two day retreats and is outcome abbreviated planning process. 35 percent of the organizations studied have statement of future plans prepared by CEO and staff without any formal planning exercise. 45 percent of the organizations do not have any strategic or future plans. Programme wise action plans for the current year are prepared. Large organizations are the ones that dominated medium and small organizations with 63.6 percent of them having developed strategic plan. Statements of future plans have been developed by nearly one–third of organizations in each group. It can also be seen that none of the small organizations and only one of the medium organizations has strategic plan. The table further suggests that 64.7 percent of small organizations do not have any strategic or future plans except programme action plans.

Inference

The insight that can be gained from the above analysis is that strategic planning is slowly permeating the large organizations. Though full pledged strategic planning exercise is not undertaken, an “abbreviated analysis” which is normally involves brainstorming by board members and staff at one or two day retreats, formal SWOT analysis and drawing a road map for future. Medium and small organizations are yet to reach this stage in respect of formal strategic planning. They by and large are confined to spontaneous exercises by the leader, core team and staff and sometimes few interested governing body members that culminate in producing statement future plans devoid of details required for implementation.

Table 4.1.4: Involvement in planning

Organization size	Involvement in planning			Total
	Board/Governing body, CEO and staff	CEO and staff	Informal planning by CEO	
Large	10 (90.9)	0 (0.0)	1 (9.1)	11 (100.0)
Medium	2 (16.7)	5 (41.7)	5 (41.7)	12 (100.0)
Small	4 (23.5)	8 (47.1)	5 (29.4)	17 (100.0)
Total	16 (40.0)	13 (32.50	11 (27.5)	40 (100.0)

Table 4.1.4 depicts involvement of various decision making structures in the planning process across organizations. It explicates that governing body, CEO and staffs are involved in planning exercise in 90.9 percent of large organizations. Among medium size organizations only 16.7 percent are found to involve board, CEO and staff. In case of small organizations 23.5 percent of the organizations are seen to be involving governing body, CEO and staff. 41.7 percent and 47.1 percent of medium and small organizations respectively are found to involve CEO and staff in planning. Another 41.7 percent of medium organization and 29.4 percent of small organizations are observed to have informal planning systems with greater involvement of CEO / leader at the organization level.

Large organizations that constitute 62.5 percent of the organizations involving board, CEO and staff in planning are ahead of medium and small organizations with 12.5 percent and 25 percent respectively involving governing body, CEO and staff. Among those organizations that restricted to informal planning with CEO’s greater involvement medium and small organizations constitute 45.5 percent and 45.5 percent respectively. Small organizations are ahead of medium organizations in the category of organization that involve CEO, Staff in planning since 61.7 percent of them are small.

The analysis leads us to the inference that large organizations involve different decision making structures like Board, CEO and staff in the planning process. Medium and small organizations by and large limit the involvement to CEO and staff or CEO indicating that small and medium organization are driven mostly by CEO and staff rather than governing body.

Table 4.1.5: Program congruency with mission

Organization size	Program congruency with mission			Total
	Congruent	Less congruent	No opinion	
Large	11 (100.0)	0 (0.0)	0 (0.0)	11 (100.0)
Medium	7 (58.3)	2 (16.7)	3 (25.0)	12 (100.0)
Small	13 (76.5)	2 (11.8)	2 (11.8)	17 (100.0)
Total	31 (77.5)	4 (10.0)	5 (12.5)	40 (100.0)

Table 4.1.5 shows that 77.5 percent of the organizations studied have programmes that are congruent with mission. A small 10 percent of the organizations have less congruence. It is also interesting that 25 percent and 11.8 percent of organizations from medium and small category respectively are unable to give opinion on program congruency with mission.

Table 4.1.6: Basis of programme design or selection

Organization size	Basis of program design or selection		Total
	Mission alignment and core competence	Funding possibility	
Large	10 (90.9)	1 (9.1)	11 (100.0)
Medium	10 (83.3)	2 (16.7)	12 (100.0)
Small	10 (58.8)	7 (41.2)	17 (100.0)
Total	30 (75.0)	10 (25.0)	40 (100.0)

Table 4.1.6 portrays the basis of programme design or selection across organization size. It emerges from the table that in 75 percent of the organizations core competencies and/or alignment with mission is the basis for design or selection of the programmes. While 90.9

percent and 83.3 percent of large and small organizations respectively cited core competence and mission alignment as basis for program design, 58.8 percent of small organizations which is less than overall 75 percent sited same basis. 41.2 percent of small organizations cited the basis as meeting funding agencies requirements and band wagon effect. It is also relevant to note that 70 percent of the organizations that design programmes on the basis of funding agency requirement and bandwagon effect are small.

Inference

The foregoing analysis suggests that large and medium organizations build their programmes largely on the basis of core competencies and mission alignment. Small organizations are likely to build programmes keeping in view their core competencies, mission alignment as well as funding prospects.

Table 4.1.7 Allotment of resources across size

Organization size	Allotment of resources			Total
	Adequate	In-adequate	Minimum required	
Large	9 (81.8)	2 (18.2)	0 (0.0)	11 (100.0)
Medium	2 (16.7)	6 (50.0)	4 (33.3)	12 (100.0)
Small	2 (11.8)	12 (70.6)	3 (17.6)	17 (100.0)
Total	13 (32.5)	20 (50.0)	7 (17.50	40 (100.0)

Table 4.1.7 presents the allotment of resources required for implementing the programmes by the organizations included in the study. It shows that 32.5 percent of organizations studied have allocated adequate resources for programmes to achieve desired results, 50 percent of the organizations could not allocate adequate resources. In 17.5 percent of the organizations minimum resources have been allotted. Among 13 organizations that have allocated adequate resources 9 (69.2 percent) are large organizations, 2 (15.4 percent) are medium and 2 (15 percent) are small organizations. Out of the 20 organizations that are unable to allot adequate resources 2 (10 percent), 6 (30 percent) and 12 (60 percent) belong to the large, medium and

small category respectively. 50 percent of organizations within medium category and 70.6 percent within small category have difficulty in allotment adequate resources.

Inference

It is possible to infer from the above analysis that large organization do not face difficulty in allotment of adequate resources required for implementing their programmes. Small organizations encounter problems in allocating adequate resources. Medium size organizations also face constraints in adequate allocation of resources but compared to small organizations they seem to be less constrained because in one-third of the organizations the allotment of resources is of such level where the programme is continued by supplementing them during the course of implementation.

Table 4.1.8: Type of performance indicators used across organization size

Organization size	Program performance indicators			Total
	Outputs	Out comes	Other	
Large	7 (63.6)	1 (9.1)	3 (27.3)	11 (100.0)
Medium	6 (50.0)	1 (8.3)	5 (41.7)	12 (100.0)
Small	11 (64.7)	0 (0.0)	6 (35.3)	17 (100.0)
Total	24 (60.0)	2 (5.0)	14 (35.0)	40 (100.0)

It can be observed from the table 4.1.8 that 60 percent of the organizations studied have indicators which are output oriented. 5 percent of them have indicators that are outcome oriented and 35 percent of respondents are vague in their response or stated indicators that are not specific. There is no much of variation between large, medium and small organizations in respect of output oriented measures. Among those organizations that are ambivalent medium size organizations with 35.7 percent are close to aggregate. Large organizations are slightly below at 21.4 percent and small organizations are slightly above at 42.9 percent.

Inference

It can be inferred that performance indicators widely used to assess the performance by all types of organization are mostly output related.

Table 4.1.9: Mission evaluation frequency across organization size

Organization size	Mission evaluation frequency				Total
	Bi-annual	Annual	Once in two years	As per need	
Large	2 (18.2)	3 (27.3)	2 (18.2)	4 (36.4)	11 (100.0)
Medium	3 (25.0)	4 (33.3)	0 (0.0)	5 (41.7)	12 (100.0)
Small	2 (11.8)	9 (52.9)	0 (0.0)	6 (35.3)	17 (100.0)
Total	7 (17.5)	16 (40.0)	2 (5.0)	15 (37.5)	40 (100.0)

Table 4.1.9 shows that the mission and activities of the organization are evaluated once in a year in 40 percent of the organizations. In 17.5 percent of the organizations evaluation frequency is twice in a year. Also a negligible percentage of organization evaluate mission once in two years. 37.5 percent of organizations evaluate as and when the need arises.

Table 4.1.10: Mission modification and reasons across the size of organizations

Organization size	Reasons for mission change				Total
	Environmental change	Funding	Not modified	Not known	
Large	6 (54.5)	0 (0.0)	5 (45.5)	0 (0.0)	11 (100.0)
Medium	2 (16.7)	4 (33.3)	6 (50.0)	0 (0.0)	12 (100.0)
Small	1 (5.9)	5 (29.4)	10 (58.8)	1 (5.9)	17 (100.0)
Total	9 (22.5)	9 (22.5)	21 (52.5)	1 (2.5)	40 (100.0)

Table 4.1.10 informs whether the mission is modified and if so the reasons behind modification. In 52.5 percent of the organizations, mission is not modified. Among those organizations that modified their mission half have modified to match the changes in

environment either external or internal or both. Another half had done it to match the funding agencies priority areas. 54.5 percent of the large organizations have modified their mission and all of them have due to environmental changes. In contrast 16.7 percent and 5.9 percent of medium and small organizations respectively have modified their mission due to external changes. While none of the large organizations has modified mission statement for the sole reason of funding, 33.3 percent and 29.4 percent of medium and small organizations respectively have modified mission statement to suit funding agency requirement.

Inference

No significant variations across size are observed in the frequency of mission evaluation. However variations can be observed across organization size in respect of reasons for modifying mission. While large organizations reportedly modified due to changes in environment most of the medium and small organizations have modified to match funding agency priority.

Table 4.1.11: Communication of plans to the stake holders across size

Organization size	Communication of plans		Total
	Communicated to all stakeholders	Communicated to few stakeholders	
Large	10 (90.9)	1 (9.1)	11 (100.0)
Medium	1 (8.3)	11 (91.7)	12 (100.0)
Small	5 (29.4)	12 (70.6)	17 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

The table 4.1.11 above shows the status in the organizations studied regarding communication and availability of the plan documents to all internal and external stakeholders. It can be observed that 40 percent of the organizations communicate the plan to various internal and external stakeholders and at times published in annual reports. Among large organizations 90.9 percent communicate their plans to all the stakeholders and within small organizations 29.4 percent communicate plans to all stakeholders. 10 out of 16 (62.5 percent) of organizations that communicate plan to all internal and external stake holders are large in size and 5 of them (31.3 percent) are small in size. 60 percent of the organizations studied communicate plan only to few stakeholders. Among the 24 organizations where plan documents are communicated to few stakeholders, 11 (45.8 percent) are medium in size and 12 (50 percent) are small in size. Plan documents are communicated to few stake holders in 91.7 percent of the medium organizations and 70.6 percent of small organizations.

Inference

It can be said that almost all large organizations communicate plans to all the stakeholder-external and internal and less than one-third of small organizations do so. Plan documents in medium size organizations and small organizations are unlikely to be communicated to all stakeholders and most likely to be communicated to few stakeholders.

Table 4.1.12: Involvement of clients in programme development

Organization size	**Involvement of clients in programme development**		Total
	All stages	Implementation and improvisation	
Large	6 (54.5)	5 (45.5)	11 (100.0)
Medium	7 (58.3)	5 (41.7)	12 (100.0)
Small	6 (35.3)	11 (64.7)	17 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 4.1.12 depicts involvement of clients at different stages of programme development and implementation. It shows that 47.5 percent of the organizations involve their clients or beneficiaries at all stages of program development that is from conceptualization, design and development, implementation and improvisation. 52.5 percent of the organizations studied involve clients only in the implementation and improvisation stage. There are no much organization size wise variations except that 64.7 percent of small organizations involve clients only at the implementation and improvisation stages compared to 45.5 percent and 41.7 percent of large and small organizations respectively.

Inference

The inference one could draw from the above analysis is that large and medium size organizations are similar in respect of involving clients/beneficiaries in the programme development. Small organizations however are more likely to involve clients during implementation and improvisation stages than during conceptualization and design and development stages.

Table 4.1.13: Evaluation frequency of programmes and organization systems

Organization size	Evaluation frequency of programmes and systems				Total
	Annual	Bi-annual	Programme specific evaluation	Not evaluated	
Large	7 (63.6)	2 (18.2)	2 (18.2)	0 (0.0)	11 (100.0)
Medium	7 (58.3)	0 (0.0)	5 (41.7)	0 (0.0)	12 (100.0)
Small	11 (64.7)	2 (11.8)	2 (11.8)	2 (11.8)	17 (100.0)
Total	25 (62.5)	4 (10.0)	9 (22.5)	2 (5.0)	40 (100.0)

Table 4.1.13 indicates frequency at which organizations studied conduct evaluation of their systems and programmes to ensure that they are in tune with mission and objectives. Overall 62.5 percent of organizations do such evaluation annually and there is not much of variation between large, medium and small organizations. Around 22.5 percent of the organizations evaluate programmes as per the evaluation schedule specific to the programme. 5 out of 9 (55.6 percent) of them are medium size organizations.

Inference

It is inferred from above that evaluation of programmes and systems vis-à-vis mission and objectives is done in more than two-thirds of the organizations at regular intervals and in nearly one-fourth of the organizations, majority of which are medium, evaluation is specific to programme.

4.2 Analysis across scale of operations

Table 4.2.1: Mission statement

Scale of operations	Activities versus mission			Total
	Clearly conveys the purpose and values	Vague expression of purpose	Prepared to state in proposals	
National	5 (100.0)	0 (0.0)	0 (0.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	6 (50.0)	3 (25.0)	12 (100.0)
Mandals	1 (6.7)	9 (60.0)	5 (33.3)	15 (100.0)
Total	19 (32.5)	19 (47.5)	8 (20.0)	40 (100.0)

Table 4.2.1 shows that in 100 percent of the organizations with national level operations the mission statement is clear and reflects the purpose and values of the organizations. As compared to this in 25 percent and 33.3 percent of district level and mandal level organizations mission statements are often seen as those that require mention in the proposal and has no other significance attached to them. In terms of vague expression of purpose of organizations, the trend is similar across the scale of operations.

Inference

It emerges from above analysis that organizations whose scale of operations are national are most likely to have mission statements with clear expression of purpose and values and it decreases with the decrease in scale of operation.

Table 4.2.2: Justification for the existence

Scale of operations	Justification		Total
	Able to justify in the light of mission	General without reference to mission	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	0 (0.0)	4 (100.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	2 (16.7)	10 (83.3)	12 (100.0)
Mandals	4 (26.7)	11 (73.3)	15 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Table 4.2.2 depicts that in 80 percent of the national level organizations the existence of organizations has been justified in the light of mission statements. So is the case with 75 percent of the organizations in regional level. It can also be observed that in 100 percent, 83.3 percent and 73.3 percent of state level, district level and mandal level organizations, and justification is more general rather than based on mission statement. While there is distinct pattern in respect of national level organizations and regional level, district level and mandal level organization, it is out of step in respect of state level organizations.

Inference

Therefore it can be concluded that scale of operations does influence how organizations justify existence with some exceptions.

Table 4.2.3: Mission evaluation frequency

Scale of operations	Mission evaluation frequency				Total
	Bi-annual	Annual	Once in two years	As per need	
National	1 (20.0)	1 (20.0)	1 (20.0)	2 (40.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	0 (0.0)	1 (25.0)	4 (100.0)
Region	1 (25.0)	2 (50.0)	1 (25.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	4 (33.3)	0 (0.0)	5 (41.7)	12 (100.0)
Mandals	1 (6.7)	7 (46.7)	0 (0.0)	7 (46.7)	15 (100.0)
Total	7 (17.5)	16 (40.0)	2 (5.0)	15 (37.5)	40 (100.0)

From the table 4.2.3 it is clear that overall 40 percent of the organizations at various levels evaluate their mission statement annually. 37.5 percent do it as per their need and 17.5 percent of them do it bi-annually. In contrast to 50 percent of state and regional based organizations it is only 20 percent national level organizations who evaluate their mission statements annually. At mandal and district levels the figure is higher than the national figure.

Table 4.2.4: Mission Review / change of mission

Scale of operations	**Mission Review / change of mission**				Total
	Environmental change	Funding	Not modified	Not known	
National	3(60.0)	0 (0.0)	2 (40.0)	0 (0.0)	5 (100.0)
State	0 (0.0)	1 (25.0)	3 (75.0)	0 (0.0)	4 (100.0)
Region	2 (50.0)	0 (0.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	3 (25.0)	6 (50.0)	0 (0.0)	12 (100.0)
Mandals	1 (6.7)	5 (33.3)	8 (53.3)	1 (6.7)	15 (100.0)
Total	9 (22.5)	9 (22.5)	21 (52.5)	1 (2.5)	40 (100.0)

Table 4.2.4 shows that 52.5 percent of the organizations have not reviewed mission statement. Among the national level organizations in 60 percent of the organizations mission statement is modified due to external changes and in 40 percent of the organizations no such modification is done. It can be observed that the percentage of organizations that modified mission statement due to external reasons declined with the decrease in scale of operations with the exception of state level organizations where 75 percent of them have not modified their mission statement.

Table 4.2.5: Types of plans

Scale of operations	Strategy of planning			Total
	Strategic plan developed through abbreviated process	Statement of future plans	Programme action plan	
National	3 (60.0)	2 (40.00)	0 (0.0)	5 (100.0)
State	0 (0.0)	1 (25.0)	3 (75.0)	4 (100.0)
Region	2 (50.0)	0 (0.0)	2 (50.0)	4 (100.0)
District	3 (25.0)	6 (50.0)	3 (25.0)	12 (100.0)
Mandals	0 (0.0)	5 (33.3)	10 (66.7)	15 (100.0)
Total	8 (20.0)	14 (35.0)	18 (45.0)	40 (100.0)

Table 4.2.5 shows that in 60 percent of the national level organizations strategic plans are developed through abbreviated analysis and program plans are developed in 40 percent of the organizations. At the state level 75 of the organizations have got a programme action plan where as the rest of the organizations' plans are prepared without specific details of implementation. It can also be observed that in 50 percent of regional level organizations and 25 percent of district level organizations both strategic plan and program plan are developed. The pattern visible is that the percentage of organizations with both strategic plan and program plan declined with the decrease in scale of operations with an exception that is state level organizations. Only program plans are prepared in 75 percent of state level organizations, 66.7 percent of mandal level organizations and 50 percent of regional level organizations.

Inference

It can therefore be inferred that national level organizations are more likely to have both strategic plan and program plans. State and mandal level organizations are more likely to have only program plans. The possibility of developing both strategic plan and program plans increases with the increase in scale of operation with exception of state level organizations.

Table 4.2.6: Involvement in strategic planning

Scale of operations	Involvement in strategic planning			Total
	Board/Governing body, CEO and staff	CEO and staff	Informal planning by CEO	
National	5 (100.0)	0 (0.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	1 (25.0)	2 (50.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	0 (0.0)	4 (100.0)
District	4 (33.3)	6 (50.0)	2 (16.7)	12 (100.0)
Mandals	2 (13.3)	6 (40.0)	7 (46.7)	15 (100.0)
Total	16 (40.0)	13 (32.5)	11 (27.5)	40 (100.0)

Table 4.2.6 portrays that board/governing body, CEO and staff members are involved in planning in 100 percent of national level organizations and regional level organizations. Among state level, district level and mandal level organizations, 75 percent, 66.7 percent and 86.7 of the organizations respectively involve either CEO and staff or CEO only in planning. Very few mandal level organizations i.e. 13.3 percent involve governing body or board in planning.

Inference

Excluding state level organizations it can be inferred that national and regional level organizations certainly involve board/governing body in planning. It is also evident that district level and mandal level organizations are less likely to involve board and governing bodies and more likely to restrict involvement to CEO and staff only.

Table 4.2.7: Communication of plans

Scale of operations	Communication of plans		Total
	Communicated to all stakeholders	Communicated to few stakeholders	
National	5 (100.0)	0 (0.0)	5 (100.0)
State	0 (0.0)	4 (100.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	4 (33.3)	8 (66.7)	12 (100.0)
Mandals	4 (26.7)	11 (73.3)	15 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 4.2.7 depicts that in 100 percent of the national level organizations 75 percent of regional level organizations, 33.3 percent of district level organizations and 26.7 percent of mandal level organization plans are communicated to all the stakeholders. It is evident from the above table that with the exception of state level organizations the percentage of organizations that communicate plans to all the stakeholders declined with the decrease in scale of operations. Alternately the percentage of organizations that communicated plans to few stakeholders declined with increase in scale of operations from 73.3 percent for mandal level organizations to 0 percent for national level organization again with the exception of state level organization.

Inference

Hence it can be concluded that communication of plans to various stakeholders is influenced by the scale of operations.

Table 4.2.8: Program congruency and basis of program design

Scale of operations	Program congruency and basis of program design			Total
	Congruent	Less congruent	No opinion	
National	5 (100.0)	0 (0.0)	0 (0.0)	5 (100.0)
State	4 (100.0)	0 (0.0)	0 (0.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	0 (0.0)	4 (100.0)
District	6 (50.0)	3 (25.0)	3 (25.0)	12 (100.0)
Mandals	12 (80.0)	1 (6.7)	2 (13.3)	15 (100.0)
Total	31 (77.5)	4 (10.0)	5 (12.5)	40 (100.0)

It is observed from table 4.2.8 that in 77.5 percent of the organizations studied, the programs are congruent with the mission. No variations are observed across the scale except that a small percentage of districts and mandal level organizations have programs that are less congruent with mission.

Table 4.2.9: Basis of programme design or selection

Scale of operations	Basis of programme design or selection		Total
	Mission alignment and core competence	Funding possibility	
National	5 (100.0)	0 (0.0)	5 (100.0)
State	4 (100.0)	0 (0.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	4 (100.0)
District	8 (66.7)	4 (33.3)	12 (100.0)
Mandals	9 (60.0)	6 (40.0)	15 (100.0)
Total	30 (75.0)	10 (25.0)	40 (100.0)

It is seen from the table 4.2.9 that, 75 percent of the organizations study design or select programs on the basis of mission alignment and core competence and no variations are observed across size except that funding possibilities are considered in 33.3 percent and 40 percent of district and mandal level organizations indicating that national state and regional level organizations design/select programs strictly on the basis of core competencies and mission congruence where as district and mandal level organizations exhibit some inclination for funding possibilities when they design / select programs.

Table 4.2.10: Involvement of clients

Scale of operations	Involvement of clients		Total
	All stages	Implementation and improvisation	
National	2 (40.0)	3 (60.0)	5 (100.0)
State	3 (75.0)	1 (25.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	6 (50.0)	6 (50.0)	12 (100.0)
Mandals	6 (40.0)	9 (60.0)	15 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

There are no significant variations in terms of involvement of clients at various stages of program development. A small deviation is observed in case of state level organizations where 75 percent of them involve clients at all the stages of program development and mandal level organizations where 60 percent of them involve clients only at the stage of implementation and improvisation (table 4.2.10).

Table 4.2.11: Allotment of resources

Scale of operations	Budget allotment			Total
	Adequate	In-adequate	Minimum required	
National	5 (100.0)	0 (0.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	1 (25.0)	4 (100.0)
Region	3 (75.0)	0 (0.0)	1 (25.0)	4 (100.0)
District	4 (33.3)	5 (41.7)	3 (25.0)	12 (100.0)
Mandals	0 (0.0)	13 (86.7)	2 (13.3)	15 (100.0)
Total	13 (32.5)	20 (50.0)	7 (17.5)	40 (100.0)

Table 4.2.11 explicates that in 100 percent of national level organizations resources have been allocated adequately. In contrast, in 86.7 percent of the mandal level organizations resources are inadequately allotted. The percentage of organizations with adequate allotment of resources declined from 100 percent to 75 percent and then from 75 percent to 33.3 percent along with the decrease in scale of operations from national level to mandal level with the exception of state level organization.

Table 4.2.12: Program performance indicators

Scale of operations	**Program performance indicators**			Total
	Outputs	Outcomes	Other	
National	3 (60.0)	0 (0.0)	2 (40.0)	5 (100.0)
State	1 (25.0)	1 (25.0)	2 (50.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	0 (0.0)	4 (100.0)
District	7 (58.3)	1 (8.3)	4 (33.3)	12 (100.0)
Mandals	9 (60.0)	0 (0.0)	6 (40.0)	15 (100.0)
Total	24 (60.0)	2 (5.0)	14 (35.0)	40 (100.0)

It is observed from the table 4.2.12 that outputs are used as performance indicators in 100 percent of the organizations and no significant differences exist across the scale of organizations. Performance indicators are vague and more general in 35 percent of the organizations and here again no significant variations are observed across the scale.

Table 4.2.13: Frequency of evaluation of systems

Scale of operations	**Frequency of evaluation of systems**				Total
	Annual	Bi-annual	Programme specific evaluation	Not evaluated	
National	2 (40.0)	2 (40.0)	1 (20.0)	0 (0.0)	5 (100.0)
State	2 (50.0)	0 (0.0)	2 (50.0)	0 (0.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	0 (0.0)	0 (0.0)	4 (100.0)
District	9 (75.0)	0 (0.0)	3 (25.0)	0 (0.0)	12 (100.0)
Mandals	9 (60.0)	1 (6.7)	3 (20.0)	2 (13.3)	15 (100.0)
Total	25 (62.5)	4 (10.0)	9 (22.5)	2 (5.0)	40 (100.0)

From the table 4.2.13 it is evident that, overall 62.5 percent of the organizations evaluate systems and programs annually. It is observed that national level organizations are in 40 percent of the organizations evaluation is done annually and in another 40 percent of the organizations it is done bi-annually. Compared to national level organizations 75 percent of regional level, 75 percent of district level and 60 percent of mandal level organizations evaluate systems and programs annually.

Inference

It can therefore be inferred that national and state level organizations are relatively less likely to evaluate their systems and programs annually than regional and mandal level organizations.

4.3 Analysis across age of the organization

Table 4.3.1: Mission statement

Age of the organization	**Activities versus mission**			Total
	Clearly conveys the purpose and values	Vague expression of purpose	Prepared to state in proposals	
10 year or less	2 (22.2)	4 (44.4)	3 (33.3)	9 (100.0)
10 above & below 20	7 (33.3)	11 (52.4)	3 (14.3)	21 (100.0)
Above 20	4 (40.0)	4 (40.0)	2 (20.0)	10 (100.0)
Total	13 (32.5)	19 (47.5)	8 (20.0)	40 (100.0)

Table 4.3.1 shows that, overall 32.5 percent of the organizations have mission statements that clearly convey the purpose and values of the organization and 47.5 percent have some vague expression of purpose. Not much of variations are observed between organizations of different age groups except that 40 percent of organizations above 20 years of age have mission statements that clearly express the purpose and values against 22.5 percent of organizations that are less than 10 years old. It is also observed that in 33.3 percent of organizations with less than 10 years age the mission statements are more oriented towards their proposals than to guide the organization and its members.

Table 4.3.2: Justification for existence

Age of the organization	Justification for existence		Total
	Able to justify in the light of the mission	General without reference to the mission	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	8 (38.1)	13 (61.9)	21 (100.00
Above 20	2 (20.0)	8 (80.0)	10 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Table 4.3.2 above depicts that in 80 percent of the organizations that are above 20 years old respondents could not justify the existence of the organization in the light of mission statement. There is not much of difference between other two groups of organizations in terms of justification of organizations existence in the light of mission statement.

One possible reason could be that mission and vision statements gained importance only during the past decade and older organizations established much earlier generally doesn't attach much importance to them relative to organizations setup later.

Table 4.3.3: Mission evaluation frequency

Age of the organization	Mission evaluation frequency				Total
	Bi-annual	Annual	Once in two years	As per need	
10 year or less	2 (22.2)	4 (44.4)	0 (0.0)	3 (33.3)	9 (100.0)
10 above & below 20	3 (14.3)	10 (47.6)	1 (4.8)	7 (33.3)	21 (100.0)
Above 20	2 (20.0)	2 (20.0)	1 (10.0)	5 (50.0)	10 (100.0)
Total	7 (17.5)	16 (40.0)	2 (5.0)	15 (37.5)	40 (100.0)

From the table 4.3.3 it is indicated that the 40 percent of the organizations evaluate their mission statement annually irrespective of their years of operation. 37.5 of the organization with varying degrees of operation evaluate it as per their need, in order to monitor the progress. And this is found to be fitted for the organizations with more than 20 years of operation (50 percent). Bi-annual an once in two years cases of evaluating the mission is found to be insignificant in this case.

Table 4.3.4: Mission Review/Reasons for mission change

Age of the organization	Mission Review/Reasons for mission change				Total
	Environmental change	Funding	Not modified	Not known	
10 year or less	1 (11.1)	1 (11.1)	6 (66.7)	1 (11.1)	9 (100.0)
10 above & below 20	7 (33.3)	4 (19.0)	10 (47.6)	0 (0.0)	21 (100.0)
Above 20	1 (10.0)	4 (40.0)	5 (50.0)	0 (0.0)	10 (100.0)
Total	9 (22.5)	9 (22.5)	21 (52.5)	1 (2.5)	40 (100.0)

Table 4.3.4 shows that mission statement has not been modified in 52.5 percent of the organizations studied. Among those organizations in the age group of 10 or less than 10 years in 66.7 percent mission statement has not been modified. It can also be observed that in 33.3 percent of the organizations in the age group of 10 to 20 years mission statement is modified due to changes in the external environment and is 40 percent of the organizations above 20 years of age, it is modified due to funding reasons .

Inference

It implies that organizations in the age group of 20 years and above are more inclined to modify their mission statement to match the funding agencies priorities than due to other environmental changes.

Table 4.3.5: Types of plans

Age of the organization	Types of plans			Total
	Strategic plan developed through abbreviated process	Statement of future plans	Programme action plan	
10 year or less	2 (22.2)	1 (11.1)	6 (66.7)	9 (100.0)
10 above & below 20	3 (14.3)	9 (42.9)	9 (42.9)	21 (100.0)
Above 20	3 (30.0)	4 (40.0)	3 (30.0)	10 (100.0)
Total	8 (20.0)	14 (35.0)	18 (45.0)	40 (100.0)

Table 4.3.5 presents the types of plans across the age of the organizations. It is evident from the data presented among the organizations in the age group of less than 10 years 66.7 percent have program plans, and 11.1 percent have future plans and 22.2 percent have strategic plans. In comparison among organizations above 20 years age 30 percent have strategic plans developed through abbreviated process, 40 percent have future plans and 30 percent have only program plans. Among organizations in the age group of 10 to 20 years 42.9 percent of the organizations have future plans and another 42.9 percent have only program plans.

Inference

It can be inferred from above that organizations that are less than 10 years old are more likely to have program plans than strategic or future plans. Organizations in the age group of 10 to 20 years are equally likely to have future plans or program plans but less likely to have strategic plans. Organizations in the age group of 20 years and above have more or less equal likelihood of having strategic plan, future plan and program plan.

Table 4.3.6: Communication of plan to stakeholders

Age of the organization	**Communication of plan to stakeholders**		Total
	Communicated to all stakeholders	Communicated to few stakeholders	
10 year or less	4 (44.4)	5 (55.6)	9 (100.0)
10 above & below 20	7 (33.3)	14 (66.7)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

It is seen from the above table 4.3.6 that the organizations do not differ much in respect of communication of plans to the stakeholders except that the organizations in the age group of 10 to 20 years attend to communicate plans to few stakeholders compared to other organizations. Overall it is seen from the table 4.3.6 that 40 percent of the organizations communicate to all their stakeholders where as the big portion 60 percent communicate to few stakeholders in the system.

Table 4.3.7: Program congruency

Age of the organization	Program congruency			Total
	Congruent	Less congruent	No opinion	
10 year or less	7 (77.8)	1 (11.1)	1 (11.1)	9 (100.0)
10 above & below 20	18 (85.7)	3 (14.3)	0 (0.0)	21 (100.0)
Above 20	6 (60.0)	0 (0.0)	4 (40.0)	10 (100.0)
Total	31 (77.5)	4 (10.0)	5 (12.5)	40 (100.0)

Table 4.3.7 shows that overall 77.8 percent of the organizations studied have programs congruent with mission. It also shows that in 85.7 percent of the organizations in the age group of 10 to 20 years programs are congruent with mission as against 60 percent of organization in the age group of above 20 years.

Inference

Therefore it can be concluded that organizations in the age group of 10 to 20 years are more likely to have programs congruent with mission compared to organizations in the age group of 20 years.

Table 4.3.8: Involvement in planning

Age of the organization	Involvement in planning			Total
	Board /governing body, CEO and staff	CEO and staff	Informal planning by CEO	
10 year or less	4 (44.4)	2 (22.2)	3 (33.3)	9 (100.0)
10 above & below 20	7 (33.3)	8 (38.1)	6 (28.6)	21 (100.0)
Above 20	5 (50.0)	3 (30.0)	2 (20.0)	10 (100.0)
Total	16 (40.0)	13 (32.5)	11 (27.5)	40 (100.0)

Table 4.3.8 above depicts that in 50 percent of the organizations that are more than 20 years old, board/governing body, CEO and staff involve in planning activities. Followed by this are organizations less than 10 years where 44.4 percent of them involve board/governing body,

CEO and staff in planning process. Except this not much of variations are observed. It can therefore be inferred that organization that are more than 20 years old are more likely to involve board/governing body, CEO and staff in planning process than any other organizations.

Table 4.3.9: Allotment of resources

Age of the organization	Budget allotment			Total
	Adequate	In-adequate	Minimum required	
10 year or less	3 (33.3)	4 (44.4)	2 (22.2)	9 (100.0)
10 above & below 20	5 (23.8)	15 (71.4)	1 (4.8)	21 (100.0)
Above 20	5 (50.00	1 (10.0)	4 (40.0)	10 (100.0)
Total	13 (2.5)	20 (50.0)	7 (17.5)	40 (100.0)

Table 4.3.9 shows that overall in 50 percent of the organizations studied allotment of resources in advance for program implementation is inadequate. Among the organizations in the age group of 10 years to 20 years in 71.4 percent of the organizations allotment of resources is inadequate compared to organizations allotment of resources is inadequate compared to organizations in the age group of above 20 years where only in 10 percent of the organizations resource allotment is inadequate. It can also be observed that in around 90 percent and 56 percent of the organizations in the age group of above 20 years and 10 years of less than 10 years respectively the allotment of resources in advance is either adequate or at least minimum required. But such allotment is only in around 30 percent of the organizations in the age group of 10 to 20 years.

Inference

It implies that organizations above 20 years of age are least likely to allot inadequate resources and organizations in the age group of 10 to 20 years are most likely to allot inadequate resources for program implementation.

Table 4.3.10: Performance indicators

Age of the organization	Programme performance indicators			Total
	Outputs	Outcomes	Other	
10 year or less	7 (77.8)	1 (11.1)	1 (11.1)	9 (100.0)
10 above & below 20	13 (61.9)	0 (0.0)	8 (38.1)	21 (100.0)
Above 20	4 (40.0)	1 (10.0)	5 (50.0)	10 (100.0)
Total	24 (60.0)	2 (5.0)	14 (35.0)	40 (100.0)

It emerges from the table 4.3.10 that overall in 60 percent of the organizations the performance indicators for the programs are output oriented. In 35 percent of the organizations indicators are not clearly described. Among organizations in the age group of above 20 years in about 50 percent of the organizations performance indicators are not very clear compared to 11.1 percent of the organizations in the age group of 10 years or less. It can be observed that the percentage of organizations with outputs as performance indicators decreased from 77.8 percent to 40 percent as the age of the organizations increased from 10 or less than 10 to above 20 years indication a relationship between age of the organizations and using outputs as performance indicators. It can also be inferred that organizations in the age group of above 20 years are less likely to use outputs as performance indicators than organizations in other age groups.

Table 4.3.11: Evaluation frequency of programmes and systems

Age of the organization	Evaluation frequency of programmes and systems				Total
	Annual	Bi-annual	Programme specific evaluation	Not evaluated	
10 year or less	6 (66.7)	1 (11.1)	2 (22.2)	0 (0.0)	9 (100.0)
10 above & below 20	12 (57.1)	3 (14.3)	4 (19.0)	2 (9.5)	21 (100.)0
Above 20	7 (70.0)	0 (0.0)	3 (30.0)	0 (0.0)	10 (100.0)
Total	25 (62.5)	4 (10.0)	9 (22.5)	2 (5.0)	40 (100.0)

In respect of evaluation of programmes and systems, 62.5 percent of the organization found to have evaluation annually whereas 10 percent and 22.5 percent of the organizations respectively do it bi-annually and as per their specifications. It is also mentioned in the table 4.3.11 that the 70 percent of the organizations with above 20 years of operations do this annually and the rest do it as per their requirements. Overall 5 percent of the organizations with their varying degrees of operational year do not do it at all except those above 20 years old in the field.

Table 4.3.12: Involvement of clients in program development

Age of the organization	**Involvement of clients in programme development**		Total
	All stages	Implementation and improvisation	
10 year or less	4 (44.4)	5 (55.6)	9 (100.0)
10 above & below 20	10 (47.6)	11 (52.4)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

There are no significant variations between organizations in various age groups in their involvement of clients in program development. In all categories, nearly 50 percent of the organizations involve their clients at all stages of program development and other 50 percent involve clients during implementation and improvisation stage (table 4.3.12).

4.4 Analysis across sources of funding

Table 4.4.1: Mission Statement

Major source of funding	**Activities versus mission**			Total
	Clearly conveys the purpose and values	Vague expression of purpose	Prepared to state in proposals	
International	11(64.7)	5 (29.4)	1 (5.9)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	7 (46.7)	7 (46.7)	15 (100.0)
Government	0 (0.0)	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	13 (32.5)	19 (47.5)	8 (20.0)	40 (100.0)

Table 4.4.1 illustrates that in 64.7 percent of the organizations with direct international funding the mission statement clearly expresses the purpose and values of the organization. In 46.7 percent of the organizations that receive international funds through intermediary sources mission statement is vague and in another 46.7 percent of the organization it is often prepared to mention in proposals rather than guide the organization in pursuit of its objectives.

In 100 percent of the organizations that are dependent heavily on government funds, mission statement is vague and limited in expression of purpose and values. Among the organizations that receive most of the funds from corporate sector, 50 percent of the organizations have mission statement that clearly expresses the purpose and values and another 50 percent of the organizations have mission statements that are vague and limited in expression of purpose and values.

Inference

It can be inferred from above that organizations that receive international funds directly are more likely to have mission statements that express clearly the purpose and values of the organization. Organization that receive funds indirectly through intermediary or affiliate organizations are equally likely to have mission statements that are either vague and limited or mission statements that serve the purpose of mentioning in the proposals.

Table 4.4.2: Justification

Major source of funding	**Justification**		Total
	Able to justify in the light of mission	General without reference to mission	
International	7 (41.2)	10 (58.8)	17 (100.0)
International through intermediary or affiliated organizations	4 (26.7)	11 (73.3)	15 (100.0)
Government	1 (16.7)	5 (83.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

Above table 4.4.2 shows that, in only 32.5 percent of the organizations studied respondents could justify existence in the light of mission statement. In the rest of 67.5 percent of the organizations, existence has been justified in a general sense without reference to mission. When compared, it is observed that 83.3 percent and 73.3 percent of the organizations whose major source of funding is either from government or from international NGO's through intermediary organizations respectively justification is in general terms without reference to mission. Among organizations that receive most of the funds from corporate sources, in 50 percent of the organizations justification is in the light of mission statement and in other 50 percent of the organizations justification is in general terms without reference to mission statement.

Inference

It can therefore be inferred that organization dependent on government sources and indirect international sources are more likely to justify their existence in general terms without reference to mission statement implying that mission statement is not often referred to in these organization.

Table 4.4.3: Mission evaluation

Major source of funding	**Mission evaluation**				Total
	Bi-annual	Annual	Once in two years	As per need	
International	4 (23.5)	5 (29.4)	2 (11.8)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	9 (60.0)	0 (0.0)	6 (40.0)	15 (100.0)
Government	3 (50.0)	1 (16.7)	0 (0.0)	2 (33.3)	6 (100.0)
Corporate	0 (0.0)	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	7 (17.5)	16 (40.0)	2 (5.0)	15 (37.5)	40 (100.0)

It is observed from table 4.4.3 that, 40 percent of the organizations evaluate the mission and activities annually and 37.5 percent of the organizations do so when the need arises.

Inference

No significant variations are observed between organizations dependent on various sources except that organizations dependent on indirect international funds are more likely to evaluate mission and activities annually compared to others.

