

**“A CRITICAL STUDY OF MANAGEMENT OF HUMAN AND
FINANCIAL RESOURCES BY NON-GOVERNMENT
ORGANIZATIONS IN PUNE METROPOLITAN AREA
(PERIOD 2005 TO 2008)”**

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By

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C E R T I F I C A T E

This is to certify that the thesis entitled “A Critical Study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (period 2005 to 2008)” which is being submitted herewith for the award of the Degree of Vidyavachaspati (Ph.D.) in Management of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by Smt. Surekha A. Vaidya under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body upon her.

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DECLARATION

I hereby declare that the thesis entitled “A Critical Study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (period 2005 to 2008)” completed and written by me has not previously been formed as the basis for the award of any Degree or other similar title upon me of this or any other Vidyapeeth or examining body.

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ABSTRACT

BACKGROUND:

In India the concept of charity existed from ancient days in various forms. With the advancement of time, charity took specialized form and turned into formal organizations – the Non-government organizations (NGOs). NGO is an organization of private individuals who come together for certain basic social principle and work towards bringing development to the communities. They are non-profit making, voluntary and service oriented organizations. The NGOs play an important role in bringing overall development of society.

There is continuous growth in the number of voluntary organizations. As on date, IndianNGOs.com, a website providing information about NGOs in India has estimated that there are around 1.5 million NGOs working in India. The estimates of different sources vary but largely people agree this figure to be between 1 to 2 million.

The NGO sector today is facing many problems which arise from their internal and external environment. Internally, NGOs face problems relating to mission, vision, management, volunteers, paid staff, infrastructure, scarcity of funds and the like. Externally, NGOs face problems like acquiring suitable manpower, receiving funds from donors. On account of such problems, NGOs have started realizing the importance of skilful utilization of available resources and need to follow principles of management to achieve their targets efficiently.

This study has been aimed at understanding:

Management of two important resources: Human resource and Financial resource

NEED FOR PRESENT STUDY:

It has now been acknowledged that the role of NGOs is vital in the development of the nation. Work of NGOs has been phenomenal in various fields. NGOs act as implementers, catalysts, mobilizers, advocates and educators. Today more and more attention is turned to the activities of NGOs as the real resources to aid development are also being channelled through them. Government efforts alone may not be able to meet the social needs of its large population and hence involvement of NGOs is not only welcome but also essential and desirable. On this account it becomes vital that the NGOs function well on basis of proper management of available resources.

People and money are the two most important resources of NGO. The success or failure of every NGO depends in large measure in its ability to manage its human and financial resources. Human resource are the NGOs greatest assets; without them completion of day-to-day activities is not possible. In absence of funds, charity or development work is not possible.

SELECTION OF TOPIC:

Continuous research is carried out on management of profit oriented organizations but comparatively there is less research in area of non – profit organization's management. It is desirable to study management of NGOs from point of view of Human resource development and monetary resources. Proper management of human resources and financial resources is essential to achieve the goals of organization. This research will contribute in understanding the resource management of existing NGOs.

OBJECTIVES OF THE STUDY:

1. To study the management of human and financial resources of NGOs.
2. To understand the strengths & weaknesses of NGOs.
3. To understand role of NGOs in development of the selected sector (Pune metropolitan area).
4. To assess whether a relation exists between the size of NGO and effective management of human and financial resources.
5. To assess whether there is need of any regulatory mechanism for proper functioning of NGO.

HYPOTHESIS:

Proposed research is based on following hypothesis:

Hypothesis 1: NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time.

Hypothesis 2: There is positive co-relation between size of NGO and effective management of human and financial resources.

Hypothesis 3: Effective management of human resources is important for retaining volunteers and reducing employee turnover.

Hypothesis 4: Availability of funds is scarce but achievable if financial resources are managed properly.

RESEARCH METHODOLOGY:

Problem identification:

Being a non-profit organization, NGO depends on funds from donors. NGOs need to use the monetary resources in an efficient way. This in turn demands efficient team of people who can make optimum use of human and financial resources. Today most of the NGOs face problems of shortage of funds. Not all the NGOs have sufficient and suitable manpower to carry out different type of activities. Under such challenging circumstances, NGOs have to manage their organizational activities. The research aims to understand how the NGOs manage their human and financial resources.

