

Organizational problems of non-governmental organizations (NGOS)

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ABSTRACT : The non-governmental sector is a growing worldwide phenomenon. Organizations across the globe account for growing and impressive figures in employment, revenue, services provided and sheer numbers. Whereas the past years have seen quite a few insolvencies and business collapses caused by management failures. NGOs concerned with development face the management of a complex and diverse range of issues. NGOs face internal management issues, for example questions of strategic planning, budgeting, staffing, and the governing structure of the organization, growth and change within the organization. NGOs also face the management of external relationships, relations with government, the private sector, other NGOs and with their target communities. All of these come to bear on the possibility of NGOs managing development. The effectiveness of NGOs as actors in development and change depends on successful engagement with both internal and external management questions and also on the successful articulation between issues of internal and external management. Although NGOs share many individual characteristics with other sorts of organizations, the various collections of characteristics that are observable in many NGOs create a package that is quite different from most for-profit organizations (FPOs). Some scholars argued; legal constraints, revenue sources, types of personnel, and the nature of governance in NGOs make them unique. There is a growing debate within the non-governmental management literature and the community of non-governmental about whether NGOs should become more “business like”.

KEY WORDS : NGOs, Organizational problems

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INTRODUCTION

This study aims to provide more insight that determines the organizational problems of non-governmental organization and to evaluate the solutions in order to assist in the development of a new strategy for the NGO. Globalization during the 20th century gave rise to the importance of NGOs. Many problems could not be solved within a nation. International treaties and international organizations such as the World Trade Organization were perceived as being too centered on the interests of capitalist enterprises. In an attempt to counterbalance this trend, NGOs have developed to

emphasize humanitarian issues, developmental aid and sustainable development (Wikipedia, 2006). NGOs are increasingly visible and diverse, from small grassroots NGOs to multi-million-dollar budgets giants, such as CARE or Human Rights Watch, largely funded by governments. NGOs fast and often unchecked growth has raised serious questions of transparency and accountability in their operations (NGO Watch, 2006). Over the past several decades, NGOs have become major players in the field of international development. Since the mid-1970s, the NGO sector in both developed and developing countries has experienced exponential growth. From 1970 to 1985 total development aid disbursed by

international NGOs increased ten-fold (Malena, 1995). The structures of NGOs vary considerably. They can be global hierarchies, with either a relatively strong central authority or a more loose federal arrangement. Alternatively, they may be based in a single country and operate transnational. With the improvement in communications, more locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level. Increasingly this occurs through the formation of coalitions (Willett, 2002).

Definition of NGO :

Non-profit literature the term 'voluntary organization' is commonly used for domestic third sector organizations. NGO literature the umbrella term 'non-governmental organization' is generally used throughout, although the category 'NGO' may be broken down into specialized organizational sub-groups such as 'public service contractors', 'people's organizations', 'voluntary organizations' and even 'governmental NGOs' or 'grassroots support organizations' and 'membership support organizations' (Lewis, 2006).

'Non-governmental', 'third sector' or 'not-for profit' organizations have in recent years become high profile actors within public policy landscapes at local, national and global levels. Around the world, there is an increasing commitment to the delivery of social services through involving neither voluntary organizations which are neither government agencies directed by the state nor organizations committed to the 'for-profit' ethos of the business world (Lewis, 2003).

Non-governmental organizations are a heterogeneous group. A long list of acronyms has developed around the term 'NGO': INGO stands for international NGO, BINGO is short for business-oriented international NGO, RINGO is an abbreviation of religious international NGO, ENGO, short for environmental NGO, GONGOs are government-operated NGOs. (Wikipedia, 2006).

"Formal (professionalized) independent societal organizations whose primary aim is to promote common goals at the national or the international level" (Chang, 2005).

The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development" In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics (United Nations Economic Commission for Europe, 2006).

Organizational problems of NGOs :

Research into this area produced a number of common problems and dilemmas that NGOs experienced. One of the most mentioned was that of the decision-making processes. Tensions often occurred between staff and senior managers because of the staff expectations that they would be equal partners in the decision-making process (Mukasa, 2006).