Table 4.4.4: Modification of mission statement and reasons

Major source of funding	Mission review				Total
	Environmental change	Funding	Not modified	Not known	
International	5 (29.4)	2 (11.8)	10 (58.8)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organizations	3 (20.0)	2 (13.3)	9 (60.0)	1 (6.7)	15 (100.0)
Government	0 (0.0)	4 (66.7)	2 (33.3)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total	9 (22.5)	9 (22.5)	21 (52.5)	1 (2.5)	40 (100.0)

Table 4.4.4 portrays the reasons for modifying mission statement. Overall 52.5 percent of the organizations mission statement has not been modified. In 66.7 percent of the organizations dependent on government funds mission statement is modified due to funding reasons. Among organizations that depend on direct international funds nearly 40 percent have modified mission statement. Out of those that modified mission statement three-forth have modified due to environmental change and one-forth have modified due to funding possibilities.

Inference

Barring corporate funded organizations, it can be concluded that organizations dependent on direct international funds are more likely to modify mission statements due to external changes and government funded organizations are more likely to modify mission statement due to funding possibilities mentioned in the above table.

Table 4.4.5: Types of plans / strategic plan

Major source of funding	Types of plans			Total
	Strategic plan developed through abbreviated process	Statement of future plans	Programme action plan	
International	7 (41.2)	4 (23.5)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	7 (46.7)	8 (53.3)	15 (100.0)
Government	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	8 (20.0)	14 (35.0)	18 (45.0)	40 (100.0)

Table 4.4.5 depicts that overall 65 percent of the organizations studied have developed strategic plan through abbreviated analysis and program plans. 35 percent of the organizations have prepared a statement of future plans without details of implementing the plans and 45 percent have developed only program action plan.

It can also be observed that in 50 percent of the organizations dependent on corporate funds and in 41.2 percent of the organizations depend on direct international funds both strategic plans and program plans are developed and in none of the organizations whose major source of funding is government and indirect from international sources strategic plans are developed. In nearly half o each category of organizations statement of future plans and program plans are prepared and in another half in each category only program plans are prepared.

Inference

It can therefore be inferred that strategic plans are prepared only in organizations whose major source of support is either corporate or direct international funds.

Table 4.4.6: Involvement in planning

Major source of funding	Involvement in planning			Total
	Board/Governing body, CEO and staff	CEO and staff	Informal planning by CEO	
International	12 (70.6)	2 (11.8)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organizations	3 (20.0)	7 (46.7)	5 (33.3)	15 (100.0)
Government	0 (0.0)	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	16 (40.0)	13 (32.5)	11 (27.5)	40 (100.0)

Table 4.4.6 shows that in 70.6 percent of the organizations dependent on direct international funds board/governing body, CEO and staff members are involved in planning. Among organizations that depend on international funds routed through intermediary or affiliate organizations. CEO or CEO along with staff members are involved in planning in 80 percent of the organizations. Similarly in case of organizations dependent on government sources, it is CEO or CEO and staff who are involved in planning in 100 percent of the organizations. Among the organizations that are dependent on corporate funds in 50 percent of organizations board/governing body is involved and in 50 percent it is CEO who is involved in planning.

Inference

It indicates that organizations dependent on direct international funding are more likely to involve governing body in planning. Organizations that are dependent on government funds or indirect international funds are more likely to depend on CEO and staff in their planning efforts.

Table 4.4.7: Communication of plans

Major source of funding	Communication of plans		Total
	Communicated to all stakeholders	Communicated to few stakeholders	
International	10 (58.8)	7 (41.2)	17 (100.0)
International through intermediary or affiliated organizations	3 (20.0)	12 (80.0)	15 (100.0)
Government	2 (33.3)	4 (66.7)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 4.4.7 depicts that in 58.8 percent of the organizations dependent on direct international funds, plans are communicated to all the stakeholders. As against this in 80 percent and 66.7 percent of the organizations dependent on indirect international funds and government funds respectively, the plans are communicated to few stakeholders.

Inference

It can be inferred that organizations dependent on direct international funds are more likely to communicate plans to all the stakeholders and organizations dependent on indirect international funds are more likely to communicate plans to few stakeholders. While organizations dependent on government on corporate funds are equally likely to communicate plans to all or few stakeholders, in organizations dependent on government funds the likelihood of communicating plans to few stakeholders is twice compared to likelihood of communicating to all the stakeholders.

Table 4.4.8: Program congruence

Major source of funding	Program congruence			Total
	Congruent	Less congruent	No opinion	
International	16 (94.1)	0 (0.0)	1 (5.9)	17 (100.0)
International through intermediary or affiliated organizations	9 (60.0)	4 (26.7)	2 (13.3)	15 (100.0)
Government	4 (66.7)	0 (0.0)	2 (33.3)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total	31 (77.5)	4 (10.0)	5 (12.5)	40 (100.0)

Table 4.4.8 explicates that in 94.1 percent of the organizations that are dependent on international funding and in 100 percent of the organizations dependent on corporate funds. Programs are dependent on indirect international funds and government funds. 60 percent and 66.7 percent of the organizations respectively have programs that are congruent with mission.

Inference

It can therefore be concluded that organizations dependent on direct international funds and corporate funds are more likely to have programs congruent with mission that organizations dependent on government sources and indirect sources.

Table 4.4.9: Basis of program design / selection

Major source of funding	Basis of program design / selection		Total
	Mission alignment and core competence	Funding possibility	
International	15 (88.2)	2 (11.8)	17 (100.0)
International through intermediary or affiliated organizations	9 (60.0)	6 (40.0)	15 (100.0)
Government	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	2 (100.0)
Total	30 (75.0)	10 (25.0)	40 (100.0)

It emerges from table 4.4.9 that 88.2 percent and 100 percent respectively of organizations dependent on direct international funds and corporate funds design or select programs based on their alignment with mission and core competence. It also emerges from the table that 40 percent and 33.3 percent of organizations dependent on indirect international funds and government funds respectively design or select programs on the basis of funding possibilities.

Inference

Therefore it can be inferred that organizations dependent on direct international funds and corporate funds are more likely to design/select programs on the basis of mission alignment and core competences and least likely to consider funding possibilities compared to organizations dependent on indirect international funds and government funds.

Table 4.4.10: Involvement of clients

Major source of funding	Involvement of clients		Total
	All stages	Implementation and improvisation	
International	11 (64.7)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organisations	6 (40.0)	9 (60.0)	15 (100.0)
Government	1 (16.7)	5 (83.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 4.4.10 shows that in 64.7 percent of organizations dependent on direct international funds, 40 percent of organizations dependent on indirect international funds and in 16.7 percent of organizations dependent on government funds clients are involved in all stages of program development. Alternately involvement of clients is limited to implementation and improvisation stages in 83.3 percent of organizations dependent on government, 60 percent of the organizations dependent on indirect international funds and 35.3 percent of organizations dependent on direct international funds.

Inference

It can therefore be inferred that organizations dependent on direct international funds are more likely to involve clients at all stages of programs development and organizations dependent on indirect international sources or government sources are more likely to limit involvement of clients to implementation and improvisation stages. Corporate supported organizations are equally likely to involve clients at all stages or at implementation and improvisation stages.

Table 4.4.11: Allotment of resources

Major source of funding	Budget allotment			Total
	Adequate	In-adequate	Minimum required	
International	10 (58.8)	4 (23.5)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organisations	2 (13.3)	13 (86.7)	0 (0.0)	15 (100.0)
Government	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	13 (32.5)	20 (50.0)	7 (17.5)	40 (100.0)

The data presented in the table 4.4.11 reveals that, in 58.8 percent of the organizations that depend on international funds and 50 percent of the organizations dependent on capital funds resources have been allotted adequately for implementing the plans. At the same time it reveals that in 86.7 percent of the organization that are dependent on indirect international funds, 50 percent of organizations that are dependent on government funds and 23.5 of the organizations dependent on direct international funds resources are inadequate.

Inference

It can be inferred from the analysis that organizations that are dependent on indirect international funds are more likely to allot inadequate funds followed by the organizations dependent on government funds while organizations dependent on corporate funds have least possibility. Organizations dependent of direct international funds have nearly one-fourth possibility of allotting inadequate resources.

Table 4.4.12: Programme performance indicators

Major source of funding	Program performance indicators			Total
	Outputs	Outcomes	Other	
International	9 (52.9)	2 (11.8)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organisations	10 (66.7)	0 (0.0)	5 (33.3)	15 (100.0)
Government	4 (66.7)	0 (0.0)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	24 (60.0)	2 (5.0)	14 (35.0)	40 (100.0)

It is observed from the above table 4.4.12 that overall 60 percent of the organizations outputs are used as performance indicators and 35 percent of the organizations performance indicators are general and vague.

Inference

No significant variations are observed across the organizations dependent on various sources of funding.

Table 4.4.13: Evaluation of systems and programs

Major source of funding	Evaluation frequency				Total
	Bi-annual	Annual	Once in two years	As per need	
International	10 (58.8)	3 (17.6)	4 (23.5)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organisations	8 (53.3)	1 (6.7)	4 (26.7)	2 (13.3)	15 (100.0)
Government	6 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	25 (62.5)	4 (10.0)	9 (22.5)	2 (5.0)	40 (100.0)

From the table 4.4.13 it is observed that in 62.5 percent of organizations evaluation of system and programs is stated to take place bi-annually and in 22.5 percent of the organizations it is carried once in every two years. Such evaluation is carried out along with program evaluations. Not much of variations across organizations with different sources of funds are observed except those who are funded by the government. Overall in 5 percent of the organisations it is carried out as and when required.

Inference

It also reveals that in very few organizations the distinction between evaluating organizations systems and programs and program evaluation is clearly understood. Often they are treated one and the same.

4.5 Analysis across number of programmes

Table 4.5.1: Mission statement

Number of programmes	Activities versus mission			Total
	Clearly conveys the purpose and values	Vague expression of purpose	Prepared to state in proposals	
4 & less than 4	7 (25.9)	14 (51.9)	6 (22.2)	27 (100.0)
More than 4	6 (46.2)	5 (38.5)	2 (15.4)	13 (100.0)
Total	13 (32.5)	19 (47.5)	8 (20.0)	40 (100.0)

Table 4.5.1 portrays that in 51.9 percent of the organizations with four or less than four programs, the mission statements are vague and are limited in expression of purpose and values. As against this in 46.2 percent of the organizations with more than four programs, the mission statement is clear in terms of expression of purpose and values.

Inference

It can be inferred that organizations that have more number of programs are more likely to have a clear mission statement than organizations with less number of programs. The possibility of organizations with less than four programs to have a mission statement limited in expression of purpose and values is more than the organization with more than four programs.

Table 4.5.2: Justification

Number of programmes	Justification		Total
	Able to justify in the light of mission	General without reference to mission	
4 & less than 4	9 (33.3)	18 (66.7)	27 (100.0)
More than 4	4 (30.8)	9 (69.2)	13 (100.0)
Total	13 (32.5)	27 (67.5)	40 (100.0)

It is clear from the above table 4.5.2 that no variation across the number of programs in terms of justification for the existence of organizations detected.

Table 4.5.3: Mission evaluation

Number of programmes	Mission evaluation				Total
	Bi-annual	Annual	Once in two years	As per need	
4 & less than 4	4 (14.8)	15 (55.6)	0 (0.0)	8 (29.6)	27 (100.0)
More than 4	3 (23.1)	1 (7.7)	2 (15.4)	7 (53.8)	13 (100.0)
Total	7 (17.5)	16 (40.0)	2 (5.0)	15 (37.5)	40 (100.0)

Table 4.5.3 shows that in 55.6 percent of the organizations with four or less than four programs mission statement is evaluated annually and in 53.8 percent of the organizations with more than four programs mission statement is evaluated as and when the need arises.

Inference

It is implied that in organizations with four or less than four programs mission evaluation is done at regular interval of one year and in organizations with more than four programs evaluation is often need based.

Table 4.5.4: Reasons for mission change

Number of programmes	Mission review				Total
	Environmental change	Funding	Not modified	Not known	
4 & less than 4	6 (22.2)	5 (18.5)	15 (55.6)	1 (3.7)	27 (100.0)
More than 4	3 (23.1)	4 (30.8)	6 (46.2)	0 (0.0)	13 (100.0)
Total	9 (22.5)	9 (22.5)	21 (52.5)	1 (2.5)	40 (100.0)

It is evident from the table 4.5.4 that there are no significant variations between organizations with four or less than four programs and more than four programs in terms of reasons for mission modification

Table 4.5.5: Types of plans

Number of Programmes	Types of plans			Total
	Strategic plan developed through abbreviated process	Statement of future plans	Programme action plan	
4 & less than 4	3 (11.1)	10 (37.0)	14 (51.9)	27 (100.0)
More than 4	5 (38.5)	4 (30.8)	4 (30.8)	13 (100.0)
Total	8 (20.0)	14 (35.0)	18 (45.0)	40 (100.0)

Table 4.5.5 illustrates that in organizations with 4 or less than 4 programs, only program action plans are prepared in 51.9 percent of the organizations, statement of future plans and programs plans are prepared in 37 percent of the organizations and only in 11.1 percent of the organizations. Strategic plan and program plans are developed. In contrast, strategic plans and program plans are prepared in 38.5 percent of the organizations, only program plans are prepared in 30.8 percent of the organizations within the category of organizations that have more than 4 programs.

Inference

It could therefore be inferred that organization with 4 or less programs are more likely to have programs plans and less likely to have strategic plans. Organizations with more than four programs are relatively more likely to have strategic plans, than organizations with less than four programs indicating that the number of programs implemented is likely to influence the types of plans in the organization.

Table 4.5.6: Involvement in planning

Number of programmes	Involvement in planning			Total
	Board/Governing body, CEO and staff	CEO and staff	Informal planning by CEO	
4 & less than 4	9 (33.3)	11 (40.7)	7 (25.9)	27 (100.0)
More than 4	7 (53.8)	2 (15.4)	4 (30.8)	13 (100.0)
Total	16 (40.0)	13 (32.5)	11 (27.5)	40 (100.0)

Table 4.5.6 shows that board/governing body, CEO and staff members are involved in planning in 33.3 percent of the organizations with four or less than four programs and in 53.8 percent with more than four programs. It also shows that in 40.7 percent and 15.4 percent of the organizations with four or less than four programs and more than four programs respectively planning is under taken by CEO and staff without involvement of board/governing body.

Inference

It can therefore be inferred that organizations with more than four programs are more likely to involve governing body/board in planning activities than organizations with less than four programs. Organizations with four or less than four; programs are more likely to entrust planning to CEO or CEO and staff.

Table 4.5.7: Communication of plans

Number of programmes	Communication of plans		Total
	Communicated to all stakeholders	Communicated to few stakeholders	
4 & less than 4	9 (37.3)	18 (66.7)	27 (100.0)
More than 4	7 (53.8)	6 (46.2)	13 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 4.5.7 shows that, plans are communicated to all the stakeholders in 53.8 percent of the organizations with more than four programs as against 37.3 percent of the organizations with four or less than four programs. Alternately plans are communicated to few stakeholders in 66.7 percent of the organizations with less than four programs as against 46.2 percent of the organizations with more than four programs.

Inference

It can therefore be inferred that organizations with four or less than four programs are more likely to communicate plans to few stake holders and organizations with more than four programs are likely to communicate plans to all the stakeholders.

Table 4.5.8: Program congruency

Number of programmes	Program congruency			Total
	Congruent	Less congruent	No opinion	
4 & less than 4	22 (81.5)	2 (7.4)	3 (11.1)	27 (100.0)
More than 4	9 (69.2)	2 (15.4)	2 (15.4)	13 (100.0)
Total	31 (77.5)	4 (10.0)	5 (12.5)	40 (100.0)

It can be seen from the table 4.5.8 that there are significant variations between organizations with four or less than four programs and more than four programs in terms of program congruency with mission.

Table 4.5.9: Basis of program design/selection

Number of programmes	Basis of program design/selection		Total
	Mission alignment and core competence	Funding possibility	
4 & less than 4	20 (74.1)	7 (25.9)	27 (100.0)
More than 4	10 (76.9)	3 (23.1)	13 (100.0)
Total	30 (75.0)	10 (25.0)	40 (100.0)

Even in respect of program design and selection there are no observed differences between organizations with four or less than four programs and more than four programs. More or less mission alignment and core competences have been found to be the top priorities of all organization irrespective of their programmes (table 4.5.9).

Table 4.5.10: Involvement of clients

Number of programmes	Involvement of clients in programme development		Total
	All stages	Implementation and improvisation	
4 & less than 4	12 (44.4)	15 (55.6)	27 (100.0)
More than 4	7 (53.8)	6 (46.2)	13 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

It is evident from the above table 4.5.10 that, the variations across different groups of organizations in terms of involvement of clients at different stages of programs development are insignificant. Overall 47.5 percent of the organizations clients are involved in all the stages of program development and in 52.5 percent of organizations, clients are involved at implementation and improvisation states.

Table 4.5.11: Allotment of resources

Number of programmes	Budget allotment			Total
	Adequate	In-adequate	Minimum required	
4 & less than 4	6 (22.2)	16 (59.3)	5 (18.5)	27 (100.0)
More than 4	7 (53.8)	4 (30.8)	2 (15.4)	13 (100.0)
Total	13 (32.5)	20 (50.0)	7 (17.5)	40 (100.0)

Table 4.5.11 shows that in 53.8 percent of the organizations with more than four programs resources have been allotted adequately. In 59.3 percent of organizations with four or less than four programs, resources allocated are inadequate.

Inference

It can therefore be inferred that the chances of inadequate resource allocation are more in organizations with four or less than four programs compared to organizations with more than four programs that have more chances of adequate resource allocation.

Table 4.5.12: Performance indicators

Number of programmes	Programme performance indicators			Total
	Outputs	Outcomes	Other	
4 & less than 4	15 (55.6)	1 (3.7)	11 (40.7)	27 (100.0)
More than 4	9 (69.2)	1 (7.7)	3 (23.1)	13 (100.0)
Total	24 (60.0)	2 (5.0)	14 (35.0)	40 (100.0)

No significant variations between organizations with four or less than four programs and more than four programs are observed in terms of program performance indicators have been found from the above table 4.5.12.

Table 4.5.13: Systems and program evaluation

Number of programmes	Evaluation frequency				Total
	Bi-annual	Annual	Once in two years	As per need	
4 & less than 4	17 (63.0)	3 (11.1)	5 (18.5)	2 (7.4)	27 (100.0)
More than 4	8 (61.5)	1 (7.7)	4 (30.8)	0 (0.0)	13 (100.0)
Total	25 (62.5)	4 (10.0)	9 (22.5)	2 (5.0)	40 (100.0)

It is stated in the table 4.5.13 that, 62.5 percent of the organizations evaluate their systems and programs to ensure alignment with mission and objectives twice in a year and around 22.5 percent do so along with program evaluation once in two years. Organizations do not vary across the number of the programs in respect of evaluation frequency.

4.6 Conclusions

4.6.1 Variations in strategic management practices across size of the organization

Large organizations have mission statements that clearly articulate their identity, purpose, target groups and values but few medium size and small size organizations though recognized the need for mission appears to have not realized the various aspects of mission statements. Mission statement formally exists in all types of organizations. But variations exist between large, small and medium organizations in recalling and appreciating its relevance for the organizations. Large organizations are ahead of medium and small organizations in understanding the significance and relevance of mission statement.

Strategic planning is slowly permeating the large organizations. Though full pledged strategic planning exercise is not undertaken, an “abbreviated analysis” which is normally involves brainstorming by board members and staff at one or two day retreats, formal SWOT analysis and drawing a road map for future. Medium and small organizations are yet to reach this stage in respect of formal strategic planning. By and large, they are confined to spontaneous exercises by the leader, core team and staff and sometimes few interested governing body members that culminate in producing statement future plans devoid of details required for implementation.

Large organizations involve different decision making structures like Board, CEO and staff in the planning process. Medium and small organizations by and large limit the involvement to CEO and staff or CEO indicating that small and medium organization are driven mostly by CEO and staff rather than governing body. Large and medium organizations build their programs largely on the basis of core competencies and mission alignment. Small organizations are likely to build programs keeping in view their core competencies, mission alignment as well as funding prospects. Large organizations do not face difficulty in allotment of adequate resources required for implementing their programs. Small organizations encounter problems in allocating adequate resources. Medium size organizations also face constraints in adequate allocation of resources but compared to small organizations they seem to be less constrained because in one-third of the organizations the allotment of resources is of such level where the programme is continued by supplementing them during the course of implementation.

Performance indicators widely used to assess the performance by all types of organizations are mostly output related. No significant variations across size are observed in the frequency of mission evaluation. However variations can be observed across organizations size in respect of reasons for modifying mission. While large organizations reportedly modified due to changes in environment most of the medium and small organizations have modified to match funding agency priority. Almost all large organizations communicate plans to all the stakeholder-external and internal and less than one-third of small organizations do so. Plan documents in medium size organizations and small organizations are unlikely to be communicated to all stakeholders and most likely to be communicated to few stakeholders. Large and medium size organizations are similar in respect of involving clients/beneficiaries in the program development. Small organizations however are more likely to involve clients during implementation and improvisation stages than during conceptualization and design and development stages. Evaluation of programs and systems vis-à-vis mission and objectives is done in more than two-thirds of the organizations at regular intervals and in nearly one-fourth of the organizations, majority of which are medium, evaluation is specific to programme.

4.6.2 Variations in strategic management practices across the scale of operation

Organizations whose scale of operations is national are most likely to have mission statements with clear expression of purpose and values and it decreases with the decrease in scale of operations. The percentage of organizations that modified mission statement due to external reasons declined with the decrease in scale of operations with the exception of state level organizations where 75 percent of them have not modified their mission statement.National level organizations are more likely to have both strategic plan and program plans. State and mandal level organizations are more likely to have only program plans. The possibility of developing both strategic plan and program plans increases with the increase in scale of operation with exception of state level organizations. Excluding state level organizations, national and regional level organizations certainly involve board/governing body in planning. It is also evident that district level and mandal level organizations are less likely to involve board and governing bodies and more likely to restrict involvement to CEO and staff only.

With the exception of state level organizations the percentage of organizations that communicate plans to all the stakeholders declined with the decrease in scale of operations. Alternately the percentage of organizations that communicated plans to few stakeholders declined with increase in scale of operations from 73.3 percent for mandal level organizations to 0 percent for national level organizations again with the exception of state level organization. Communication of plans to various stakeholders is influenced by the scale of operations.

No variations are observed across the scale except that a small percentage of districts and mandal level organizations have programs that are less congruent with mission. 75 percent of the organizations study design or select programs on the basis of mission alignment and core competence and no variations are observed across size except that funding possibilities are considered in 33.3 percent and 40 percent of district and mandal level organizations indicating that national state and regional level organizations design/select programs strictly on the basis of core competencies and mission congruence where as district and mandal level organizations exhibit some inclination for funding possibilities when they design / select programs.

There are no significant variations in terms of involvement of clients at various stages of program development. A small deviation is observed in case of state level organizations where 75 percent of them involve clients at all the stages of program development and mandal level organizations where 60 percent of them involve clients only at the stage of implementation and improvisation. In 100 percent of national level organizations resources have been allocated adequately. In contrast, in 86.7 percent of the mandal level organizations resources are inadequately allotted. The percentage of organizations with adequate allotment of resources declined from 100 percent to 75 percent and then from 75 percent to 33.3 percent along with the decrease in scale of operations from national level to mandal level with the exception of state level organization.

Outputs are used as performance indicators in 100 percent of the organizations and no significant differences exist across the scale of organizations. Performance indicators are vague and more general in 35 percent of the organizations and here again no significant variations are observed across the scale. National and state level organizations are relatively less likely to evaluate their systems and programs annually than regional and mandal level organizations.

4.6.3 Variations in strategic management practices across age of the organizations

Organizations that are less than 10 years old are more likely to have program plans than strategic or future plans. Organizations in the age group of 10 to 20 years are equally likely to have future plans or program plans but less likely to have strategic plans. Organizations in the age group of 20 years and above have more or less equal likelihood of having strategic plan, future plan and program plan.40 percent of the organizations communicate to all their stakeholders where as the big portion 60 percent communicate to few stakeholders in the system. Organizations in the age group of 10 to 20 years are more likely to have programs congruent with mission compared to organizations in the age group of 20 years. Organizations that are more than 20 years old are more likely to involve board/governing body, CEO and staff in planning process than any other organizations.

Organizations above 20 years of age are least likely to allot inadequate resources and organizations in the age group of 10 to 20 years are most likely to allot inadequate resources for program implementation. Organizations in the age group of above 20 years are less likely to use outputs as performance indicators than organizations in other age groups. Overall 5 percent of the organizations with their varying degrees of operational year do not evaluate programs and systems at all except those above 20 years old in the field. There are no significant variations between organizations in various age groups in their involvement of clients in program development. In all categories, nearly 50 percent of the organizations involve their clients at all stages of program development and other 50 percent involve clients during implementation and improvisation stage.

4.6.4 Variations in strategic management practices across major sources of funding

Organizations that receive international funds directly are more likely to have mission statements that express clearly the purpose and values of the organization. Organizations that receive funds indirectly through intermediary or affiliate organizations are equally likely to have mission statements that are both vague and limited or mission statements that serve the purpose of mentioning in the proposals. Organizations dependent on government sources and indirect international sources are more likely to justify their existence in general terms without reference to mission statement implying that mission statement is not often referred to in these organizations. No significant variations are observed between organizations dependent on various sources except that organizations dependent on indirect international funds are more likely to evaluate mission and activities annually compared to others. Barring corporate funded organizations, organizations dependent on direct international funds are more likely to modify mission statements due to external changes and government funded organizations are more likely to modify mission statement due to funding possibilities.

Strategic plans are prepared only in organizations whose major source of support is either corporate or direct international funds. Organizations dependent on direct international funding are more likely to involve governing body in planning. Organizations that are dependent on government funds or indirect international funds are more likely to depend on CEO and staff in their planning efforts.

Organizations dependent on direct international funds are more likely to communicate plans to all the stakeholders and organizations dependent on indirect international funds are more likely to communicate plans to few stakeholders. While organizations dependent on government or corporate funds are equally likely to communicate plans to all or few stakeholders, in organizations dependent on government funds the likelihood of communicating plans to few stakeholders is twice compared to likelihood of communicating to all the stakeholders.

Organizations dependent on direct international funds and corporate funds are more likely to have programs congruent with mission than organizations dependent on government sources and indirect sources. Organizations dependent on direct international funds and corporate funds are more likely to design/select programs on the basis of mission alignment and core competences and least likely to consider funding possibilities compared to organizations dependent on indirect international funds and government funds. Organizations dependent on direct international funds are more likely to involve clients at all stages of programs development and organizations dependent on indirect international sources or government sources are more likely to limit involvement of clients to implementation and improvisation stages. Corporate supported organizations are equally likely to involve clients at all stages or at implementation and improvisation stages.

Organizations that are dependent on indirect international funds are more likely to allot inadequate funds followed by the organizations dependent on government funds while organizations dependent on corporate funds have least possibility. Organizations dependent of direct international funds have nearly one-fourth possibility of allotting inadequate resources.
Overall 60 percent of the organizations outputs are used as performance indicators and 35 percent of the organizations performance indicators are general and vague. No significant variations are observed across the organizations dependent on various sources of funding.

In very few organizations the distinction between evaluating organizations systems and programs and program evaluation is clearly understood. Often they are treated one and the same.

4.6.5 Variations in strategic management practices across number of programs

Organizations that have more number of programs are more likely to have a clear mission statement than organizations with less number of programs. The possibility of organizations with less than 4 programs to have a mission statement limited in expression of purpose and values is more than the organization with more than 4 programs. In organizations with 4 or less than 4 programs mission evaluation is done at regular interval of one year and in organizations with more than 4 programs evaluation is often need based. There are no significant variations between organizations with 4 or less than 4 programs and more than 4 programs in terms of reasons for mission modification.

Organizations with 4 or less programs are more likely to have program plans and less likely to have strategic plans. Organizations with more than 4 programs are relatively more likely to have strategic plans, than organizations with less than 4 programs indicating that the number of programs implemented is likely to influence the types of plans in the organizations. Organizations with more than 4 programs are more likely to involve governing body/board in planning activities than organizations with less than 4 programs. Organizations with 4 or less than 4 programs are more likely to entrust planning to CEO or CEO and staff.

Organizations with 4 or less than 4 programs are more likely to communicate plans to few stake holders and organizations with more than 4 programs are likely to communicate plans to all the stakeholders. Even in respect of program design and selection there are no observed differences between organizations with 4 or less than 4 programs and more than 4 programs. More or less mission alignment and core competences have been found to be the top priorities of all organization irrespective of the number of programs in the organizations.

CHAPTER V

ANALYSIS OF MARKETING MANAGEMENT PRACTICES

The practices related to the marketing management of selected nonprofit organizations are analyzed to understand the variations across the size, scale, age, major source of funding and the number of programs of the organizations.

5.1 Analysis across size of the organization

Table 5.1.1: Recognition of marketing and marketing mix across size

Organizational size	**Recognition of marketing and marketing mix**		Total
	Not recognized	Recognized	
Large	3 (27.3)	8 (72.7)	11 (100.0)
Medium	10 (83.3)	2 (16.7)	12 (100.0)
Small	14 (82.4)	3 (17.6)	17 (100.0)
Total	27 (67.5)	13 (32.5)	40 (100.0)

Table 5.1.1 gives summary of responses regarding the recognition of the need for marketing and relevance of marketing mix that is product, place, price and promotion by the governing body or management. It can be analyzed that 67.5 percent of the organizations studied do not recognize the need and relevance of marketing and marketing mix. Only 32.5 percent of the organizations recognize the need and relevance. 8 out of 13 (61.5 percent) of the organizations that recognize the need and relevance of marketing are large organizations. Within large organizations 72.7 percent, the need and relevance of marketing is recognized as against 83.3 percent and 82.4 percent of medium and small organization respectively where need and relevance is not recognized

Inference

The concept of marketing has just begun to find conscious application in the organizations. Large organizations are far ahead of small and medium organizations in recognizing the need for marketing which obviously have long way to go to appreciate its relevance.

Table 5.1.2: Use of market research in selection of services and programs

Organization size	Selection of services and programs					Total
	After market research	Absence of service	Need perceived by founders	Followed others	Spiritual	
Large	7 (63.6)	1 (9.1)	1 (9.1)	1 (9.1)	1 (9.1)	11 (100.0)
Medium	6 (50.0)	5 (41.7)	1 (8.3)	0 (0.0)	0 (0.0)	12 (100.0)
Small	7 (41.2)	2 (11.8)	1 (5.9)	7 (41.2)	0 (0.0)	17 (100.0)
Total	20 (50.0)	8 (20.0)	3 (7.5)	8 (20.0)	1 (2.5)	40 (100.0)

Table 5.1.2 gives a view of how the organizations have chosen the services being offered by them. It is interesting to note that 50 percent of the organizations have conducted surveys before the services are actually provided. 20 percent of the organizations have chosen to provide service because no such service was available and the same percentage of organizations followed others who are already providing such services. Other reasons cited are the perceived need of the founders and spiritual considerations. Table above denotes that 63.6 percent of large organizations, 50 percent of medium organizations and 41.2 percent of small organizations have conducted survey before deciding to launch their services. Another observation worth noting is that 41.2 percent of small organizations followed others when they decided to launch their programmes and services and 41.7 percent of medium organizations decided to offer because no such services are available in the areas of their operations.

Inference

It could be inferred from the above analysis that market research is being used by 50 percent of the organizations to identify the needs of their clientele before providing services they are in need of. This approach is being followed by all types of organizations. Large organizations are ahead of medium and small organizations in using market research as a tool to identify the needs of their clients. Even though small and medium organizations have a similar approach, other influences like following others and catering to the unmet needs are also prominently observed.

Table 5.1.3: Basis of segmentation of target groups across size

Organization size	Segmentation basis			Total
	Demographic	Geographic	Socio- economic	
Large	8 (72.7)	1 (9.1)	2 (18.2)	11 (100.0)
Medium	1 (8.3)	6 (50.0)	5 (41.7)	12 (100.0)
Small	3 (17.6)	2 (11.8)	12 (70.6)	17 (100.0)
Total	12 (30.0)	9 (22.5)	19 (47.5)	40 (100.0)

Table 5.1.3 depicts the approach of organizations studied in respect of segmentation of target groups to meet specific needs of each segment. It is observed that 30 percent of the organizations studied have segmented their clients on the basis of demographic characters and socio-economic background. 22.5 percent of the organizations have segmented their target groups on geographic basis. The remaining 47.5 percent of the organizations have special focus on specific groups. Among those organizations that have segmented target groups on geographic basis 66.7 percent are medium size organizations. Among those organizations that have special focus on specific social groups 63.2 percent are small organizations.

Inference

Segmentation of target groups is observed across all organizations. Large organizations are more likely to segment their target groups on demographic characteristics and medium size organizations are more likely segment their clients and beneficiaries on geographic basis. Small organizations focus on specific socio-economic groups.

Table 5.1.4: Launching of services and test marketing/pilot study

Organization Size	Launch of services				Total
	Test marketing done by the organization	Without test marketing	Pilot study by others	Unaware	
Large	1 (9.1)	1 (9.1)	9 (81.8)	0 (0.0)	11 (100.0)
Medium	0 (0.0)	0 (0.0)	10 (83.3)	2 (16.7)	12 (100.0)
Small	0 (0.0)	2 (11.8)	12 (70.6)	3 (17.6)	17 (100.0)
Total	1 (2.5)	3 (7.5)	31 (77.5)	5 (12.5)	40 (100.0)

Table 5.1.4 represents the use of test marketing or pilot study before launching the services or programs by the organizations across size. It shows that only one of the 40 organizations studied has conducted test marketing/pilot study to ascertain that the services are acceptable and are capable of meeting the needs of target groups. 77.5 percent of the organizations relied on the pilot studies done by other agencies to judge the programs potential in addressing the needs of target groups. 12.5 percent of organizations are unaware of pilot studies or test marketing since they are implementing programs of other organizations. It is evident that all organizations across size rely on pilot studies undertaken by other agencies and their efficacy in producing desired results in their contexts.

Inference

The analysis bears out that test marketing/ running pilot programs before full scale launch of programs or services is not undertaken to by the organizations studied. However it shows that majority of the organizations rely on the experiences gained from pilot programs or projects by other agencies to assess the relevance and acceptability of such programs or services in the area of their operations. It follows from above that feasibility of implementing the program and the programs suitability in addressing the needs of the target groups are given ample consideration before implementing the programs or services.

Table 5.1.5: Approach to pricing across size

Organization size	Approach to pricing		Total
	Inclined	Disinclined	
Large	5 (45.5)	6 (54.6)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

Table 5.1.5 depicts the approach of the organizations studied to the issues of appropriate pricing of services to partially or fully cover the costs. While 75 percent of the organizations studied are averse to pricing their services irrespective of paying capacity of clients 25 percent of the organizations studied consider pricing their services relevant and some of them charge their clients keeping in view the paying capacity of clients. Among large organizations 45.5 percent of the organizations reckon pricing of services as an option while among small organizations only 5.9 percent consider pricing option. An overwhelming majority comprising 94.1 percent of small organizations do not recognize pricing as an option for covering costs. Medium size organizations trace middle path with 33.3 percent of them considering pricing as relevant option and 66.7 percent rejecting it.

Inference

It can be inferred from the above analysis that a quarter of organizations are inclined to appropriately price their services and three quarters of them are reluctant to price their services. Large organizations are more inclined and are followed by medium size organizations. Small organizations are yet to recognize relevance of pricing as can be understood from the reluctance shown by an overwhelming majority of them. The approach predominantly is to collect the cost of services offered from the third parties willing to pay rather than from the target groups irrespective of their capacity to pay.

Table 5.1.6: Distribution channel effectiveness and efficiency

Organization Size	Distribution channels		Total
	Selected for effective and efficient delivery	Simply followed established practice	
Large	6 (54.5)	5 (45.5)	11 (100.0)
Medium	3 (25.0)	9 (75.0)	12 (100.0)
Small	3 (17.6)	14 (82.4)	17 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0

Table 5.1.6 illustrates the criteria used for selecting the distribution channels by the organizations studied. Whereas 30 percent of the organizations have chosen their distribution channels keeping in view the efficiency and effectiveness. 70 percent of the organizations have simply followed established practices or channels prescribed by program funding agencies without giving any thought to alternative modes/channels of distribution. Among the large organizations 54.5 percent have chosen distribution channels keeping in view efficiency and effectiveness. The corresponding percentages for medium and small organizations are 25 percent and 17.6 percent respectively.

Inference

Overall, importance of distribution channels is acknowledged by 30 percent of the organizations by consciously choosing distribution channels to improve efficiency and effectiveness of delivery of services. Large organizations are much ahead of medium and small organizations in this aspect since the issue is rarely paid attention by majority of them.

Table 5.1.7: Establishing point of contact

Organization size	Point of contact		Total
	Established through staff and volunteers	Established at other points where clients have interface	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	12 (100.0)	0 (0.0)	12 (100.)
Small	15 (88.2)	2 (11.8)	17 (100.0)
Total	35 (87.5)	5 (12.5)	40 (100.0)

Table 5.1.7 shows how point of contact is established by the organizations studied with the target group individuals. It can be observed that in 87.5 percent of the organizations, field staff and volunteers are major sources to establish contact with clients and in 12.5 percent organizations contact is established outside the organizations through other agencies apart from field staff and volunteers. 27.3 percent of large organizations make use of points of contact located outside the normal reach of their organizations compared to insignificant percentage of medium and small organization that do so.

Inference

Looking for the points of contact outside and beyond the traditional points is not so well established in general. However there are exceptions. This is prominently observed in respect of organizations that provide counseling to clients in domestic violence cases where the law enforcing authorities refer the parties for counseling. It is also seen in case of persons living with HIV and AIDS where the medical practitioners refer them to the centres that provide medical care to such persons.

Table 5.1.8: Complementary role of distribution channels

Organization size	Distribution channel		Total
	Complementary potential is tapped	Complimentary potential is ignored	
Large	6 (54.5)	5 (45.5)	11 (100.0)
Medium	3 (25.0)	9 (75.0)	12 (100.0)
Small	2 (11.8)	15 (88.2)	17 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 5.1.8 shows that overall 27.5 percent of the organizations consider channels of distribution and points of contact as complementary to build loyalty to the cause of the organization. 72.5 percent of the organizations studied do not recognize the complementary potential of distribution channels and points of contact. Among the large organizations 54.5 percent recognize the potential of distribution channels for building loyalty to the cause of organization as against 25 percent and 11.8 percent of medium and small organizations respectively which recognize the potential of distribution channels.

Inference

The inference that can be drawn is that nearly three-forth organizations are not sensitive to the distribution channel or contact point potential to build loyalty to the cause of the organization. Large organizations are relatively better in sensing the distribution channel potential with nearly half of them actually tapping their distribution channels potential. Following them are medium organizations with one-fourth of them tapping the potential. Small organizations lag much behind.

Table 5.1.9: Emphasis on promotion and promotional efforts

Organization size	**Promotional efforts**		Total
	Deliberate	Unintentional	
Large	7 (63.6)	4 (36.4)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.1.9 shows promotional efforts of the organizations. It can be understood that in 30 percent of the organizations the management and/or the governing body is conscious of the need and deliberately undertake promotional activities. In 70 percent of the organizations emphasis is generally not laid on promotion. In 63.6 percent of the large organizations emphasis is laid on promotion as against 33.3 percent medium organizations and negligible 5.9 percent of small organization. In 94.1 percent of the small organizations and 66.7 percent of medium organizations promotion is largely unintentional and is incidental to normal activities of the organization.

Inference

It can be inferred from the above analysis that promotional activities are more likely to be emphasized by large organizations relative to medium and small organizations. It is also observed that printed brochures, newsletters, electronic updates, annual reports, collages, exhibitions, news reports and websites are being used as medium of communication by large organizations. It is interesting to note that even medium and small organizations use documented profile, banners and posters for their awareness programs. These promotional aids do serve the purpose of advertising but this is only incidental to their activities.

Table 5.1.10: Purpose of client feedback

Organization size	Client feedback			Total
	Obtained and analyzed for improving services/programs	Obtained but rarely used as input in improving services/programs	Not obtained	
Large	4 (36.4)	5 (45.5)	2 (18.2)	11 (100.0)
Medium	2 (16.7)	8 (66.7)	2 (16.7)	12 (100.0)
Small	1 (5.9)	15 (88.2)	1 (5.9)	17 (100.0)
Total	7 (17.5)	28 (70.0)	5 (12.5)	40 (100.0)

Table 5.1.10 depicts whether feedback is obtained or not and the purpose for which it is obtained. It shows that 87.5 percent of the organizations obtain client feedback. It also shows that 17. 5 percent of the organizations analyze the feedback and is used as input for improvement of services/programs and the remaining 70 percent obtain it in routine manner to meet the formal program requirements. In around 88.2 percent of small organizations feedback is obtained but has limited use in improving services/programs.