Approach to problem:

The approach to research problem is through its objectives and hypothesis. The study makes use of different tools for primary data collection like questionnaire with qualitative and quantitative questions, personal interview (of the respondent of questionnaire) based on the given responses in the questionnaire. Not only response of NGO personals but also views of staff of NGO, volunteer of NGO, beneficiary of NGO and MSW students is taken into consideration.

Research Design: Descriptive
Sampling plan : Non - random sampling
Instrument : Questionnaire and Personal interview
Sample : NGOs in Pune metropolitan area

Criteria for selecting NGOs:

1. Legally formed
2. Existing for minimum six years
3. NGOs working on following issues are to be covered in research:
 - a. Women
 - b. Children
 - c. Environment

METHODS OF DATA COLLECTION:

Secondary Data: Books, Articles, Journals, Papers, Internet data base, PhD thesis

Primary Data: Questionnaire and Personal interview

Methodology for collection of Primary data:

1. Selecting NGOs working on issues under study.
2. Designing a questionnaire and circulating to the Respondents.
3. Personally interviewing the respondent from NGO.

Questionnaire design and types:

Total five types of questionnaires were designed:

1. Questionnaire for NGO
2. Questionnaire for Staff of NGO
3. Questionnaire for Volunteer of NGO
4. Questionnaire for Beneficiary of NGO
5. Questionnaire for MSW student

Out of the above 5 type of questionnaires, “Questionnaire for NGO” was used for hypothesis testing; whereas others act as a supporting data.

Population and sample size: Out of total population of 208 NGOs, 35 samples were selected for study.

Data compilation and analysis: Data entry was done using Microsoft Excel software and data was analysed using correlation coefficient and testing of hypothesis.

6.1 FINDINGS:

A] General characteristics of NGOs:

1. All (100%) NGOs have well defined mission statements.
2. 57% NGOs are registered as Society and Trust, 40% are registered as Trust and 3% are registered as a Section 25 Company
3. 74 % NGOs have websites (featuring all details like mission, vision, work team, area of work, projects, events, publications, annual reports) as a means of communication to general public, donors. 83% NGO have e-mail address.
4. Age of NGOs (as on 2013) ranges from 9 years to 78 years. 94% NGOs are existing from at least 11 years (11 to 50 years).
5. 20% NGOs work purely on children issues, 20% NGOs work purely on environment issues, 8% NGOs work purely on women issues. 52% NGOs work on more than one issue [Children and Women (40%), Children and Environment (6%), Children, Women and Environment (6%)]
6. 3% NGOs operates at International level, 17% NGOs operate at National level, 23 % NGOs operate at State level, 14% NGOs operate at district level, and 43% operate at local level, city level or in 2 to 5 cities.
7. Number of paid staff in NGOs ranges between 1 to 524.
31% NGOs have 0 to 5 paid staff, 26% have 6 to 15 paid staff, 17% have 16 to 40 paid staff, 6% have 41 to 100 paid staff and 20% NGOs have more than 100 paid staff.
8. Number of volunteers in NGOs ranges between 0 to more than 100. 29% NGOs have no volunteers, 14% NGOs have 1 to 5 volunteers, 51% NGOs have 6 to 100 volunteers, 6% NGOs have more than 100 volunteers.
9. Budget of NGOs ranges between Rs. 20,000.00 to Rs. 4 Crores. NGOs exist in different sizes (according to budget). [6% NGOs have budget of very small size (less than 1 Lakhs), 20% NGOs have budget of Small size (1 Lakh to 5 Lakhs), 9% NGOs have budget of Medium size (6 Lakhs to 10 Lakhs), 35% NGOs have budget of Large size (11 Lakhs to 50 Lakhs), 12% NGOs have budget of Very Large size (51 Lakhs to 1 Crore) and 18% NGOs have budget of Largest size (above 1 Crore).]