Another common problem was to do with the governance of the organizations and the relations between board members and staff. These stemmed largely from the boards' inability or unwillingness to carry out their responsibilities of governing the organizations. Board members often lacked the time or the expertise to be able to carry out these responsibilities effectively. As a result, senior staffs were often left to make policy decisions with little or no support from board members (Mukasa, 2006). Governance and decision making; The governance picture of many NGOs is quite complex. Most nonprofits are governed by self-perpetuating, largely self-appointing boards of directors. "Though trustees are not elected by society at large, their essential purpose is to hold an organization in trust for the benefit of society, as specified in its papers of incorporation and grants of tax exemption" (Lewis, 2005).

Other problem is about staff; such as; recruitment, assignment and layoff as well as human resources development and administration and finally everyday management of staff (Vilain, 2006). NGOs were found to be weak at staff career development. Often organizations lacked a career structure in which staff could develop. In addition they were not good at budgeting for staff training. In situations where the organizations were expanding rapidly, it created problems for many who were unable to keep up with the demands of their work. Not all people working for non-governmental organizations are volunteers. Paid staff members typically receive lower pay than in the commercial private sector. Their members usually do not get paid in any way and only invest little of their leisure in order to fulfill their duties. Sometimes they only have little organizational and professional skills (Mukasa, 2006). The poor quality of training or lack of importance attached to training NGO workers has been discussed elsewhere (Ahmad, 2002).

Fund raising activities were often the source of much tension in organizations. The strategies and images used to raise funds from the public were often felt to compromise the nature of the work done by other members of staff. These images often depicted beneficiaries as helpless victims in need of assistance, which other staff felt was inaccurate and lacked respect for the beneficiaries (Mukasa, 2006).

The difficulties of managing NGOs with operations in several countries also raised concerns. The difficulties came from the inability to define proper lines of autonomy on policy issues. Field staff often felt isolated unsupported and felt there was a lack of understanding of the issues they were dealing

with at field level. In addition, they often found it difficult to be loyal to headquarters. Headquarters staff on the other hand, felt that field staff had too much power which needed to be controlled if all the interests within the organization were to be adequately addressed (Mukasa, 2006).

Funding such large budgets demands significant fundraising efforts on the part of most NGOs. Major sources of NGO funding include membership dues, the sale of goods and services, grants from international institutions or national governments, and private donations. Even though the term 'non-governmental organization' implies independence of governments, some NGOs depend heavily on governments for their funding (Wikipedia, 2006).

The most commonly identified weaknesses of the sector include; limited financial and management expertise, limited institutional capacity, low levels of self-sustainability, isolation/lack of inter-organizational communication and/or coordination, lack of understanding of the broader social or economic context (Malena, 1995).

NGOs can have members but many do not. NGOs may also be a trust or association of members. The organization may be controlled by its members who elect the Board of Directors or Board of Trustees. NGOs may have a delegate structure to allow for the representation of groups or corporations as members. Alternately, it may be a non-membership organization and the board of directors may elect its own successors (Wikipedia, 2006).

The structural growth problem; once they are successful, small businesses world-wide commonly face the problems of replacing one-person management (or family management) with a more institutionalized structure. The founder is used to having total control and doing things his or her way. It is difficult to persuade her/him to create independent management or expert roles, or to respect the authority and autonomy of independent managers and experts once they are in place. Their styles, ethos, and values are often severely challenged by the formality and the bureaucratic discipline that is imposed by this volume and variety of external funding from public organizations. The accountability problem; This has both a 'real' and a 'perceived' dimension. The 'real' problem is quite clear and is articulated repeatedly; Who are these people accountable to? (Moore and Stewart, 1998).

The evaluation problem; this is most immediately a problem for donors, but failure to resolve it reflects back on NGOs eventually, and should be perceived as their problem. Performance evaluation; is relatively easy in 'post-office' type organizations where (a) activities are routine; (b) objectives are few and clear; (c) there is no great distinction between immediate 'outputs', medium-term 'effects', and long-term 'impacts'; and (d) outputs, effects or impacts can be measured relatively cheaply and reliably without the measurement process itself distorting the objectives of the organization or the goals of the staff. Few public organizations

are like post-offices. Many, including many development NGOs, are very different: their activities are experimental rather than routine; their goals are often intangible (such as changing the consciousness of clients or the opinions of policymakers); they may be operating in the face of official obstruction and hostility; and it may be difficult to find other organizations with which their performances can usefully be compared in any quantitative sense (Moore and Stewart, 1998).