Inference

Feedback of clients is obtained by and large by almost all the organizations. However, differences exists in the purposes for which feedback is used with large organizations relatively more likely to use it for improving services and small organizations more likely to use it to meet program requirements.

5.2 Analysis across scale of operations

Table 5.2.1: Recognition of marketing and marketing mix across scale of operations

Scale of operations	Recognition of marketing		Total
	Not recognized	Recognized	
National	2 (40.0)	3 (60.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	8 (66.7)	4 (33.3)	12 (100.0)
Mandals	13 (86.7)	2 (13.3)	15 (100.0)
Total	27 (67.5)	13 (32.5)	40 (100.0)

It is portrayed in the table 5.2.1 that overall in 67.5 percent of the organizations studied marketing and relevance of the concept of 4P's is not recognized by the board/governing body management. When organizations are compared across scale it is observed that in 13.3 percent of the organizations operating at mandal level relevance and need for marketing is recognized as against 60 percent of the organizations operating at national level. Moreover a clear trend is observed. As the scale of operations declined from national level to mandal level, the percentage of organizations that do not recognize the relevance and need for marketing increased. Conversely the percentage of organizations that recognize the need and relevance declined from 60 percent in respect of national level organizations to 13.3 percent in respect of mandal level organizations.

Inference

It can therefore be concluded that scale of operations influences the ability of organizations to recognize the need and relevance of marketing. Recognition of marketing is found to increase or decrease with the increase or decrease in the scale of operations.

Table 5.2.2: Use of market research in selection of services and programs

Scale of operations	Market research					Total
	After market research	Absence of service	Need perceived by founders	Followed others	Spiritual	
National	2 (40.0)	0 (0.0)	1 (20.0)	1 (20.0)	1 (20.0)	5 (100.0)
State	3 (75.0)	0 (0.0)	1 (25.0)	0 (0.0)	0 (0.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	0 (0.0)	0 (0.0)	0 (0.0)	4 (100.0)
District	6 (50.0)	6 (50.0)	0 (0.0)	0 (0.0)	0 (0.0)	12 (100.0)
Mandals	6 (40.0)	1 (6.7)	1 (6.7)	7 (46.7)	0 (0.0)	15 (100.0)
Total	20 (50.0)	8 (20.0)	3 (7.5)	8 (20.0)	1 (2.5)	40 (100.0)

Table 5.2.2 shows that 40 percent of the national level organizations and 40 percent of mandal level organizations have conducted market research before offering the services or generating the programs to understand the needs of their target groups. In comparison in 75 percent each of the state level and regional level organizations market research is considered.

Important aspect is that 46.7 percent of the mandal level organizations followed others in offering services or programs and 50 percent of the district level organizations offer services or programs because no such service is available.

Inference

It can therefore be inferred that market research is widely relied for identifying the needs of the target groups. It case of mandal level organizations aside market research following other is prominently seen. In respect of district level organizations lack of service is also considered as basis for offering services.

Table 5.2.3: Basis of segmentation of target groups across scale of operations

Scale of operations	**Segmentation**			Total
	Demographic	Geographic	Socio-economic	
National	3 (60.0)	0 (0.0)	2 (40.0)	5 (100.0)
State	2 (50.0)	0 (0.0)	2 (50.0)	4 (100.0)
Region	2 (50.0)	1 (25.0)	1 (25.0)	4 (100.0)
District	3 (25.0)	6 (50.0)	3 (25.0)	12 (100.0)
Mandals	2 (13.3)	2 (13.3)	11 (73.3)	15 (100.0)
Total	12 (30.0)	9 (22.5)	19 (47.5)	40 (100.0)

Table 5.2.3 portrays that in 60 percent of the national level organizations target groups have been segmented on demographic factors and in 40 percent of the organizations target groups are segmented on socio-economic factors. Among state level organizations in 50 percent of the organizations demographic factors are the basis and in another 50 percent socio-economic factors are the basis. In 50 percent of the regional level organizations demographic factors have been used for segmenting target groups and in 25 percent of the organizations geographic factors have been used. In another 25 percent of the organizations segmentation is done on the basis of socio-economic factors. In respect of district level organizations, 50 percent of the organizations have segmented their target group on the basis of geographic factors. Demographic and socio-economic factors have been used in each of the 25 percent organizations. As regards mandal level organizations, segmentation is on the basis of socio-economic factors in 73.3 percent of the organizations.

Inference

It can therefore be inferred that demographic factors are widely used in national level, state level and regional level organizations. Next to the demographic factors are the socio-economic factors. In the direct level organizations geographic factors are preferred to demographic and socio-economic factors. In mandal level organizations it is predominantly socio-economic factors that form the basis of segmentation.

Table 5.2.4: Launching of services and test marketing / pilot study

Scale of operations	Launch of services				Total
	Test marketing done by the organization	Without test marketing	Pilot study by others	Unaware	
National	0 (0.0)	0 (0.0)	5 (100.0)	0 (0.0)	5 (100.0)
State	0 (0.0)	0 (0.0)	4 (100.0)	0 (0.0)	4 (100.0)
Region	0 (0.0)	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	1 (8.3)	0 (0.0)	9 (75.0)	2 (16.7)	12 (100.0)
Mandals	0 (0.0)	1 (6.7)	11 (73.3)	3 (20.0)	15 (100.0)
Total	1 (2.5)	3 (7.5)	31 (77.5)	5 (12.5)	40 (100.0)

It is observed from the table 5.2.4 that in 77.5 Percent of the organizations studied, pilot studies are conducted before full scale launching of programs by other agencies. The trend is more or less uniform across the scale.

Table 5.2.5: Approach to pricing across scale of operations

Scale of operations	Pricing		Total
	Inclined	Disinclined	
National	1 (20.0)	4 (80.0)	5 (100.0)
State	3 (75.0)	1 (25.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	12 (100.0)
Mandals	2 (13.3)	13 (86.7)	15 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

It is revealed in the table 5.2.5 that 75 percent of the organizations studied are disinclined to apply the concept of pricing in providing the services. The notable exception is state level organizations where 75 percent of the organizations are inclined to apply the concept of pricing. Most of the organizations at the mandal level are disinclined to apply the concept of pricing.

Table 5.2.6: Distribution channel effectiveness and efficiency

Scale of operations	Distribution channels		Total
	Selected foe effective and efficient delivery	Simply followed established practices	
National	2 (40.00)	3 (60.0)	5 (100.0)
State	0 (0.0)	4 (100.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	5 (41.7)	7 (58.3)	12 (100.0)
Mandals	3 (20.0)	12 (80.0)	15 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.2.6 shows that 70 percent of the organizations studied have followed the established practices in choosing the distribution channel without considering alternatives that may be more efficient and effective. 40 percent of national level organizations, 50 percent of regional level organizations and 41.7 percent of district level organizations have selected distribution channels with consideration to efficiency and effectiveness. Deviations are observed in respect of state level organizations where 100 percent of them followed the established practices with more consideration towards the alternative channels.

Table 5.2.7: Establishing point of contact

Scale of operations	Point of contact		Total
	Establishing through staff and volunteers	Established at other points where clients have interface	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	4 (100.0)	0 (0.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	11 (91.7)	1 (8.3)	12 (100.0)
Mandals	14 (93.3)	1 (6.7)	15 (100.0)
Total	35 (87.5)	5 (12.5)	40 (100.0)

It is evident from the table 5.2.7 that 87.5 percent of the organizations establish contact with target groups through staff and clients. No major differences appear across the scale of operations in respect of establishing point of contact except that 50 percent of the regional level organizations have located their points of contact outside the organizations and beyond the traditional contact points.

Table 5.2.8: Complementary role of distribution channels

Scale of operations	Complementary role of distribution channels		Total
	Complementary potential is tapped	Complimentary potential is ignored	
National	2 (40.0)	3 (60.0)	5 (100.0)
State	1 (25.0)	3 (75.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	4 (100.0)
District	6 (50.0)	6 (50.0)	12 (100.0)
Mandals	1 (6.7)	14 (93.3)	15 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 5.2.8 depicts that 40 percent and 50 percent of the national level and district level organizations respectively, utilize the complementary potential of distribution channels in building loyalty to their cause. A very insignificant 6.7 percent of the organizations at the mandal level are able to utilize the complimentary potential of distribution channels.

Inference

It is difficult to discern relationship between scale of operations and ability of organizations to utilize complementary potential. Something that is unusual in case of mandal level organizations may be explained by other factors but not by the scale of operations.

Table 5.2.9: Emphasis on promotion and promotional efforts

Scale of operations	Promotional efforts		Total
	Deliberate	Unintentional	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	4 (100.0)
District	4 (33.3)	8 (66.7)	12 (100.0)
Mandals	1 (6.7)	14 (93.3)	15 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.2.9 illustrates that in 80 percent of the national organizations, 50 percent of the state level organizations, 25 percent of the regional level organizations, 33.3 percent of the district level organizations and 6.7 percent of the mandal level organizations promotional efforts are intentional with the objective of positioning and branding the organizations. It also shows that the percentage of organizations whose promotional efforts are incidental to normal activities increased from 20 percent for national level organizations to 93.3 percent for mandal level organizations.

Inference

Ignoring small deviations at the district level it can be concluded that the promotional efforts differ between organizations of different scale.

Table 5.2.10: Purpose of client feedback

Scale of operations	Client feedback			Total
	Obtained and analysed for improving services/programs	Obtained but rarely used as input in improving services/programs	Not obtained	
National	1 (20.0)	2 (40.0)	2 (40.0)	5 (100.0)
State	0 (0.0)	3 (75.0)	1 (25.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	4 (33.3)	7 (58.3)	1 (8.3)	12 (100.0)
Mandals	0 (0.0)	14 (93.3)	1 (6.7)	15 (100.0)
Total	7 (17.5)	28 (70.0)	5 (12.5)	40 (100.0)

Table 5.2.10 depicts that in 40 percent of the national level organizations' client feedback is not obtained. In 93.3 percent of mandal level organizations client feedback is obtained but is not analysed to use the outcome as input for improving services/programs. Among regional level and district level organizations in 50 percent and 33.3 percent of the organizations' feedback is obtained and analysed to improve the services and programs.

It appears that the percentage of organizations that do not obtain client feedback is almost negligible in respect of regional level, district level and mandal level organizations. Comparatively it is more in respect of state level and increased further in respect of national level organizations. Organizations at the regional level followed by district level seem to be ahead of organizations at other levels in terms of obtaining and using feedback for improving the services.

5.3 Analysis across age of the organization

Table 5.3.1: Recognition of marketing and marketing mix across size

Age of the organization	Recognition of marketing		Total
	Not recognized	Recognized	
10 year or less	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	15 (71.4)	6 (28.6)	21 (100.0)
Above 20	6 (60.0)	4 (40.0)	10 (100.0)
Total	27 (67.5)	13 (32.5)	40 (100.0)

As regards recognition of marketing and concept of 4P's overall in 67.5 percent of the organizations board / governing body or management do not explicitly recognize the need and relevance (table 5.3.1). The study revealed that organizations in different age groups do not offer much in this respect.

Table 5.3.2: Use of market research in selection of services and programs

Age of the organization	Market research					Total
	After market research	Absence of service	Need perceived by founders	Followed others	Spiritual	
10 year or less	4 (44.40)	1 (11.10)	0 (0.00)	4 (44.40)	0 (0.00)	9 (100.00)
10 above & below 20	12 (57.10)	3 (14.30)	3 (14.30)	2 (9.50)	1 (4.80)	21 (100.00)
Above 20	4 (40.00)	4 (40.00)	0 (0.00)	2 (20.00)	0 (0.00)	10 (100.00)
Total	20 (50.00)	8 (20.00)	3 (7.50)	8 (20.00)	1 (2.50)	40 (100.00)

Table 5.3.2 depicts that 50 percent of the organizations studied have decided to introduce programs after conducting market research to ascertain the need and efficacy of the programs in addressing the problems. Variations are insignificant between organizations of different age groups in this regard. It can be observed that 44.4 percent of the organizations that are 10 years old or less than 10 years old, the programs are selected following others who are already implementing similar or same programs. It can also be noticed that 40 percent of the organizations in the age group of above 20 years have launched programs / services because no such services are available.

Inference

It can therefore be inferred that market research is common across the age groups. Organizations that are less than 10 years old tend to follow others than organizations of other age groups and organizations that of above 20 years old tend to provide services that are not available. Organizations in the age group of 10 to 20 years are more likely to offer services or programs after conducting market research than to follow others or provide services that are not available.

Table 5.3.3: Basis of Segmentation of target groups across size

Age of the organization	**Basis of segmentation**			Total
	Demographic	Geographic	Socio-economic	
10 year or less	3 (33.30)	2 (22.20)	4 (44.40)	9 (100.00)
10 above & below 20	6 (28.60)	2 (9.50)	13 (61.90)	21 (100.00)
Above 20	3 (30.00)	5 (50.00)	2 (20.00)	10 (100.00)
Total	12 (30.00)	9 (22.50)	19 (47.50)	40 (100.00)

Table 5.3.3 portrays different basis for segmentation across different age groups. In terms of using demographic factors the variations are very insignificant between organizations of different age groups. However there are noticeable differences in terms of using geographic and socio-economic factors.

In 50 percent of the organizations that are above 20 years old, geographic factors are used for segmentation and in 61.9 percent of the organizations in the age group of 10 to 20 years socio economic factors are used for segmentation.

Inference

It can be concluded by saying that over all socio-economic indicators are used in nearly half of the organizations studied. Organizations that are above 20 years old tend to segment target groups on geographical basis than on other basis. Similarly organizations that are 10 to 20 years old are more likely to segment target groups on socio economic basis than on geographical basis.

Table 5.3.4: Launching of services and test marketing / pilot study

Age of the organization	Launch of services				Total
	Test marketing done by the organization	Without test marketing	Pilot study by others	Unaware	
10 year or less	0 (0.00)	1 (11.10)	7 (77.80)	1 (11.10)	9 (100.00)
10 above & below 20	0 (0.00)	1 (4.80)	16 (76.20)	4 (19.00)	21 (100.00)
Above 20	1 (10.00)	1 (10.00)	8 (80.00)	0 (0.00)	10 (100.00)
Total	1 (2.50)	3 (7.50)	31 (77.50)	5 (12.50)	40 (100.00)

It is observed from the table 5.3.4 that overall in 77.5 percent of the organizations studied pilot studies are conducted by other agencies before launch of programs. This trend is uniform across organizations of different age groups.

Table 5.3.5: Approach to pricing across size

Age of the organization	Pricing		Total
	Inclined	Disinclined	
10 year or less	2 (22.2)	7 (77.8)	9 (100.0)
10 above & below 20	4 (19.0)	17 (81.0)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

Table 5.3.5 depicts that 40 percent of the organizations above the age of 20 are inclined towards the pricing their services as against 22.2 percent and 19 percent respectively of organization in the age group of less than 10 years and 10 to 20 years. Though 75 percent of the organizations overall are disinclined to apply the concept of pricing, organizations in the age group of above 20 years are relatively more inclined than other organizations to apply the concept of pricing.

Table 5.3.6: Distribution channel effectiveness and efficiency

Age of the organization	**Distribution channels**		Total
	Selected for effective & efficient delivery	Simply followed established practice	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	5 (23.8)	16 (76.2)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.3.6 shows that 70 percent of the organizations studied have simply followed established practices in selecting channels of distributions without considering alternatives that may be more efficient and effective. Organizations above 20 years of age appear to be ahead of organizations in other age groups in considering channel effectiveness and efficiency with 40 percent of them choosing their distribution channels keeping in view efficiency and effectiveness of service delivery.

Table 5.3.7: Establishing point of contact

Age of the organization	**Point of contact**		Total
	Established trough staff and volunteers	Established at other points where clients have interface	
10 year or less	7 (77.8)	2 (22.2)	9 (100.0)
10 above & below 20	19 (90.5)	2 (9.5)	21 (100.0)
Above 20	9 (90.0)	1 (10.0)	10 (100.0)
Total	35 (87.5)	5 (12.5)	40 (100.0)

Table 5.3.7 illustrates that 87.5 percent of the organizations, points of contact with target groups are staff and volunteers. Only in 12.5 percent of the organizations points of contacts are established with target groups at points outside the organization normal points of contact. Organizations that are less than 10 years old appear to be ahead of other organizations in this regard with 22.2 percent of them using alternate points of contact.

Table 5.3.8: Complementary role of distribution channels

Age of the organization	**Complementary role of distribution channels**		Total
	Complementary potential is tapped	Complementary potential is ignored	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	6 (28.6)	15 (71.4)	21 (100.00
Above 20	2 (20.0)	8 (80.0)	10 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

It is observed from the table 5.3.8 that, those who are potential of distribution channel to complement the efforts of organization in building loyalty to the cause is ignored in 72.5 percent of the organizations. Amidst this overall picture, it could be noticed that the percentage of organizations that are able to realize the complementary potential of distribution channel is increasing. This is evident from the fact that 20 percent of the organizations above 20 years of age 28.6 percent in the age of 10 to 20 years and 33.3 percent in the age of 10 years or less could realize this potential.

Inference

It can be therefore be inferred that younger organizations are more likely to recognize and realize the complementary potential of distribution channels than older organizations.

Table 5.3.9: Emphasis on promotion and promotional efforts

Age of the organization	Promotional efforts		Total
	Deliberate	Unintentional	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	7 (33.3)	14 (66.7)	21 (100.0)
Above 20	2 (20.0)	8 (80.0)	10 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It is evident from the table 5.3.9 that overall in 70 percent of the organizations' promotional efforts are unintentional and incidental to the activities taken up in the normal course. Only 30 percent of the organizations are found to be deliberately promoting the organizations for better positioning and branding. A small but perceptible difference is that 20 percent of the organizations that are more than 20 years old are involved in promotional activities as against 33.3 percent each of less than 10 years old and 10 to 20 years old organizations.

Inference

It could be inferred that younger organizations are little ahead of older organizations in promoting their programs and services and consider positioning and branding useful for the organizational growth.

Table 5.3.10: Purpose of client feedback

Age of the organization	Client feedback			Total
	Obtained and analysed for improving services/programs	Obtained but rarely used as input in improving services/programs	Not obtained	
10 year or less	3 (33.3)	5 (55.6)	1 (11.1)	9 (100.0)
10 above & below 20	1 (4.8)	18 (85.7)	2 (9.5)	21 (100.0)
Above 20	3 (30.0)	5 (50.0)	2 (20.0)	10 (100.0)
Total	7 (17.5)	28 (70.0)	5 (12.5)	40 (100.0)

It is noticed from the table 5.3.10 that 70 percent of the organizations obtain client feedback but rarely use such feedback for improving programs or services. In 12.5 percent of the organizations feedback is not obtained. In other 17.5 percent of the organizations feedback is obtained and carefully analysed and the analysis/outcome is used as input for improving programs/services and in other decision making processes. In this respect, among organizations in the age group of less than 10 years and above 20 years 33.3 percent and 30 percent respectively are using client feedback for improving services and programs compared to 4.8 percent organizations in the age group of 10 to 20 years.

5.4 Analysis across sources funding

Table 5.4.1: Recognition of marketing and marketing mix across size

Major source of funding	Recognition of marketing		Total
	Not recognized	Recognized	
International	7 (41.2)	10 (58.8)	17 (100.0)
International through intermediary or affiliated organizations	13 (86.7)	2 (13.3)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	27 (67.5)	13 (32.5)	40 (100.0)

Table 5.4.1 conveys that overall 67.5 percent of the organizations do not recognize the need for marketing and relevance of the concept of 4P's. Among organizations dependent on indirect international funds 86.7 percent of them do not recognize the need and relevance of marketing. All organizations dependent on government funds doesn't recognize the need and relevance of marketing. 58.8 percent and 50 percent of the organizations dependent on direct international funds and corporate funds respectively recognize the needs and relevance of marketing. None of the organizations dependent on government funds recognize the need for marketing.

Inference

It can be inferred that organizations dependent on direct international funds and corporate funds are relatively more likely to recognize the need and relevance of marketing than organizations dependent on government funds and indirect international funds.

Table 5.4.2: Use of market research in selection of services and programs

Major source of funding	Market research					Total
	After market research	Absence of service	Need perceived by founders	Followed others	Spiritual	
International	11 (64.7)	2 (11.8)	2 (11.8)	1 (5.9)	1 (5.9)	17 (100.0)
International through intermediary or affiliated organizations	7 (46.7)	3 (20.0)	1 (6.7)	4 (26.7)	0 (0.0)	15 (100.0)
Government	1 (16.7)	2 (33.3)	0 (0.0)	3 (50.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total	20 (50.0)	8 (20.0)	3 (7.5)	8 (20.0)	1 (2.5)	40 (100.0)

Table 5.4.2 shows that overall in 50 percent of the organizations studied; market research is done to identify the need for the services and programs. In 20 percent of the organizations the services provided because no such services are available. In another 20 percent of the organizations services are selected by following others. It is also evident that 64.7 percent of the organizations dependent on direct international funds. Market research is done for selecting services or programs. In organizations dependent on indirect international funds 46.7 percent relied on market research, 20 percent selected services or programs due to lack of services and 26.7 percent followed others. In organizations dependent on government funds 50 percent of the organizations followed others and 33.3 percent selected services due to lack of services. Among organizations dependent on corporate funds, 50 percent relied on market research and other 50 percent selected services because such services are lacking.

Inference

It can therefore be inferred that organizations dependent on direct international funds are more likely to conduct market research for selecting services or programs. Organizations dependent on indirect international funds use market research follow others as well as provide services that are not being provided though emphasis is much in market research. Organizations dependent on government funds are more likely to follow others and less likely to undertake market research. Organizations dependent on corporate funds are equally likely to undertake market research as well as provide services that are lacking.

Table 5.4.3: Basis of segmentation of target groups across scale of operations

Major source of funding	Segmentation			Total
	Demographic	Geographic	Socio-economic	
International	10 (58.8)	2 (11.8)	5 (29.4)	17 (100.0)
International through intermediary or affiliated organizations	2 (13.3)	2 (13.3)	11 (73.3)	15 (100.0)
Government	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	0 (0.0)	2 (100.0)	0 (0.0)	2 (100.0)
Total	12 (30.0)	9 (22.5)	19 (47.5)	40 (100.0)

Table 5.4.3 depicts that 58.8 percent of the organizations dependent on direct international funds segment budget groups on the basis of demographic factors. In 73.3 percent of the organizations dependent on indirect international funds segmentation is on the basis of socio-economic factors 50 percent and 100 percent of the organizations dependent on government funds and corporate funds respectively use geographical factors to segment their target groups.

Inference

It can therefore be inferred that in organizations dependent on direct international funds demographic factors are mostly used for segmenting target groups than geographic and socio-economic factors. In organizations dependent on indirect international funds socio-economic factors are widely used for segmenting target groups. The organizations dependent on corporate funds use geographic factors predominantly and the organizations dependent on government funds use geographic and socio-economic factors for segmenting their target groups.

Table 5.4.4: Launching of services and test marketing/pilot study

Major source of funding	Launching of services				Total
	Test marketing done by the organization	Without test marketing	Pilot study by others	Unaware	
International	1 (5.9)	2 (11.8)	14 (82.4)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	1 (6.7)	12 (80.0)	2 (13.3)	15 (100.0)
Government	0 (0.0)	0 (0.0)	3 (50.0)	3 (50.0)	6 (100.0)
Corporate	0 (0.0)	0 (0.0)	2 (100.0)	0 (0.0)	2 (100.0)
Total	1 (2.5)	3 (7.5)	31 (77.5)	5 (12.5)	40 (100.0)

It is noticed from the table 5.4.4 that, in 77.5 percent of the organizations, pilot studies are conducted by other agencies before full scale launch of programs. This phenomenon is common to all organizations irrespective of major source of funds. Pilot studies conducted by other organizations may not necessarily be in the geographical areas of operation of organizations studied but the experiences and insights are relevant to the organizations studied.

Table 5.4.5: Approach to pricing across size

Major source of funding	Pricing		Total
	Inclined	Disinclined	
International	9 (52.9)	8 (47.1)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	15 (100.0)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

Table 5.4.5 explicates that 52.9 percent of the organizations that are dependent on direct international funds and 50 percent of the organizations dependent on corporate funds are inclined to apply the concept of pricing in providing services. 100 percent of organizations dependent on indirect international funds and government funds are disinclined to apply concepts of pricing.

Inference

It can be inferred that organizations dependent on direct international funds and corporate funds are more receptive and inclined to the concept of pricing than organizations dependent on indirect international funds and government funds which have no inclination at all for pricing their services.

Table 5.4.6: Distribution channel effectiveness and efficiency

Major source of funding	**Distribution channels**		Total
	Selected for effective and efficient delivery	Simply followed established practices	
International	6 (35.3)	11 (64.7)	17 (100.0)
International through intermediary or affiliated organizations	4 (26.7)	11 (73.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	2 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.4.6 shows that in 70 percent of the organizations studied, the distribution channels are selected on the basis of established practices. In 100 percent of the organizations dependent on corporate funds channels of distribution are selected on the basis of efficiency and effectiveness and in 100 percent of the organizations dependent on government funds, channels are selected on the basis of established practices. In 35.3 percent and 26.7 percent of the organizations dependent on direct and indirect international funds respectively distribution channels are selected on the basis of efficiency and effectiveness.

Inference

It can therefore be inferred that overall established practices dominate distribution channel selection in the organizations. In the organizations dependent on corporate funds channel efficiency and effectiveness rather than established practices that dominate the distribution channel decisions. In organizations dependent on government funds the decision is dominated by established practices. No much of variation in terms of factors influencing channel decision is observed in respect of organizations dependent on either direct or indirect international funds.

Table 5.4.7: Establishing point of contact

Major source of funding	Point of contact		Total
	Establishing through staff and volunteers	Established at other points where clients have interface	
International	14 (82.4)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organizations	14 (93.3)	1 (6.7)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	35 (87.5)	5 (12.5)	40 (100.0)

Barring organizations dependent on corporate funds there are no much deviations from the overall phenomenon where 87.5 percent of the organizations establish contacts with target groups through staff and volunteers. Irrespective of sources of funds the point of contact is predominantly staff and volunteers (table 5.4.7).

Table 5.4.8: Complementary role of distribution channels

Major source of funding	Complementary role of distribution channels		Total
	Complementary potential is tapped	Complimentary potential is ignored	
International	6 (35.3)	11 (64.7)	17 (100.0)
International through intermediary or affiliated organizations	4 (26.7)	11 (73.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 5.4.8 portrays that 64.7 percent of organizations dependent on direct international funds, 73.3 percent of organizations dependent on indirect international funds, and 100 percent of the organizations dependent on government funds do not recognize and realize the complementary potential of the distribution channels for building loyalty to the cause. It can be observed that there is no significant deviation from the overall trend where 72.5 percent of the organizations studied do not recognize and realize the complementary potential of distribution channel. One noticeable difference is that 50 percent of the organizations dependent on corporate funds recognize distribution channels complementary potential. This indicates that organizations dependent on corporate funds are more likely to recognize the distribution channels complementary potential than other organizations and organizations dependent on government funds are least likely to recognize the distribution channels' potential to build loyalty to the cause of the organization.

Table 5.4.9: Emphasis on promotion and promotional efforts

Major source of funding	Promotional efforts		Total
	Intentional	Unintentional	
International	10 (58.8)	7 (41.2)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	14 (93.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.4.9 shows that, 58.8 percent and 50 percent of organizations respectively, dependent on direct international funds and corporate funds involve in promotional activities with the objective of positioning and branding their organization. This is hardly the case with organizations dependent of government funds and indirect international funds. The promotional activities in these organizations are only incidental to the normal activities carried out in pursuit of their objectives.

Inference

It can therefore be inferred that organizations dependent on direct international funds and corporate funds, are more likely to emphasize promotion of organizations than organizations dependent on indirect international funds and government funds.

Table 5.4.10: Purpose of client feedback

Major source of funding	Client feedback			Total
	Obtained and analysed for improving services/programs	Obtained but rarely used as input in improving services/programs	Not obtained	
International	4 (23.5)	9 (52.9)	4 (23.5)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	14 (93.3)	1 (6.7)	15 (100.0)
Government	2 (33.3)	4 (66.7)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	7 (17.5)	28 (70.0)	5 (12.5)	40 (100.0)

Table 5.4.10 reveals that in 70 percent of the organizations studied, client feedback is obtained but is not analysed and used as input for improving services/programs. In only 17.5 percent of the organizations feedback is used for improving services/programs. It is noticed that among organizations dependent on international funds 23.5 percent do not obtain feedback from clients. This is the highest among various categories of organizations. While none of the organizations dependent on indirect international funds utilize feedback for

improving services, 50 percent, 33.3 percent and 23.5 percent of organizations dependent respectively on corporate funds, government funds and direct international funds use feedback for improving their services.

Inference

It can therefore be inferred that feedback is obtained by all the organizations irrespective of source of funds. Feedback is most likely to be used for improving services by the organizations dependent on corporate funds and least likely to be used by organizations dependent on indirect international funds. Approximately one third of organizations dependent on direct international funds and government funds are likely to use the feedback obtained for improving the services.

5.5 Analysis across number of programmes

Table 5.5.1: Recognition of marketing and marketing mix across size

Number of Programs	**Recognition of marketing**		Total
	Not recognized	Recognized	
4 & less than 4	19 (70.4)	8 (29.6)	27 (100.0)
More than 4	8 (61.5)	5 (38.5)	13 (100.0)
Total	27 (67.5)	13 (32.5)	40 (100.0)

It is seen from the table 5.5.1 that overall 67.5 percent of the organizations don't recognize the need and relevance of marketing and there are no significant differences across organizations with four or less than four programs and more than four programs.

Table 5.5.2: Use of market research in selection of services and programs

Number of programs	**Market research**					Total
	After market research	Absence of service	Need perceived by founders	Followed others	Spiritual	
4 & less than 4	13 (48.1)	6 (22.2)	2 (7.4)	5 (18.5)	1 (3.7)	27 (100.0)
More than 4	7 (53.8)	2 (15.4)	1 (7.7)	3 (23.1)	0 (0.0)	13 (100.0)
Total	20 (50.0)	8 (20.0)	3 (7.5)	8 (20.0)	1 (2.5)	40 (100.0)

No significant variations are observed across organizations with four or less than four programs and more than four programs in terms of selecting services/programs to be offered on the basis of market research or other basis. Both the groups have exhibited more or less the overall trend where 50 percent of the organizations have used market research, 20 percent have selected services because no such services were available and another 20 percent selected services or programs by following others (table 5.5.2).

Table 5.5.3: Basis of segmentation of target groups across size

Number of programs	Segmentation			Total
	Demographic	Geographic	Socio-economic	
4 & less than 4	6 (22.2)	7 (25.9)	14 (51.9)	27 (100.0)
More than 4	6 (46.2)	2 (15.4)	5 (38.5)	13 (100.0)
Total	12 (30.0)	9 (22.5)	19 (47.5)	40 (100.0)

It emerges from the table 5.5.3 that 51.9 percent of the organizations with four or less than four programs use socio-economic factors to segment target groups as against 38.5 percent of the organizations with more than four programs. It is also observed that in 46.2 percent of the organizations with more than four programs segmentation is on the basis of demographic factors.

Inference

It can therefore be concluded that organizations with less number of programs tend to used socio-economic factors for segmenting target groups than other factors. Organizations with more four programs tend to segment their target groups on the basis of demographic factors followed by the socio-economic factors.

Table 5.5.4: Launching of services and test marketing/pilot study

Number of programs	Launch of services				Total
	Test marketing done by the organization	Without test marketing	Pilot study by others	Unaware	
4 & less than 4	0 (0.0)	2 (7.4)	22 (81.5)	3 (11.1)	27 (100.0)
More than 4	1 (7.7)	1 (7.7)	9 (69.2)	2 (15.4)	13 (100.0)
Total	1 (2.5)	3 (7.5)	31 (77.5)	5 (12.5)	40 (100.0)

It is portrayed in the above table that there are no observable deviations between two groups from the overall phenomenon where 77.5 percent of the organizations relied on pilot studies conducted by other agencies for full scale launch of programs.

Table 5.5.5: Approach to pricing across size

Number of programs	**Pricing**		Total
	Inclined	Disinclined	
4 & less than 4	7 (25.9)	20 (74.1)	27 (100.0)
More than 4	3 (23.1)	10 (76.9)	13 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

The data given in the above table do not suggest the number of programs in any way influencing the approach of the organizations towards pricing.

Table 5.5.6: Distribution channel effectiveness and efficiency

Number of programs	**Distribution channels**		Total
	Selected for effective and efficient delivery	Simply followed established practice	
4 & less than 4	6 (22.2)	21 (77.8)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 5.5.6 shows that 77.8 percent of the organizations "with four or less than four programs" have selected the distribution channel on the basis of established practices and only 22.2 percent of the organizations have considered efficiency and effectiveness of the channel. As against this 46.2 percent of the organizations with more than four programs have selected channel on the basis of efficiency and effectiveness. This indicates that organizations with more than four programs are more likely to consider channel efficiency and effectiveness than organizations with less than four programs.

Table 5.5.7: Establishing point of contact

Number of programs	Point of contact		Total
	Established through staff and volunteers	Established at other points where clients have interface	
4 & less than 4	24 (88.9)	3 (11.1)	27 (100.0)
More than 4	11 (84.6)	2 (15.4)	13 (100.0)
Total	35 (87.5)	5 (12.5)	40 (100.0)

Both the groups similar in respect of establishing the point of contact with target groups as evident from the fact that 88.9 percent and 84.6 percent of the organizations in each group establish contact through staff and volunteers and 11.1 percent and 15.4 percent organizations of the respective groups use outside points of interface to establish contact with target groups.

Table 5.5.8: Complementary role of distribution channels

Number of programs	Complementary role of distribution channels		Total
	Complementary potential is tapped	Complementary potential is ignored	
4 & less than 4	5 (18.5)	22 (81.5)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 5.5.8 illustrates that 46.2 percent of the organizations with more than four programs use the complementary potential of the distribution channel as against 18.5 percent of the organizations with four or less than four programs indicating that organizations are more likely to recognize and realize the complementary potential of the distribution channel than organization with four or less than four programs.

Table 5.5.9: Emphasis on promotion and promotional efforts

Number of programs	Promotional efforts		Total
	Deliberate	Unintentional	
4 & less than 4	8 (29.6)	19 (70.4)	27 (100.0)
More than 4	4 (30.8)	9 (69.2)	13 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It is clearly seen from the table 5.5.9 that differences between organizations with four, or less than four programs and more than four programs are negligible in respect of promotional efforts.

Table 5.5.10: Purpose of client feedback

Number of programs	Client feedback			Total
	Obtained and analysed for improving services/programs	Obtained but rarely used as input in improving services/programs	Not obtained	
4 & less than 4	3 (11.1)	20 (74.1)	4 (14.8)	27 (100.0)
More than 4	4 (30.8)	8 (61.5)	1 (7.7)	13 (100.0)
Total	7 (17.5)	28 (70.0)	5 (12.5)	40 (100.0)

Table 5.5.10 shows that 30.8 percent of the organizations with more than four programs use the client feedback for improving the services/programs as against 11.1 percent of the organizations with four or less than four programs. Even though the overall trend is maintained in both groups it can be observed that organizations with more than four programs are more likely to use the feedback for improving the services/programs than organizations with four or less than four programs.

5.6 Conclusions

5.6.1 Variations in marketing management practices across the size of organizations

The concept of marketing has just begun to find conscious application in the organizations as evident from the fact that only one-third of the organizations studied recognize the relevance of the concept of marketing. Large organizations are far ahead of small and medium organizations in recognizing the need for marketing which obviously have long way to go to appreciate its relevance.

Market research is being used by 50 percent of the organizations to identify the needs of their clientele before providing services they are in need of. This approach is being followed by all types of organizations. Large organizations are ahead of medium and small organizations in using market research as a tool to identify the needs of their clients. Even though small and medium organizations have a similar approach, other influences like following others and catering to the unmet needs are also prominently observed.

Segmentation of target groups is observed across all organizations. Large organizations are more likely to segment their target groups on demographic characteristics and medium size organizations are more likely to segment their clients and beneficiaries on geographic basis. Small organizations focus on specific socio-economic groups.

Test marketing/ running pilot programs before full scale launch of programs or services is not undertaken to by the organizations studied. However it shows that majority of the organizations rely on the experiences gained from pilot programs or projects by other agencies to assess the relevance and acceptability of such programs or services in the area of their operations. Feasibility of implementing the program and the programs suitability in addressing the needs of the target groups are given ample consideration before implementing the programs or services.

A quarter of organizations are inclined to appropriately price their services and three quarters of them are reluctant to price their services. Large organizations are more inclined and are followed by medium size organizations. Small organizations are yet to recognize relevance of pricing as can be understood from the reluctance shown by an overwhelming majority of them. The approach predominantly is to collect the cost of services offered from the third parties willing to pay rather than from the target groups irrespective of their capacity to pay.

Overall, importance of distribution channels is acknowledged by 30 percent of the organizations by consciously choosing distribution channels to improve efficiency and effectiveness of delivery of services. Large organizations are much ahead of medium and small organizations in this aspect since the issue is rarely paid attention by majority of them.

Looking for the points of contact outside and beyond the traditional points is not so well established in general. However there are exceptions. This is prominently observed in respect of organizations that provide counseling to clients in domestic violence cases where the law enforcing authorities refer the parties for counseling. It is also seen in case of persons living with HIV and AIDS where the medical practitioners refer them to the centers that provide medical care to such persons.

Nearly three-forth organizations are not sensitive to the distribution channel or contact point potential to build loyalty to the cause of the organization. Large organizations are relatively better in sensing the distribution channel potential with nearly half of them actually tapping their distribution channels potential. Following them are medium organizations with one-fourth of them tapping the potential. Small organizations lag much behind.

Promotional activities are more likely to be emphasized by large organizations relative to medium and small organizations. It is also observed that printed brochures, newsletters, electronic updates, annual reports, collages, exhibitions, news reports and websites are being used as medium of communication by large organizations. It is interesting to note that even medium and small organizations use documented profile, banners and posters for their awareness programs. These promotional aids do serve the purpose of advertising but this is only incidental to their activities.

Feedback of clients is obtained by and large by almost all the organizations. However, differences exists in the purposes for which feedback is used with large organizations relatively more likely to use it for improving services and small organizations more likely to use it to meet program requirements.

5.6.2 Variations in marketing management practices across scale of operations:

Scale of operations influences the ability of organizations to recognize the need and relevance of marketing. Recognition of marketing is found to increase or decrease with the increase or decrease in the scale of operations.

Market research is widely relied for identifying the needs of target groups. Mandal level organizations aside using market research are prone to follow other organizations in selecting the services or programs. In respect of district level organizations lack of service is also considered as basis for offering services.

Demographic factors are widely used in national level, state level and regional level organizations. Next to the demographic factors are the socio-economic factors. In the direct level organizations geographic factors are preferred to demographic and socio-economic factors. In mandal level organizations it is predominantly socio-economic factors that form the basis of segmentation.

Pilot studies were conducted by other agencies before the organizations studied have launched programs at full scale. The phenomenon is more or less observed in all the organizations across the scale.

Except state level organizations where 75 percent of the organizations are inclined to apply the concept of pricing nearly 80 percent of the rest of the organizations are disinclined to apply the concept of pricing. Mandal level organizations are most disinclined to apply the concept of pricing.

Nearly one-third of the organizations studied have followed the established practices in choosing the distribution channel without considering alternatives that may be more efficient and effective. One-half of the regional level organizations closely followed by district level and national level organizations have selected distribution channels with consideration to efficiency and effectiveness. Deviations are observed in respect of state level organizations where 100 percent of them followed the established practices without considering alternative channels.

No major differences appear across the scale of operations in respect of establishing point of contact except that 50 percent of the regional level organizations have located their points of contact outside the organizations and beyond the traditional contact points.

A very insignificant 6.7 percent of the organizations at the mandal level are able to utilize the complimentary potential of distribution channels. It is difficult to discern relationship between scale of operations and ability of organizations to utilize complementary potential. Something that is unusual in case of mandal level organizations may be explained by other factors but not by the scale of operations.

Ignoring small deviations at the district level it can be concluded that the promotional efforts differ between organizations of different scale. Significance of promotion decreased with the decrease in scale of operations.

It appears that the percentage of organizations that do not obtain client feedback is almost negligible in respect of regional level, district level and mandal level organizations. Comparatively it is more in respect of state level and increased further in respect of national level organizations. Organizations at the regional level followed by district level organizations seems to be ahead of organizations at other level in terms of obtaining and using feedback for improving the services.