B] MANAGEMENT ASPECTS IN NGOs:

1. Organization chart and written manual: 51 % of NGOs have organization chart and 37% NGOs have written manual /policy handbook available and is regularly updated and reviewed.
2. Long term plans: 60% NGOs have written goals for period of 3-5 years.
3. HRM budget and HRM plan: 34% NGOs have HRM budget. 60% NGOs have HRM plan and the plan is linked to mission of organization.
4. Formal procedure for recruitment: 85% NGOs have recruitment procedure for staff while 15% NGOs do not. 40% NGOs have recruitment procedure for volunteer while 60% NGOs do not.
5. Job-descriptions: 94% have job-descriptions of staff while 6% NGOs do not have. 79% NGOs review and update the job-descriptions of staff while 21% NGOs have not reviewed nor updated them. 36% NGOs have job-descriptions for volunteers while 64% NGOs do not have. 32% NGOs review and update the job-descriptions of volunteer while 68% NGOs do not.
6. Qualification norms for selection: 94% NGOs have minimum qualification norms for selection of staff while 6% NGOs do not. 24% NGOs have minimum qualification norms for selection of volunteers while 76% NGOs do not.
7. Orientation program: Orientation program exists for staff and is followed in 73% NGOs. Orientation program exists and followed for Volunteers in 27% NGOs.
8. Training:
Plans: 67% NGOs have training plans for staff while 33% NGOs do not have training plans for staff. 40% NGOs have training plans for volunteers while 60% NGOs do not.
Records: 40% NGOs have maintained training records for staff while 60% NGOs have not maintained. 36% NGOs have maintained training records for volunteers while 64% NGOs have not maintained the training records.
9. Leadership development: 45% NGOs have maintained training records for leadership development for staff while 55% NGOs have not maintained such record.
40% NGOs have maintained training records for leadership development for

volunteers while 60% NGOs have not maintained such record.

10. Motivation:

System: All NGOs (100%) have reward/ recognition system for motivation of staff while 84% NGOs have reward / recognition system for motivation of Volunteers.

Non-financial motivators for volunteers:

Self-motivation of volunteers; good work of NGOs; good work culture of NGO; freedom of working; recognition of volunteers for good work in meetings; decision making

11. Performance measurement: 85% NGOs measure the staff's performance while 15% NGOs do not measure staff's performance. 28% NGOs measure the volunteer's performance while 72% NGOs do not measure volunteer's performance.
12. Long term plans for fund raising: 51% NGOs have long term plans for fund raising; while 49% do not.
13. Mobilization of financial resources: 71% NGOs have plan for mobilization of financial resources, 6% NGOs have partial plan (in process of completion) for mobilization of financial resources and 23% NGOs do not have plans for mobilization of financial resources.
14. Financial audit: All NGOs (100%) conduct financial audit by authorized Chartered Accountant. 9% NGOs conducted financial audit by authorized Chartered Accountant and also by member of organization (like council member, secretary, committee member).
15. Feedback system: All NGOs (100%) take feedback from beneficiaries regarding service provided to them.
16. Accountability: All NGOs (100%) are accountable to their beneficiaries, staff, volunteers, government / funding agencies / donors and general public.
17. Relationships with other NGOs: The relationships (of responded NGO) with other NGOs are as given:- 79% NGOs: Co-operation; 9% NGOs: Complementary; 6% NGOs: Co-operation and Complementary; 6% NGOs: no relationship.

18. Conflict management: 28% NGOs have observed conflicts among staff and volunteer. The issues of conflicts are misunderstandings, interpersonal issues, different ideologies of staff and volunteer, conflict of opinion between staff and volunteer, difference in work methodology. The mechanism to resolve such conflicts is having discussions or meetings of concerned staff, concerned volunteer and members of the organization.
19. Work method: 86% NGOs work on projects while 14% NGOs have ongoing activities.
20. Fund raising methods: Donations is the most used fund raising method in NGOs.
- Donations as fund raising method is used by 33 NGOs;
 - Workshops as fund raising method is used by 3 NGOs;
 - Celebrity as fund raising method is used by 6 NGOs;
 - Functions / Events / Exhibitions as fund raising method is used by 15 NGOs;
 - Other fund raising methods are used by 11 NGOs. [Other fund raising methods include membership fees, sale of products, publishing of organization's magazine, soliciting for advertising in organization's journal, service fees, membership fees, self sustainability, personal contacts and networking.]
- Number of fund raising methods used: 40% NGOs use only one method of fund raising; 34% NGOs use two methods of fund raising; 17% NGOs use three methods of fund raising; 9% NGOs use four methods of fund raising.
21. Usage of Funding sources: Public donations are the most commonly used funding source among all NGOs.
- Public donations are used by 24 NGOs;
 - Self financing is used by 21 NGOs;
 - Foreign/international foundations donations are used by 15 NGOs;
 - Corporate donations are used by 15 NGOs;
 - Government funds are used by 14 NGOs
 - Membership dues are used by 13 NGOs;
 - National foundations donations are used by 11 NGOs
 - Foreign/international business/corporate donations / grants are used by 4 NGOs