The economies of scale problem; most NGOs are very small. They lack easy and cheap access to the specialist knowledge they require. For example, they may be aware that 'staff development' is important, but have little idea about how to do it (Moore and Stewart, 1998).

Volunteer relationships; "volunteering means any activity in which time is given freely to benefit another person, group or organization". Organizational volunteering can further be defined as proactive (e.g., signing up to serve meals at a shelter every Sunday) rather than reactive (e.g., stopping to help an accident victim after a car accident) and entails commitment of time and effort (Lewis, 2005).

Mission, effectiveness, and accountability; for NGOs to thrive, it must fulfill a mission that is valued by the community, staff, board, and founders. NGOs must create value within operational and environmental constraints that are at once more complex than those faced by corporations and more opaque than those confronted by government (Lewis, 2005).

Main future needs: more funds and more staff, and above all the former, is more or less universal. Older voluntary organizations desire more paid staff. Younger voluntary organizations appear in relatively greater need of information and management advice. The desire for more volunteers is very widespread (Marcuello, 2001).

Solutions of organizational problems of NGOs :

The tendency is to offer decentralization, in which some power is devolved to field level, as a solution to the problem of tensions between field offices and headquarters. However, decentralization can have the paradoxical effect of increasing bureaucracy as organizations devolving power on the one hand, tend to set up all sorts of control measures on the other.

These problems revealed a clear gap between the values that NGOs espouse and what actually happens in practice. Balancing the needs of the different stakeholders who each feel they have an equal right to the decision-making process has created a number of management problems for these organizations (Mukasa, 2006).

NGOs have to make strategic choices between confrontational, complementary or collaborative strategic relationships with government. The process of making these strategic choices gives rise to internal tensions concerning expenditure priorities, the conflicting demands of clients and donors, which result in disagreements over an appropriate

balance between quality services and meeting fundraising targets. Service-deliverers are pulled towards clients and fundraisers towards donors. The result can be a split within the organization, which can be resolved by the voluntary organization acting as a mediator or bridge between donor and client (Norrell, 2006).

Focus on fostering the participation of all sectors of society in environmental decision-making and in supporting regional co-operation. Offer the following services: information exchange and publications, with an emphasis on facilitating access to information; training and capacity building; and grants programmes for NGOs with limited access to local resources. Consist of a network of national offices, as well as a head office that acts as a co-ordination and information center with financial authority (REC, 1997).

To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis and Minahan, 2006).

NGOs could form voluntary national professional associations, like asstnats, or insurance companies, aimed at promoting the sector, partly through self-policing of standards. The solution list is likely to include several of the following issues (Moore and Stewart, 1998) :

- Timeliness of issuing of annual reports;
- Issues to be included in the annual report (or elsewhere publicly available), such as degree of disclosure of assets and liabilities, of salaries and all other benefits paid to staff, directors, board members, and consultants;
- Employment, recruitment and staff development policies and practices;
- Sources of finance;
- Arrangements for internal or external scrutiny of financial transactions, employment practices, organizational policies, etc.; and
- Arrangements for the evaluation of organizational performance.

Conclusion :

Increased examination of NGOs will not only allow us to more fully describe the field of organizational types (corporate, government, non-governmental) and their communicative characteristics and dynamics but also will provide a wealth of opportunities to validate and/or question our current theoretical assumptions that have largely been based on the empirical picture presented in corporate organizations (Lewis, 2005).

Although NGOs have become established organizational actors within development policy and practice, critical questions are increasingly being asked of their performance

and accountability. In general, the roles and activities of NGOs have been relatively well covered in the literature, but there is far less systematic research on internal organizational processes and management (Lewis and Madon, 2004).

There are many positive changes in development policy and practice that can be associated with the increased role and profile of NGOs. They include the growth of participatory planning techniques, the integration of gender concerns into mainstream development thinking, and the continuing advocacy of human rights and environmental concerns. There is every reason to believe that NGOs of various kinds will continue to play important roles as actors in development processes (Lewis and Madon, 2004).

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