5.6.3 Variations in marketing management practices across age of the organization

The study revealed that organizations in different age groups do not differ much in respect of recognizing the relevance of marketing. Market research is common across the age groups. Organizations that are less than 10 years old tend to follow others than organizations of other age groups and organizations that of above 20 years old tend to provide services that are not available. Organizations in the age group of 10 to 20 years are more likely to offer services or programs after conducting market research than to follow others or provide services that are not available.

In terms of using demographic factors the variations are very insignificant between organizations of different age groups. However there are noticeable differences in terms of using geographic and socio-economic factors. Over all socio-economic indicators are used in nearly half of the organizations studied. Organizations that are above 20 years old tend to segment target groups on geographical basis than on other basis. Similarly organizations that are 10 to 20 years old are more likely to segment target groups on socio economic basis than on geographical basis.

Pilot studies conducted by other agencies before full scale launch of programs and no differences are observed across organizations of different age groups. Though 75 percent of the organizations overall are disinclined to apply the concept of pricing, organizations in the age group of above 20 years are relatively more inclined than other organizations to apply the concept of pricing.

Organizations above 20 years of age appear to be ahead of organizations in other age groups in considering channel effectiveness and efficiency with 40 percent of them choosing their distribution channels keeping in view efficiency and effectiveness of service delivery. Organizations that are less than 10 years old appear to be ahead of other organizations in this regard with 22.5 percent of them using alternate points of contact which is almost double the percentage of organizations in other groups using alternate contact points.

Organizations less than 10 years old are more likely to recognize and realize the complementary potential of distribution channels than other organizations. Organizations that are established in the past 10 years are little ahead of organizations established before 10 years in promoting their programs and services and consider positioning and branding useful for the organizational growth.

Feedback is obtained in nearly 90 percent of the organizations. While nearly in one-third of the organizations in the age group of less than 10 years and above 20 years client feedback is being used for improving services and programs compared negligible percentage of organizations in the age group of 10 to 20 years.

5.6.4 Variations in marketing management practices across major sources of funding

Organizations dependent on direct international funds are more likely to conduct market research for selecting services or programs. Organizations dependent on indirect international funds use market research and also follow others as well as provide services that are not being provided though emphasis is much in market research. Organizations dependent on government funds are more likely to follow others and less likely to undertake market research. Organizations dependent on corporate funds are equally likely to undertake market research as well as provide services that are lacking.

Organizations dependent on direct international funds demographic factors are mostly used for segmenting target groups than geographic and socio-economic factors. In organizations dependent on indirect international funds socio-economic factors are widely used for segmenting target groups. In organizations dependent on corporate funds geographic factors are predominantly used and in organizations dependent on government funds geographic and socio-economic factors are commonly used for segmenting target groups. This phenomenon is common to all organizations irrespective of major source of funds. Pilot studies conducted by other organizations may not necessarily be in the geographical areas of operation of organizations studied but the experiences and insights are relevant to the organizations studied.

Organizations dependent on direct international funds and corporate funds are more receptive and inclined to the concept of pricing than organizations dependent on indirect international funds and government funds which have no inclination at all for pricing their services.

Overall established practices dominate distribution channel selection in the organizations. In the organizations dependent on corporate funds channel efficiency and effectiveness rather than established practices that dominate the distribution channel decisions. In organizations dependent on government funds the decision is dominated by established practices. No much of variation in terms of factors influencing channel decision is observed in respect of organizations dependent on either direct or indirect international funds. Irrespective of sources of funds the point of contact is predominantly staff and volunteers.

One noticeable difference is that 50 percent of the organizations dependent on corporate funds recognize distribution channels complementary potential. This indicates that organizations dependent on corporate funds are more likely to recognize the distribution channels complementary potential than other organizations and organizations dependent on government funds are least likely to recognize the distribution channels potential to build loyalty to the cause of the organization.

Organizations dependent on direct international funds and corporate funds are more likely to emphasize promotion of organizations than organizations dependent on indirect international funds and government funds. Feedback is obtained by all the organizations irrespective of source of funds. Feedback is most likely to be used for improving services by the organizations dependent on corporate funds and least likely to be used by organizations dependent on corporate funds and least likely to be used by organizations dependent on indirect international funds. One third of organizations dependent on direct international funds and government funds are likely to use the feedback obtained for improving the services. Organizations dependent on direct international funds and corporate funds are relatively more likely to recognize the need and relevance of marketing than organizations dependent on government funds and indirect international funds.

5.6.5 Variations in marketing management practices across number of programs

There are no differences across organizations with 4 or less than 4 programs and more than 4 programs. No significant variations are observed across organizations with 4 or less than 4 programs and more than 4 programs in terms of selecting services / programs to be offered on the basis of market research or other basis. Both the groups exhibited more or less the overall trend where 50 percent of the organizations used market research, 20 percent selected services because no such services were available and another 20 percent selected services or programs by following others.

Organizations with less number of programs tend to use socio-economic factors for segmenting target groups than other factors. Organizations with more than 4 programs tend to segment their target groups on the basis of demographic factors followed by the socio-economic factors. The data do not suggest that number of programs in any way influences the approach of the organizations towards pricing.

Organizations with more than 4 programs are more likely to consider channels efficiency and effectiveness than organizations with less than 4 programs. Organizations with more than 4 programs and organizations with 4 less than 4 programs are similar in respect of establishing the point of contact with target groups. Organizations with more than 4 programs are likely to recognize and realize the complementary potential of the distribution channel than organizations with 4 or less than 4 programs. Differences between organizations with 4 or less than 4 programs and more than 4 programs are negligible in respect of promotional efforts. Organizations with more than 4 programs are more likely to use the feedback for improving the services / programs than organizations with 4 or less than 4 programs.

CHAPTER VI

ANALYSIS OF HUMAN RESOURCE MANAGEMENT PRACTICES

The practices related to human resource management of selected organizations are analysed to understand the variations across size, scale, age, major source of funding and the number of programs of the organizations.

6.1 Analysis across the size of the organization

Table 6.1.1: Written recruitment policy

Organizational size	**Written recruitment policy**		Total
	Doesn't exist	Exists	
Large	0 (0.0)	11 (100.0)	11 (100.0)
Medium	3 (25.0)	9 (75.0)	12 (100.0)
Small	13 (76.5)	4 (23.5)	17 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 6.1.1 shows variations across size in respect of written recruitment policy. Overall 60 percent of the organizations have a written recruitment policy and 40 percent don't have a recruitment policy. 100 percent of large organizations, 75 percent of medium organizations and 23.5 percent of small organizations have recruitment policy. Among 16 organizations that do not have recruitment policy is 13 (81.3 percent) are small organizations.

Inference

It implies from the above analysis that variations across size exist in terms of having a written recruitment policy. While large organizations are certain to have a written recruitment policy, small organizations have only one-fourth chance and medium organizations have three-fourth chance of having a written recruitment policy.

Table 6.1.2: Service and pay rules

Organizational size	Service and pay rules		Total
	Doesn't exist	Exists	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	11 (91.7)	1 (8.3)	12 (100.0)
Small	17 (100.0)	0 (0.0)	17 (100.0)
Total	36 (90.0)	4 (10.0)	40 (100.0)

Table 6.1.2 shows how organizations vary across size in respect of service rules and pay rules. It indicates that in 90 percent of the organizations service rules and pay rules do not exist. Among large organizations 27.3 percent of the organizations have framed service rules to govern the services of employees and pay rules to determine compensation.

Inference

It can be concluded that in general organizations do not have service rules and pay rules. There is nearly one-forth possibility of large organizations to have service rules and pay rules.

Table 6.1.3: Work manual

Organizational size	Work manual		Total
	Doesn't exist	Exists	
Large	4 (36.4)	7 (63.6)	11 (100.0)
Medium	5 (41.7)	7 (58.3)	12 (100.0)
Small	14 (82.4)	3 (17.6)	17 (100.0)
Total	23 (57.5)	17 (42.5)	40 (100.0)

Table 6.1.3 gives the status in the organization studied in terms of existence or otherwise of work manual. It depicts that 42.5 percent of the organizations studied have work manual prepared to guide their employees in discharging their duties and 57.5 percent do not have work manual. Small organizations constitute only 17.6 percent of those organizations that have work manual. Alternately 82.4 percent of small organizations do not have work manual.

In contrast 63.6 percent and 58.3 percent of large and medium organizations respectively have work manual.

Inference

Large organizations are more likely to have work manual compared to medium organizations. Small organizations are unlikely to have work manual. Medium size organizations are more likely to have work manual than not having. Size of the organization influences the decision of having a work manual.

Table 6.1.4: Conduct and disciplinary rules

Organization size	**Conduct and disciplinary rules**		Total
	Doesn't Exist	Exists	
Large	2 (18.2)	9 (81.8)	11 (100.0)
Medium	8 (66.7)	4 (33.3)	12 (100.0)
Small	15 (88.2)	2 (11.8)	17 (100.0)
Total	25 (62.5)	15 (37.5)	40 (100.0)

Table 6.1.4 shows that, conduct and disciplinary rules exist in 37.5 percent of the organizations and in the rest of the organizations they do not exist. It also shows that in 81.8 percent of the large organizations conduct and disciplinary rules are framed. In 88.2 percent of the small organizations and 66.7 percent of the medium organizations conduct and disciplinary rules are not available.

Inference

It indicates that in most of the large organizations conduct and disciplinary rules exist and in most of the small organizations they do not exist. In medium organizations the possibility of conduct and disciplinary rules existing is double the possibility of not existing.

Table 6.1.5: Basis of selection across size

Organizational size	Basis of selection			Total
	General ability	Knowledge, skills and abilities as per job description	Both	
Large	2 (18.2)	6 (54.5)	3 (27.3)	11 (100.0)
Medium	3 (25.0)	7 (58.3)	2 (16.7)	12 (100.0)
Small	14 (82.4)	2 (11.8)	1 (5.9)	17 (100.0)
Total	19 (47.5)	15 (37.5)	6 (15.0)	40 (100.0)

Table 6.1.5 presents the criteria that organizations use to select employees for various positions in the organization. It becomes evident from the table that 47.5 percent of the organizations studied, select employees on the basis of general abilities, 37.5 percent select those who possess qualifications, knowledge, skill and abilities required as per the job description. 15 percent of the organizations use both the criteria. It is also evident that 18.2 percent of the large organizations and 82.4 percent of small organizations select employees on the basis of general abilities respectively. 54.5 percent of large organizations use job descriptions to identify suitable candidates and 27.3 percent of them use combination of job description and general ability. 25 percent of medium size organizations use general abilities and the rest 75 percent use criteria derived from job description or combination of job description criteria and general ability.

Inference

This leads to the inference that job descriptions and qualifications based on job descriptions are used by the large and medium organizations. Small organizations generally do not use job descriptions but select employees on the basis of their general abilities.

Table 6.1.6: Review of recruitment policy and procedures

Organization size	Review of recruitment policy			Total
	Periodically	Not reviewed	Not Applicable/ Known	
Large	5 (45.5)	6 (54.5)	0 (0.0)	11 (100.0)
Medium	2 (16.7)	9 (75.0)	1 (8.3)	12 (100.0)
Small	3 (17.6)	2 (11.8)	12 (70.6)	17 (100.0)
Total	10 (25.0)	17 (42.5)	13 (32.5)	40 (100.0)

Table 6.1.6 above gives the status of review of personnel policies and procedures by the organizations studied across size. Overall 25 percent of the organizations have periodically reviewed their personnel policies and 42.5 percent have not reviewed as on date of field visit. Across the size it can be seen that 50 percent (5 out of 10) of the organizations that have periodically reviewed personnel policies are large organizations. Medium and small organizations constitute 20 percent and 30 percent respectively.

Inference

It can be concluded that review of personnel policies is carried out in one-fourth of the total organizations. It is normal for the organizations to review their recruitment policies at regular intervals to attune their policies with the changes that have taken place in the relevant job market. This is necessary to attract best human resources particularly when the organizations have to compete with other non-profit organizations. It appears that relatively large organizations are more sensitive to the need for changing their policies than medium sized organizations. Most of the small organizations have no policy for recruitment and the question of reviewing them is redundant.

Table 6.1.7: Orientation

Organization size	Orientation		Total
	Through formal induction programs	Through 'on the job' trainings	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	12 (100.0)
Small	0 (0.0)	17 (100.0)	17 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 6.1.7 throws light on the type of orientation given by the organizations to the new recruits. 30 percent of the organizations have structured induction programs to its new employees that broadly covers mission, goals, strategies, policies, programs and job expectations etc. 70 percent of the organizations give 'on the job' trainings without formal induction. Among large organizations 72.7 percent have formal induction programs. Small organizations rely entirely on 'on the job' trainings. 33.3 percent of the medium sized organizations offer formal induction programs and 66.7 percent offer on the job training without any formal induction.

Inference

It can be inferred that small organizations use only one method i.e. on the job training for new employees. Large and medium size organizations make use of both the methods-some of them formal induction programs and other-on the job training. However large organizations are more inclined for formal induction programs than on the job training and medium sized organizations are more inclined to on the job training without formal induction.

Table 6.1.8: Training and development

Organization size	Training and development		Total
	Need based to prepare for long term career in the organization	Program/ Project specific or general	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	2 (16.7)	10 (83.3)	12 (100.0)
Small	1 (5.9)	16 (94.1)	17 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 6.1.8 presents the practices followed in respect of trainings provided to the employees. Overall 27.5 percent of the organizations selected provide either in house training or outside training after assessing the needs of employees with the objective of improving their knowledge, skills and abilities to perform their specific jobs keeping in view the long term objectives. 72.5 percent of the organizations depute employees to attend training programs organized by support organizations, intermediary agencies and government agencies etc. which are integral to programs or projects implemented by them. Among large organizations 72.7 percent offer need based training for long term organizational effectiveness and 27.3 percent offer program or project specific training. Medium and small organizations that impart program or project specific training respectively constitute 83.3 percent and 94.1 percent of their respective strength among the selected organizations.

Inference

It can be inferred from the above analysis that training and development activities are generally aimed at improving long term organizational performance and improving program or project performance which are mutually reinforcing. Organizations vary across size in terms of their emphasis on training outcomes. Large organizations are more inclined to training programs that aim at improving long term effectiveness of the organization. Small and medium sized organizations are more inclined to provide programs or project specific training for program/project effectiveness.

Table 6.1.9: Frequency of performance appraisal

Organization size	Frequency of performance appraisal				Total
	Annually	Bi- annually	Simultaneous with program /project evaluation	Once in two years	
Large	8 (72.7)	1 (9.1)	0 (0.0)	2 (18.2)	11 (100.0)
Medium	5 (41.7)	6 (50.0)	1 (8.3)	0 (0.0)	12 (100.0)
Small	7 (41.2)	3 (17.6)	7 (41.2)	0 (0.0)	17 (100.0)
Total	20 (50.0)	10 (25.0)	8 (20.0)	2 (5.0)	40 (100.0)

Table 6.1.9 shows the performance appraisal frequencies of the organizations studied. It illustrates that 50 percent of the organizations review employee performance once in a year, 25 percent of them twice in a year, 5 percent once in two years and another 20 percent at the time of program/project review. 72.7 percent of large organizations, 41.7 of medium size organizations and 41.2 percent of small organizations review employee performance annually. It can also be observed that 41.2 percent of small organizations review performance of employees concurrently with program/project review.

Inference

It can be inferred from above that performance review is common to all organizations. Half of the organizations review performance of employees annually, quarter of them half yearly and one fifth of them review employee performance along with program/project evaluation. Dominant among the organizations that review performance of employees along with program /project evaluation are small organizations and comprises 87.5 percent of their total strength.

Table 6.1.10: Performance evaluation criteria

Organization size	**Basis of performance evaluation**			Total
	Objective	Both objective and subjective	Informal feedback from clients	
Large	7 (63.6)	4 (36.4)	0 (0.0)	11 (100.0)
Medium	3 (25.0)	8 (66.7)	1 (8.3)	12 (100.0)
Small	0 (0.0)	7 (41.2)	10 (58.8)	17 (100.0)
Total	10 (25.0)	19 (47.5)	11 (27.5)	40 (100.0)

Table 6.1.10 presents manner and criteria used by the organizations studied for evaluating the performance of employees. In all 25 percent of the organizations systematically and objectively assess the performance using measurable criteria. 47.5 percent of the organization evaluates performance on the basis of criteria that include both objective and subjective elements. 27.5 percent of the organizations judge performance informally on the basis of feedback obtained from beneficiaries. It can be observed that 63.6 percent of large

organizations are objective and systematic in evaluating performance of employees, 66.7 percent of medium organizations evaluate on the basis of both objective and subjective criteria, 58.8 percent of the small organization appraise employees on the basis of feedback obtained informally from beneficiaries.

Inference

It can be inferred that large organization tend to be relatively more systematic and objective in evaluating performance of employees compared to medium size and small organizations that tend to display certain element of subjectivity in evaluating performance of employees. Another notable feature of small organizations is that their evaluation system is more informal than formal and factors client's feedback.

Table 6.1.11: Basis of promotion and prospects

Organization size	Promotion criteria				Total
	Performance	Seniority	No avenues	Seniority-cum-performance	
Large	4 (36.4)	2 (18.2)	0 (0.0)	5 (45.5)	11 (100.0)
Medium	3 (25.0)	2 (16.7)	3 (25.0)	4 (33.3)	12 (100.0)
Small	2 (11.8)	1 (5.9)	12 (70.6)	2 (11.8)	17 (100.0)
Total	9 (22.5)	5 (12.5)	15 (37.5)	11 (27.5)	40 (100.0)

Table 6.1.11 portrays the status in the organizations selected for the study in respect of promotion to next higher level positions. Overall 37.5 percent of the organizations' respondents said that the avenues for promotion are either non existence or negligible. In the remaining 62.5 percent of the organizations; 22.5 percent promote employees on the basis of their performance, 12.5 percent on the basis of seniority and 27.5 percent on seniority-cum-performance. Within large organizations the percentage of organizations that consider seniority alone for promotion of employees is very low at 18.2 percent. Same is the case with medium sized organizations. Promotions are based generally on performance-cum-seniority or performance in both large and medium organizations. In case of small organizations the situation is somewhat different with 70.6 percent almost without any such opportunities.

Inference

It can be inferred that upward movement in the hierarchy is linked more to performance or performance-cum-seniority than seniority alone in large and medium organizations. In small organizations such prospects of promotion are negligible.

Table 6.1.12: Compensation structure across size

Organizational size	Compensation structure			Total
	Based on equity	Based on 'going rates'	Combination	
Large	8 (72.7)	1 (9.1)	2 (18.2)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	0 (0.0)	12 (100.0)
Small	0 (0.0)	15 (88.2)	2 (11.8)	17 (100.0)
Total	12 (30.0)	24 (60.0)	4 (10.0)	40 (100.0)

Table 6.1.12 shows prevailing compensation system in the organizations considered for the purpose of study. It is evident from the table that 30 percent of the organizations have compensation levels for various positions in the organizations that are based on the "worth of the job" and equity – both external and internal of course in relation to relevant job market. 60 percent of the organizations offer compensation at prevailing rates which are often equal to minimum acceptable wage levels in the concerned area. 10 percent of the organizations adopt both the methods, former in case of executive and professional staff and later in case of field and support staff. It can also be noted that 72.7 percent of large organizations follow compensation system based on job evaluation and equity. 66.7 percent and 88.2 percent of medium and small organizations respectively follow "going rates" in compensating their employees without any job evaluation.

Inference

It leads to the inference that large organizations are more prone to base their compensation system on scientific and rational principles. Small and medium organizations on the contrary are more prone to adhere to prevailing rates that are often inadequate to maintain minimum living standards. In one of the meetings convened by support organizations to discuss issues related to budget preparation the researcher has observed representatives from small organizations quipping, "While we are expected to organize wage labourers and raise demand for payment of minimum wages, we are deprived of minimum wages." What so ever the reasons may be, this reflects the ground realities particularly in small organizations.

Table 6.1.13: Perquisites

Organization size	Perquisites			
	Provident fund	Gratuity	Travel	Medical
Large	7 (63.6)	8 (72.7)	6 (54.5)	9 (81.8)
Medium	8 (66.7)	1 (8.3)	10 (83.3)	7 (58.3)
Small	1 (5.9)	1 (5.9)	5 (29.4)	5 (29.4)

Table 6.1.14: Non-monetary rewards

Organization size	Non-monetary rewards		Total
	Public recognition, increased visibility and increased authority	None	
Large	7 (63.6)	4 (36.4)	11 (100.0)
Medium	11 (91.7)	1 (8.3)	12 (100.0)
Small	16 (94.1)	1 (5.9)	17 (100.0)
Total	34 (85.0)	6 (15.0)	40 (100.0)

Tables 6.1.13 and 6.1.14 show various perquisites and non monetary rewards offered to the employees of the organizations included in the study. Perquisites like medical reimbursement/insurance, travel expenses and provident fund are common in nearly 50 percent of the total organizations studied. However, it is observed that among small organizations only 29.4 percent of the organizations offer medical and travel reimbursements and negligible percentage of them contribute to provident fund. 72.7 percent of large organizations pay gratuity, 81.8 percent provide medical and travel reimbursement and 63.6 percent contribute to provident fund. Likewise in the category of medium organizations 83.3

percent, 66.7 percent and 58.3 percent extend travel, provident fund and medical reimbursement respectively as perquisites.

Again public recognition, increased visibility, and enhanced responsibility are highly prevalent in 85 percent of the organization irrespective of their varying sizes. But when it comes to the small sized organizations it is seen that 94.1 percent of them practice this as a method to motivate their employees. Among all the large and medium sized organizations the figures are respectively 91.7 and 63.6.

Inference

From the above analysis it can be concluded that travel, medical and provident fund are more common among large organizations, common in medium organizations and less common in small organizations. Gratuity is common only in large organizations. Further it is observed that non-monetary rewards like public recognition, increased visibility, and enhanced responsibility are common in all types of organizations. Small organizations lead medium and large organizations in this regard.

Table 6.1.15: Personnel search

Organizational size	**Personnel search**			Total
	Only external sources	Only internal sources	Both internal and external sources	
Large	0 (0.0)	3 (27.3)	8 (72.7)	11 (100.0)
Medium	0 (0.0)	5 (41.7)	7 (58.3)	12 (100.0)
Small	1 (5.9)	15 (88.2)	1 (5.9)	17 (100.0)
Total	1 (2.5)	23 (57.5)	16 (40.0)	40 (100.0)

Table 6.1.15 depicts various modes of personnel search by the organizations. Out of the organizations studied 57.5 percent of the organizations use internal resources like employee references to identify prospective employees. 40 percent of the organizations use both internal and external sources like newspaper advertisements. 88.2 percent of small organizations and 27.3 of large organizations depend exclusively on internal sources. Among large

organizations, 72.7 percent use both the sources. Medium size organizations take the middle course with 41.7 percent exclusively depending on internal sources and 58.3 percent depending on both the sources.

Inference

It can be said that use of internal sources for search of prospective employees is most prevalent in small organizations. In medium and large organizations, internal sources are augmented by external sources particularly for executive and professional cadres.

Table 6.1.16: Culture of innovation

Organizational size	Culture of innovation		Total
	Consciously pursued	Casually pursued	
Large	4 (36.4)	7 (63.6)	11 (100.0)
Medium	0 (0.0)	12 (100.0)	12 (100.0)
Small	0 (0.0)	17 (100.0)	17 (100.0)
Total	4 (10.0)	36 (90.0)	40 (100.0)

Table 6.1.16 throws light on the kind of systems developed in the organizations for promoting culture of innovation. It appears from the table that only 10 percent of the organizations, all of them large, have formal system in place to solicit, receive, respond and implement new ideas from staff and others. In rest of the organizations it is claimed that suggestions and ideas from employees and others are welcomed but who pursues further and how are not made clear.

Inference

There is a general perception that non-profit organizations have autonomy flexibility and freedom to try new ideas and experimentation which are regarded as their strength. It is naturally expected that organizations would take steps to leverage from the strengths. It is intriguing to find that formal systems that breed culture of innovations are not much visible.

Table 6.1.17: Grievance handling

Organizational size	Grievance handling		Total
	Formal procedures are adopted	Informal and normally dealt by supervisory staff or senior staff	
Large	6 (54.5)	5 (45.5)	11 (100.0)
Medium	4 (33.3)	8 (66.7)	12 (100.0)
Small	0 (0.0)	17 (100.0)	17 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

The table 6.1.17 shows the practice followed in the organizations considered for the study to redress employee grievances. On the whole, in 75 percent of the organizations grievances are dealt by the supervisory or senior staff informally. Only 25 percent of the organizations that are confined to large and medium category have adopted formal mechanisms to redress employee grievances.

Inference

Overall one-fourth of the organizations have adopted formal procedures to address the grievances of employees suggesting that the approach is much informal than formal. Grievance handling is typically informal in small organizations. Large organizations are more likely to have formal systems than medium organizations indicating that organizations vary in their approaches across the size.

Table 6.1.18: Human resource planning

Organizational size	Human resource planning		Total
	No attention is paid	Attention paid	
Large	11 (100.0)	0 (0.0)	11 (100.0)
Medium	12 (100.0)	0 (0.0)	12 (100.0)
Small	16 (94.1)	1 (5.9)	17 (100.0)
Total	39 (97.5)	1 (2.5)	40 (100.0)

Table 6.1.19: Retention strategy

Organizational size	Retention strategies		Total
	No attention is paid	Differ case by case	
Large	6 (54.5)	5 (45.5)	11 (100.0)
Medium	9 (75.0)	3 (25.0)	12 (100.0)
Small	13 (76.5)	4 (23.5)	17 (100.0)
Total	28 (70.0)	12 (30.0)	40 (100.0)

Table 6.1.20: Succession planning

Organizational size	Succession planning			Total
	Successors identified and groomed for smooth transition	Board /CEO decides at appropriate time	Don't consider as relevant	
Large	4 (36.4)	3 (27.3)	4 (36.4)	11 (100.0)
Medium	1 (8.3)	6 (50.0)	5 (41.7)	12 (100.0)
Small	0 (0.0)	3 (17.6)	14 (82.4)	17 (100.0)
Total	5 (12.5)	12 (30.0)	23 (57.5)	40 (100.0)

Human resource planning is not a concern for the organizations studied which characterised by 97.5 percent of the organizations irrespective of their sizes. The reason possibly may be highly uncertain pattern of funding. Recruitment process begins only after formal commitment is obtained from program or project funding agency. Managing present than looking ahead apparently is the human resource strategy that is being pursued (table 6.1.18).

It is also observed from the table 6.1.19 that retention strategies and succession planning are rarely developed in the organizations studied. In 70 percent of the organizations irrespective of their sizes no attention is paid to the succession planning strategy and in rest of the organizations it is followed.

In only 12.5 percent of the organizations successors are identified and groomed for smooth transition. In 30 percent of the organizations it is either left to the board/governing body or

CEO. In around half of the organizations it is considered as having no relevance (table 6.1.20).

Inference

Very few organizations acknowledge that employee turnover will affect organizational performance and therefore requires attention. This gives an impression that various decision making structures do not consider employee turnover so acute a problem that it requires attention and intervention by the management. In those organizations that are sensitive to the employee turnover, retention strategies vary from case to case implying lack of general strategy.

6.2 Analysis across scale of operations

Table 6.2.1: Recruitment policy

Scale of operations	Recruitment policy		Total
	Doesn't exist	Exists	
National	0 (0.0)	5 (100.0)	5 (100.0)
State	0 (0.0)	4 (100.0)	4 (100.0)
Region	0 (0.0)	4 (100.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	12 (100.0)
Mandals	13 (86.7)	2 (13.3)	15 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 6.2.1 depicts that in 100 percent of the national level, state level and regional level organizations recruitment policies and procedures have been formed. In 25 percent of the district level and 86.7 percent of the mandal level organizations recruitment policies and procedures have not been framed. It clearly indicates that the percentage of organizations with recruitment policies and procedures framed declined from 100 percent to 13.3 percent with the decrease in scale of operations from national level to mandal level.

Inference

It could be inferred that scale of operations influences existence or otherwise of recruitment policies and procedures.

Table 6.2.2: Disciplinary rules

Scale of operations	**Disciplinary rules**		Total
	Doesn't Exist	Exists	
National	2 (40.0)	3 (60.0)	5 (100.0)
State	1 (25.0)	3 (75.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	6 (50.0)	6 (50.0)	12 (100.0)
Mandals	14 (93.3)	1 (6.7)	15 (100.0)
Total	25 (62.5)	15 (37.5)	40 (100.0)

Table 6.2.2 illustrates that 60 percent of the national level organizations, 75 percent of the state level organizations, 50 percent of regional level and district level organization each have disciplinary rules in force. In comparison only 6.7 percent of the mandal level organizations have disciplinary rules.

Inference

It is evident from above that, organizations with operations at district level or above have one-half or even more probability of having disciplinary rules and organizations at mandal level have least probability of having disciplinary rules.

Table 6.2.3: Work manual

Scale of operations	**Work manual**		Total
	Doesn't Exist	Exists	
National	2 (40.0)	3 (60.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	4 (100.0)
District	4 (33.3)	8 (66.7)	12 (100.0)
Mandals	14 (93.3)	1 (6.7)	15 (100.0)
Total	23 (57.5)	17 (42.5)	40 (100.0)

Table 6.2.3 explicates that 60 percent of national level organizations, 50 percent of state level organizations, 75 percent of regional level organizations and 66.7 percent of district level organizations have work manual. As against this only 6.7 percent of the organizations at the mandal level have work manual.

Inference

It can be concluded that organizations at mandal level are most unlikely to have work manual and organization at regional level have three fourth possibility of having work manual. Organizations at state level and national level and district level have one-half or more probability of having work manual.

Table 6.2.4: Basis of selection

Scale of operations	Basis of selection			Total
	General ability	Knowledge, skills and abilities as per job description	Both	
National	2 (40.0)	3 (60.0)	0 (0.0)	5 (100.0)
State	0 (0.0)	3 (75.0)	1 (25.0)	4 (100.0)
Region	0 (0.0)	3 (75.0)	1 (25.0)	4 (100.0)
District	5 (41.7)	3 (25.0)	4 (33.3)	12 (100.0)
Mandals	12 (80.0)	3 (20.0)	0 (0.0)	15 (100.0)
Total	19 (47.5)	15 (37.5)	6 (15.0)	40 (100.0)

Table 6.2.4 shows that in 80 percent of the organizations at mandal level, selection of employees is based on general abilities. In 60 percent, 75 percent and 75 percent respectively of national level, state level and regional level organizational selection is on the basis of knowledge, skills and abilities derived from job descriptions. In comparison in only 25 percent and 20 percent respectively of district and mandal level organizations selection is based on knowledge, skills and abilities.

Inference

It can be inferred that selection in mandal level organizations is predominantly on the basis of general abilities. In organizations at state level and regional level it is predominantly on the basis of knowledge, skills and abilities or combination of general abilities and knowledge, skills and abilities as determined by job descriptions but not on general abilities alone.

Table 6.2.5: Orientation

Scale of operations	Orientation		Total
	Through formal induction programs	Through ‘on the job’ trainings	
National	3 (60.0)	2 (40.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	4 (100.0)
District	5 (41.7)	7 (58.3)	12 (100.0)
Mandals	0 (0.0)	15 (100.0)	15 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It transpires from the table 6.2.5 that 60 percent of the organizations at national level, 50 percent at state and regional level each and 41.7 percent at district level organize formal induction programs for new employees. In 100 percent of the organizations at mandal level no formal induction programs are organized and new employees are put on the job training. It can be observed that with the decline in scale of operations the percentage of organizations with formal induction programs decreased and percentage of organizations with on the job trainings increased.

Inference

This suggests that propensity for formal induction programs increases with the increase in scale of operations and the propensity for on the job trainings decreases with the increase in scale of operations.

Table 6.2.6: Training and development

Scale of operations	Training and development		Total
	Need based to prepare for long term career in the organization	Program/ Project specific or general	
National	3 (60.0)	2 (40.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	12 (100.0)
Mandals	0 (0.0)	15 (100.0)	15 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 6.2.6 explicates that in 100 percent of the mandal level organizations training and development provided is project or program specific. In 60 percent of the national level organizations and 75 percent of regional level organizations it is need based and oriented to capacitate employees for long term careers.

Inference

It can be inferred that mandal level and district level organizations are more likely to provide program/project specific training than need based and long term career oriented trainings. Regional and national level organizations are inclined to provide long term career oriented training that just project program specific trainings. State level organizations have equal propensity towards both career oriented training and project/program specific trainings.

Table 6.2.7: Basis of performance evaluation

Scale of operations	Basis of performance evaluation			Total
	Objective	Both objective and subjective	Informal feedback from clients	
National	3 (60.0)	2 (40.0)	0 (0.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	3 (25.0)	9 (75.0)	0 (0.0)	12 (100.0)
Mandals	0 (0.0)	4 (26.7)	11 (73.3)	15 (100.0)
Total	10 (25.0)	19 (47.5)	11 (27.5)	40 (100.0)

Table 6.2.7 portrays that in 60 percent, 50 percent, 50 percent, 25 percent of the national level, state level, regional level and district level organizations respectively, performance evaluation of employees is based on objective criteria. In 40 percent 50 percent each, 75 percent and 26.7 percent of the national level, state level, regional level, district level and mandal level organizations respectively performance evaluation is based on both subjective and objective criteria. In 73.3 percent of mandal level organizations performance evaluation is based on informal feedback obtained from the clients.

Inference

It is evident that with the decline in the scale of operations from national level to mandal level the percentage of organizations evaluating performance of employees on the basis of objective criteria decreased and the percentage of organizations using both objective and subjective criteria increased. Only in respect of mandal level organizations, informal feedback from clients is used to evaluate performance in 73.3 percent of the organizations.

Therefore it can be inferred that use of informal feedback is unique to mandal level organizations. In respect of national level, state level and regional level organizations objective criteria and mix of objective and subjective criteria are equally likely. In respect of district level organizations it is both subjective and objective criteria that are predominantly used rather than objective criteria.

Table 6.2.8: Promotion criteria

Scale of operations	Promotion criteria				Total
	Performance	Seniority	No avenues	Seniority- cum-performance	
National	1 (20.0)	1 (20.0)	0 (0.0)	3 (60.0)	5 (100.0)
State	1 (25.0)	1 (25.0)	1 (25.0)	1 (25.0)	4 (100.0)
Region	2 (50.0)	0 (0.0)	0 (0.0)	2 (50.0)	4 (100.0)
District	2 (16.7)	2 (16.7)	3 (25.0)	5 (41.7)	12 (100.0)
Mandals	3 (20.0)	1 (6.7)	11 (73.3)	0 (0.0)	15 (100.0)
Total	9 (22.5)	5 (12.5)	15 (37.5)	11 (27.5)	40 (100.0)

Table 6.2.8 shows that in 73.3 percent of the mandal level organizations, 25 percent each of district and state level organizations each promotion avenues are limited. In 60 percent of the national level organizations promotion is based on seniority-cum-performance. In 50 percent of regional level organizations, promotion is based on performance and in another 50 percent it is based on seniority-cum-performance. In 41.7 percent of district level organizations promotion is based on seniority-cum-performance.

Inference

It can be inferred that promotions are most likely on the basis of seniority-cum-performance in national level organizations and district level organizations. In case of regional level organizations there is one-half possibility for promotions based on performance and one-half possibility for promotions based on seniority-cum-performance. In mandal level organizations there is chances of promotion are one-fourth and where ever opportunities exists they are based on performance alone.

Table 6.2.9: Compensation structure

Scale of operations	**Compensation structure**			Total
	Based on equity	Based on 'going rates'	Combination	
National	4 (80.0)	0 (0.0)	1 (20.0)	5 (100.0)
State	3 (75.0)	1 (25.0)	0 (0.0)	4 (100.0)
Region	2 (50.0)	0 (0.0)	2 (50.0)	4 (100.0)
District	2 (16.7)	9 (75.0)	1 (8.3)	12 (100.0)
Mandals	1 (6.7)	14 (93.3)	0 (0.0)	15 (100.0)
Total	12 (30.0)	24 (60.0)	4 (10.0)	40 (100.0)

It transpires from above table 6.2.9 that, percentage of organizations whose compensation structure is based on equity declined from 80 percent to 6.7 percent with the decline in the scale of operations indicating a relationship between equity based pay structure and scale of operations.

Inference

It also suggests that the organizations working at district level and mandal level are very likely to compensate employees on the basis of going rates than on equity considerations.

Table 6.2.10: Personnel search

Scale of operations	Personnel search			Total
	Only external sources	Only internal sources	Both internal and external sources	
National	0 (0.0)	2 (40.0)	3 (60.0)	5 (100.0)
State	0 (0.0)	1 (25.0)	3 (75.0)	4 (100.0)
Region	0 (0.0)	3 (75.0)	1 (25.0)	4 (100.0)
District	0 (0.0)	5 (41.7)	7 (58.3)	12 (100.0)
Mandals	1 (6.7)	12 (80.0)	2 (13.3)	15 (100.0)
Total	1 (2.5)	23 (57.5)	16 (40.0)	40 (100.0)

From the above table 6.2.10 it is observed that personnel search is predominantly through internal sources in respect of regional level and mandal level organizations as evident from fact that 75 percent and 80 percent of the organizations in respective group use internal sources for personnel search. In respect of national level, state level and district level both internal and external sources are more likely to be used than internal search alone which is evident from the fact that 60 percent, 75 percent and 58.3 percent of organizations in the respective groups use both internal sources and external sources for their personnel search.

Grievance redressal

There are no variations significant enough between organizations across scale of operations in respect of grievance redressal except that 100 percent of mandal level organizations and 75 percent of regional level organizations rely on informal systems where supervisory or senior staff deals with the employee grievances and no formal procedures are in place for handling grievances of employees.

6.3 Analysis across the age of the organization

Table 6.3.1: Recruitment policy

Age of the organization	**Recruitment policy**		Total
	Doesn't exist	Exists	
10 year or less	5 (55.6)	4 (44.4)	9 (100.0)
10 above & below 20	8 (38.1)	13 (61.9)	21 (100.0)
Above 20	3 (30.0)	7 (70.0)	10 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 6.3.1 shows that recruitment policy and procedures exist in 60 percent of the organizations studied. Among organizations in the age group of 20 and above in 70 percent of the organizations recruitment policy and procedures exist. Among organizations in the age group of 10 to 20 in 61.9 percent of the organizations recruitment policy exists. Among organizations in the age group of 10 years or less than 10 years recruitment policy exists only in 44.4 percent of the organizations. It is evident from the table that as the age of the organizations increases the percentage of organizations with recruitment policy and procedures increased from 44.4 percent to 70 percent suggesting that age of the organizations influences the practice of framing recruitment policies.

Table 6.3.2: Disciplinary rules

Age of the organization	**Disciplinary rules**		Total
	Doesn't exist	Exists	
10 year or less	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	15 (71.4)	6 (28.6)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	25 (62.5)	15 (37.5)	40 (100.0)

Table 6.3.2 depicts that overall in 37.5 percent of the organizations disciplinary rules are framed. Among organizations in the age group of "above 20 years" in 60 percent of the organizations disciplinary rules are framed whereas disciplinary rules are framed only in 28.6

percent and 33.3 percent of the organizations in the age group of “above 10 years and below 20 years” and “10 or below 10 years” respectively.

Inference

It indicates that organizations with more number of years of existence are more likely to frame disciplinary rules compared to the organizations with less number of years of existence.

Table 6.3.3: Work Manual

Age of the organization	Work manual		Total
	Doesn’t exist	Exists	
10 year or less	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	13 (61.9)	8 (38.1)	21 (100.0)
Above 20	4 (40.0)	6 (60.0)	10 (100.0)
Total	23 (57.5)	17 (42.5)	40 (100.0)

Table 6.3.3 shows that overall in 42.5 percent of the organizations work manual is prepared to guide the employees in discharge of their duties In 60 percent of the organizations above 20 years of age, 38.1 percent of the organizations above 10 years and below 20 years and in 33.3 percent of the organizations with 10 years or less work manual is prepared.

Inference

This shows that as the age of the organizations increases the percentage of organizations with work manual to guide employees work increases with increase in age of the organizations.

Table 6.3.4: Basis of selection

Age of the organization	Basis of selection			Total
	General ability	Knowledge, skills and abilities as per job description	Both	
10 year or less	5 (55.6)	3 (33.3)	1 (11.1)	9 (100.0)
10 above & below 20	10 (47.6)	8 (38.1)	3 (14.3)	21 (100.0)
Above 20	4 (40.0)	4 (40.0)	2 (20.0)	10 (100.0)
Total	19 (47.5)	15 (37.5)	6 (15.0)	40 (100.0)

From the table 6.3.4 it is observed that in 37.5 percent of the organizations studied, selection of employees is based on knowledge, skills and abilities derived from job descriptions. There are no variations across organizations of different age groups found. Among organizations within 10 years or less age, 55.6 percent of the organization select employees on the basis of general abilities as against 40 percent of the organizations in the age group of above 20 years indicating that organizations that are relatively young exhibit tendency to select employees on the basis of general abilities more than older organizations.