Number of funding sources used by NGOs: 14% NGOs have single funding source; 43% NGOs have 2 to 3 funding sources; 37% NGOs have 4 to 5 funding sources; 6% NGOs have 6 to 8 funding sources.

22. Financial status of organization: 57% NGOs have 'Good' financial status, 31% NGOs have 'Average' and 9% have 'Unstable' financial status and 3% NGOs did not respond.
23. Performance of organization: 43% NGOs have achieved goals in between 81% to 100%, 48% NGOs have achieved goals in between 61% to 80% and 9% NGOs have achieved goals below 61%.
24. Section 25 Company has better management of human and financial resources as compared to trusts and society. A Section 25 Company covered in this study is efficient in management of both human resources and financial resources.

CJ STRENGTHS AND WEAKNESSES OF NGOs (as given by NGOs):

Strengths: Dedicated, committed, efficient and qualified manpower; Transparency in functioning; Team work; Good work environment; Clear vision, ideologies and perspectives; Good planning/ Sincere implementation/ Achievements; Participation of beneficiaries in organization's activities; Goodwill/ reputation/good rapport with community; Leadership and decision making; Good administration; Good networking with national and international organizations; staff satisfaction, volunteer satisfaction; beneficiary satisfaction

Weaknesses: Lack of funds; Lack of suitable human resource; Lack of sufficient human resource; Need of young people at apex position in organization; Delay in decision making; Slow pace of work; Fund raising techniques; Lack of motivation; Need of more work space; Lack of self discipline, Systematic approach and lack of hardship, Lack of long term planning for fund raising, Lack of leadership development

D] NEEDS AND CHALLENGES OF NGOs

1. Availability of suitable human resource: According to 20% NGOs, availability of suitable human resource is 'scarce', 20% NGOs said 'insufficient' and 60% NGOs said 'sufficient'.
2. Availability of financial resources: According to 17% NGOs, availability of financial resources is 'scarce', 40% NGOs said 'sufficient' and 43% NGOs 'insufficient'.
3. a) Difficulties in receiving the Grants / Funds from Donors/Funding agencies at sanctioning level: 46% NGOs face difficulties in receiving the grants / funds from donors/funding agencies at sanctioning level while 54% NGOs do not.
b) Difficulties in receiving the Grants / Funds from Donors/Funding agencies at the time of disbursement: 34% NGOs face difficulties in receiving the grants / funds from donors/funding agencies at time of disbursement while 66% NGOs do not.
4. The optimum number of personnel for better performance of organization:
 - a) Paid staff -full time: 35% NGOs (out of 26 responses) need additional paid staff full time for better performance of organization.
 - b) Paid staff -part time: 28% NGOs (out of 18 responses) need additional paid staff - part time for better performance of organization.
 - c) Volunteers: 50% NGOs (out of 16 responses) need additional volunteers for better performance of organization.
5. Staff specifically for HRM activities: 14% NGOs need staff specifically for HRM activities (17% NGOs have staff specifically for HRM activities and 69% NGOs do not need any staff specifically for HRM activities).
6. Staff specifically for financial management: 3% NGO needs staff specifically for financial management (29% NGOs have staff specifically for financial management and 68% NGOs do not require any staff specifically for financial management).
7. Need of independent regulatory authority for accountability: 56% NGOs feel there is need of independent regulatory authority for accountability while 44% NGOs do not feel so.
8. Area of improvement / training in NGOs: Most needed area of improvement is 'Fund raising techniques' and 'Management of Human resources' (out of responses

of 34 NGOs, 23 NGOs need improvement/ training in ‘Fund raising techniques’ and 9 NGOs need improvement/ training in ‘Management of Human resources’).

9. Current biggest challenge of organization: Biggest problem that NGOs are facing currently are ‘Insufficient funds’, ‘Lack of qualified staff’ and ‘Lack of volunteers’ (Out of 35 responses, 12 NGOs said ‘Insufficient funds’, 10 NGOs said ‘Lack of qualified staff’ and 10 NGOs said ‘Lack of volunteers’ is their current big problem).
10. Training / re-training: 94% NGOs feel that training / re-training is necessary for staff, while 6% NGOs do not feel so. 63% NGOs feel that training / re-training is necessary for volunteer, while 37% NGOs do not.

E] FEEDBACK FROM STAFF OF NGO:

Motivation to work: 88% staff is motivated to work in NGO because of interest in specific issue/ work area of NGO

Satisfaction level: 92% staff is satisfied while 8% staff is partially satisfied.

Working in NGO as a career: 61% staff feel that working in NGO can be considered as a career; 35 % staff members do not think so while 4% staff replied, ‘varies from person to person’.

F] FEEDBACK FROM VOLUNTEER OF NGO:

Motivation to work: All volunteers (100%) are motivated to work in NGO because of interest in specific issue/ work area of NGO

Satisfaction level: 91% volunteers are satisfied while 9% are partially satisfied

G] FEEDBACK FROM BENEFICIARY OF NGO:

All beneficiaries are satisfied with the services provided by NGO and have a positive opinion about NGO.

H] FEEDBACK FROM MSW STUDENTS:

Motive behind joining MSW program: Maximum respondents want to have ‘career as a professional’

Choice of work area: Maximum respondents want to work in private sector.

Willingness to compromise with salary: 87% students are willing to compromise with salary for working in a credible and transparent NGO.

I] HYPOTHESIS TESTING:

Hypothesis 1, “NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time” is tested positive and accepted since:

- Correlation coefficient between “Maturity in managing Human resources” and goal achievement is 0.71 which denotes positive high relationship.
- Correlation coefficient between “Maturity in managing Financial resources” and goal achievement is 0.74 which denotes positive high relationship.

Hypothesis 2, “There is positive co-relation between size of NGO and effective management of human and financial resources” is not accepted since:

- There is negligible relation between Manpower (size) and “Maturity in managing Human resources. (correlation coefficient = 0.13)
- There is negligible relation between Manpower (size) and “Maturity in managing Financial resources. (correlation coefficient = 0.09)
- There is low relationship between Budget (size) and “Maturity in managing Human resources”. (correlation coefficient = 0.41)
- There is low relationship between Budget (size) and “Maturity in managing Financial resources”. (correlation coefficient = 0.22)

Hypothesis 3, “Effective management of human resources is important for retaining volunteers and reducing employee turnover” could not be tested due to absence of organized data for staff turnover and volunteer turnover with the NGOs.

Hypothesis 4, “Availability of funds is scarce but achievable if financial resources are managed properly” is tested positive and accepted since:

Correlation coefficient between “Maturity in managing Financial resources” and Goal achievement is 0.74, which denotes positive high relationship between “Maturity in managing Financial resources” and Goal achievement.

Most of the NGOs experience scarcity of funds. Unless there are funds with the NGO, it cannot carry out its projects or day to day activities. Goals are achieved if funds are available. If financial resources are managed properly, scarcity of funds can be overcome.

The positive high relationship between “Maturity in managing Financial resources” and Goal Achievement is an indication that if NGO is managing finances well, it can achieve its budgeted expense goals. Therefore hypothesis is accepted.

CONCLUSIONS:

A] SPECIFIC CONCLUSIONS

The specific conclusion of this study revolves around the set hypothesis and research objectives:

1. NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time. NGOs are essential entities that help the society in different ways based on their mission. These good intentions come to an effect only when they achieve their targets. Those NGOs who manage their human and financial resources effectively achieve their targets in time. There is positive correlation between management of human and financial resources and goal achievement.
2. 94% NGOs in the study region are having work experience of more than 10 years. It is expected from these NGO to be good at managing their human and financial resources. However this study brings out the fact that only 20% NGOs are efficiently managing their human resources and 48.5% NGOs are efficiently managing their

financial resources. The findings are: 20% NGOs are having 90% and above maturity level in managing human resources and 48.5% NGOs are having 90% and above maturity level in managing financial resources.