Table 6.3.5: Orientation

Age of the organization	Orientation		Total
	Through formal induction programs	Through 'on the job' trainings	
10 year or less	3 (33.3)	6 (66.7)	9 (100.0)
10 above & below 20	4 (19.0)	17 (81.0)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

It emerges from the table 6.3.5 that formal induction programs are organized for new employees in 30 percent of the organizations and in 70 percent of the organizations on the job trainings are provided. In 50 percent of the organizations above 20 years of age formal induction programs are conducted as against 19 percent of the organizations above 10 years and below 20 years and 33.3 percent of the organizations with 10 or less than 10 years age.

Inference

This shows that organizations above 20 years of age are relatively more likely to organize formal-induction programs than organizations in other age groups. Organizations in the age group of above 10 and less than 20 years are more likely to offer on the job training than organizations in other age groups.

Table 6.3.6: Training and development

Age of the organization	Training and development		Total
	Need based to prepare for long term career in the organization	Program/ Project specific or general	
10 year or less	4 (44.4)	5 (55.6)	9 (100.0)
10 above & below 20	4 (19.0)	17 (81.0)	21 (100.0)
Above 20	3 (30.0)	7 (70.0)	10 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 6.3.6 shows that 44.4 percent of the organizations in the age group of 10 years or less than 10 years provide training and development to the employees to prepare them for long term careers in the organizations. As against this only 19 percent of the organizations in the age group of above 10 years and below 20 years provide training and development for long term career programs of employees. In 81 percent of the organizations in this category training and development is mostly project/program specific or general. Organizations above 20 years of age are more or less close to overall trend where 27.5 percent of the organizations provide trainings specific to projects and programs.

Inference

Therefore it can be concluded that organizations in the age groups of 10 or less than 10 years are more likely to provide training and development keeping in view the long term careers of employees than organizations in other age groups.

Table 6.3.7: Basis of performance evaluation

Age of the organization	Basis of performance evaluation			Total
	Objective	Both objective and subjective	Informal feedback from clients	
10 year or less	3 (33.3)	2 (22.2)	4 (44.4)	9 (100.0)
10 above & below 20	2 (9.5)	14 (66.7)	5 (23.8)	21 (100.0)
Above 20	5 (50.0)	3 (30.0)	2 (20.0)	10 (100.0)
Total	10 (25.0)	19 (47.5)	11 (27.5)	40 (100.0)

Table 6.3.7 illustrates that performance evaluation is systematic and based on objective criteria in 50 percent of the organizations above 20 years of age. In 44.4 percent of the organizations in the age group of 10 years or less performance of employees is evaluated on the basis of informal feedback obtained from clients. It can also be observed that percentage of organizations within each age group relying on informal feedback of clients declined from 44.4 percent to 20 percent with increase in age of the organization. In 66.7 percent of the organizations, in the age group of above 10 years and below 20 years, performance criteria is both subjective and objective.

Inference

It can therefore be inferred that performance evaluation is more likely to be based on both objective and subjective criteria in the organizations above 10 years and less than 20 years and likely to be based on informal feedback from clients in organizations that are 10 or less than 10 years old.

Table 6.3.8: Promotion criteria

Age of the organization	**Promotion criteria**				Total
	Performance	Seniority	No avenues	Seniority- cum-performance	
10 year or less	1 (11.1)	0 (0.0)	5 (55.6)	3 (33.3)	9 (100.0)
10 above & below 20	4 (19.0)	5 (23.8)	9 (42.9)	3 (14.3)	21 (100.0)
Above 20	4 (40.0)	0 (0.0)	1 (10.0)	5 (50.0)	10 (100.0)
Total	9 (22.5)	5 (12.5)	15 (37.5)	11 (27.5)	40 (100.0)

Table 6.3.8 depicts that in 55.6 percent of the organizations in the age group of 10 or less than 10 years and in 42.9 percent of the organizations above 10 years and below 20 years, promotion avenues are limited. Among organizations above 20 years of age; in 40 percent of the organizations promotion is based on performance and in 50 percent of the organizations it is based on performance-cum- seniority.

In 33.3 percent of the organizations in the age group of 10 or less than 10 years, promotions are based on performance-cum-seniority. It also shows that in 23.8 percent of the organizations in the age group of above 10 and below 20 years, promotions are based on seniority.

It can be inferred that avenues for promotion are limited in half of the organizations in the age group of 10 or less than 10 years, and where ever avenues exist promotions are largely based on performance-cum-seniority.

In organizations above 20 years of age promotions are on the basis of both performance and performance-cum-seniority and there is very less scope for promotions on the basis of seniority alone.

Salary structure

There are no significant variations across age of the organizations in terms of compensation. The general trend where 30 percent of the organizations determine their compensation packages on the basis of equity and 60 percent on the basis of going rates and 10 percent on combination of equity and going rates is common across organizations of different age groups.

Non-monetary rewards

Even in respect of non-monetary rewards there are no significant variations across age of the organization except that organizations in the age group of above 10 years and below 20 years have one-tenth possibility of using none of the non-monetary rewards as against one-fifth of organizations in the age group of 10 or less than 10 years and above 20 years.

Table 6.3.9: Personnel search

Age of the organization	Personnel search			Total
	Only external sources	Only internal sources	Both internal and external sources	
10 year or less	0 (0.0)	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	1 (4.8)	12 (57.1)	8 (38.1)	21 (100.0)
Above 20	0 (0.0)	5 (50.0)	5 (50.0)	10 (100.0)
Total	1 (2.5)	23 (57.5)	16 (40.0)	40 (100.0)

It is observed from the table 6.3.9 that organizations either depend on internal sources or combination of internal and external sources for identifying the personnel. 57.5 percent of the organizations depend only on internal sources and 40 percent of the organizations depend both on internal and external sources to search for personnel. Interestingly a negligible percentage of organizations depend only on external sources.

It is also observed that 66.7 percent of the organizations in the age group of 10 or less than 10 years of age, 57.1 percent of the organizations in the age group of above 10 and less than 20 years and 50 percent of the organizations in the age group of 20 years rely on internal sources.

Inference

Though differences are small, there is a pattern which indicates that with the increase in age of the organizations reliance on only internal sources is gradually reducing and reliance on combination of internal and external sources is gradually increasing.

Table 6.3.10: Grievance redressal

Age of the organization	Grievance redressal		Total
	Formal procedures are adopted	Informal and normally dealt by supervisory staff or senior staff	
10 year or less	2 (22.2)	7 (77.8)	9 (100.0)
10 above & below 20	3 (14.3)	18 (85.7)	21 (100.0)
Above 20	5 (50.0)	5 (50.0)	10 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

Table 6.3.10 portrays that in 50 percent of the organizations above the age of 20 years formal procedures exist for handling grievances of employees. As against this in 22.2 percent of the organizations with 10 or less than 10 years of age and 14.3 percent of organizations above 10 and below 20 years have formal procedures in place.

Inference

It can be inferred that organizations that are much older tend to have formal grievance redressal procedures than other organizations.

Table 6.3.11: Succession planning

Age of the organization	Succession planning			Total
	Successors identified and groomed for smooth transition	Board /CEO decides at appropriate time	Don't consider as relevant	
10 year or less	1 (11.1)	0 (0.0)	8 (88.9)	9 (100.0)
10 above & below 20	3 (14.3)	8 (38.1)	10 (47.6)	21 (100.0)
Above 20	1 (10.0)	4 (40.0)	5 (50.0)	10 (100.0)
Total	5 (12.5)	12 (30.0)	23 (57.5)	40 (100.0)

From the table 6.3.11 it is evident that, the succession planning is by and large considered a non issue in 57.5 percent of the organizations irrespective of their age. In 30 percent of the organizations it is left to the board/governing body or CEO to be dealt appropriately at appropriate time. In 12.5 percent of the organizations across the various ages, the successors are identified and groomed for smooth transition.

6.4 Analysis across major sources of funding

Table 6.4.1: Recruitment policy

Major source of funding	**Recruitment policy**		Total
	Doesn't exist	Exists	
International	1 (5.9)	16 (94.1)	17 (100.0)
International through intermediary or affiliated organizations	10 (66.7)	5 (33.3)	15 (100.0)
Government	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 6.4.1 depicts that in 94.1 percent of the organizations dependent on direct international funds recruitment policy and procedures are laid down. In comparison only 33.3 percent of the organizations in each of the groups that depend on indirect international funds and government funds recruitment policies are laid down. In 50 percent of the organizations dependent on corporate funds recruitment policy and procedures are available.

Inference

It can be inferred that organizations dependent on direct international funds are most likely to have recruitment policy and procedures than organizations dependent on other sources.

Table 6.4.2: Disciplinary rules

Major source of funding	**Disciplinary rules**		Total
	Doesn't Exist	Exists	
International	7 (41.2)	10 (58.8)	17 (100.0)
International through intermediary or affiliated organizations	13 (86.7)	2 (13.3)	15 (100.0)
Government	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	25 (62.5)	15 (37.5)	40 (100.0)

Table 6.4.2 shows that disciplinary rules are formed in 58.8 percent of organizations dependent on direct international funds, 50 percent of organizations dependent on corporate funds, 33.3 percent of the organizations dependent on government funds and only 13.3 percent of the organizations dependent on indirect international funds.

Inference

It can be concluded that organizations dependent on direct international funds are more likely to have disciplinary rules followed by organizations dependent on corporate funds. Organizations dependent on indirect international funds are least likely to have disciplinary rules.

Table 6.4.3: Work manual

Major source of funding	**Work manual**		Total
	Doesn't exist	Exists	
International	8 (47.1)	9 (52.9)	17 (100.0)
International through intermediary or affiliated organizations	10 (66.7)	5 (33.3)	15 (100.0)
Government	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	23 (57.5)	17 (42.5)	40 (100.0)

It is evident from table 6.4.3, in 52.9 percent and 50 percent of organizations dependent on direct international funds and corporate funds respectively. Work manual exist to guide the employees. Only 33.3 percent of the organizations in each of the groups that depend on indirect international funds and government funds work manuals are prepared.

Inference

It indicates that the possibility of having work manuals is one-half for organizations dependent on direct international funds and corporate funds and one-third for organizations dependent on indirect international funds and government funds.

Table 6.4.4: Basis of selection

Major source of funding	Basis of selection			Total
	General ability	Knowledge, skills and abilities as per job description	Both	
International	4 (23.5)	9 (52.9)	4 (23.5)	17 (100.0)
International through intermediary or affiliated organizations	11 (73.3)	2 (13.3)	2 (13.3)	15 (100.0)
Government	4 (66.7)	2 (33.3)	0 (0.0)	6 (100.0)
Corporate	0 (0.0)	2 (100.0)	0 (0.0)	2 (100.0)
Total	19 (47.5)	15 (37.5)	6 (15.0)	40 (100.0)

Table above portrays that, in 100 percent and 52.9 percent of organizations dependent on corporate funds and direct international funds respectively, selection of employees is based on knowledge, skills and abilities derived from job descriptions. In contrast in 73.3 percent and 66.7 percent of the organizations dependent on indirect international funds and government funds respectively, selection of employees is based on general abilities. In 23.5 percent of organizations dependent on direct international funds selection is based on combination of general abilities and knowledge, skills and abilities.

Inference

It can therefore, be inferred that knowledge, skills and abilities based on job description predominantly from the basis of selection in organizations dependent on direct international funds and corporate funds. General abilities are predominantly form the basis of selection in organizations dependent on indirectly international funds.

Table 6.4.5: Orientation

Major source of funding	Orientation		Total
	Through formal induction programs	Through 'on the job' trainings	
International	9 (52.9)	8 (47.1)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	15 (100.0)	15 (100.0)
Government	2 (33.3)	4 (66.7)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 6.4.5 shows that in 100 percent of the organizations dependent on indirect international funds orientation to new employees is through on the job training without formal induction program. Also among organizations dependent on government funds in 66.7 percent on the job training is given to new employees without formal induction programs. In contrast 52.9 percent and 50 percent of the organizations dependent on direct international funds and corporate funds, orientation is more formal.

Inference

It can be concluded that organizations dependent on direct international funds and corporate funds are more likely to have formal induction programs than organizations dependent on government funds. Organizations dependent on indirect international funds are unlikely to have formal induction programs.

Table 6.4.6: Training and development

Major source of funding	Training and development		Total
	Need based to prepare for long term career in the organization	Program/ Project specific or general	
International	10 (58.8)	7 (41.2)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	15 (100.0)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

Table 6.4.6 depicts that 58.8 percent and 50 percent of the organizations dependent on direct international funds and corporate funds respectively training and development of employees is need based and oriented towards long term careers of the employees. In all the organizations dependent on indirect international funds and government funds training and development is oriented towards enhancing program/project specific skills.

Inference

It can be inferred that training and development in organizations dependent on direct international funds tend to be more holistic than program/project specific. In organizations dependent on corporate funds the possibility of training and development being holistic is equal to the possibility of being project/program specific. In organizations dependent on indirect international funds and government funds it is altogether project/program specific.

Table 6.4.7: Performance evaluation criteria

Major source of funding	**Basis of performance evaluation**			Total
	Objective	Both objective & subjective	Informal feedback from clients	
International	7 (41.2)	10 (58.8)	0 (0.0)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	9 (60.0)	6 (40.0)	15 (100.0)
Government	2 (33.3)	0 (0.0)	4 (66.7)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	10 (25.0)	19 (47.5)	11 (27.5)	40 (100.0)

Table 6.4.7 illustrates that overall in 25 percent of the organizations performance evaluation of employees is systematic and objective. In 47.5 percent of the organizations performance evaluation is based both on subjective and objective criteria. In 27.5 percent of the organization it is based on informal feedback obtained from the clients. It further illustrates that nearly 60 percent of the organizations who depend on indirect international funds use both objective and subjective method of performance evaluation. While in none of the organizations dependent on direct international funds, informal feedback from clients is used,

in 40 percent, 66.7 percent and 50 percent of the organizations dependent respectively on indirect international funds, government funds and corporate funds, informal feedback from clients is used.

Inference

It can be inferred that informal feedback from clients is common to all organizations except the organizations dependent on direct international funds where performance criteria is predominantly both subjective and objective alone. In organizations dependent on government funds the basis of evaluation is predominantly the feedback obtained from the clients. In organizations dependent on indirect international funds both subjective and objective criteria is predominantly used. In the organizations dependent on corporate funds both objective and informal feedback are equally used for evaluating performance of employees.

Table 6.4.8: Basis of promotion

Major source of funding	Promotion criteria				Total
	Performance	Seniority	No avenues	Seniority- cum-performance	
International	6 (35.3)	2 (11.8)	1 (5.9)	8 (47.1)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	3 (20.0)	10 (66.7)	1 (6.7)	15 (100.0)
Government	0 (0.0)	0 (0.0)	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total	9 (22.5)	5 (12.5)	15 (37.5)	11 (27.5)	40 (100.0)

Table 6.4.8 illustrates that in each of 66.7 percent of the organizations dependent on indirect international funds and government funds avenues for promotion are very limited. In 47.1 percent of the organizations dependent on direct international funds promotions are based on seniority-cum-performance and in 100 percent of the organizations dependent on corporate funds promotions are based on performance only.

Inference

It can therefore be inferred that performance and seniority-cum-performance forms the most common basis of promotion than seniority in organizations dependent on direct international funds. Performance is the sole basis for promotion in organizations dependent on corporate funds.

Table 6.4.9: Compensation basis

Major source of funding	Compensation basis			Total
	Based on equity	Based on 'going rates'	Combination	
International	11 (64.7)	3 (17.6)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	14 (93.3)	1 (6.7)	15 (100.0)
Government	0 (0.0)	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	12 (30.0)	24 (60.0)	4 (10.0)	40 (100.0)

Table 6.4.9 depicts that in 93.3 percent and 100 percent of the organizations dependent on indirect international funds and government funds respectively have got their compensation structure based on going rates that are after minimum acceptable wages. In 64.7 percent of the organizations dependent on direct international funds compensation is based on both internal and external equity. In 50 percent of the organizations dependent on corporate funds compensation is based on equity and in another 50 percent of the organizations of the organizations compensation is based on going rates.

Inference

It can be inferred that compensation is likely to be based on equity in organizations dependent on direct international funds and going rates are most likely to be the basis for compensation for organizations dependent on indirect international funds or government funds. It can be either based on equity or going rates in case of organizations dependent on corporate funds.

Table 6.4.10: Personnel search

Major source of funding	Personnel search			Total
	Only external sources	Only internal sources	Both internal and external sources	
International	0 (0.0)	6 (35.3)	11 (64.7)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	11 (73.3)	3 (20.0)	15 (100.0)
Government	0 (0.0)	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	0 (0.0)	0 (0.0)	2 (100.0)	2 (100.0)
Total	1 (2.5)	23 (57.5)	16 (40.0)	40 (100.0)

Table 6.4.10 explicates that in 73.3 percent and 100 percent of the organizations dependent respectively on indirect international funds and government funds respectively personnel search is done only through internal sources. In 64.7 percent and 100 percent of the organizations dependent respectively on direct internal funds and corporate funds respectively, it is done through both internal and external sources.

Inference

It can therefore be inferred that organizations dependent on direct international funds and corporate funds are more likely to depend on both internal and external sources for personnel search than internal search. Organizations dependent on indirect international funds and government funds are more likely to depend on internal sources than other organizations.

Table 6.4.11: Grievance redressal

Major source of funding	Grievance redressal		Total
	Formal procedures are adopted	Informal and normally dealt by supervisory staff or senior staff	
International	8 (47.1)	9 (52.9)	17 (100.0)
International through intermediary or affiliated organizations	0 (0.0)	15 (100.0)	15 (100.0)
Government	2 (33.3)	4 (66.7)	6 (100.0)
Corporate	0 (0.0)	2 (100.0)	2 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

It is observed from the table 6.4.11 that in 100 percent of the organizations dependent on indirect international funds and corporate funds grievance redressal is informal. It is formal in 47.1 percent of the organizations dependent on direct international funds and 33.3 percent of government funds.

Inference

It can therefore be concluded that the probability of having formal grievance redressal systems in organizations dependent on direct international funds is nearly one-half and in organizations dependent on funds it is one-third. In organizations dependent on indirect international funds and corporate funds grievance redressal is informal.

6.5 Analysis across number of programmes

Table 6.5.1: Recruitment policy

Number of programmes	**Recruitment policy**		Total
	Doesn't exist	Exists	
4 & less than 4	14 (51.9)	13 (48.1)	27 (100.0)
More than 4	2 (15.4)	11 (84.6)	13 (100.0)
Total	16 (40.0)	24 (60.0)	40 (100.0)

Table 6.5.1 depicts that in 84.6 percent of the organizations with more than four programs recruitment policy and procedures are laid down. As against this in 48.1 percent of the organizations with 4 or less than 4 programs, recruitment policies and procedures are laid down.

Inference

This indicates that organizations with more number of programs are more likely to have recruitment policies and procedures that are laid down than that with less number of programs.

Table 6.5.2: Disciplinary rules

Number of programmes	**Disciplinary rules**		Total
	Doesn't exist	Exists	
4 & less than 4	19 (70.4)	8 (29.6)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	25 (62.5)	15 (37.5)	40 (100.0)

It is evident from the table that 53.8 percent of the organizations with more than 4 programs have disciplinary rules compared to 29.6 percent of the organizations that have 4 or less than 4 programs.

Inference

It could be inferred that organizations with more number of programs are more likely to have disciplinary rules than organizations with less number of programs.

Table 6.5.3: Orientation program

Number of programmes	**Orientation program**		Total
	Through formal induction programs	Through 'on the job' trainings	
4 & less than 4	6 (22.2)	21 (77.8)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	12 (30.0)	28 (70.0)	40 (100.0)

Table 6.5.3 shows that, 22.2 percent of the organizations with 4 or less number of programmes has formal induction programs and 77.8 percent of them have on the job training without any formal induction program for new employees. In contrast 46.2 percent of the organizations with more than 4 programs have formal induction programs and 53.8 percent of them have on the job trainings.

Inference

It indicates that formal induction programs are almost as likely as on the job trainings in organizations with more than four programs and their likelihood is almost double the likely hood of formal induction programs in organization with 4 or less than 4 programs.

Table 6.5.4: Training and development

Number of programmes	Training and development		Total
	Need based to prepare for long term career in the organization	Program/ Project specific or general	
4 & less than 4	7 (25.9)	20 (74.1)	27 (100.0)
More than 4	4 (30.8)	9 (69.2)	13 (100.0)
Total	11 (27.5)	29 (72.5)	40 (100.0)

From the table 6.5.4 it is evident that the variations are insignificant between organizations with 4 or less than 4 programs and more than 4 programs in terms of training and development. Overall 27.5 percent of the organizations provide training that is need based and oriented towards long term careers of the employees and 72.5 percent provide training that is specific to project/programs and the two groups are more or less in tune with the overall trend.

Table 6.5.5: Basis of performance evaluation

Number of programmes	Basis of performance evaluation			Total
	Objective	Both objective and subjective	Informal feedback from clients	
4 and less than 4	3 (11.1)	15 (55.6)	9 (33.3)	27 (100.0)
More than 4	7 (53.8)	4 (30.8)	2 (15.4)	13 (100.0)
Total	10 (25.0)	19 (47.5)	11 (27.5)	40 (100.0)

Table 6.5.5 explicates that 53.8 percent of the organizations with more than 4 programs evaluate the performance of employees based on systematic and objective criteria and 30.8 percent of them used both subjective and objective criteria. In contrast 11.1 percent of the organizations with 4 or less than 4 programs evaluate performance on the basis of objective

criteria. 55.6 percent of them use both subjective and objective criteria and 33.3 percent of them use informal feedback from the clients.

Inference

It can be concluded that evaluation of performance of employees tends to be on the basis of objective criteria in organizations with more than 4 programs and in organizations with 4 or less than 4 programs it tends to be both on subjective and objective criteria as well as informal feedback from the clients.

Table 6.5.6: Basis of promotion

Number of programmes	Promotion criteria				Total
	Performance	Seniority	No avenues	Seniority-cum-performance	
4 & less than 4	7 (25.9)	3 (11.1)	13 (48.1)	4 (14.8)	27 (100.0)
More than 4	2 (15.4)	2 (15.4)	2 (15.4)	7 (53.8)	13 (100.0)
Total	9 (22.5)	5 (12.5)	15 (37.5)	11 (27.5)	40 (100.0)

Table 6.5.6 portrays that in 48.1 percent of the organizations with 4 or less than 4 programs promotion avenues are limited. In 15.4 percent of the organizations with more than 4 programs promotion avenues are limited. It also shows that in 53.8 percent of the organizations with more than 4 programs promotion is based on seniority-cum-performance. Differences in terms of basis of promotion are negligible.

Inference

It can therefore be inferred that promotion avenues are limited in organizations with small number of programs and wherever opportunities are available promotions are more likely to be on the basis of performance than on seniority or seniority-cum-performance. On the other hand promotions in organizations with more number of programs are most likely to be on the basis of seniority-cum-performance than on seniority or performance alone.

Table 6.5.7: Compensation structure

Number of programmes	Salary structure			Total
	Based on equity	Based on 'going rates'	Combination	
4 & less than 4	7 (25.9)	17 (63.0)	3 (11.1)	27 (100.0)
More than 4	5 (38.5)	7 (53.8)	1 (7.7)	13 (100.0)
Total	12 (30.0)	24 (60.0)	4 (10.0)	40 (100.0)

In respect of compensation structure it is observed that both the groups are more or less similar. Irrespective of number of programs in about 60 percent of the organizations the compensation is based on going rates and in 30 percent of the organizations it is based on equity. In around 10 percent of the organizations compensation is based both on equity and ongoing rates and varies with the category of jobs.

Table 6.5.8: Personnel search

Number of programmes	Personnel search			Total
	Only external sources	Only internal sources	Both internal and external sources	
4 & less than 4	1 (3.7)	17 (63.0)	9 (33.3)	27 (100.0)
More than 4	0 (0.0)	6 (46.2)	7 (53.8)	13 (100.0)
Total	1 (2.5)	23 (57.5)	16 (40.0)	40 (100.0)

Table 6.5.8 explicates that, in 63.0 percent of the organizations with 4 or less than 4 programs, personnel search is through internal sources. In 53.8 percent of the organizations with more than 4 programs, personnel search is through both internal and external sources whereas in only 33.3 percent of organizations with 4 or less than 4 programs, personnel search is through both internal and external sources.

Inference

It can be inferred that in organizations with less number of programs, internal sources are more likely to be used for personnel search and in organizations with more number of programs both internal and external sources are likely to be used for personnel search.

Table 6.5.9: Grievance redressal

Number of programmes	Grievance redressal		Total
	Formal procedures are adopted	Informal and normally dealt by supervisory staff or senior staff	
4 & less than 4	4 (14.8)	23 (85.2)	27 (100.0)
More than 4	6 (46.2)	7 (53.8)	13 (100.0)
Total	10 (25.0)	30 (75.0)	40 (100.0)

Table 6.5.9 shows that in 85.2 percent of the organizations with 4 or less than 4 programs grievance of employees are handled informally by supervisory or senior staff. Among organizations with more than 4 programs, 53.8 percent of the organizations redress employee grievances informally and in 46.2 percent of the organizations they are handled as per the formal procedures.

Inference

It can be inferred that grievance redressal by and large is informal in three fourth of the organizations and formal in one-fourth of the organizations. Between the two groups one with 4 or less than 4 programs and another with more than 4 programs, in the former there is very less likelihood of formal grievance redressal than the later whose likelihood of grievance redressal through formal procedures is nearly one-half.

6.6 Conclusion

6.6.1 Variations across the size of the organization

Variations across size of the organizations exist in terms of having a written recruitment policy. While large organizations are certain to have a written recruitment policy, small organizations have only one-fourth chance and medium organizations have three-fourth chance of having a written recruitment policy. Large organizations are more likely to have work manual compared to medium organizations. Small organizations are unlikely to have work manual. Medium size organizations are more likely to have work manual than not having. Size of the organization influences the decision of having a work manual. In most of the large organizations, conduct and disciplinary rules exist and in most of the small organizations they do not exist. In medium organizations the possibility of conduct and disciplinary rules existing is double the possibility of not existing. Job descriptions and qualifications based on job descriptions are used by the large and medium organizations. Small organizations generally do not use job descriptions but select employees on basis of their general abilities. Review of personnel policies is carried out in one-fourth of the total organizations. It is normal for the organizations to review their recruitment policies at regular intervals to attune their policies with the changes that have taken place in the relevant job market. This is necessary to attract best human resources particularly when the organizations have to compete with other non-profit organizations. It appears that relatively large organizations are more sensitive to the need for changing their policies than medium sized organizations. Most of the small organizations have no policy for recruitment and the question of reviewing them is redundant. Small organizations use only one method i.e. on the job training for new employees. Large and medium size organizations make use of both the methods-some of them formal induction programs and other-on the job training. However large organizations are more inclined for formal induction programs than on the job training and medium sized organizations are more inclined to on the job training without formal induction.

Training and development activities are generally aimed at improving long term organizational performance and program or project performance which are mutually reinforcing. Organizations vary across size in terms of their emphasis on training outcomes. Large organizations are more inclined to training programs that aim at improving long term effectiveness of the organization. Small and medium sized organizations are more inclined to provide programs or project specific training for program/project effectiveness. Performance review is common to all organizations. Half of the organizations review performance of employees annually, quarter of them half yearly and one fifth of them review employee performance along with program/project evaluation. Large organizations tend to be relatively more systematic and objective in evaluating performance of employees compared to medium size and small size organizations that tend to display certain element of subjectivity in evaluating performance of employees. Another notable feature of small organizations is that their evaluation system is more informal than formal and factors client's feedback. Upward movement in the hierarchy is linked more to performance or performance-cum-seniority than seniority alone in large and medium organizations. In small organizations such prospects of promotion are negligible.

Large organizations are more prone to base their compensation system on scientific and rational principles. Small and medium organizations on the contrary are more prone to adhere to prevailing rates that are often inadequate to maintain minimum living standards. Travel, medical and provident fund are more common among large organizations, common in medium organizations and less common in small organizations. Gratuity is common only in large organizations. Non-monetary rewards like public recognition, increased visibility, and enhanced responsibility are common in all types of organizations. Small organizations lead medium and large organizations in this regard. Use of internal sources for search of prospective employees is most prevalent in small organizations. In medium and large organizations, internal sources are augmented by external sources particularly for executive and professional cadres. In most of the organizations formal systems that breed culture of innovations are not much visible.

Grievance handling is typically informal in small organizations. Large organizations are more likely to have formal systems than medium organizations indicating that organizations vary in their approaches across the size. Human resource planning is not a concern for the organizations irrespective of their sizes due to highly uncertain pattern of funding. Recruitment process begins only after formal commitment is obtained from program or project funding agency. Managing present than looking ahead apparently is the human resource strategy that is being pursued. Retention strategies and succession planning are rarely developed in the organizations irrespective of their sizes. Very few organizations acknowledge that employee turnover will affect organizational performance and therefore requires attention. In those organizations that are sensitive to the employee turnover, retention strategies vary from case to case implying lack of general strategy.

6.6.2 Variations across scale

Scale of operations influences existence or otherwise of recruitment policies and procedures. Organizations with operations at district level or above have one-half or even more probability of having disciplinary rules and organizations at mandal level have least probability of having disciplinary rules. Organizations at mandal level are most unlikely to have work manual and organizations at regional level have three fourth possibility of having work manual. Organizations at state level and national level and district level have one-half or more probability of having work manual. Selection in mandal level organizations is predominantly on the basis of general abilities. In organizations at state level and regional level it is predominantly on the basis of knowledge, skills and abilities or combination of general abilities and knowledge, skills and abilities as determined by job descriptions but not on general abilities alone. With the decline in scale of operations the percentage of organizations with formal induction programs decreased and percentage of organizations with on the job trainings increased. This suggests that propensity for formal induction programs increases with the increase in scale of operations and the propensity for on the job trainings decreases with the increase in scale of operations.

Mandal level and district level organizations are more likely to provide program/project specific training than need based and long term career oriented trainings. Regional and national level organizations are inclined to provide long term career oriented training than just project program specific trainings. State level organizations have equal propensity towards both career oriented training and project / program specific trainings. Use of informal feedback is unique to mandal level organizations. In respect of national level, state level and regional level organizations objective criteria and mix of objective and subjective criteria are equally likely. In respect of district level organizations it is both subjective and objective criteria that are predominantly used rather than objective criteria. Promotions are most likely on the basis of seniority-cum-performance in national level organizations and district level organizations. In case of regional level organizations there is one-half possibility for promotions based on performance and one-half possibility for promotions based on seniority-cum-performance. In mandal level organizations chances of promotion are one-fourth and where ever opportunities exist they are based on performance alone. The organizations working at district level and mandal level are very likely to compensate employees on the basis of going rates than on equity considerations.

It is observed that personnel search is predominantly through internal sources in respect of regional level and mandal level organizations. In respect of national level, state level and district level both internal and external sources are more likely to be used than internal sources. There are no variations significant enough between organizations across scale of operations in respect of grievance redressal. Mandal level organizations and regional level organizations rely on informal systems where supervisory or senior staff deals with the employee grievances and no formal procedures are in place for handling grievances of employees. Succession planning is by and large considered a non issue in majority of the organizations. In few of the organizations it is left to the board/governing body or CEO to be dealt appropriately at appropriate time.

6.6.3 Variations across the age of the organization

As the age of the organizations increases the percentage of organizations with recruitment policy and procedures increased. The age of the organizations influences the practice of framing recruitment policies. Organizations with more number of years of existence are more likely to frame disciplinary rules compared to the organizations with less number of years of existence.

As the age of the organizations increases the percentage of organizations with work manual to guide employees work increases. Selection of employees is based on knowledge, skills and abilities derived from job descriptions. There are no variations across organizations of different age groups. Among organizations that are relatively young exhibit tendency to select employees on the basis of general abilities more than older organizations. The organizations above 20 years of age are relatively more likely to organize formal-induction programs than organizations in other age groups. Organizations in the age group of above 10 and less than 20 years are more likely to offer on the job training than organizations in other age groups. The organizations in the age groups of 10 or less than 10 years are more likely to provide training and development keeping in view the long term careers of employees than organizations in other age groups.

Performance evaluation is more likely to be based on both objective and subjective criteria in organizations above 10 years and less than 20 years and likely to be based on informal feedback from clients in organizations that are 10 or less than 10 years old. The avenues for promotion are limited in half of the organizations in the age group of 10 or less than 10 years, and where ever avenues exist promotions are largely based on performance-cum-seniority. In organizations above 20 years of age promotions are on the basis of both performance and performance-cum-seniority and there is very less scope for promotions on the basis of seniority alone.

There are no significant variations across age of the organizations in terms of compensation. Even in respect of non-monetary rewards there are no significant variations across age of the organization except that organizations in the age group of above 10 years and below 20 years have one-tenth possibility of using none of the non monetary rewards as against one-fifth for organizations in the age group of 10 or less than 10 years and above 20 years. Though differences are small, there is a pattern which indicates that with the increase in age of the organizations reliance on only internal sources is gradually reducing and reliance on combination of internal and external sources is gradually increasing. Organizations that are much older tend to have formal grievance redressal procedures than other organizations.

6.6.4 Variations across major sources of funding

Organizations dependent on direct international funds are most likely to have recruitment policy and procedures than organizations dependent on other sources. Organizations dependent on direct international funds are more likely to have disciplinary rules followed by organizations dependent on corporate funds. Organizations dependent on indirect international funds are least likely to have disciplinary rules. The possibility of having work manuals is one-half for organizations dependent on direct international funds and corporate funds and one-third for organizations dependent on indirect international funds and government funds. Knowledge, skills and abilities based on job description predominantly from the basis of selection in organizations dependent on direct international funds and corporate funds. General abilities are predominantly form the basis of selection in organizations dependent on indirectly international funds. Organizations dependent on direct international funds and corporate funds are more likely to have formal induction programs than organizations dependent on government funds. Organizations dependent on indirect international funds are unlikely to have formal induction programs.

Training and development in organizations dependent on direct international funds tend to be more holistic than program / project specific. In organizations dependent on corporate funds the possibility of training and development being holistic is equal to the possibility of being project / program specific. In organizations dependent on indirect international funds and government funds it is altogether project / program specific. Informal feedback from clients is common to all organizations except the organizations dependent on direct international funds where performance criteria are predominantly both subjective and objective alone. In organizations dependent on government funds the basis of evaluation is predominantly the feedback obtained from clients. In organizations dependent on indirect international funds both subjective and objective criteria is predominantly used. In the organizations dependent on corporate funds both objective and informal feedback are equally used for evaluating performance of employees.

Performance and seniority-cum-performance forms the most common basis of promotion than seniority in organizations dependent on direct international funds. Performance is the sole basis for promotion in organizations dependent on corporate funds. Compensation is likely to be based on equity in organizations dependent on direct international funds and going rates are most likely to be the basis for compensation for organizations dependent in indirect international funds or government funds. It can be either based on equity or going rates in case of organizations dependent on corporate funds. Organizations dependent in direct international funds and corporate funds are more likely to depend on both internal and external sources for personnel search than internal search. Organizations dependent on indirect international funds and government funds are more likely to depend on internal sources than other organizations. The probability of having formal grievance redressal systems in organizations dependent on direct international funds is nearly one-half and in organizations dependent on funds it is one-third. In organizations dependent on indirect international funds and corporate funds grievance redressal is informal.

6.6.5 Variation across number of programs

Organizations with more number of programs are more likely to have recruitment policies and procedures that are laid down than that with less number of programs. Organizations with more number of programs are more likely to have disciplinary rules than organizations with less number of programs. Formal induction programs are almost as likely as on the job trainings in organizations with more than 4 programs and their likely hood is almost double the likely hood of formal induction programs in organization with 4 or less than 4 programs. Variations are insignificant between organizations with 4 or less than 4 programs and more than 4 programs in terms of training and development.

Evaluation of performance of employees tends to be on the basis of objective criteria in organizations with more than 4 programs and in organizations with 4 or less than 4 programs it tends to be both on subjective and objective criteria as well as informal feedback from clients.

Promotion avenues are limited in organizations with small number of programs and wherever opportunities are available promotions are more likely to be on the basis of performance than on seniority or seniority-cum-performance. On the other hand promotions in organizations with more number of programs are most likely to be on the basis of seniority-cum-performance than on seniority or performance alone. In respect of compensation structure it is observed that both organizations with 4 or less than 4 programs and more than 4 programs are more or less similar.

In organizations with less number of programs, internal sources are more likely to be used for personnel search and in organizations with more number of programs both internal sources and external sources are likely to be used for personnel search. Grievance redressal by and large is informal in three fourth of the organizations and formal in one-fourth of the organizations. Between the two groups one with 4 or less than 4 programs and another with more than 4 programs, in the former there is very less likely hood of formal grievance redressal than the later whose likely hood of grievance redressal through formal procedures is nearly one-half.

CHAPTER VII

ANALYSIS OF FINANCIAL MANAGEMENT PRACTICES

The practices related to the financial management are analyzed across the size, scale, age, major source of funding and number of programs to understand the variations in practices being followed among the organizations selected for the study.

7.1 Analysis across size of the organizations

Table 7.1.1: Financial manual/policy/procedures

Organization size	Financial manual/policy/procedures		Total
	Not available	Available	
Large	3 (27.3)	8 (72.7)	11 (100.0)
Medium	2 (16.7)	10 (83.3)	12 (100.0)
Small	14 (82.4)	3 (17.6)	17 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 7.1.1 shows the distribution of organizations studied in terms of availability of written financial manual containing policies and procedures to guide the actions of employees. It is evident from the data presented that 52.5 percent of the organizations studied have written policy or procedures to deal with financial matters. 47.5 percent of the organizations do not have written policy or procedures. Among large and medium organizations 72.7 percent and 83.3 percent respectively are found to have a written policy and procedures. In contrast among small organizations only 17.6 percent have a written policy or procedures and 82.4 percent of them do not have such policy or procedures.

Inference

It transpires from the above analysis that nearly half of the organizations have documented their financial policies and procedures to maintain financial discipline. Variations across the size exist as most of the small organizations do not have financial manuals and most of the medium and large organizations have financial manuals. Existence of financial manual by itself doesn't mean better financial management but it is certainly a starting point.

Features of accounting system

It is observed that all the organizations studied have common features. Each of them is treated as separate accounting entity. Journals and ledgers are maintained and transactions are posted in the journal and corresponding accounts in monetary terms. Double entry book-keeping is followed.

It is noticed that most of the large organizations have separate departments to carryout finance and accounting functions. Medium size organizations also have qualified and trained staff to perform finance and accounting related tasks. Small organizations generally entrust this responsibility to one or two key staff members who may not be qualified but trained to perform the required tasks. It is further observed that all the organizations, irrespective of their size, appoint auditors to certify accounts and prepare balance sheet and funds flow statements. This is mandatory requirement prescribed in the statute under which the organizations are registered. Further it is obligatory on all those organizations that have acquired tax exempt status and/or registered under foreign contribution regulation act to get the accounts audited by independent auditors.

Table 7.1.2: Budgetary control

Organization size	**Budgetary control**			Total
	Programme-wise	Centralized	No control	
Large	1 (9.1)	10 (90.9)	0 (0.0)	11 (100.0)
Medium	5 (41.7)	4 (33.3)	3 (25.0)	12 (100.0)
Small	11 (64.7)	2 (11.8)	4 (23.5)	17 (100.0)
Total	17 (42.5)	16 (40.0)	7 (17.5)	40 (100.0)

Table 7.1.2 depicts how budgets and budgetary control is exercised in the organizations studied across size. It illustrates that 42.5 percent of the organizations prepare budgets programme-wise,

and programme-wise budgetary control is exercised. 40 percent of the organizations prepare budgets programme-wise and are consolidated at the organization level such that control can be exercised at single point for the entire organizations. Around 17.5 percent of the organizations prepare budgets to submit them to funding agencies, but rarely use them for control purposes. 90.9 percent of large organizations and 33.3 percent of medium organizations have adopted centralized control. 64.7 percent of small organizations and 41.7 percent of medium organizations prepare separate budgets for each programme and control is exercised programme-wise.

Inference

It can be inferred from the above analysis that budgets are being regarded as tools of control by more than 80 percent of the organizations. Large organizations tend to have more centralized budgetary control compared to medium sized organizations which exercise budgetary control programme-wise. Nearly one fourth of medium and small organizations do not exercise control through budgets. Another note worthy feature of the budgets in the organizations studied is that increasing percentage of them is of late preparing their annual budgets using *log frame analysis* that depicts budgets not only in monetary terms but also in terms of activities, outputs and outcomes so as to assess budgetary performance in terms of results achieved than mere expenditure incurred.

Table 7.1.3: Budget approach

Organization size	**Budget approach**			Total
	Top-down	Bottom-up	Combination	
Large	3 (27.3)	6 (54.5)	2 (18.2)	11 (100.0)
Medium	1 (8.3)	10 (83.3)	1 (8.3)	12 (100.0)
Small	4 (23.5)	3 (17.6)	10 (58.8)	17(100.0)
Total	8 (20.0)	19 (47.5)	13 (32.5)	40 (100.0)

Table 7.1.3 depicts different approaches followed in developing budgets in the organizations studied. First is top down approach where the board/governing body or a committee constituted

for the purpose or CEO with core staff members decide and allocate budget for various heads and programmes. Second is bottom up or participating approach. Where concerned departments or programme officers are request to prepare estimates of budgets required in consultation with staff at various levels. These estimates are then scrutinized, reviewed and modified if necessary and then approved. In the third approach intermediary organizations which channel funds fix maximum limits to various heads and the programme implementing agency is asked to prepare detailed budget while adhering to the limits set by intermediary organization.

It can be understood from the table that 20 percent of the organization follow top down approach, 47. 5 percent follow bottom up approach. Bottom up approach is predominant among large and medium size organizations with 54.5 percent and 83.3 percent of organizations in respective groups following it. 58.8 percent of small organizations follow the third approach which is influenced by the decision of programme funding agency.

Inference

It appears from the above analysis that bottom up approach is widely followed by medium sized organizations followed by large organizations. Combination of top down and bottom up approaches is the most followed approach in small organizations. It is also observed that small organizations are treated as responsibility centers by the intermediary organizations.

Table 7.1.4: Incremental, ZBB & Performance based budgets

Organization size	Budgeting concepts		Total
	Incremental	Incremental, ZBB and Performance	
Large	7 (63.6)	4 (36.4)	11 (100.0)
Medium	10 (83.3)	2 (16.7)	12 (100.0)
Small	16 (94.1)	1 (5.9)	17 (100.0)
Total	33 (82.5)	7 (17.5)	40 (100.0)

Table 7.1.4 shows the budgetary concepts emphasized while proposing estimates of budgets by the organizations studied. It reveals that 82.5 percent of the organizations reported that incremental budgeting concept is used and 17.5 percent of organizations reported that zero based budgeting (ZBB) or performance based budgeting concepts are also used aside incremental budgeting. Large organizations are the major ones that employed concepts other than incremental budgeting. Relatively a small proportion of medium and small organizations have also used concepts like ZBB and performance based budgets.

Inference

It can be inferred from above that incremental budgeting is the concept widely used. Concepts like zero based budgeting, performance based budgeting (PBB) are slowly making inroads into non- profit organizations that have been studied.

Table 7.1.5: Internal financial control

Organizational size	**Internal financial control**		Total
	Not exercised	Exercised	
Large	1 (9.1)	10 (90.9)	11 (100.0)
Medium	1 (8.3)	11 (91.7)	12 (100.0)
Small	0 (0.0)	17 (100.0)	17 (100.0)
Total	2 (5.0)	38 (95.0)	40 (100.0)

It is observed that some elements of internal financial control are embedded into the financial management of the organizations studied. Almost every organization studied periodically reconciles various accounts. Persons who are authorized to approve payments and make payments through cheques are identified. The norms for making payment only through cheques for amounts exceeding prescribed limits are followed.

It is observed particularly in small organizations that secretary or president of governing body who is also nominated as CEO and the treasurer are independently authorized to sign cheques which is not generally regarded as a practice consistent with sound internal control. In large and medium organizations the power is jointly vested in two persons. In certain cases limits are specified to exercise the power to sign cheques by prescribing that amounts; beyond a particular limit require signatures of two designated office bearers. This is a practice consistent with internal control. It can be said that large and medium organizations are more sensitive to the issues of internal control compared to small organizations.

Table 7.1.5 shows that internal financial control is exercised in 95 percent of the organizations studied and there is no significant variation found across the size of the organization.

Receivables management

The organizations selected for the purpose of study do not have a formal system to monitor and collect receivables. It is attributed to the fact that receivables are not relevant to their operations. It is pertinent to mention that “receivables” as understood in the context of commercial organization may not be relevant for the organizations studied. This aspect however gains significance when the grants or funds from donor agencies are regarded as equivalents of receivables. In the event of such recognition it can be said that all the organizations irrespective of size pay appropriate attention to ensure that funds or grant amounts are released in time. In large and medium sized organizations, administrative personnel are assigned the responsibility of completing the formalities and follow-up. In small organizations, it is generally taken care of by the CEOs.

Cost Accounting and Management Accounting

Cost accounting and management accounting assume great significance in commercial organizations. Decisions on pricing, continuing or discontinuing a product, product mix, make or buy decisions etc. are based on cost information. Cost information in non-profit context enables preparation of realistic estimates to draw proposals for grants, programme and project funding. It also enables them to choose appropriate portfolio of programmes or projects to reap economies of scope.

It is observed that cost accounting and management accounting have been ignored by organizations studied and therefore cost behavior is not analyzed before adding or dropping services or programmes. Lack of interest among the organizations for pricing their services and resources involved in accumulating cost information are generally stated to be reasons for completely ignoring this aspect. Whatsoever the reasons may it, it can be concluded for the present purpose that, cost accounting and management accounting have not permeated the non-profit organizations represented by the organizations studied.

Table 7.1.6: Purpose of auditing and audit reports

Organization size	**Purpose of auditing and audit reports**		Total
	Reviewing financial performance and effect necessary changes for improving financial management	Meet statutory and administrative requirements	
Large	10 (90.9)	1 (9.1)	11 (100.0)
Medium	2 (16.7)	10 (83.3)	12 (100.0)
Small	2 (11.8)	15 (88.2)	17 (100.0)
Total	14 (35.0)	26 (65.0)	40 (100.0)

Table 7.1.6 depicts the manner in which audit reports are dealt by the organizations studied. It illustrates that 65 percent of the organizations treat audit reports as a mean to meet statutory requirements and administrative necessities. 35 percent of the organizations consider them as instruments that enable the organizations to improve financial management. 90.9 percent of large organizations recognize, that audit reports have utility beyond statutory compliance compared to small and medium organizations among which 11.8 percent and 16.7 percent respectively recognize their utility beyond statutory compliance.

Inference

It can be inferred that the audit report and management letter furnished by the auditors are received by the governing body/board and based on inputs from staff necessary changes are made for improving the financial management system in large organizations. Very few among medium and small organizations do so.

Table 7.1.7: Sources of funds

Organization size	Sources of funds				
	Multilateral and Bilateral	International NGOs	Government	Individual	Internal Revenue
Large	3 (27.3)	11 (100.0)	9 (81.8)	7 (63.6)	5 (45.5)
Medium	3 (25.0)	7 (58.3)	10 (83.3)	7 (58.3)	2 (16.7)
Small	0 (0.0)	4 (23.5)	7 (41.2)	7 (41.2)	2 (11.8)
Overall	6 (15.0)	22 (55.0)	26 (65.0)	21 (52.5)	9 (22.5)

Table no 7.1.7 gives a glimpse of various sources of funding to the organizations studied. It explicates that overall 15 percent of the organizations are in receipt of funds from multilateral and bilateral organizations such as UNDP, World Bank, DFID etc. Funds are received from international NGO's or Northern NGO's directly or through intermediary organizations by 90 percent of the organizations. Government grants are available to 65 percent of the organizations, corporate donation to 7.5 percent of the organizations and individual donations to 52.5 percent of the organizations. Endowment income is derived by 10 percent of the organizations. 22.5 percent of the organizations generate revenue from operations. While International NGO's or northern NGO's cater to almost all large and small size organizations, 83.3 percent of medium size organizations and 81.8 percent of large organizations are supported by government. Individual donations are garnered by around 60 percent of large and medium organizations and 40 percent of small organizations.

Table 7.1.8: Investment management

Organization size	Investment management		Total
	Safety and liquidity	Optimizing return	
Large	8 (72.7)	3 (27.3)	11 (100.0)
Medium	12 (100.0)	0 (0.0)	12 (100.0)
Small	16 (94.1)	1 (5.9)	17 (100.0)
Total	36 (90.0)	4 (10.0)	40 (100.0)

It is not uncommon for non-profit organizations to have corpus funds and endowment funds which are to be managed in order to derive optimum return. Apart from these, contributions to the provident fund, gratuity and pension fund have to be managed in order to meet welfare obligations as and when they arise. Many non-profit organizations also receive grants or funds in advance which are to be spent over a period of time. Managing such financial resources effectively is a challenging task. Liquidity, safety and returns are to be prudently balanced keeping in view the specific requirements of each organization.

Table 7.1.8 portrays the practices generally followed across organizations in respect of managing investments. The data presented holdout that 90 percent of the organizations have very insignificant amounts of such nature and therefore do not pay any attention to investment management. The common practice in those organizations where provident fund contributions are made is to place them at the disposal of government agencies charged with the responsibility of managing them. In case of sums received in advance they are normally deposited in bank accounts till the expenses are incurred. Apparently safety and liquidity rather than optimizing the return are given preference. Only in 10 percent of the organizations, funds are invested as per the directions of the finance committee or governing body/board in various investment options to optimize returns.

Inference

It is therefore inferred that managing investments is not much of an issue for the organizations studied.

Table 7.1.9: Fund raising

Organization size	**Fund raising**		Total
	Part of administrative activity with CEO assuming responsibility	Distinct professional activity with Board/ Governing body involvement	
Large	7 (63.6)	4 (36.4)	11(100.0)
Medium	10 (83.3)	2 (16.7)	12 (100.0)
Small	17 (100.0)	0 (0.0)	17 (100.0)
Total	34 (85.0)	6 (15.0)	40 (100.0)

Fund raising is very important aspect of financial management and is crucial for survival and growth of the organizations. There are number of sources available for the organizations to raise funds. As seen earlier, this wide array include individual donors, family trusts, foundations, corporations, philanthropic bodies, faith based organizations, international NGOs, government agencies, bilateral agencies and multilateral agencies. Depending on the policy specific to each agency, funds can be accessed directly or through intermediary agencies either for specific programmes or in the form of unconditional grants. It is common to see that non-profit organizations refusing to receive funds from certain sources for ideological reasons and to protect legitimacy. In the interest of autonomy they need to avoid depending too much on single or few sources. The complexity of the task, growing competition and significant reduction in supply due to the changing priorities of donor agencies have of late made fund-raising a daunting challenge. For effective fund raising it is imperative for the organizations to develop policies and procedures, practices and goals that are consistent with the values of the organization. Professional approach to fund-raising is the need of the hour.

Table 7.1.9 illustrates the practices being followed by the organizations selected for the purpose of study in respect of fund-raising. It shows that in 85 percent of the organizations fundraising activities are part of general administration and the CEO with the support of core team and staff handles them. The governing body's role is very limited. Governing body neither participates nor reviews fundraising activities. Solicitation typically is through proposals that are likely to be considered by the donor agency. Small organizations generally receive funds through support organizations or intermediary organizations particularly when the funding agency happens to be an International NGO. In such cases the intermediary organizations act as programme monitoring and evaluating agencies and the small NGOs as implementing agencies. In 15 percent of the organizations fundraising activities are carried out as an activity separate from routine administration and have personnel trained for that purpose. It is also observed that governing body members take keen interest and throw their weight to secure funding support. This practice is confined to a modest number (36.4 percent) of large and a very small number (16.7 percent) of medium organizations.

Inference

Fund-raising is yet to be recognized and practiced as distinct professional activity by the organizations studied. It, by and large, remained as an activity that CEO and other core staff perform as any other administrative task. Some indications however are available to believe that change in this approach is gradually occurring to some extent in large and medium size organizations.

7.2 Analysis across scale of operations

Table 7.2.1: Financial policy and procedures

Scale of operations	**Financial manual/policy and procedures**		Total
	Doesn't exist	Exists	
National	1 (20.0)	4 (80.0)	5 (100.0)
State	1 (25.0)	3 (75.0)	4 (100.0)
Region	0 (0.0)	4 (100.0)	4 (100.0)
District	5 (41.7)	7 (58.3)	12 (100.0)
Mandals	12 (80.0)	3 (20.0)	15 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 7.2.1 reveals that in 80 percent of the national level organizations, 75 percent of the state level organizations, 100 percent of regional level organizations, 58.3 percent of the district level organizations and 20 percent of mandal level organizations financial policy and procedures are laid down. It can be observed that the percentage of organizations with financial policy and procedures reduced from 80 percent to 20 percent the decrease in scale of operations with exception at regional level organizations. Alternately the percentage of organizations that do not have financial policy and procedures reduced from 80 percent for mandal level organizations to 20 percent for national level organizations.

Inference

It clearly indicates that the scale of operations influences existence or otherwise of financial policy and procedures with the increase in scale of operations, the probability of financial policy and procedures existing increases.

Table 7.2.2: Budgetary control

Scale of operations	Budgetary control			Total
	Programme-wise	Centralized	No control	
National	0 (0.0)	5 (100.0)	0 (0.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	1 (25.0)	4 (100.0)
Region	2 (50.0)	2 (50.0)	0 (0.0)	4 (100.0)
District	5 (41.7)	6 (50.0)	1 (8.3)	12 (100.0)
Mandals	9 (60.0)	1 (6.7)	5 (33.3)	15 (100.0)
Total	17 (42.5)	16 (40.0)	7 (17.5)	40 (100.0)

Table 7.2.2 represents variations across scale in respect of budgetary control. It is evident from the table that in 100 percent of the national level organizations budgetary control is centralized. In 60 percent of the mandal level organizations budgetary control is programme-wise. It can also be observed that the percentage of organizations with centralized budgetary control decreased from 100 percent to 6.7 percent as the scale of operations reduced from national level to mandal level. Alternately, the percentage of organizations with programme-wise control decreased from 60 percent to 0 percent with the increase in scale from mandal level to national level.

Inference

It can be inferred that the higher the scale of operations the greater the possibility of centralized budgetary control and the lower the scale of operations the higher the possibility of programme-wise budgetary control.

Table 7.2.3: Budgetary approach

Scale of operations	Budgetary approach			Total
	Top-down	Bottom-up	Combination	
National	1 (20.0)	3 (60.0)	1 (20.0)	5 (100.0)
State	1 (25.0)	2 (50.0)	1 (25.0)	4 (100.0)
Region	1 (25.0)	3 (75.0)	0 (0.0)	4 (100.0)
District	1 (8.3)	9 (75.0)	2 (16.7)	12 (100.0)
Mandals	4 (26.7)	2 (13.3)	9 (60.0)	15 (100.0)
Total	8 (20.0)	19 (47.5)	13 (32.5)	40 (100.0)

Table 7.2.3 shows that overall in 47.5 percent of the organizations bottom-up approach is followed in preparing budgets. In 32.5 percent of the organizations combination of top down and bottom up approach is followed. Organizations across scale do not vary much in terms of top down approach since nearly 20 percent to 25 percent of the organizations at each level, except district level follow top down approach. In mandal level organizations combination of top down and bottom up approach is predominantly followed and in national level, state level, regional level and district level organizations bottom up approach is predominant.

Table 7.2.4: Budgetary concepts

Scale of operations	Budgetary concepts		Total
	Incremental	Incremental, ZBB and Performance	
National	3 (60.0)	2 (40.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	4 (100.0)
District	10 (83.3)	2 (16.7)	12 (100.0)
Mandals	14 (93.3)	1 (6.7)	15 (100.0)
Total	33 (82.5)	7 (17.5)	40 (100.0)

Table 7.2.4 presents the data pertaining to the budgetary concepts applied in preparing budgets across the scale. It is clear from the table that overall in 82.5 percent of the organizations

incremental concepts is applied in preparing budgets. Among national level organizations in 60 percent of the organizations incremental concept is applied and in another 40 percent, the concepts of zero based budgeting and performance based budgeting are also applied. Among mandal level organizations only in 6.7 percent of the organizations the concept of zero based budgeting or performance based budgeting are applied and in the rest of 93.3 percent of the organizations incremental budgeting is used. In 50 percent of the state level organizations zero based and performance based budgetary concepts are applied along with incremental budgetary concepts.

Inference

It indicates that zero based and performance based budgeting concepts are being applied along with incremental budgeting concepts in national level and state level organizations. In the regional, district and mandal level organizations incremental budgeting concept is predominantly applied.

Table 7.2.5: Purpose of auditing and audit reports

Scale of operations	Purpose of auditing and audit reports		Total
	Reviewing financial performance and effect necessary changes for improving financial management	Meet statutory and administrative requirements	
National	4 (80.0)	1 (20.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	4 (100.0)	0 (0.0)	4 (100.0)
District	4 (33.3)	8 (66.7)	12 (100.0)
Mandals	0 (0.0)	15 (100.0)	15 (100.0)
Total	14 (35.0)	26 (65.0)	40 (100.0)

Table above portrays that in 80 percent, 50 percent and 100 percent of the national level, state level and regional level organizations respectively the audit reports are received and necessary changes are made to improve the financial management in the organizations. In 66.7 percent and

100 percent of the district and mandal level organizations respectively auditing is done just to meet statutory and administrative requirements.

Inference

Even though auditing is carried out by external auditors the purposes such audit reports serve are different for different levels of organizations. Organizations that operate at above the regional levels tend to use auditing for improving financial management than simply to meet statutory requirements. Organizations at district and mandal level to treat audit reports as those that meet statutory requirements.

Investment management

Overall 90 percent of the organizations manage their investments keeping in view liquidity and safety considerations. The same trend is observed across the scale of organizations. However it is also apparent that in 20 percent of organizations at national level and in 25 percent each of the state and regional level organizations, optimizing return is guiding the investment management decisions. Such trend is almost invisible in district and mandal level organizations.

Inference

It can be inferred that organizations of late are paying attention to managing investments for optimum return. This is more perceptible in case of organizations with scale of operations at regional level or above and less perceptible in case of organizations at district level.

Table 7.2.6: Fund raising

Scale of operations	Fund raising		Total
	Part of administrative activity with CEO assuming responsibility	Distinct professional activity with Board/Governing body involvement	
National	3 (60.0)	2 (40.0)	5 (100.0)
State	2 (50.0)	2 (50.0)	4 (100.0)
Region	3 (75.0)	1 (25.0)	4 (100.0)
District	11 (91.7)	1 (8.3)	12 (100.0)
Mandals	15 (100.0)	0 (0.0)	15 (100.0)
Total	34 (85.0)	6 (15.0)	40 (100.0)

It emerges from the table 7.2.6 that in 100 percent of the mandal level organizations, 91.7 percent of district level organizations, 75 percent of the regional level organizations, 50 percent of state level organizations and 60 percent of national level organizations fund raising is part of administrative activities with CEO assuming much of the responsibility. It also emerges that with the increase in the scale of operations, the percentage of organizations that consider fund-raising as part of administrative activities is reducing and the percentage of organizations that consider fund-raising as district professional activity is increasing.

Inference

Even though fund-raising is predominantly treated as part of administrative functions, the above analysis has some implications for fund raising. The organizations tend to treat fund-raising as a distinct activity and require professional approach as they grow in scale. Therefore organizations with bigger scale of operations are more likely to recognize fund raising as a distinct professional activity compared to organizations with small scale of operations.

7.3 Analysis across age of the organizations

Table 7.3.1: Fiscal manual

Age of the organization	**Fiscal manual**		Total
	Doesn't exist	Exists	
10 year or less	5 (55.6)	4 (44.4)	9 (100.0)
10 above & below 20	11 (52.4)	10 (47.6)	21 (100.0)
Above 20	3 (30.0)	7 (70.0)	10 (100.00
Total	19 (47.5)	21 (52.5)	40 (100.00

Table 7.3.1 shows that overall in 52.5 percent of the organizations financial policy and procedures are laid down. It also shows that fiscal policy and procedures are laid down in 70 percent of the organizations in the age group of above 20 years as against 44.4 percent and 47.6 of the organizations in the age group of 10 or less than 10 and above 10 and below 20 respectively.

Inference

This indicates that in older organizations tendency to have fiscal policies and procedures laid down is higher than the younger organizations.

Table 7.3.2: Budgetary control

Age of the organization	**Budgetary control**			Total
	Programme-wise	Centralized	No control	
10 year or less	3 (33.3)	5 (55.6)	1 (11.1)	9 (100.0)
10 above & below 20	10 (47.6)	7 (33.3)	4 (19.0)	21 (100.0)
Above 20	4 (40.0)	4 (40.0)	2 (20.0)	10 (100.0)
Total	17 (42.5)	16 (40.0)	7 (17.5)	40 (100.0)

Table 7.3.2 depicts that in 42.5 percent of the organizations studied budgetary control is exercised program-wise and in 40 percent of the organizations budgetary control is centralized. It

is also found that in 17.5 percent of the organizations budgetary control is not exercised at all. There are no much variations across the age of organizations except that in 55.6 percent of the organizations in the age group of 10 or less than 10, centralized budgetary control is exercised compared to 33.3 percent and 40 percent of the organizations in the age group of "above 10 and below 20" and "20 and above" respectively.

Inference

It indicates that tendency to exercise centralized budgetary control is little high for the organizations in the age group of 10 or less than 10 than organizations in other age groups.

Table 7.3.3: Budgetary approach

Age of the organization	Budgetary approach			Total
	Top-down	Bottom-up	Combination	
10 year or less	3 (33.3)	2 (22.2)	4 (44.4)	9 (100.0)
10 above & below 20	3 (14.3)	12 (57.1)	6 (28.6)	21 (100.0)
Above 20	2 (20.0)	5 (50.0)	3 (30.0)	10 (100.0)
total	8 (20.0)	19 (47.5)	13 (32.5)	40 (100.0)

Table 7.3.3 illustrates that overall in 47.5 percent of the organizations bottom-up approach is followed in preparing budgets. In 32.5 percent of the organizations combination of top down and bottom-up approaches are followed. It can be observed that in 33.3 percent of the organizations in the age group of 10 or less than 10 as against 14.3 percent and 20 percent of the organizations respectively in the age group of above 10 and below 20 and above 20 top down approach is followed. Likewise 22.2 percent of the organizations in the age groups of 10 or less than 10 bottom up approach is followed as against 57.1 percent and 50 percent of the organizations in the age group of above 10 and below 20 and 20 and above respectively.

Inference

This suggests that organizations in the age group of 10 or less than 10 years of age are less likely to follow bottom-up approach than organizations in the age groups of above 10 and below 20 years and 20 and above.

Table 7.3.4: Budgetary concepts

Age of the organization	Budgetary concepts		Total
	Incremental	Incremental, ZBB and Performance	
10 year or less	6 (66.7)	3 (33.3)	9 100.0)
10 above & below 20	19 (90.5)	2 (9.5)	21 (100.0)
Above 20	8 (80.0)	2 (20.0)	10 (100.0)
Total	33 (82.5)	7 (17.5)	40 (100.0)

Table 7.3.4 explicates that 82.5 percent of the organizations studied follow the concept of incremental budgeting in preparing budgets and 17.5 percent of the organizations reportedly follow incremental budgetary concept as well as zero based and performance based budgeting. It can be observed from the data presented in the table above that 33.3 percent of the organizations in the age group of 10 or less than 10 years are stated to be using the concept of zero based budgeting and performance based budgeting as against 9.5 percent and 20 percent of the organizations in the age group of above 10 and below 20 years and 20 and above respectively.

Inference

This suggests that organizations in the age group of 10 or less than 10 display greater inclinations for using zero based budgeting and performance based budgeting than organizations in the age groups within the small group of organizations that are found to be using ZBB and PBB concepts. Incremental budgeting concept is widely applied in the organizations studied.

Table 7.3.5: Internal financial control

Age of the organization	Internal financial control		Total
	Not exercised	Exercised	
10 year or less	0 (0.0)	9 (100.0)	9 (100.0)
10 above & below 20	1 (4.8)	20 (95.2)	21 (100.0)
Above 20	1 (10.0)	9 (90.0)	10 (100.0)
Total	2 (5.0)	38 (95.0)	40 (100.0)

It is noticed that internal financial control is exercised in overwhelming majority of 95 percent of the organizations and differences across the age groups are too insignificant to be noted.

Receivables Management

It is revealed that in 90 percent of the organizations studied responsibility of preparing and dispatching the reports, certificates and other related documents is with the administrative department and efforts are made to ensure timely release of funds or grants.

Table 7.3.6: Purpose of auditing and audit reports

Age of the organization	Purpose of auditing and audit reports		Total
	Reviewing financial performance and effect necessary changes for improving financial management	Meet statutory and administrative requirements	
10 year or less	4 (44.4)	5 (55.6)	9 (100.0)
10 above & below 20	5 (23.8)	16 (76.2)	21 (100.0)
Above 20	5 (50.0)	5 (50.00)	10 (100.0)
Total	14 (35.0)	26 (65.00)	40 (100.0)

Table 7.3.6 shows that in 76.2 percent of the organizations in the age group of above 10 and below 20 years audit reports are carefully analysed and suggestions made are implemented for improving financial management of the organizations. Relative to the organizations in the age group of 10 or less than 10 years and 20 and above where 55.6 percent and 50 percent of the organizations in the respective groups treat audit reports as feedback for improving financial

management, organizations in the age group of above 10 and below 20 years are more likely to act on the audit reports that organizations in other age groups. It needs to be mentioned that age alone doesn't explain sufficiently the reasons for the same.

Investment management

Overall very few organizations manage investments with the objective of optimizing the return. For large number of organizations, safety and liquidity considerations outweigh considerations for return. Organizations in the age group of 10 or less than 10 are more likely to manage investments to optimize return than organizations in other age groups.

Table 7.3.7: Fund raising

Age of the organization	**Fund raising**		Total
	Part of administrative activity with CEO assuming responsibility	Distinct professional activity with Board/Governing body involvement	
10 year or less	6 (66.7)	3 (33.3)	9 (100.0)
10 above & below 20	19 (90.5)	2 (9.5)	21 (100.0)
Above 20	9 (90.0)	1 (10.0)	10 (100.0)
Total	34 (85.0)	6 (15.0)	40 (100.0)

Table 7.3.7 depicts that overall in 85 percent of the organizations fund raising is considered to be part of administrative activity and CEO assumed the responsibility of fund raising. Only in 15 percent of the organizations fund raising is regarded as distinct professional activity. In 33.3 percent of the organizations in the age group of 10 or less than 10 years, it is found that fund raising is recognized and taken up as activity distinct from other administrative activities. The percentage of organizations among other groups that recognize fund raising as distinct activity is around 10 percent.

Inference

It can therefore be inferred that organizations in the age group of 10 or less than 10 years are more likely to treat fund raising as distinct activity than organizations in the age group of above 10 years. Fundraising is yet to be recognized as activity that requires professional approach in majority of the organizations.

7.4 Analysis across source of funding

Table 7.4.1: Financial policy and procedures

Major source of funding	**Financial policy and procedures**		Total
	Not available	Available	
International	4 (23.5)	13 (76.5)	17 (100.0)
International through intermediary or affiliated organizations	11 (73.3)	4 (26.7)	15 (100.0)
Government	4 (66.7)	2 (33.3)	6 (100.0)
Corporate	0 (0.0)	2 (100.0)	2 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 7.4.1 shows that in 100 percent of the organizations dependent on corporate funds and 76.5 percent of the organizations dependent on direct international funds financial policies and procedures are laid down. As against this in 26.7 percent of organizations dependent on indirect international funds and 33.3 percent of the organizations dependent on government funds financial policies and procedures are laid down.

Inference

It can be inferred that organizations dependent on direct international funds and corporate funds are more likely to have financial policies and procedures than organizations dependent on indirect international funds and government funds. While organizations dependent on corporate funds will certainly have financial policies and procedures, organizations dependent on direct international funds have three fourth probabilities. On the other hand organizations dependent on government funds and indirect international funds respectively have one-third and one-fourth probability of having financial policies and procedures.

Table 7.4.2: Budgetary control

Major source of funding	Budgetary control			Total
	Programme-wise	Centralized	No control	
International	2 (11.8)	12 (70.6)	3 (17.6)	17 (100.0)
International through intermediary or affiliated organizations	12 (80.0)	3 (20.0)	0 (0.0)	15 (100.0)
Government	3 (50.0)	0 (0.0)	3 (50.0)	6 (100.0)
Corporate	0 (0.0)	1 (50.0)	1 (50.0)	2 (100.0)
Total	17 (42.5)	16 (40.0)	7 (17.5)	40 (100.0)

Table 7.4.2 depicts that in 80 percent of the organizations dependent on indirect international funds budgetary control is exercised programme-wise. In contrast only in 11.8 percent of the organizations dependent on direct international funds budgetary control is exercised programme-wise and in 70.6 percent of the organizations centralized budgetary control is exercised. It can also be observed that in 50 percent of organizations dependent on government funds and corporate funds budgetary control is not exercised. In rest of the 50 percent of the organizations program wise control is exercised in organizations dependent on government funds and centralized budgetary control is exercised in organizations dependent on corporate funds.

Inference

The inference that could be drawn from above analysis is that programme-wise budgetary control is most common to organizations dependent on indirect international funds and centralized budgetary control is most common to organizations dependent on direct international funds. In respect of organizations dependent on government funds there is one-half probability of exercising budgetary control programme-wise. The probability of exercising centralized budgetary control in organizations dependent on corporate funds is one-half. In organizations dependent on government funds and corporate funds there is one-half probability of not exercising budgetary control.

Table 7.4.3: Budgetary approach

Major source of funding	Budgetary approach			Total
	Top-down	Bottom-up	Combination	
International	2 (11.8)	11 (64.7)	4 (23.5)	17 (100.0)
International through intermediary or affiliated organizations	3 (20.0)	6 (40.0)	6 (40.0)	15 (100.0)
Government	1 (16.7)	2 (33.3)	3 (50.0)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	0 (0.0)	2 (100.0)
Total	8 (20.0)	19 (47.5)	13 (32.5)	40 (100.0)

Table 7.4.3 reveals that in 100 percent of the organizations dependent on corporate funds top-down approach is followed in budget preparations. In 64.7 percent of the organizations dependent on direct international funds, 40 percent of organizations dependent on indirect international funds and 33.3 percent of organizations dependent on government funds, bottom-up approach is followed. In 50 percent, 40 percent and 23.5 percent of organizations dependent on government funds, indirect international funds and direct international funds respectively, both top-down and bottom-up approach are followed.

Inference

It can be inferred that top down approach is predominantly followed in organizations dependent on corporate funds, bottom up approach is most likely approach followed in organizations dependent on direct international funds. In organizations dependent on indirect international funds and government funds both top down and bottom up approach are commonly followed.

Table 7.4.4: Budgetary concepts

Major source of funding	Budgetary concepts		Total
	Incremental	Incremental, ZBB and Performance	
International	11 (64.7)	6 (35.3)	17 (100.0)
International through intermediary or affiliated organizations	14 (93.3)	1 (6.7)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	2 (100.0)
Total	33 (82.5)	7 (17.5)	40 (100.0)

Table 7.4.4 shows that incremental budgeting concept is applied in preparation of budgets in 82.5 percent of the organizations studied. It also shows that in almost all organizations except those dependent on direct international funds, incremental budgetary concept is applied. In organizations dependent on direct international funds through incremental budgeting is applied in nearly two-thirds of organizations other budgeting concepts like zero based budgeting performance based budgeting are also applied in nearly one-third of organizations.

Inference

It can therefore be inferred that concepts other than incremental budgeting concept have been applied particularly in organizations dependent on direct international funds. Organizations dependent on other sources appear to be novice to the zero based and performance based budgeting.

Table 7.4.5: Receivable management

Major source of funding	Receivables management			Total
	Receivables management is considered to be inapplicable	Receivables are not managed	Receivables are managed	
International	6 (35.3)	1 (5.9)	10 (58.8)	17 (100.0)
International through intermediary or affiliated organisations	14 (93.3)	1 (6.7)	0 (0.0)	15 (100.0)
Government	4 (66.7)	0 (0.0)	2 (33.3)	6 (100.0)
Corporate	1 (50.0)	0 (0.0)	1 (50.0)	2 (100.0)
Total	25 (62.5)	2 (5.0)	13 (32.5)	40 (100.0)

Table 7.4.5 depicts that in 93.3 percent of the organizations dependent on indirect international funds and 66.7 percent of the organizations dependent on government funds receivables management is considered to be inapplicable. In 58.8 percent of the organizations dependent on direct international funds and 50 percent of organizations dependent on corporate funds receivables are managed.

Inference

It indicates that receivable management is most unlikely in organizations dependent on indirect international funds and is less likely in organizations dependent on government funds and in nearly one-half of the organizations dependent on direct international funds and corporate funds.

Table 7.4.6: Investment management

Major source of funding	Investment management		Total
	Safety and liquidity	Optimizing return	
International	13 (76.5)	4 (23.5)	17 (100.0)
International through intermediary or affiliated organisations	15 (100.0)	0 (0.0)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	2 (100.0)	0 (0.0)	2 (100.0)
Total	36 (90.0)	4 (10.0)	40 (100.0)

It is observed from the table 7.4.6 that, in 90 percent of the organizations investment management is poised towards safety and liquidity requirements. Organizations dependent on direct international funds deviate which is evident from the fact that, in nearly one-fourth of the organizations investment management is oriented towards optimizing return.

Table 7.4.7: Purpose of auditing and audit reports

Major source of funding	Purpose of auditing and audit reports		Total
	Reviewing financial performance and effect necessary changes for improving financial management	Meet statutory & administrative requirements	
International	12 (70.6)	5 (29.4)	17 (100.0)
International through intermediary or affiliated organizations	1 (6.7)	14 (93.3)	15 (100.0)
Government	0 (0.0)	6 (100.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	14 (35.00)	26 (65.0)	40 (100.0)

Table 7.4.7 shows that in 70.6 percent of the organizations dependent on direct international funds auditing and audit reports are considered as feedback and they are reviewed to effect necessary changes for improving financial managements. The same is the case with 50 percent of the organizations dependent on corporate funds. In contrast, in 93.3 percent and 100 percent of the organizations dependent respectively on indirect international funds and government funds auditing and audit reports are simply considered to be statutory and administrative requirements.

Inference

It can be inferred that the auditing is likely to serve as feedback for improving financial management aside statutory and administrative purposes in organizations that depend on direct international funds. In organizations that depend on indirect international funds and government funds they are reckoned merely as statutory and administrative requirements.

Table 7.4.8: Fund raising

Major source of funding	Fund raising		Total
	Part of administrative activity with CEO assuming responsibility	Distinct professional activity with Board/Governing body involvement	
International	12 (70.6)	5 (29.4)	17 (100.0)
International through intermediary or affiliated organisations	15 (100.0)	0 (0.0)	15 (100.0)
Government	6 (100.0)	0 (0.0)	6 (100.0)
Corporate	1 (50.0)	1 (50.0)	2 (100.0)
Total	34 (85.0)	6 (15.0)	40 (100.0)

Table 7.4.8 depicts that overall in 85 percent of the organizations fund-raising is treated as part of administrative activity and in generally entrusted to the change of CEO. Organizations dependent on indirect international funds and government funds invariably follow this approach. As a noticeable departure to this overall approach in 29.4 percent of the organizations dependent on direct international funds and 50 percent of the organizations dependent on corporate funds fundraising is recognized as distinct professional activity that is integral to administrative

activity. This indicates that the approach to fund-raising is changing particularly in organizations dependent on direct international funds and corporate funds.

7.5 Analysis across number of programs

Table 7.5.1: Financial policy and procedures

Number of programmes	**Financial policy and procedures**		Total
	Doesn't exist	Exists	
4 & less than 4	16 (59.3)	11 (40.7)	27 (100.0)
More than 4	3 (23.1)	10 (76.9)	13 (100.0)
Total	19 (47.5)	21 (52.5)	40 (100.0)

Table 7.5.1 illustrates that in 76.9 percent of the organizations with more than 4 programs financial policy and procedures are laid down. As against this in only 40.7 percent of the organizations with 4 or less than 4 programs financial policy and procedures are laid down.

Inference

It suggests that number of programs (scope) influences the likelihood of existence of financial policy and procedures. Organizations with more number of programs are more likely to have financial policy and procedures than organizations with less number of programs.

Table 7.5.2: Budgetary control

Number of programmes	**Budgetary control**			Total
	Programme-wise	Centralized	No control	
4 & less than 4	14 (51.9)	8 (29.6)	5 (18.5)	27 (0.0)
More than 4	3 (23.1)	8 (61.5)	2 (15.4)	13 (0.0)
Total	17 (42.5)	16 (40.0)	7 (17.5)	40 (100.0)

Table 7.5.2 portrays that in 61.5 of the organizations with more than 4 programs as against 29.6 percent of organizations with 4 or less than 4 programs budgetary control is centralized. In 51.9

percent of the organizations with 4 or less than 4 programs, budgetary control is exercised programme-wise compared to organizations with more than 4 programs where budgetary control is exercised programme-wise in 23.1 percent of organizations.

Inference

It can be inferred that in organizations with more number of programs have double the possibility of exercising centralized budgetary control than the possibility that organizations with 4 or less than 4 programs have. Similarly for organizations with “4 or less than 4 programmes, the likelihood of programme-wise budgetary control is nearly twice the likelihood of organizations with more than 4 programmes.

Table 7.5.3: Budgetary approach

Number of programmes	**Budgetary approach**			Total
	Top-down	Bottom-up	Combination	
4 & less than 4	7 (25.9)	10 (37.0)	10 (37.0)	27 (100.0)
More than 4	1 (7.7)	9 (69.2)	3 (23.1)	13 (100.0)
Total	8 (20.0)	19 (47.5)	13 (32.5)	40 (100.0)

Table 7.5.3 explicates that in 69.2 percent of the organizations with more than 4 programs bottom-up approach is followed in preparing budgets as against 37 percent of the organizations with 4 or less than 4 programs. In another 37 percent of organizations with 4 or less than 4 programs a combination of top-down and bottom-up approach is followed.

Inference

It can be inferred that organizations with more than 4 programmes are most likely to follow bottom-up approach and least likely to follow top-down approach. Organisations with 4 or less than 4 programmes are relatively more likely to follow top-down approach than organizations with more than 4 programmes. Organizations with 4 or less than 4 programmes are equally likely to follow bottom-up approach or combination of top-down and bottom-up approach.

Budgetary concepts

There is no variation apparent in applying the concepts of incremental budgeting or incremental budgeting along with zero based budgeting or performance based budgeting between organizations with 4 or less programs and more than 4 programs. Nearly 82 percent of the organizations in each group apply incremental budgeting concept and 18 percent follow based or performance based budgeting concepts along with incremental budgeting concepts.

Table 7.5.4: Purpose of auditing and audit reports

Number of programmes	Purpose of auditing and audit reports		Total
	Reviewing financial performance and effect necessary changes for improving financial management	Meet statutory and administrative requirements	
4 & less than 4	7 (25.9)	20 (74.1)	27 (100.0)
More than 4	7 (53.8)	6 (46.2)	13 (100.0)
Total	14 (35.0)	26 (65.0)	40 (100.0)

It emerges from the table 7.5.4 that in 74.1 percent of the organizations with 4 or less than 4 programmes auditing and audit reports are considered as those meeting statutory and administrative requirements. Only in 25.9 percent of the organizations auditing and audit reports are recognized as feedback on financial performance and the suggestions that emanate from auditors and implemented for improving the financial management and performance in the organizations. Among organizations with more than 4 programs it can be observed that in 53.8 percent of the organizations auditing and audit reports are viewed as feedback on financial performance and improvements in financial systems are made for performance enhancement.

Inference

It can therefore be inferred that auditing and audit reports are more likely to be used for financial performance analysis and improvement in organizations with more than 4 programmes.

Fund raising

In terms of fund-raising both the groups are similar with no variations between them. In nearly 85 percent of organizations in both the groups fundraisings are considered integral to other administrative functions and the responsibility is assumed by CEO. Only in 15 percent of the organizations it is considered as distinct professional activity.

7.6 Conclusions

7.6.1 Variations in financial management practices across size of the organizations

Nearly half of the organizations have documented their financial policies and procedures to maintain financial discipline. Variations across the size exist as most of the small organizations do not have financial manuals and most of the medium and large organizations have financial manuals. Existence of financial manual by itself doesn't mean better financial management but it is certainly a starting point.