3. There is no relation between the size of NGO and effective management of human and financial resources. A NGO can have effective system for management of human and financial resources whether it is of small size or large size. The study brings out the fact that effective management of human and financial resources is independent of size of NGO.
4. There is need of regulatory mechanism for proper functioning of NGOs. Based on the findings of this study it is observed that NGOs have noble intentions of serving the society and are doing really good work based on their mission. The NGOs under study felt there is need of regulatory mechanism for proper functioning of NGOs since, because of 'few unethical NGOs', credibility of all the NGOs is looked upon with doubt. NGOs feel independent regulatory authority will bring transparency in functioning of NGOs. In this study, 56% NGOs feel there is need of independent regulatory authority for accountability.
5. NGOs covered in this study have been playing an important role in development of Pune in three fields: women, children and environment. These NGOs are working towards educating the needy children (under privileged, disabled and special children). There are many issues related with women like women empowerment, health, legal aid, education, justice, gender inequality and recurring issues of safety of women in Pune. NGOs are playing vital role in solving these issues. NGOs have been influential in taking efforts towards providing a better environment to citizens of Pune. Environmental NGOs are actively involved in preservation and conservation of environment. Important issues of Pune like increasing traffic, traffic pollution and river pollution are worked upon by them.

6. Strengths and weaknesses of NGO:

Based on findings, the major strengths of studied NGOs are: Motivation, Staff and Volunteer satisfaction, Efficient, qualified and committed manpower, Beneficiary Satisfaction.

Major weaknesses of studied NGOs are: Lack of funds, Lack of suitable human resource, Insufficient human resource, Lack of planning, Lack of long term plans for fund raising

B] GENERAL CONCLUSIONS

The general conclusions of this study are derived from the findings:

1. NGOs in the study region show heterogeneity. They have different characteristics, like size, level of operation, manpower, working method.
2. It is found that in NGOs, management of financial resources is better than management of human resources. (average maturity in managing financial resources is 83.5% and average maturity in managing human resources is 75.1%).
3. As compared to the work experience of NGOs (9 years to 78 years), their management of human and financial resources is not that efficient. Many NGOs (40%) lack long range planning. Many NGOs (66%) do not have HRM plan. Only 51 % NGOs have organization charts. 33% NGOs do not have training plans for staff. Leadership development training records are not maintained by 55% NGOs.
4. The management aspects followed properly in studied NGOs are: motivation for human resource, performance measurement of staff, feedback (beneficiary) system, accountability to all stakeholders of NGOs
5. The studied NGOs need training in fund raising techniques, and management of human resources.
6. Biggest challenge that NGOs are facing currently are 'insufficient funds', 'lack of qualified staff' and 'lack of volunteers'
7. MSW students are the most suited human resource for NGOs, but inclination of these students is towards private sector and professionalism though they are willing to compromise on salary for working in a credible NGO.

RECOMMENDATIONS:

Recommendations are given based on the research findings and opinion of experts associated with the NGO sector:

1. Need of independent regulatory mechanism for proper functioning of NGOs.

In this study, 56% NGOs expressed the need of independent regulatory authority for accountability. At present due to 'few' NGOs who are involved in unethical practices whole NGO sector has been looked about with doubt. This is making working of all other NGOs difficult. Also number of NGOs is increasing.

In such a scenario, there is need of independent regulatory mechanism who will monitor proper functioning of NGOs by audits and actual visits to NGOs. This will ensure transparency of NGOs and help NGOs in getting funds. At the same time there will be control over non-functional NGOs.

2. NGOs need to be given training in fund raising techniques and management of human resources.

It is found in this study that one of the current biggest problems that NGOs are facing is 'Insufficient funds' and most needed area of improvement are 'Fund raising techniques' and 'Management of Human resources'.

3. Need of a separate common enactment for creation and functioning of NGOs of all categories.

At present there are different enactments for different type of NGOs like trusts, societies, section 25 companies. Different jurisdiction, registration process, legislation exist which make the system complicated. In some states like Maharashtra, all societies registered under the Society Registration Act, 1860 have to be registered as trust under Bombay Public Trust Act, 1950. These

complications are faced by NGOs. Even big NGOs, many-a-times are not clear how to manage legal compliances.