All the organizations have common features where journals and ledgers are maintained and transactions are posted in the journal and corresponding accounts in monetary terms. Double entry book-keeping is followed. Most of the large organizations have separate departments to carryout finance and accounting functions. Medium size organizations also have qualified and trained staff to perform finance and accounting related tasks. Small organizations generally entrust this responsibility to one or two key staff members who may not be qualified but trained to perform the required tasks. In all the organizations, irrespective of their size, appoint auditors to certify accounts and prepare balance sheet and funds flow statements. This is mandatory requirement prescribed in the statute under which the organizations are registered. Further it is obligatory on all those organizations that have acquired tax exempt status and/or registered under foreign contribution regulation act to get the accounts audited by independent auditors.

Budgets are being regarded as tools of control by most of the organizations. Large organizations tend to have more centralized budgetary control compared to medium sized organizations which exercise budgetary control programme-wise. Nearly one fourth of medium and small organizations do not exercise control through budgets. Another note worthy feature of the budgets in the organizations studied is that increasing percentage of them is of late preparing their annual budgets using *log frame analysis* that depicts budgets not only in monetary terms but also in terms of activities, outputs and outcomes so as to assess budgetary performance in terms of results achieved than mere expenditure incurred.

The bottom up approach is widely followed by medium sized organizations followed by large organizations. Combination of top down and bottom up approaches is the most followed approach in small organizations. Small organizations are treated as responsibility centers by the intermediary organizations. Incremental budgeting is the concept widely used. Concepts like zero based budgeting, performance based budgeting (PBB) are slowly making inroads into non-profit organizations. Some elements of internal financial control are embedded into the financial management of the organizations. Almost every organization periodically reconciles various accounts. Persons who are authorized to approve payments and make payments through cheques are identified. The norms for making payment only through cheques for amounts exceeding prescribed limits are followed. It is observed particularly in small organizations that secretary or president of governing body who is also nominated as CEO and the treasurer are independently authorized to sign cheques which is not generally regarded as a practice consistent with sound internal control. In large and medium organizations the power is jointly vested in two persons. In certain cases limits are specified to exercise the power to sign cheques by prescribing that amounts; beyond a particular limit require signatures of two designated office bearers. This is a practice consistent with internal control. Large and medium organizations are more sensitive to the issues of internal control compared to small organizations. Internal financial control is exercised in almost all the organizations and there is no significant variation found across the size of the organization.

All the organizations irrespective of size pay appropriate attention to ensure that funds or grant amounts are released in time. In large and medium sized organizations, administrative personnel are assigned the responsibility of completing the formalities and follow-up. In small organizations, it is generally taken care of by the CEOs. Cost accounting and management accounting assume great significance in commercial organizations. Decisions on pricing, continuing or discontinuing a product, product mix, make or buy decisions etc. are based on cost information. Cost information in non-profit context enables preparation of realistic estimates to draw proposals for grants, programme and project funding. It also enables them to choose appropriate portfolio of programmes or projects to reap economies of scope. Cost behavior is not analyzed before adding or dropping services or programs as cost accounting and management accounting have been ignored by many organizations. Lack of interest among the organizations for pricing their services and resources involved in accumulating cost information are generally stated to be reasons for completely ignoring this aspect. Cost accounting and management accounting have not permeated the non-profit organizations. The audit report and management letter furnished by the auditors are received by the governing body/board and based on inputs from staff necessary changes are made for improving the financial management system in large organizations. Very few among medium and small organizations do so.

For non-profit organizations to have corpus funds and endowment funds which are to be managed in order to derive optimum return is not uncommon. Apart from these, contributions to the provident fund, gratuity and pension fund have to be managed in order to meet welfare obligations as and when they arise. Many non-profit organizations also receive grants or funds in advance which are to be spent over a period of time. Managing such financial resources effectively is a challenging task. Liquidity, safety and returns are to be prudently balanced keeping in view the specific requirements of each organization.

Most of the organizations do not pay any attention to investment management. The common practice in organizations where provident fund contributions are made is to place them at the disposal of government agencies charged with the responsibility of managing them. In case of sums received in advance they are normally deposited in bank accounts till the expenses are incurred. Apparently safety and liquidity rather than optimizing the return are given preference. In very few organizations, funds are invested as per the directions of the finance committee or governing body/board in various investment options to optimize returns. It means managing investments is not much of an issue for the organizations studied.

Fund raising is very important aspect of financial management and is crucial for survival and growth of the organizations. There are number of sources available for the organizations to raise funds. The wide array include individual donors, family trusts, foundations, corporations, philanthropic bodies, faith based organizations, international NGOs, government agencies, bilateral agencies and multilateral agencies. Depending on the policy specific to each agency, funds can be accessed directly or through intermediary agencies either for specific programmes or in the form of unconditional grants. It is common to see that non-profit organizations refusing to receive funds from certain sources for ideological reasons and to protect legitimacy. In the interest of autonomy they need to avoid depending too much on single or few sources. The complexity of the task, growing competition and significant reduction in supply due to the changing priorities of donor agencies have of late made fund-raising a daunting challenge. For effective fund raising it is imperative for the organizations to develop policies and procedures, practices and goals that are consistent with the values of the organization. Professional approach to fund-raising is the need of the hour. Fund-raising is remained as an activity that CEO and other core staff perform as any other administrative task. Change in this approach is gradually occurring to some extent in large and medium size organizations.

7.6.2 Variations in financial management practices across scale of operations

The scale of operations influences existence or otherwise of financial policy and procedures with the increase in scale of operations, the probability of financial policy and procedures existing increases. The higher the scale of operations, the greater is the possibility of centralized budgetary control. The lower the scale of operations, the higher is the possibility of program-wise budgetary control. In mandal level organizations combination of top down and bottom up approach is predominantly followed and in national level, state level, regional level and district level organizations bottom up approach is predominant. Zero based and performance based budgeting concepts are being applied along with incremental budgeting concepts in national level and state level organizations. In the regional, district and mandal level organizations incremental budgeting concept is predominantly applied. Even though auditing is carried out by external auditors the purposes such audit reports serve are different for different levels of organizations. Organizations that operate at above the regional levels tend to use auditing for improving financial management than simply to meet statutory requirements. Organizations at district and mandal level to treat audit reports as those that meet statutory requirements.

Organizations of late are paying attention to managing investments for optimum return. This is more perceptible in case of organizations with scale of operations at regional level or above and less perceptible in case of organizations at district level. Even though fund-raising is predominantly treated as part of administrative functions, there are some implications for fund raising. The organizations tend to treat fund-raising as a distinct activity and require professional approach as they grow in scale. Therefore organizations with bigger scale of operations are more likely to recognize fund raising as a distinct professional activity compared to organizations with small scale of operations.

7.6.3 Variations in financial management practices across age of the organizations

In older organizations tendency to have fiscal policies and procedures laid down is higher than the younger organizations. To exercise centralized budgetary control is little high for the organizations in the age group of 10 or less than 10 than organizations in the age group of above 10 and below 20 and above 20. Organizations in the age group of 10 or less than 10 years of age are less likely to follow bottom-up approach than organizations in the age groups of above 10 and below 20 years and 20 and above. Organizations in the age group of 10 or less than 10 display greater inclinations for using zero based budgeting and performance based budgeting than organizations in the age groups within the small group of organizations that are found to be using ZBB and PBB concepts. Incremental budgeting concept is widely applied in the organizations. It is noticed that internal financial control is exercised in overwhelming majority of the organizations and differences across the age groups are too insignificant to be noted. It is revealed that in most of the organizations responsibility of preparing and dispatching the reports, certificates and other related documents is with the administrative department and efforts are made to ensure timely release of funds or grants.

In most of the organizations in the age group of above 10 and below 20 years audit reports are carefully analyzed and suggestions made are implemented for improving financial management of the organizations. Relative to the organizations in the age group of 10 or less than 10 years and 20 and above where half of the organizations in the respective groups treat audit reports as feedback for improving financial management, organizations in the age group of above 10 and below 20 years are more likely to act on the audit reports than the organizations in other age groups. It means that age alone doesn't explain sufficiently the reasons for the same.

Overall very few organizations manage investments with the objective of optimizing the return. For large number of organizations, safety and liquidity considerations outweigh considerations for return. Organizations in the age group of 10 or less than 10 are more likely to manage investments to optimize return than organizations in other age groups. Organizations in the age group of 10 or less than 10 years are more likely to treat fund raising as distinct activity than organizations in the age group of above 10 years. Fundraising is yet to be recognized as activity that requires professional approach in majority of the organizations.

7.6.4 Variations in financial management practices across major source of funding

Organizations dependent on direct international funds and corporate funds are more likely to have financial policies and procedures than organizations dependent on indirect international funds and government funds. While organizations dependent on corporate funds will certainly have financial policies and procedures, organizations dependent on direct international funds have three fourth probabilities. On the other hand organizations dependent on government funds and indirect international funds respectively have one-third and one-fourth probability of having financial policies and procedures. The program-wise budgetary control is most common to organizations dependent on indirect international funds and centralized budgetary control is most common to organizations dependent on direct international funds. In respect of organizations dependent on government funds there is one-half probability of exercising budgetary control programme-wise. The probability of exercising centralized budgetary control in organizations dependent on corporate funds is one-half. In organizations dependent on government funds and corporate funds there is one-half probability of not exercising budgetary control.

The top down approach is predominantly followed in organizations dependent on corporate funds, bottom up approach is most likely approach followed in organizations dependent on direct international funds. In organizations dependent on indirect international funds and government funds both top down and bottom up approach are commonly followed. Concepts other than incremental budgeting concept have been applied particularly in organizations dependent on direct international funds. Organizations dependent on other sources appear to be novice to the zero based and performance based budgeting. Receivable management is most unlikely in organizations dependent on indirect international funds and is less likely in organizations dependent on government funds and in nearly one-half of the organizations dependent on direct international funds and corporate funds. In most of the organizations investment management is poised towards safety and liquidity requirements. Organizations dependent on direct international funds deviate which is evident from the fact that, in nearly one-fourth of the organizations investment management is oriented towards optimizing return.

The auditing is likely to serve as feedback for improving financial management aside statutory and administrative purposes in organizations that depend on direct international funds. In organizations that depend on indirect international funds and government funds they are reckoned merely as statutory and administrative requirements. In most of the organizations fund-raising is treated as part of administrative activity and in generally entrusted to the change of CEO. Organizations dependent on indirect international funds and government funds invariably follow this approach. As a noticeable departure to this overall approach in some of the organizations dependent on direct international funds and half of the organizations dependent on corporate funds fundraising is recognized as distinct professional activity that is integral to administrative activity. This indicates that the approach to fund-raising is changing particularly in organizations dependent on direct international funds and corporate funds.

7.6.5 Variations in financial management practices across number of programs

The number of programs influences the likelihood of existence of financial policy and procedures. Organizations with more number of programs are more likely to have financial policy and procedures than organizations with less number of programs. In organizations with more number of programs have double the possibility of exercising centralized budgetary control than the possibility that organizations with 4 or less than 4 programs have. Similarly for organizations with “4 or less than 4 programs, the likelihood of programme-wise budgetary control is nearly twice the likelihood of organizations with more than 4 programs.

Organizations with more than 4 programs are most likely to follow bottom-up approach and least likely to follow top-down approach. Organizations with 4 or less than 4 programs are relatively more likely to follow top-down approach than organizations with more than 4 programs. Organizations with 4 or less than 4 programs are equally likely to follow bottom-up approach or combination of top-down and bottom-up approach. There is no variation apparent in applying the concepts of incremental budgeting or incremental budgeting along with zero based budgeting or performance based budgeting between organizations with 4 or less programs and more than 4 programs. Most of the organizations in each group apply incremental budgeting concept and few follow based or performance based budgeting concepts along with incremental budgeting concepts. Auditing and audit reports are more likely to be used for financial performance analysis and improvement in organizations with more than 4 programs. In terms of fund-raising both the groups are similar with no variations between them. Most of the organizations in both the groups fundraisings are considered integral to other administrative functions and the responsibility is assumed by CEO. Only few of the organizations it is considered as distinct professional activity.

CHAPTER VIII

SUMMARY AND CONCLUSIONS

The analysis of various management practices in nonprofit organizations across size, scale, age, major source of funding and number of programs that is done in the preceding chapters is summarized and findings in respect of each of the practices are summarized below.

8.1 Governance Practices

8.1.1 Appointment of CEO

It is observed during the study that the CEO is either appointed or nominated. The variations in terms of CEO appointment are as below:

1. As the size of the budget increases, the probability of having an appointed CEO increases. Organizations with small budgets generally have CEO who is nominated by the governing body or the board.

2. Organizations that confine their operations to local level nominate CEO from among the members of the board. The possibility of appointing paid CEO increases with the increase in scale of operations.

3. There is no significant variation observed across the age of the organizations in terms of appointing or nominating CEO. Hence it can be concluded that the age of the organization has no bearing on the appointment of CEO.

4. Source of funding has some influence on mode of appointment of CEO.

5. It is observed that the possibility of CEO being nominated is high in respect of organizations with four or less than four programs compared to organizations with

more than four programs where there are more or less equal chances of CEO being appointed or nominated.

8.1.2 Governing body participation in planning

The practice related to the governing body participation varied along the five dimensions as mentioned below:

1. Majority of large organizations have governing bodies or boards that participate intensely in planning activities of the organization while majority of small organizations have governing bodies whose participation is nominal indicating relationship between organization size and level of participation of governing bodies in planning activities of organization.

2. The scale of operations influences the level of participation of governing bodies in planning process. Organizations with large geographical presence are more prone to have governing bodies that participate intensely in planning activities of the organizations than organizations functioning in small geographical and local areas.

3. Organizations that are old are more likely to have boards/governing bodies that tend to participate intensely in planning activities.

4. Governing body members' participation has some relationship with the major source of funding.

5. Organization with more than four programs experience intense participation of board or governing body compared to organizations with less four programs.

8.1.3 Governing body diversity

The diversity of governing body in terms of expertise and socio-economic and cultural background varied across the organizations as noted below:

1. Large organizations are more diverse in terms of expertise. Small organizations have little diversity and medium organizations strike the middle path with reasonable diversity in terms of expertise and also socio-economic and cultural diversity suggesting a relationship between organizational size and degree of diversity in governing body with diversity increasing as the size of the organization increases.

2. The scale of operations is one of the determining factors of governing body's diversity in terms of expertise.

3. Even though variation is small it never the less indicates that as the organizations grow in age they tend to broaden the diversity of their governing bodies.

4. Organizations receiving international funds directly are more likely to have governing bodies that are broad in terms of expertise.

5. Diversity of governing body varies with the number of programs being run by the organization.

8.1.4 Board Size

Variations in terms of size of the board/governing body are as under:

1. The chance for a large organization to have a bigger governing body is more. Small organizations have very less chance of having a bigger governing body. Medium organization has only one- third chance to have governing body of bigger size of

eleven or more and two-third chance of having governing body of a size of nine or less.

2. National level organizations are more likely to have bigger boards of size eleven and above and state and mandal level organizations are more likely to have boards of a size of seven. As regards regional level organizations they are more likely to have boards/ governing bodies of a size of nine. This indicates that the scale of operations influences the size of the board or governing body.

3. Board size of the organizations varied across the age.

4. Organizations with direct international funding sources are more likely to have bigger size governing bodies and organizations with indirect sources of international funds are more likely to have smaller boards. Organizations whose major source of funding is from government agencies are more likely to have governing bodies of medium size.

5. Organizations with more number of programs tend to have boards or governing bodies which are big in size relative to organizations with less number of programs.

8.1.5 Board/Governing body's awareness of roles

1. Governing bodies of large organizations are likely to have high level of awareness followed by medium size organizations. Small size organizations are less likely to have governing bodies with high levels of awareness. This has to be noted with a caution that individual members of the governing bodies may vary in their levels of awareness within each category. This inference makes sense only when governing bodies' awareness is considered to be the aggregate of levels of awareness of individual members.

2. Positive relationship exists between the scale of operations and awareness level of governing body.

3. Organizations older in age tend to be slightly ahead of the other organizations in terms of governing body awareness.

4. The analysis suggests that major source of funding influences the level of awareness of governing body.

5. There is an apparent relationship between the number of programs and level of awareness of governing body.

8.1.6 Board/Governing body commitment

1. Organizations which are large in size are more likely to have governing bodies with high level of commitment and small organizations are more likely to have governing bodies with moderate level of commitment. Medium organizations are mid way and have more or less equal chances of having governing bodies with moderate or high level of commitment. Hence, it may be said that organizational size influences over all commitment displayed by the governing body. This need not be the case in respect of commitment displayed by individual members.

2. National level and State level organizations are more likely to have governing bodies/ boards with high level of commitment where as district and mandal level organizations are more likely to have governing bodies/boards with moderate level of commitment. There exists relationship between scale of operations and level of commitment of governing body/board.

3. Sources of funds do have some influence on the level of commitment of governing bodies at least in respect of organizations receiving funds indirectly.

4. Organizations with less number of programs tend to have governing bodies with moderate level of commitment and organizations with more number of programs tend to have governing bodies with high level of commitment.

8.1.7 Frequency of meetings across size

1. Governing bodies of medium organizations are more likely to meet quarterly. In comparison, both half yearly and quarterly meetings of the governing bodies are common in large and small organizations with little more inclination towards half yearly meetings.

2. Organizations older than twenty years are more likely to have governing body or board meetings with more members present compared to other organizations.

3. Quarterly meetings are common in organizations receiving funds indirectly from international sources and half yearly meetings are more common in organizations that rely heavily on government support. Half yearly and quarterly governing body meetings are equally likely in organizations receiving international funds directly.

8.1.8 Attendance at meetings

1. There are no significant variations observed between organizations of different size in respect of attendance at governing body meetings except that nearly half of the organizations where mere quorum requirement is met are small.

2. Even though it is difficult to discern a pattern of relationship between scale of operations and attendance of members, it can be said that the attendance at the governing body meetings is just sufficient to meet the quorum in relatively high percentage of organizations in respect of mandal level organizations.

3. Attendance at meetings of governing body is more or less similar in all the organizations except that organizations with corporate funding have witnessed attendance just required to meet the quorum compared to others where the attendance is more than 80 percent in nearly 80 percent of the organizations.

4. Attendance tends to be high in respect of organization with more number of programs compared to organizations with less number of programs.

8.1.9 Extent of support to the board or governing body members

1. In half of the organizations studied, governing bodies get partial support and around a quarter of them get marginal support. In those cases where complete support is extended, governing bodies of large organizations have better chances of getting such support. In both medium and small organizations governing bodies stand little chance of getting complete support. In medium size organizations the boards or governing bodies have two-third chance of getting partial support and in small organizations it is fifty percent. The possibility of governing bodies getting marginal support is more in small organizations compared to medium organizations.

2. National level organizations are more likely than other level organizations to get complete support. mandal level organizations are least likely to get complete support and more equally likely to get partial support or marginal support from staff.

3. Possibility of getting complete support or partial support increases with the age of the organization.

4. Support extended to the governing body members depends on the sources of funds.

8.1.10 Practice of constituting sub-committees or expert groups

1. Study reveals that it is common for the large organizations' governing bodies to function through sub-committees. This phenomenon is however is not observed in medium and small organizations.

2. Scale of operations influence the decision to constitute sub-committees and thus internal structure of governing body.
3. It is observed that subcommittees have been formed in nearly half of the organizations with direct international funding support and corporate support. However no such sub committees are formed in organizations receiving international funds indirectly or from government sources.

8.1.11 Performance evaluation of CEO

1. Even though performance review of CEO is done in less than one-third of the organizations studied, major chunk of them are large organizations implying that large organizations are keen on reviewing the performance of CEO based on meeting goals and objectives set for the organization. No such review takes place in small organizations.

2. It emerged from the study that national level organizations are most likely to review the performance of CEO and mandal level organizations are most unlikely to review the CEO's performance. The possibility of performance review of CEO increases with the increase in the scale of operations.

3. The possibility of review of CEO's performance in organizations does not have any relation with the age of the organization.

4. Sources of funds matter when it comes to evaluation of CEO's performance.

5. Organizations with more number of programs are more likely to review the performance of CEO compared to organizations with less number of programs.

8.1.12 Effectiveness of board/governing body

1. The boards/governing bodies of large organizations are likely to be highly effective as against the boards /governing bodies of small or medium organizations that are likely to be low in effectiveness.

2. The mandal level organizations are very unlikely to have governing bodies / boards that are highly effective. National level, state level and regional level organizations are more likely to have governing bodies or boards that are highly effective.

3. Organizations established in 1990's tend to have boards that are more likely to be low in their effectiveness compared to those that are established either in 1980's or during the first decade of the new millennium. Rather than age, contextual factors may possibly explain this variation.

4. It can be concluded that sources of funds also contribute to effectiveness of organizations.

5. Organizations with less number of programs have nearly three-fourth possibility of having governing bodies which are low in effectiveness where as it is one-half for the organizations with more number of programs.

8.2 Strategic Management Practices

8.2.1 Mission statement

The mission statements of the organization studied varied in terms of expression of purpose, identity, target group and values. The variations observed across five dimensions are as below:

1. Large organizations have mission statements that clearly articulate their identity, purpose, target groups and values. Few medium size and small size organizations though recognized the need for mission appears to have not realized the various aspects of mission statements.

2. Organizations whose scale of operations is national are most likely to have mission statements with clear expression of purpose and values and it decreases with the decrease in scale of operations.

3. Mission statements of the organizations that are more than 20 years are more likely to be clear in expression of the purpose and values than the organizations that are less than 10 years old. Organizations with less than 10 years age are likely to have mission statements oriented towards proposals than to guide the organization and its members.

4. Organizations that receive international funds directly are more likely to have mission statements that express clearly the purpose and values of the organization. Organization that receive funds indirectly through intermediary or affiliate organizations are equally likely to have mission statements that are either vague and limited or mission statements that serve the purpose of mentioning in the proposals.

5. Organizations that have more number of programs are more likely to have a clear mission statement than organizations with less number of programs. The possibility of organizations with less than four programs to have a mission statement limited in

expression of purpose and values is more than the organization with more than four programs.

8.2.2 Justification existence of the organization in the light of mission statement:

Mission statement is expected to justify the existence of the organizations and guide the members of the organization while pursuing the objectives of the organization. The variations across size, scale, age, major source of funding and number of programs observed in terms of respondents justifying the purpose of the organization in the light of mission statement are given below:

1. Large organizations are ahead of medium and small organizations in understanding the significance and relevance of mission statement.

2. Scale of operations does influence how organizations justify existence with some exceptions.

3. Organizations in the age group of 20 and above are more likely to justify the existence in general terms without reference to mission statement than the other organizations. There is not much of difference between other two groups of organizations in terms of justification of organizations existence in the light of mission statement.

4. Organization that are dependent on government sources and indirect international sources are more likely to justify their existence in general terms without reference to mission statement implying that mission statement is not often referred to.

5. There is no variation across the organizations with four or less than four programmes and more than four programs in terms of justification for the existence of organizations.

8.2.3 Types of plans

Three types of plans generally observed in practice are the strategic plan, statements of future plans and program action plans. The variations across the organization in terms of the types of plans observed are mentioned below:

1. Strategic planning is slowly permeating the large organizations. They started developing strategic plans through abbreviated analysis though full fledged strategic planning exercise is not yet undertaken. Medium and small organizations are yet to reach this stage in respect of formal strategic planning. By and large small and medium organizations are confined to spontaneous exercises by the leader, core team and staff and sometimes few interested governing body members that culminate in producing statement future plans devoid of details required for implementation.

2. National level organizations are more likely to have both strategic plan and program plans. State and mandal level organizations are more likely to have only program plans. The possibility of developing both strategic plan and program plans increases with the increase in scale of operation with exception of state level organizations.

3. Organizations that are less than 10 years old are more likely to have program plans than strategic or future plans. Organizations in the age group of 10 to 20 years are equally likely to have future plans or program plans but less likely to have strategic plans. Organizations in the age group of 20 years and above have more or less equal likelihood of having strategic plan, future plan and program plan.

4. Strategic plans are prepared only in organizations whose major source of support is either corporate or direct international funds.

5. Organizations with more than four programs are relatively more likely to have strategic plans, than organizations with less than four programs indicating that the

number of programs implemented is likely to influence the types of plans in the organization.

8.2.4 Involvement in planning

Involvement in the planning process varied across the organizations. In some of the organizations board/governing body members, CEO and staff are involved and in other organizations; either CEO and core staff or CEO alone are involved. The variations in this regard are as stated below:

1. Large organizations involve different decision making structures like board/governing body members, CEO and staff in the planning process. Medium and small organizations by and large limit the involvement to CEO and staff or CEO indicating that small and medium organization are driven mostly by CEO and staff rather than governing body.

2. Excluding state level organizations, national and regional level organizations certainly involve board/governing body in planning. District level and mandal level organizations are less likely to involve board and governing bodies and more likely to restrict involvement to CEO and staff only.

3. Organization that are more than 20 years old are more likely to involve board/governing body, CEO and staff in planning process than any other organizations.

4. Organizations dependent on direct international funding are more likely to involve governing body in planning. Organizations that are dependent on government funds or indirect international funds are more likely to depend on CEO and staff in their planning efforts.

5. Organizations with more than four programs are more likely to involve governing body/board in planning activities than organizations with less than four programs. Organizations with four or less than four programs are more likely to entrust planning to CEO or CEO and staff.

8.2.5 Program congruency with mission

1. Large organizations are almost certain to have programs that are congruent with the mission. Next to large organizations are the small organizations with three-fourth probability of having programs that are congruent with mission. Among the other groups medium size organizations are less likely to have programs congruent with mission.

2. National, state and regional level organizations design/select programs strictly on the basis of core competencies and mission congruence where as district and mandal level organizations have some inclination to select programs that may be less congruent.

3. Organizations in the age group of 20 and years are less likely to have programs congruent with mission compared to organizations in the other age groups.

4. Organizations dependent on direct international funds and corporate funds are more likely to have programs congruent with mission than the organizations dependent on government sources and indirect international sources.

5. There are no significant variations between organizations with four or less than four programs and more than four programs in terms of program congruency with mission.

8.2.6 Basis of program design

1. Large and medium organizations build their programs largely on the basis of core competencies and mission alignment. Small organizations are likely to build programs

keeping in view their funding prospects than core competencies and mission alignment alone.

2. National, state and regional level organizations design/select programs strictly on the basis of core competencies and mission congruence where as district and mandal level organizations consider funding possibility while designing /selecting programs.

3. The possibility of organizations designing / selecting programs on the basis of funding possibilities is nearly one third in respect of organizations in the age group of 10 or less than 10 years and above 20 years where as it is nearly one-fifth in respect of organizations in the age group of above 10 years but below 20 years.

4. Organizations dependent on direct international funds and corporate funds are more likely to design/select programs on the basis of mission alignment and core competences and least likely to consider funding possibilities compared to organizations dependent on indirect international funds and government funds.
5. In respect of program design/selection there are no observed differences between organizations with four or less than four programs and more than four programs.

8.2.7 Allotment of resources

1. Large organizations do not face difficulty in allotment of adequate resources required for implementing their programs. Small organizations encounter problems in allocating adequate resources. Medium size organizations also face constraints in adequate allocation of resources but compared to small organizations they seem to be less constrained because in one-third of the organizations the allotment of resources is of such level where the programme is continued by supplementing them during the course of implementation.

2. Allotment of resources declines with the decrease in scale of operations from national level to mandal level with the exception of state level organization

3. Organizations above 20 years of age are least likely to allot inadequate resources and organizations in the age group of 10 to 20 years are most likely to allot inadequate resources for program implementation.

4. Organizations that are dependent on indirect international funds are more likely to allot inadequate funds followed by the organizations dependent on government funds while organizations dependent on corporate funds have least possibility. Organizations dependent of direct international funds have nearly one-fourth possibility of allotting inadequate resources.

5. The chances of inadequate resource allocation are more in organizations with four or less than four programs compared to organizations with more than four programs that have more chances of adequate resource allocation.

8.2.8 Performance indicators

1. Performance indicators widely used to assess the performance by all types of organizations are process or output related.

2. Process or outputs related performance indicators in majority of the organizations and no significant differences exist across the scale of organizations. Performance indicators are vague and more general in 35 percent of the organizations and here again no significant variations are observed across the scale.

3. Organizations in the age group of above 20 years are less likely to use outputs as performance indicators than organizations in other age groups.

4. No significant variations are observed across the organizations dependent on various sources of funding in respect of performance indicators used.

5. No significant variations between organizations with four or less than four programs and more than four programs are observed in terms of program indicators.

8.2.9 Mission evaluation frequency

1. No significant variations across size are observed in the frequency of mission evaluation.

2. In respect of frequency of mission evaluation not much variation is observed between organizations of different age groups.

3. No significant variations are observed between organizations dependent on various sources except that organizations dependent on indirect international funds are more likely to evaluate mission and activities annually compared to others.

4. It is implied that in organizations with four or less than four programs mission evaluation is done at regular interval of one year and in organizations with more than four programs evaluation is often need based.

8.2.10 Reasons for mission modification

1. Large organizations reportedly modified due to changes in environment where as most of the medium and small organizations have modified to match funding agency priority.

2. It can be observed that the percentage of organizations that modified mission statement due to external reasons declined with the decrease in scale of operations with the exception of state level organizations.

3. Organizations in the age group of 20 years and above are more inclined to modify their mission statement to match the funding agencies priorities than due to other environmental changes.

4. Barring corporate funded organizations, organizations dependent on direct international funds are more likely to modify mission statements due to external changes and government funded organizations are more likely to modify mission statement due to funding possibilities above.

5. No significant variation between organizations with four or less than four programs and more than four programs in terms of reasons for mission modification.

8.2.11 Communication of plan to stakeholders

1. Almost all the large organizations communicate plans to all the stakeholder-external and internal and less than one-third of small organizations do so. Plan documents in medium size organizations and small organizations are unlikely to be communicated to all stakeholders and most likely to be communicated to few stakeholders.

2. Communication of plans to various stakeholders is influenced by the scale of operations.

3. Organizations do not differ much in respect of communication of plans to the stakeholders except that the organizations in the age group of 10 to 20 years communicate plans to few stakeholders compared o other organizations.

4. Organizations dependent on direct international funds are more likely to communicate plans to all the stakeholders and organizations dependent on indirect international funds are more likely to communicate plans to few stakeholders. While organizations dependent on government on corporate funds are equally likely to communicate plans to all or few stakeholders, in organizations dependent on government funds the

likelihood of communicating plans to few stakeholders is twice compared to likelihood of communicating to all the stakeholders.

5. Organizations with four or less than four programs are more likely to communicate plans to few stake holders and organizations with more than four programs are likely to communicate plans to all the stakeholders.

8.2.12 Involvement of clients in program development

1. Large and medium size organizations are similar in respect of involving clients/beneficiaries in the programme development. Small organizations however are more likely to involve clients during implementation and improvisation stages than during conceptualization and design and development stages.

2. There are no significant variations in terms of involvement of clients at various stages of program development except for state level and mandal level organizations. State level organizations are more likely to involve clients at all stages of program development and mandal level organizations are more likely to involve clients only at the stage of implementation and improvisation.

3. There are no significant variations between organizations in various age groups in their involvement of clients in program development.

4. Organizations dependent on direct international funds are more likely to involve clients at all stages of program development and organizations dependent on indirect international sources or government sources are more likely to limit involvement of clients to implementation and improvisation stages. Corporate supported organizations are equally likely to involve clients at all stages or at implementation and improvisation stages.

5. Variations across different groups of organizations in terms of involvement of clients at different stages of programs development are insignificant.

8.2.13 Evaluation of systems and programs

1. Evaluation of programs and systems vis-à-vis mission and objectives is done in more than two-thirds of the organizations at regular intervals and in nearly one-fourth of the organizations, majority of which are medium, evaluation is specific to programme.

2. National and state level organizations are relatively less likely to evaluate their systems and programs annually than regional and mandal level organizations.

3. Not much of variations across organizations with different sources of funds are observed.

4. Organization did not vary across the number of the programs in respect of evaluation.

8.3 Marketing Management Practices

8.3.1 Recognition of marketing

1. Large organizations are far ahead of small and medium organizations in recognizing the need for marketing which obviously have long way to go to appreciate its relevance. The study revealed that organizations in different age groups do not differ much in respect of recognizing the relevance of marketing.

2. Scale of operations influences the ability of organizations to recognize the need and relevance of marketing. Recognition of marketing is found to increase or decrease with the increase or decrease in the scale of operations.

3. The study revealed that organizations do not defer much across the age in terms of recognizing the relevance of marketing. Nearly one third of the organizations do not explicitly recognized the need for marketing.

4. Organizations dependent on direct international funds and corporate funds are relatively more likely to recognize the need and relevance of marketing than organizations dependent on government funds and indirect international funds.

5. There are no significant differences between organizations with four or less than four programs and more than four programs in terms of recognizing the need for marketing.

8.3.2 Market research

1. Large organizations are ahead of medium and small organizations in using market research as a tool to identify the needs of their clients. Even though small and medium organizations have a similar approach, other influences like following others and catering to the unmet needs are also prominently observed.

2. In case of mandal level organizations besides market research, following others is prominently seen. In respect of district level organizations lack of service is also considered as basis for offering services.

3. Market research is common across all the age groups of organizations. Organizations that are less than 10 years old tend to follow others than organizations of other age groups and organizations that of above 20 years old tend to provide services that are not available. Organizations in the age group of 10 to 20 years are more likely to offer services or programs after conducting market research than to follow others or provide services that are not available. Market research is widely relied for identifying the needs of the target groups.

4. Organizations dependent on direct international funds are more likely to conduct market research for selecting services or programs. Organizations dependent on indirect international funds use market research, follow others, as well as provide services that are not being provided though emphasis is much on market research. Organizations dependent on government funds are more likely to follow others and less likely to undertake market research. Organizations dependent on corporate funds are equally likely to undertake market research as well as provide services that are lacking.

5. No significant variations are observed across organizations with four or less than four programs and more than four programs in terms of selecting services/programs on the basis of market research or other basis.

8.3.3 Segmentation

1. Large organizations are more likely to segment their target groups on demographic characteristics and medium size organizations are more likely segment their clients and beneficiaries on geographic basis. Small organizations focus on specific socio-economic groups. Over all socio-economic indicators are used in nearly half of the organizations studied.

2. Demographic factors are widely used in national level, state level and regional level organizations. Next to the demographic factors are the socio-economic factors. In the direct level organizations geographic factors are preferred to demographic and socio-economic factors. In mandal level organizations it is predominantly socio-economic factors that form the basis of segmentation.

3. Organizations that are above 20 years old tend to segment target groups on geographical basis than on other basis. Similarly organizations that are 10 to 20 years old are more likely to segment target groups on socio economic basis than on geographical basis.

4. In organizations dependent on direct international funds, demographic factors are mostly used for segmenting target groups than geographic and socio-economic factors. In organizations dependent on indirect international funds, socio-economic factors are widely used for segmenting target groups. The organizations dependent on corporate funds use geographic factors predominantly and the organizations dependent on government funds use geographic and socio-economic factors for segmenting their target groups.

5. Organizations with less number of programs tend to use socio-economic factors for segmenting target groups than other factors. Organizations with more than 4 programs tend to segment their target groups on the basis of demographic factors followed by the socio-economic factors.

8.3.4 Test marketing/Pilot studies

1. Test marketing/ running pilot programs before full scale launch of programs or services is not undertaken to by the organizations studied. However it is understood that majority of the organizations rely on the experiences gained from pilot programs or projects by other agencies to assess the relevance and acceptability of such programs or services in the area of their operations. It follows from above that feasibility of implementing the program and the programs suitability in addressing the needs of the target groups are given ample consideration before implementing the programs or services. This is same across the size of the organizations

2. The trend is more or less uniform in organizations with different scale of operations.

3. Overall in three fourth of the organizations studied pilot studies are conducted by other agencies before launch of programs. This trend is uniform across organizations of different age groups.

4. This phenomenon is common to all organizations irrespective of major source of funds.

5. There are no observable differences between organizations with four or less than four programs and more than four programs.

8.3.5 Approach to pricing

1. Large organizations are more inclined and are followed by medium size organizations. Small organizations are yet to recognize relevance of pricing as can be understood from the reluctance shown by an overwhelming majority of them. The approach predominantly is to collect the cost of services offered from the third parties willing to pay rather than from the target groups irrespective of their capacity to pay.

2. Organizations irrespective of the scale of operation are disinclined to apply the concept of price.

3. Organizations in the age group of above 20 years are relatively more inclined than other organizations to apply the concept of pricing.

4. Organizations dependent on direct international funds and corporate funds are more receptive and inclined to the concept of pricing than organizations dependent on indirect international funds and government funds which have no inclination at all for pricing their services.

5. Organizations with four or less than four programs and more than four programs are alike in their approach to pricing.

8.3.6 Distribution channel effectiveness

1. Overall, importance of distribution channels is acknowledged by thirty percent of the organizations by consciously choosing distribution channels to improve efficiency and effectiveness of delivery of services. Large organizations are much ahead of medium and small organizations in this aspect.

2. No differences are observed among the organizations with different scale of operations except that state level organizations predominately follow the established practices without considering the alternate efficient channels. Nearly fifty percent of organizations with operations of different levels follow established practices.

3. Organizations above 20 years of age appear to be ahead of organizations in other age groups in considering channel effectiveness and efficiency with forty percent of them choosing their distribution channels keeping in view efficiency and effectiveness of service delivery.

4. Overall established practices dominate distribution channel selection in the organizations. In the organizations dependent on corporate funds channel efficiency and effectiveness rather than established practices that dominate the distribution channel decisions. In organizations dependent on government funds the decision is dominated by established practices. No much of variation in terms of factors influencing channel decision is observed in respect of organizations dependent on either direct or indirect international funds.

5. Organizations with more than four programs are more likely to consider channel efficiency and effectiveness than organizations with less than four programs.

8.3.7 Point of contact

1. Practice of establishing point of contact other than through the direct contact points is more prevalent in large organizations.

2. No differences are observed between organizations of different scale in terms of establishing points of contacts with overwhelming majority of organizations following established practices.

3. Organizations that are less than 10 years old appear to be ahead of other organizations in respect of using alternate point of contact. In this regard with 22.2 percent of them using alternate points of contact. Only in 12.5 percent of the organizations points of contacts are established with target groups at points outside the organization's normal points of contact.

4. Irrespective of sources of funds, the point of contact is predominantly staff and volunteers.

5. No observable deviations with respect to point of contact between organizations irrespective of the number of programs.

8.3.8 Complementary role of distribution channel

1. Nearly three-forth organizations are not sensitive to the distribution channel or contact point potential to build loyalty to the cause of the organization. Large organizations are relatively better in sensing the distribution channel potential with nearly half of them actually tapping their distribution channels potential. Following them are medium organizations with one-fourth of them tapping the potential. Small organizations lag much behind.

2. It is difficult to discern relationship between scale of operations and ability of organizations to utilize complementary potential.

3. The organizations which are less than ten years old are more likely to recognize and realize the complementary potential of distribution channels than older organizations.

4. Organizations dependent on corporate funds are more likely to recognize the distribution channels' complementary potential than other organizations and organizations dependent on government funds are least likely to recognize the distribution channels' potential to build loyalty to the cause of the organization.

5. Organizations with more than four programs are more likely to recognize and realize the complementary potential of the distribution channel than organization with four or less than four programs.

8.3.9 Promotion

1. Promotional activities are more likely to be emphasized by large organizations relative to medium and small organizations. It is also observed that printed brochures, newsletters, electronic updates, annual reports, collages, exhibitions, news reports and websites are being used as medium of communication by large organizations. It is interesting to note that medium and small organizations also use documented profiles, banners and posters for their awareness programs. These promotional aids do serve the purpose of advertising but this is only incidental to their activities.

2. Organizations that are less than ten year old are little ahead of older organizations in promoting their programs and services and consider positioning and branding useful for the organizational growth.

3. Promotional efforts that are incidental to the normal activities are observed in almost all the mandal level organizations. Promotional efforts that are intentional are

observed in large number of national levels organization. Intentional promotional efforts increase with increase in scale of organization.

4. Organizations dependent on direct international funds and corporate funds, are more likely to emphasize promotion of organizations than organizations dependent on indirect international funds and government funds.

5. Differences between organizations with four, or less than four programs and more than four programs are negligible in respect of promotional efforts.

8.3.10 Client feedback

1. Feedback of clients is obtained by and large by almost all the organizations. However, differences exist in the purposes for which feedback is used. Large organizations are relatively more likely to use feedback for improving services and small organizations more likely to use it to meet program requirements.

2. Organizations in the age group of 10 to 20 years are lagging behind the organizations in other groups in using client feedback for improving services.

3. Organizations at the regional level followed by district level seem to be ahead of organizations at other levels in terms of obtaining and using feedback for improving the services.

4. Feedback is most likely to be used for improving services by the organizations dependent on corporate funds and least likely to be used by organizations dependent on indirect international funds. Approximately one third of organizations dependent on direct international funds and government funds are likely to use the feedback obtained for improving the services.