A common enactment would set a uniform central law for all NGOs. Such enactment will have these benefits: - common central control, reduced complications in legal procedure and improved performance of NGOs.

4. To strengthen NGOs in finance there is need to establish a separate platform for fund raising.

It is observed in this study that many NGOs are facing challenge of 'insufficient funds'. As government of India has started SEBI stock exchange for raising funds and IPO, there should be a platform having database of credible NGOs which will be made available for interested donors or corporate houses.

This will have dual benefit:-

- a) For NGOs: Fund raising
- b) For donors: Selection of credible and transparent NGOs for funding

SCOPE FOR FURTHER STUDIES:

1. A study of 'Management of human and financial resources in NGOs considering the external environment, internal environment and project life cycle' can be carried out.
2. 'Legal aspects of NGOs' can be a study subject which will bring out legal complexities that NGOs have to face.
3. An in-depth study of staff turnover in NGOs can be carried out to understand the needs and problems of staff as well as NGOs.

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ABBREVIATIONS

NGO	Non-Government Organization
CBO	Community Based Organizations
NPO	Non-Profit Organizations
VO	Voluntary Organizations
CAPART	Council for Advancement of People's Action and Rural Technology
VA	Voluntary Agency
VDO	Voluntary Development Organizations
NGDO	Non Governmental Development Organizations
UN	United Nations
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association
PO	Peoples' Organizations
NSA	Non-State Actors
BINGO	Business-Friendly International NGO or Big International NGO
CSO	Civil Society Organization
DONGO	Donor Organized NGO
ENGO	Environmental NGO
NNGO	Northern Non-Governmental Organization
IDCI	International Development Cooperation Institution
SNGO	Support Non-Governmental Organizations
SCO	Social Change Organizations
GONGO	Government-Operated NGOs
INGO	International NGO
QUANGO	Quasi-Autonomous Non-Governmental Organization
ISO	International Organization For Standardization
TANGO	Technical Assistance NGO
TNGO	Transnational NGO

ABBREVIATIONS

CSR	Corporate Social Responsibility
CSWB	Central Social Welfare Board
AVARD	Association for Voluntary Agencies for Rural Development
MOSPI	Ministry of Statistics and Programme Implementation, Government of India
MANGO	Market Advocacy NGO
GSO	Grassroots Support Organization
PRAI	Participatory Research In Asia
GO	Government
FCRA	Foreign Contribution Regulation Act
HRM	Human Resource Management
CA	Chartered Accountant
CS	Company Secretary
SEBI	Securities and Exchange Board of India
IPO	Initial Public Offering
ROC	Registrar of Companies
PMC	Pune Municipal Corporation
PCMC	Pimpri Chinchwad Municipal Corporation
PC	Pune Cantonment
KC	Khadki Cantonment
ESRC	Economic and Social Science Council
IBSS	International Bibliography of the Social Sciences
UK	United Kingdom

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CHAPTER- I

INTRODUCTION TO RESEARCH TOPIC AND RESEARCH METHODOLOGY

1.1 INTRODUCTION OF RESEARCH TOPIC:

“A Critical Study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (period 2005 to 2008)”

The purpose of this research is to study the management of resources by Non-Government organizations (NGOs). “NGO is an organization of private individuals who believe in certain basic social principles and who structure their activities to bring about development to communities that they are servicing”¹.

NGO is a non-profit making and service oriented organization. For success of any organization, whether profit making or non-profit making, effective management of various resources such as human resource, financial resource, time factor, information is of prime importance. This research covers study of the management of two important resources: 1] Human resource and 2] Financial resource.

A NGO is private institution which is legally formed and is independent of Government. Range of NGO activities is huge and wide spread, to name a few – women empowerment, environment protection, rural development, health, animal welfare, education. A NGO may exist to help a single individual or his family or it may work towards bringing about the positive change in the community. It could be of small or large size, with less or more number of paid staff, it could be of grass root level or national level. All NGOs work towards the common aim of welfare and development of community. NGOs are also known by the terms, Community Based Organizations (CBO), Non-profit organizations (NPO) or Voluntary organizations (VO).

In India, the term “voluntary sector” or “non-profit sector” includes organisations, societies, associations, trusts and companies registered under various acts such as the Societies Registration Act, the Indian Trusts Act and Indian Companies Act.