5. Organizations with more than four programs are more likely to use the feedback for improving the services/programs than organizations with four or less than four programs.

8.4 Human Resource Management Practices

8.4.1 Recruitment policy

1. Variations across size exist in terms of having a written recruitment policy. Large organizations are certain to have a written recruitment policy. Small organizations have only one-fourth chance and medium organizations have three-fourth chance of having a written recruitment policy.

2. Scale of operations influences existence or otherwise of recruitment policies and procedures. Large organizations tend to have recruitment policy compared to medium and small organizations.

3. Age of the organizations influences the practice of framing recruitment policies as evident from the fact that a high percentage of organizations that are above 20 years of age have recruitment policy compared to organizations that are 10 or less than 10 years old.

4. Organizations dependent on direct international funds are most likely to have recruitment policy and procedures than organizations dependent on other sources.

5. Organizations with more number of programs are more likely to have recruitment policies and procedures that are laid down than that with less number of programs.

8.4.2 Disciplinary rules

1. In most of the large organizations conduct and disciplinary rules exist and in most of the small organizations they do not exist. In medium organizations the possibility of conduct and disciplinary rules existing is double the possibility of not existing.

2. Organizations with operations at district level or above have one-half or even more probability of having disciplinary rules and organizations at mandal level have least probability of having disciplinary rules.

3. Organizations with more number of years of existence are more likely to frame disciplinary rules compared to the organizations with less number of years of existence.

4. Organizations dependent on direct international funds are more likely to have disciplinary rules followed by organizations dependent on corporate funds. Organizations dependent on indirect international funds are least likely to have disciplinary rules.

5. Organizations with more number of programs are more likely to have disciplinary rules than organizations with less number of programs.

8.4.3 Work Manual

1. Size of the organization influences the decision of having a work manual. Large organizations are more likely to have work manual compared to medium organizations. Small organizations are unlikely to have work manual. Medium size organizations are more likely to have work manual than not having.

2. Organizations at mandal level are most unlikely to have work manual and organizations at regional level have three fourth possibility of having work manual.

Organizations at state level and national level and district level have one-half or more probability of having work manual.

3. As the age of the organizations increases the percentage of organizations with work manual to guide employees work increases with increase in age of the organizations.

4. The possibility of having work manuals is one-half for organizations dependent on direct international funds and corporate funds and one-third for organizations dependent on indirect international funds and government funds.

8.4.4 Basis of selection

1. Job descriptions and qualifications based on job descriptions are used by the large and medium organizations. Small organizations generally do not use job descriptions but select employees on the basis of their general abilities.

2. Selection in mandal level organizations is predominantly on the basis of general abilities. In organizations at state level and regional level it is predominantly on the basis of knowledge, skills and abilities or combination of general abilities and knowledge, skills and abilities as determined by job descriptions but not on general abilities alone.

3. Organizations that are relatively young exhibit tendency to select employees on the basis of general abilities more than older organizations.

4. Knowledge, skills and abilities based on job description predominantly from the basis of selection in organizations dependent on direct international funds and corporate funds. General abilities are predominantly form the basis of selection in organizations dependent on indirectly international funds.

8.4.5 Orientation

1. Small organizations use only one method i.e. on the job training for new employees. Large and medium size organizations make use of both the methods-some of them formal induction programs and other-on the job training. Large organizations are more inclined to formal induction programs than on the job training and medium sized organizations are more inclined to on the job training without formal induction.

2. With the decline in scale of operations the percentage of organizations with formal induction programs decreased and percentage of organizations with on the job trainings increased. This suggests that propensity for formal induction programs increases with the increase in scale of operations and the propensity for on the job trainings decreases with the increase in scale of operations.

3. Organizations above 20 years of age are relatively more likely to organize formal-induction programs than organizations in other age groups. Organizations in the age group of above 10 and less than 20 years are more likely to offer on the job training than organizations in other age groups.

4. Organizations dependent on direct international funds and corporate funds are more likely to have formal induction programs than organizations dependent on government funds. Organizations dependent on indirect international funds are unlikely to have formal induction programs.

5. Formal induction programs are almost as likely as on the job trainings in organizations with more than 4 programs and their likelihood is almost double the likelihood of formal induction programs in organizations with 4 or less than 4 programs.

8.4.6 Training and development

1. Training and development activities are generally aimed at improving long term organizational performance and improving program or project performance which are mutually reinforcing. Organizations vary across size in terms of their emphasis on training outcomes. Large organizations are more inclined to training programs that aim at improving long term effectiveness of the organization. Small and medium sized organizations are more inclined to provide programs or project specific training for program/project effectiveness.

2. Mandal level and district level organizations are more likely to provide program/project specific training than need based and long term career oriented trainings. Regional and national level organizations are inclined to provide long term career oriented training that just project program specific trainings. State level organizations have equal propensity towards both career oriented training and project / program specific trainings.

3. Organizations in the age groups of 10 or less than 10 years are more likely to provide training and development keeping in view the long term careers of employees than organizations in the age groups of more than 10 and 20 years and above 20.

4. Training and development in organizations dependent on direct international funds tend to be more holistic than program/project specific. In organizations dependent on corporate funds the possibility of training and development being holistic is equal to the possibility of being project/program specific. In organizations dependent on indirect international funds and government funds, it is altogether project/program specific.

5. Nearly three fourth of the organizations provide training that is specific to project/ programs and the two groups are more or less in tune with the overall trend.

8.4.7 Basis of performance evaluation

1. Large organizations tend to be relatively more systematic and objective in evaluating performance of employees compared to medium sized and small sized organizations, which tend to display certain element of subjectivity in evaluating performance of employees. Small organizations evaluation system is more informal than formal and factors client's feedback.

2. Use of informal feedback is unique to mandal level organizations. In respect of national level, state level and regional level organizations, objective criteria and mix of objective and subjective criteria are equally likely. In respect of district level organizations it is both subjective and objective criteria that are predominantly used rather than objective criteria.

3. Performance evaluation is more likely to be based on both objective and subjective criteria in the organizations above 10 years and less than 20 years and likely to be based on informal feedback from clients in organizations that are 10 or less than 10 years old.

4. Informal feedback from clients is common to all organizations except the organizations dependent on direct international funds where performance criteria are predominantly both subjective and objective alone. In organizations dependent on government funds the basis of evaluation is predominantly the feedback obtained from clients. In organizations dependent on indirect international funds both subjective and objective criteria is predominantly used. In the organizations dependent on corporate funds both objective and informal feedback are equally used for evaluating performance of employees.

5. Evaluation of performance of employees tends to be on the basis of objective criteria in organizations with more than 4 programs and in organizations with 4 or less than 4

programs it tends to be both on subjective and objective criteria as well as informal feedback from clients.

8.4.8 Promotion

1. Upward movement in the hierarchy is linked more to performance or performance-cum-seniority than seniority alone in large and medium organizations. In small organizations such prospects of promotion are negligible.

2. Promotions are most likely on the basis of seniority-cum-performance in national level organizations and district level organizations. In case of regional level organizations there is one-half possibility for promotions based on performance and one-half possibility for promotions based on seniority-cum-performance. In mandal level organizations chances of promotion are one-fourth and wherever opportunities exist they are based on performance alone.

3. Avenues for promotion are limited in half of the organizations in the age group of 10 or less than 10 years, and where ever avenues exist promotions are largely based on performance-cum-seniority. In organizations above 20 years of age promotions are on the basis of both performance and performance-cum-seniority and there is very less scope for promotions on the basis of seniority alone

4. Performance and seniority-cum-performance forms the most common basis of promotion than seniority in organizations dependent on direct international funds. Performance is the sole basis for promotion in organizations dependent on corporate funds.
5. Promotion avenues are limited in organizations with small number of programs and wherever opportunities are available promotions are more likely to be on the basis of performance than on seniority or seniority-cum-performance. On the other hand promotions in organizations with more number of programs are most likely to be on the basis of seniority-cum-performance than on seniority or performance alone.

8.4.9 Salary structure

1. Large organizations are more prone to base their compensation system on scientific and rational principles. Small and medium organizations on the contrary are more prone to adhere to prevailing rates that are often inadequate to maintain minimum living standards.

2. Percentage of organizations whose compensation structure is based on equity declined from 80 percent to 6.7 percent with the decline in the scale of operations indicating a relationship between equity based pay structure and scale of operations. The organizations working at district level and mandal level are very likely to compensate employees on the basis of going rates than on equity considerations.

3. There are no significant variations across age of the organizations in terms of compensation. The general trend where 30 percent of the organizations determine their compensation packages on the basis of equity and 60 percent on the basis of going rates and 10 percent on combination of equity and going rates is common across organizations of different age groups.

4. Compensation is likely to be based on equity in organizations dependent on direct international funds and going rates are most likely to be the basis for compensation for organizations dependent in indirect international funds or government funds. It can be either based on equity or going rates in case of organizations dependent on corporate funds.

5. In respect of compensation structure, both the groups are more or less similar. Irrespective of number of programs, in about 60 percent of the organizations the compensation is based on going rates and in 30 percent of the organizations it is based on equity. In around 10 percent of the organizations compensation is based both on equity and ongoing rates and varies with the category of jobs.

8.4.10 Non-monetary rewards

1. Non-monetary rewards like public recognition, increased visibility, and enhanced responsibility are common in all types of organizations. Small organizations lead medium and large organizations in this regard.

2. Even in respect of non-monetary rewards there are no significant variations across age of the organization except that organizations in the age group of above 10 years and below 20 years have one-tenth possibility of using none of the non monetary rewards as against one-fifth for organizations in the age group of 10 or less than 10 years and above 20 years.

8.4.11 Personnel search

1. Use of internal sources for search of prospective employees is most prevalent in small organizations. In medium and large organizations, internal sources are augmented by external sources particularly for executive and professional cadres.

2. Personnel search is predominantly through internal sources in respect of regional level and mandal level organizations as evident from fact that, 75 percent and 80 percent of the organizations in respective group use internal sources for personnel search. In respect of national level, state level and district level both internal and external sources are more likely to be used than internal search alone which is evident from the fact that 60 percent, 75 percent and 58.3 percent of organizations in the respective groups use both internal sources and external sources for personnel search.
3. Though differences are small, there is a pattern which indicates that with the increase in age of the organizations reliance on only internal sources is gradually reducing and reliance on combination of internal and external sources is gradually increasing.

4. Organizations dependent on direct international funds and corporate funds are more likely to depend on both internal and external sources for personnel search than

internal search. Organizations dependent on indirect international funds and government funds are more likely to depend on internal sources than other organizations.

5. In organizations with less number of programs, internal sources are more likely to be used for personnel search and in organizations with more number of programs both internal sources and external sources are likely to be used for personnel search.

8.4.12 Grievance redressal

1. Grievance handling is typically informal in small organizations. Large organizations are more likely to have formal systems than medium organizations indicating that organizations vary in their approaches across the size.

2. There are no variations significant enough between organizations across scale of operations in respect of grievance redressal except that 100 percent of mandal level organizations and 75 percent of regional level organizations rely on informal systems where supervisory or senior staff deals with the employee grievances and no formal procedures are in place for handling grievances of employees.

3. Organizations that are much older tend to have formal grievance redressal procedures than other organizations.

4. The probability of having formal grievance redressal systems in organizations dependent on direct international funds is nearly one-half and in organizations dependent on funds it is one-third. In organizations dependent on indirect international funds and corporate funds grievance redressal is informal.

5. Grievance redressal, by and large is informal in three fourth of the organizations and formal in one-fourth of the organizations. Between the two groups one with 4 or less than 4 programs and another with more than 4 programs, in the former there is a very

less likelihood of formal grievance redressal than the later whose likelihood of grievance redressal through formal procedures is nearly one-half.

8.5 Financial Management Practices

8.5.1 Financial policies and procedures

1. Nearly half of the organizations have documented their financial policies and procedures to maintain financial discipline. Variations across the size exist as most of the small organizations do not have financial manuals and most of the medium and large organizations have financial manuals. Existence of financial manual by itself doesn't mean better financial management but it is certainly a starting point.
2. The scale of operations influences existence or otherwise of financial policy and procedures with the increase in scale of operations, the probability of financial policy and procedures existing increases.

3. In older organizations tendency to have fiscal policies and procedures laid down is higher than the younger organizations.

4. Organizations dependent on direct international funds and corporate funds are more likely to have financial policies and procedures than organizations dependent on indirect international funds and government funds. While organizations dependent on corporate funds will certainly have financial policies and procedures organizations dependent on direct international funds have three fourth probability of having financial policies and procedures. On the other hand organizations dependent on government funds and indirect international funds respectively have one-third and one-fourth probability of having financial policies and procedures.

5. Number of programs (scope) influences the likelihood of existence of financial policy and procedures. Organizations with more number of programs are more likely to have financial policy and procedures than organizations with less number of programs.

8.5.2 Budgetary control

1. Budgets are being regarded as tools of control by more than 80 percent of the organizations. Large organizations tend to have more centralized budgetary control compared to medium organizations which exercise budget control program wise. Nearly one fourth of medium and small organizations do not exercise control through budgets. Another note worthy feature of the budgets in the organizations studied is that, increasing percentage of them are of late preparing their annual budgets using log frame analysis that depicts budgets not only in monetary terms but also in terms of activities, outputs and outcomes so as to assess budgetary performance in terms of results achieved than mere expenditures incurred.

2. The higher the scale of operations the greater the possibility of centralized budgetary control and the lower the scale of operations the higher the possibility of program wise budgetary control.

3. The tendency to exercise centralized budgetary control is little high for the organizations in the age group of 10 or less than 10 than organizations in other age groups.

4. Program wise budgetary control is most common to organizations dependent on indirect international funds and centralized budgetary control is most common to organizations dependent on direct international funds. In respect of organizations dependent on government funds there is one-half probability of exercising budgetary control program wise. The probability of exercising centralized budgetary control in organizations dependent on corporate funds is one-half. In organizations dependent on government funds and corporate funds there is one-half probability of not exercising budgetary control.

5. In organizations with more number of programs have double the possibility of exercising centralized budgetary control than the possibility that organizations with 4 or less than 4 programs have. Similarly for organizations with 4 or less than 4

programs the likelihood of program wise budgetary control is nearly twice the likelihood of organizations with more than 4 programs.

8.5.3 Budget approach

1. Bottom up approach is widely followed by medium size organizations followed by large organizations. Combination of top down and bottom up approaches is the most followed approach in small organizations. It is also observed that small organizations are treated as responsibility centers by the intermediary organizations.
2. In mandal level organizations combination of top down and bottom up approach is predominantly followed and in national level, state level, regional level and district level organizations bottom up approach is predominant.
3. Organizations in the age group of 10 or less than 10 years of age are less likely to follow bottom-up approach than organizations in the age groups of above 10 and below 20 years and 20 and above.
4. Top down approach is predominantly followed in organizations dependent on corporate funds, bottom up approach is most likely approach followed in organizations dependent on direct international funds. In organizations dependent on indirect international funds and government funds both top down and bottom up approach are commonly followed.
5. Organizations with more than 4 programs are most likely to follow bottom-up approach and least likely to follow top-down approach. Organizations with 4 or less than 4 programs are relatively more likely to follow top-down approach than organizations with more than 4 programs. Organizations with 4 or less than 4 programs are equally likely to follow bottom-up approach or combination of top-down and bottom-up approach.

8.5.4 Budget concepts

1. Incremental budgeting is the concept widely used. Concepts like zero based budgeting (ZBB), performance based budgeting (PBB) are slowly making inroads into non-profit organizations that were studied.

2. Zero based performance based budgeting concepts are being applied along with incremental budgeting concepts in national level and state level organizations. In the regional, district and mandal level organizations incremental budgeting concept is predominantly applied.

3. Organizations in the age group of 10 or less than 10 display greater inclinations for using zero based budgeting and performance based budgeting than organizations in the age groups within the small group of organizations that are found to be using ZBB and PBB concepts. Incremental budgeting concept is widely applied in the organizations studied.

4. Concepts other than incremental budgeting concept have been applied particularly in organizations dependent on direct international funds. Organizations dependent on other sources appear to be novice to the zero based and performance based budgeting.

5. There is no variation apparent in applying the concepts of incremental budgeting or incremental budgeting along with zero based budgeting or performance based budgeting between organizations with 4 or less programs and more than 4 programs. Nearly 82 percent of the organizations in each group apply incremental budgeting concept and 18 percent follow based or performance based budgeting concepts along with incremental budgeting concepts.

8.5.5 Internal financial control

1. Some elements of internal financial control are embedded into the financial management of the organizations. Almost every organization periodically reconciles

various accounts. Persons who are authorized to approve payments and make payments through cheques are identified. The norms for making payment only through cheques for amounts exceeding prescribed limits are followed. It is observed particularly in small organizations that secretary or president of governing body who is also nominated as CEO and the treasurer are independently authorized to sign cheques which is not generally regarded as a practice consistent with sound internal control. In large and medium organizations the power is jointly vested in two persons. In certain cases limits are specified to exercise the power to sign cheques by prescribing that amounts beyond a particular limit require signatures of two designated office bearers. This is a practice consistent with internal control. Large and medium organizations are more sensitive to the issues of internal control compared to small organizations. Internal financial control is exercised in almost all the organizations.

2. Internal financial control is exercised in over whelming majority of 95 percent of the organizations and differences across the age are too insignificant to be noted.

8.5.6 Receivables Management

1. The organizations selected for the purpose of study do not have a formal system to monitor and collect receivables. It is attributed to the fact that receivables are not relevant to their operations. It is pertinent to mention that “receivables” as understood in the context of commercial organization may not be relevant for the organizations studied. This aspect however gains significance when the grants or funds from donor agencies are regarded as equivalents of receivables. In the event of such recognition it can be said that all the organizations irrespective of size pay appropriate attention to ensure that funds or grant amounts are released in time. In large and medium sized organizations, administrative personnel are assigned the responsibility of completing the formalities and follow-up. In small organizations, it is generally taken care of by the CEO.

2. In most of the organizations responsibility of preparing and dispatching the reports, certificates and other related documents, is with the administrative department and efforts are being made to ensure timely release of funds or grants.

3. Receivable management is most unlikely in organizations dependent on indirect international funds; it is less likely in organizations dependent on government funds and likely in nearly one-half of the organizations dependent on direct international funds and corporate funds.

8.5.7 Auditing

1. The audit report and management letter furnished by the auditors are received by the governing body/board and based on inputs from staff necessary changes are made for improving the financial management systems in large organizations. Very few among medium and small organizations do so.

2. Even though auditing is carried out by external auditors the purposes such audit reports serve are different for different levels of organizations. Organizations that operate at above the regional levels tend to use auditing for improving financial management than simply to meet statutory requirements. Organizations at district and mandal level to treat audit reports as those that meet statutory requirements.

3. Organizations in the age group of above 10 and below 20 years are more likely to act on the audit reports than organizations in other age groups. It needs to be mentioned that age alone doesn't explain sufficiently the reasons for the same.

4. Auditing is likely to serve as feedback for improving financial management aside statutory and administrative purposes in organizations that depend on direct international funds. In organizations that depend on indirect international funds and government funds they are reckoned merely as statutory and administrative requirements.

5. Auditing and audit reports are more likely to be used for financial performance analysis and improvement than organizations with 4 or less than 4 programs.

8.5.8 Investment management

1. In respect of managing investments, most of the organizations have very insignificant amounts of such nature and therefore do not pay any attention to investment management. The common practice in those organizations where provident fund contributions are made is to place them at the disposal of government agencies charged with the responsibility of managing them. In case of sums received in advance they are normally deposited in bank accounts till the expenses are incurred. Apparently safety and liquidity rather than optimizing the return are given preference. Only in a 10 percent of the organizations funds are invested as per the directions of the finance committee or governing body/board in various investment options to optimize returns. Managing investments is not much of an issue for the organizations studied.

2. Organizations of late are paying attention to managing investments for optimum return. This is more perceptible in case of organizations with scale of operations at regional level or above and less perceptible in case of organizations at district level.

3. Overall very few organizations manage investments with the objective of optimizing the return. For large number of organizations, safety and liquidity considerations out weight considerations for return. Organizations in the age group of 10 or less than 10 are more likely to manage investments to optimize return than organizations in other age groups.

4. In most of the organizations investment management is poised towards safety and liquidity requirements. Organizations dependent on direct international funds deviate little bit which is evident from the fact that in nearly one-fourth of the organizations investment management is oriented towards optimizing return.

8.5.9 Fund raising

1. Fundraising is yet to be recognized and practiced as distinct professional activity by the organizations. It, by and large, remained as an activity that CEO and other core staff perform as any other administrative task. Change in this approach is gradually occurring to some extent in large and medium size organizations.

2. With the increase in the scale of organizations, the percentage of organizations that consider fundraising as part of administrative activities is reducing and the percentage of organizations that consider fundraising as district professional activity is increasing.

3. Organizations in the age group of 10 or less than 10 years are more likely to treat fund raising as distinct activity than organizations in the age group of above 10 years. Fundraising is yet to be recognized as activity that requires professional approach in majority of the organizations.

4. The approach to fundraising is changing particularly in organizations dependent on direct international funds and corporate funds.

5. In fundraising the organizations with four or less than four programs and above four programs are similar with no variations between them. In majority of organizations in both the groups fundraising is considered integral to other administrative functions and the responsibility is assumed by CEO. Only in fifteen percent of the organizations, it is considered as distinct professional activity.

From the above mentioned findings it can be concluded that non-profit organizations engaged in development field follow several management practices that are initially developed for practice in commercial organizations. The extent and degree of their practice is dependent on several factors. Among those are size, scale, age and major source of funding are predominant. The findings of study substantiate this. Another important aspect that the study has revealed is that a number of management practices and marketing related practices are already being followed by a substantial number of organizations. However these practices may be said to have been imposed on particularly small and local level organizations that are established during the past two decades that witnessed shift in development approach. International aid that has flown into the country for addressing the issues of poverty has to some extent influenced the institutional setting and many of non-profit organizations have gradually changed their approach of managing their affairs.

Issues of accountability, efficiency and effectiveness are receiving greater attention than before and this lead to development of systems processes, procedures and practices that are consistent with quantification and measurement of performance.

In the midst of these developments small local organizations are facing a peculiar situation where on one side they are being subjected to the scrutiny of their managerial capacities and on the other side they are constrained by their limited resources from developing managerial capacities. It is for the policy makers and other international development actors to sense these developments and develop appropriate interventions.

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BASIC INFORMATION

Name of the Interviewee:	
Designation:	
Name of the organization:	
Address:	
Telephone No:	
Fax:	
E-Mail:	
Website:	
Year of Establishment & Regd. No:	
Geographical areas covered:	
Sectors/Issues Focussed:	
Ongoing programs/projects/activities:	
Partners/Collaborators (if any):	
Total number of paid employees:	
Full time/Part time Volunteers:	
Beneficiaries' size:	

SECTION- I

LEGAL AND GOVERNANCE PRACTICES

1.01 What do you say about the status of your organization with regard to legal filings before the appropriate governmental agency prescribed by the laws and regulations that govern the nonprofit organizations?

1. Regularly filed all the filings since inception

2. Filed regularly but with few occasional defaults

3. Filed occasionally or as and when the need arose.

4. Any other

1.02 If the organization has obtained tax-exempt status, (For example, section 12A,80G of IT Act 1961), which of the following describe correctly the status of filing of tax reports by your organization?

1. Filed on regular basis since attaining tax-exempt status

2. Filed a'm^st regularly but with few occasional defaults

3. Filed occasionally or as and when the need arose.

4. Any other ______________________________

1.03 Mention the statutory benefits extended to the employees as per the statutes related to employee welfare.

1. Pension
2. Gratuity
3. Medical
4. Provident Fund
5. Other

1.04 If the organization has partnered and collaborated with other organizations or groups, whether such arrangement is through a written agreement?

1. Yes 2. No

1.05 Which of the following descriptions about the roles of the Board and the Chief Executive-Officer (if applicable) suit the current status in the organization?

1. Well defined and respected 2. Well defined but not respected
3. Not so well defined but respected 4. Neither well defined nor respected
5. Any other

1.06 Whether the Chief Executive Officer is recruited, selected, and employed by the Board/Governing body?

1. YES 2. NO

1.07 How do you rate the participation of the Governing body members while carrying out the organization's mission and goals and strategic planning process?

1. Nominal 2. Satisfactory 3. Reasonable 4. Intense

1.08 What do you think about the diversity in composition of Board/Governing body with respect to gender, ethnicity, social, cultural, economic status, disabilities and skills/or expertise.

1. Narrow 2. Little 3. Reasonable 4. Broad

1.09 What do you think about the diversity in composition of Board/Governing body with respect to fields of practice and expertise?

1. Narrow 2. Little 3. Reasonable 4. Broad

1.10 Is the organization and structure of Board/Governing body documented with a description of positions and responsibilities associated -with each position?

1 YES 2. NO 3. PARTIALLY

1.11 How do you rate the awareness levels of Board/ Governing body members regarding organization's mission, bylaws, policies and programs, as well as their roles and responsibilities?

l.Poor 2. Satisfactory 3. Good 4. Excellent

1.12 What do you think is the level of commitment of the Board/Governing body towards the organization's mission, policies and programs?

1. Low 2. Moderate 3. High

1.13 Which of the following do the byelaws describe?

1. How the Board or Governing Body is constituted?
2. What should be the composition of the Board/Governing Body?
3. What are the terms of office for officers/members?
4. How Board/GB members are rotated?
5. How ineffective Board members are removed from the Board?
6. How and when notices for Board meetings are made?
7. How many Board members make up a quorum required for all policy decisions?

1.14 How frequently does the Board/Governing body meet?

1. Once in a year 2. Twice in a year 3. Four times in a year 4. Any other

1.15 How do you rate the attendance of members at the Board/Governing body meetings?

l. Poor 2. Average 3. Good 4. Excellent

1.16 How many members regularly attend the meetings?

Ans: ________

1.17 Which of the following statements is close to the practice followed in the organization while conducting the Board/Governing body meetings.

1. Members are informed about the meeting orally one or two days before the meeting.

2. Members are informed well in advance about the meeting but no agenda is Communicated

3. Members informed in advance and written agenda is communicated.

4. Members are informed in advance and written agenda along with the materials relating to the issues that come up for discussions are supplied.

1.18 Are the minutes of each meeting recorded and the action taken reported to the Board/Governing body at each successive meeting?

1. YES 2. NO

1.19 Whether the Board/Governing body reviews the performance of CEO and Executive Directors based on meeting of goals and objectives of the organization.

1 YES 2 NO

SECTION-II

STRATEGIC PLANNING AND EVALUATION PRACTICES

2.01 Is there a written mission statement, which reflects the organization's purpose, values and people served?

1. YES 2. NO

2.02 Which of the following best describes the mission statement of the organization?

1. Limited expression of the reason and purpose of existence lacks clarity, held by very few and rarely referred to.
2. Some expression but vague, held by few, lacks broad agreement and occasionally referred to.
3. Clear expression of reason and purpose, held by many and often referred to.
4. Clear expression of reason and purpose, broadly held and referred to frequently.

2.03 How does the purpose and activities of the organization meet community needs?

Ans:

2.04 How often the organization evaluates, by soliciting community input, whether its mission and activities provide benefit to the community?

1. Twice in a year 2. Once in a year 3. Once in two years 4. Any other

2.05 In case, the mission statement is reviewed and modified to reflect changes in the environment, how many times it has been modified so far?

Ans:

2.06 Which of the following is/are true about the organization's strategic plan?

1. The plan identifies the changing community needs including the organization's strengths, weaknesses, opportunities and threats.
2. The plan integrates all the organization's activities around a focused mission.
3. The plan prioritizes the agency goals and develops timelines for their accomplishments.
4. The plan establishes an evaluation process and performance indicators to measure the progress toward the achievement of goals and objectives in the strategic plan.
5. There is no strategic plan that is developed and adopted to accomplish mission and goals.

2.07 Who participates in the planning process?

1. Board 2. Staff 3. Service recipients 4. Volunteers 4. key constituents

5. General members of the community 6. All 7. Any combination ________

2.08 Who are the stakeholders of the organization to whom the plan communicated?

1. Board 2. Staff 3. Service recipients 4. Volunteers 4. key constituents

5. General members of the community 6. All 7. Any combination _______

2.09 How do you rate the programs of the organization on the basis of their congruency with the agency's mission and strategic plan on a scale of 5 points with 1 representing the lowest level and 5 representing the highest level?

S.No	Name of the Programme	Rating

2.10 Which, of the following statement/s is/are true in relation to the programs and services of the organization?

1. Programs are designed keeping in view the organizations core competencies and resources available.
2. Programs are designed to meet the requirements of donor/funding agencies without any regard to the core competencies.
3. Programs are developed on the basis of popular "bandwagons" keeping in view the possibilities of finding funding partners.
4. Programs are developed based on their affinity to integrate with other programs and the overall mission of the organization.

2.11 The clients and potential clients have the opportunity to participate in program development at the following stages.

1. Conceptualization 2. Design and development 3. Operationalization

4. Improvisation 5. All

2.12 How do you rate the allotment of resources in advance to each program to ensure that it can achieve the established goals and objectives on a 4 point scale with 1,2,3,4 respectively representing Meagre, Insufficient, Sufficient and Adequate allotments?

S.No	Name of the Programme	Rating

2.13 Please specify the performance indicators of each program to measure the program's success in meeting its goals and objectives.

S.No	Name of the Programme	Performance indicators

2.14 Does the organization networks and/or collaborates with other organizations to produce the most comprehensive and effective services to clients?

1. YES 2. NO

If yes, mention some of the networks and/or collaborations the organization has/had most successfully entered into starting with the most recent one.

1.
2.
3.

2.15 How often, the organization conducts the evaluation of its systems & programs, to ensure that they are in tune with the mission, objectives and values?

1. Annually 2. Bi-annual 3. Every five years 4. Any other (specify) ___________

SECTION- III

MARKETING MANAGEMENT PRACTICES

3.01 Does the Board/Management recognize the need for marketing and relevance of the concept of 4 P's- Product, Price, Place and Promotion-to the organization?

1. YES 2. NO

3.02 Why/How did the organization choose to offer the service it is offering at present?

1. Because no such service was available to the local community
2. The founding members felt that the local community was in need of such service
3. The founding members were driven by spiritual and humanitarian considerations in choosing the service.
4. Motivated/Influenced by others who are providing similar service and choose to provide the same.
5. Conducted survey/research and identified the felt need of the local community for the service.
6. Any other _______________

3.03 If the organization has classified the target groups into different segments and follows different approaches to meet the needs of each segment, specify the basis of segmentation.

Segment	Basis of segmentation

3.04 Did the organization identify/ attempted to identify the causes and the nature of resistance to the service it intended to offer?

1. YES 2. NO

If yes, mention the type and cause of resistance. Cause

Type of resistance	Causes for resistance

3.05 How did the organization launch the services it is offering at present?

1 Launched all the services in one go without testing acceptability.
2. In one go after test marketing the services before it is widely offered to ascertain the acceptability of the service.
3. Gradually expanded the services by adding one after the other.

3.06 Are the services being offered charged a token price to determine the genuineness of the need as well as maintaining the self-respect of the beneficiary?

1. YES 2. NO

If yes, specify the token price fixed for the services being offered at present.

Name of the Service	Token Price

3.07 How are the services distributed to the beneficiaries? (channels of distribution)

1. At the facility located in the local area where the beneficiaries reside.
2. At the local area through outreach programs.
3. At the door- step of beneficiaries.
4. At the facility located outside the local area to which the beneficiaries pay a visit for being serviced.
5. Any other

3.08 How does the organization establish the point of contact with the target groups?

1. Through staff/volunteers engaged for the purpose
2. Identifying the target groups using the database of other service providers and approaching them.
3. Through references from staff/volunteers/other organizations etc;
4. Target group members themselves approach having come to know about the services from other beneficiaries.
5. Any other ______________________________

3.09 Please mention how the distribution channel/s and points of contact help in building loyalty to 'the cause' of the organization?

Ans:

3.10 Which of the following methods does the organization adopt to increase its visibility?

1. Media campaign through paid advertisements.
2. Conducting fairs and camps
3. Getting feature articles published in news papers, magazines etc;
4. Sponsoring of events.
5. Organizing events with celebrities' participation.
6. None

3.11 If the beneficiaries were involved in improving or redesigning the services, how were they involved?

1. Feed back on the satisfaction of beneficiaries is obtained to assess the need for improving the services.
2. Beneficiaries were asked to suggest the improvements that would increase the satisfaction.
3. Beneficiaries were asked to point out the causes of their dissatisfaction and action is taken to remove them.
4. Any other ____^_________^_______

3.12 Which of the following form the basis of pricing of services offered by the organization?

1. Full cost 2. Full cost plus 3. Market price 4. Subsidy pricing

5. Inducement 6. Costs determined by the Government/Regulatory body

6. Any other

SECTION-IV

HUMAN RESOURCES MANAGEMENT PRACTICES

4.01 Which of the following are described in the written personnel handbook/policy approved by Board/Governing body?

1. Recruitment policy and procedures
2. Hiring practices
3. Termination procedures
4. Standard work rules

4.02 Which of the following descriptions match with the practices followed in recruitment and selection of employees in the organization?

1. Employees are recruited on the basis of their general ability.
2. Employees are recruited on the basis of their suitability to the job descriptions including qualifications, duties, reporting relationships and key indicators.

4.03 How many times the recruiting and hiring policies and procedures have been reviewed so far and when did the last review take place?

Number of times reviewed:

Date/Month & year of last review:

4.04 If the organization conducts orientation program for new employees to which of the following they are oriented?

1. Organization's mission and goals
2. Strategy
3. Policies and procedures
4. Job expectations
5. Any other _________

4.05 Mention the initiatives taken up by the organization that are aimed at providing opportunities for employees' professional development and personal development?

S.No	Initiative/Program	Objective	Frequency

4.06 Which of the following criteria are used for evaluating the employee performance during performance appraisals?

1 Honesty 2. Sincerity 3.Hard working 4.Talent 5. Productivity 6.Accuracy
7. New skills acquired 8.Dead lines met 9. Team spirit 10. Client orientation
11.Willingness to accept responsibility 12.Any other

4.07 At what intervals the performance of employees is evaluated?

1. Six months 2. One year, 3. Two years

40.8 Promotions and pay hike are based on

1. Seniority 2. Performance 3. Both

4.09 The salary structure of employees in the organization is

1. As per the Government norms/Market standards
2. Less than the Government norms/Market standards
3. Flexible and. commensurate with experience and qualifications

4.10 The employees are entitled to the following perquisites

1, Pension and gratuity 2. Housing 3, Medical facilities 4. Leave encashment
5. Subsidized canteen facility 6. Conveyance 7. Any other _______

4.11 If the organization has a system of manpower planning in place, please provide the following details related to the key positions in the organization.

S.No	Name of position	Planning horizon	Estimated requirement	Personnel on hand

4.12 How many positions are lying vacant for more than 3 months?

Ans

4.13 How does the organization identify the prospective employees?

1.Through an advertisement 2. Through references

3, Combination of I&2 4. Any other (please specify)

4.14 Which of the following practice is followed to foster a culture of innovation in the organization?

1. Staff members are free to express their ideas, offer suggestions and comments.
2. Staff members are encouraged to come out with new ideas and offer suggestions or comments for improving the services
3. Formal system to solicit, receive, respond and implement the new ideas from the staff members is in place

4.15 What is the general view about the redressal of employee grievances in the organization?

1. No formal mechanism is setup but grievances are heard and informally settled by the superiors.
2. Formal mechanism in place but does not function effectively.
3. Effective formal mechanism for redressal of grievances in place.
4, Any other

4.16 If the organization has employee retention strategy to address the problem of employee turnover, indicate the methods generally adopted to retain employees.

Ans:

4.17 Is there a system in place for succession planning, particularly for senior level positions?

1. YES 2. NO

4.18 If non-monetary rewards are part of motivation system in the organization, which of the following are used to reward superior performance?

1. Public recognition 2. Titles 3. Heightened visibility 4. Traveling

5. Increased authority 6. Certificates of accomplishments 7. Any other ______

SECTION-V

FINANCIAL MANAGEMENT PRACTICES

5.01 Does the organization have a written manual of fiscal policy and procedures to guide the actions of employees?

1. YES 2. NO

5.02 The accounting system in the organization has the following features.

1. The organization is considered as separate accounting entity.
2. There is separate department to look after the accounting function.
3. Every transaction is entered in the Journal.
4. Double entry book- keeping is followed.
5. Entries are made in individual accounts in monetary terms

5.03 Which of the following statements are prepared internally at the end of every financial year?

1. Balance sheet
2. Income and Expenditure statement
3. Cash flow statement
4. All
5. None

5.04 Please provide the information on the following according to the latest financial statements.

1.	Assets (Rs)	Liabilities (Rs)
2.	Income(Rs)	Expenditure(Rs)
3.	Cash inflow (Rs)	Cash outflow(Rs)

5.05 If the organization's control system is based on budgets and budgetary controls, which of the following are the features of such system?

1. An annual comprehensive operating budget is prepared every year.
2. It includes incomes/ sources of funding and expenditures for all programs as well as quantitative output measures with background notes
3. It depicts previous year's budgeted, actual and revised figures along with the projections for the ensuing year.
4. Budget manager keeps the concerned departments/program officers informed about how the actual figures are holding against the budgeted.
5. Non-random deviations are analyzed and corrective actions are taken.

5.06 Which of the following approaches are used for preparing budgets?

1. Top down approach
2. Bottom up/Participatory approach

5.07 Which of the following concepts are adopted for budgeting?

1. Incremental budgeting -
2. Zero based budgeting (ZBB)
3. Performance based budgeting (PBB)
4. Any other

5.08 Please provide factual information pertaining to the following items.

5.08.1 Projected cash flows for the ensuing quarter (Rs)
5.08.2 Reconciliation of cash accounts is done every
5.08.3 Name/Designation of authorized check signers

5.08.4 Name/Designation of the person/s competent to approve payment of expenses along with the limits specified, if any.
i)
ii)
5.08.5 Estimated operating expenses for the next quarter (Rs)_
5.08.6 Total amount of reserve funds to meet operating expenses (Rs)_
5.08.7- Estimated capital needs for future period (Rs) •

5.09 Which of the following is/are true about the receivables management in your organization?

1. Not much attention is paid to the receivables management since the size is insignificant.
2. There are established procedures for the periodic billing, follow-up and collection of all accounts.
3. The collection of receivables is closely monitored and appropriate action is taken for improving the collections whenever the collection targets are not met.

5.10 Which of the following statement/s is/are true about inventory management in your organization?

1. No formal system of inventory management is in place because the investment in inventory is very marginal.
2. Stores department periodically procures required inventory items and supplies them to the indenting department.
3. Inventory movement/consumption is constantly monitored and timely purchases are made to maintain adequate levels of inventory items.

5.11 How do you rate the capacity of the financial operations system to provide the appropriate information needed by staff and Board to make sound financial decisions and to fulfill statutory requirements?

1. Low 2. Moderate 3. High 4. Excellent

5.12 Given below are certain practices pertaining to the auditing function. Please mark the practice/s you think is/are close to the practices followed in the organization.

1. The organization has an annual, independent audit of their financial statements, prepared by a certified chartered accountant.

2. In addition to the audit, the auditor will prepare a management letter containing recommendations for improvements m the financial operations.

3. The Board of Directors, or an appropriate committee, reviews and approves the audit report and management letter and with staff input and support, institutes necessary changes.

5.13 What are the sources of funds to the organizations?

1. Donations from individuals
2. Funds from donor agencies
3. Grants from Government, National and International bodies
4. Income yielding assets like endowments, property,bonds,deposits
5. Income from operations
6. Any other

5.14 How does the organization manage its investments?

1. Funds are held as term deposits in the banks/financial institutions to earn interest.

2. Funds are invested in diverse instruments keeping in view the liquidity requirements and legal and safety considerations.

3. Funds are invested as per the policy and principles laid down by the Board or financial advisory committee which are reviewed and revised from time to time based on the financial market conditions:

4. Professional fund managers are appointed to manage the funds in the interest

5.15 Which of the following statements truly reflect the fund raising aspect of the organization?

1. The organization has an established system of developing, evaluating and

reviewing fundraising policies, practices and goals.

2. The Board/Chief Executive Officer support and participate in the fundraising process including identification, cultivation, solicitation and recognition..

3. The fund raising program is staffed and funded with the level consistent with the fund raising expectations.

4. Not much attention is paid to the fund raising issues,

5.16 Is there a contingency plan to meet the situations that may arise due to the loss, reduction or delay in funding and continue the programs/activities without abruptly discontinuing or discarding them?

1. YES 2. NO