Today, India has huge number of NGOs. According to recent study, commissioned by the government, India has 3.3 million NGOs². Existence and functioning of NGOs in India has been significant in national development.

Initially, such organizations existed for charity purpose, but today they mean much more. “The roles NGOs perform today are numerous –They are advocates, educators, catalysts, monitors, whistle blowers, mediators (Korten 1992), lobbyists, activists, mobilizers (of both men and resources), protectors of human rights, conscientizers, animators and conciliators”³

Effective and skilful utilization of available resources is one of the most important aspects of management of any organisation that leads it towards achieving its desired goal. Most of the NGOs face the problem of shortage of funds and manpower, in such a situation measures should be taken to ensure optimum utilization of resources. NGOs have started realizing that they need to follow principles of management to achieve their goals and work efficiently.

1.2 NEED FOR PRESENT STUDY:

Role of NGOs is emphasised in every five year plan of India. “NGOs have reached out to all needy sections of society including women, children, pavement dwellers, unorganized workers, youth, slum-dwellers and landless labourers”⁴.

The constitution of India firmly rests on the principles of justice, liberty, equality and fraternity. Part III of the constitution includes fundamental rights based on principle of social justice as fundamental rights. The right to life includes right to live with human dignity and all those aspects of life which make man’s life meaningful, complete and worth living: right to food, shelter, pollution free water and environment and free education until a child completes the age of 14.

The present scenario in our largely populated country:

i). Government plans the activities and allocate budgetary resources but fails to use them productively due to which a common man has to face the problems of the uneven distribution of facilities and his desires to lead a comfortable, peaceful and fearless life remains dissatisfied.

ii). There are many bottlenecks that result in the locking of resources in the hands of Government officers and employees. The blocking of resources makes progress of common man difficult.

iii). Under the above mentioned circumstances, people experience less development, less justice and inequality; sometimes causing harm to interests of almost all classes (lower class, middle class, rich class families) in society.

The role of NGOs starts here – to encourage people to unite and struggle to resolve issues in areas like environment protection, road safety, safe drinking water, health, education, AIDS affected young generation, problems in slum area, movement against unfair trade practices etc.

Today NGOs are looked upon as the resources for development. The government efforts alone may not be able to meet the social needs of its large population and hence involvement of voluntary organizations is not only welcome but also essential and desirable. “NGOs are often set up to plug gaps left by government agencies”⁵. On this account it becomes vital that the NGOs function well on basis of proper management of available resources.

In the words of Peter Drucker, the great management idol, “...non profit institutions themselves know that they need management all the more, because they do not have a conventional ‘bottom line’...”⁶

People and money are the two most important resources of NGO. The success or failure of every NGO depends in large measure in its ability to manage its human and financial resources. Human resource are the NGOs greatest assets; without them completion of day-to-day activities is not possible. NGOs need funds for running their projects. In absence of funds, charity or development work is not possible. Most of the NGOs face problem of shortage of funds, therefore the available funds must be used efficiently.

Continuous research is carried out on management of profit oriented organizations but there is comparatively less research in area such as the management of non – profit organizations. It is therefore desirable to study the management of

NGOs from the point of view of human resource development and monetary resources. The proper management of human resources and financial resources is essential for achieving the goals of organization as per target lines. This research will contribute to the understanding of resource management within the existing NGOs.

1.3 BACKGROUND FOR THE STUDY:

The concept of helping the needy people existed in India since long back. “Non-Government Organizations (NGOs) also called Voluntary agencies have a long history of active involvement in the promotion of human welfare and well-being. Our literature is replete with examples, where the tendency to help a poor, weak, old, sick, disabled, helpless, hungry, thirsty – existed from ancient times”⁷. Joint family system is an example of support system for its members. Similarly, voluntary organisations working for charity and human welfare emerged. Along with advancement of time, there have been changes in the concept of voluntary work. “Modern voluntarism is significantly different from the conventional voluntarism in form, content, intent and impact. Conventional voluntarism was primarily aimed at charity and relief or at best, social welfare and social reform. It sprang out of religiosity, generosity and altruism. It was inspired by idealism rather than ideology [Baxi 1986]. Modern voluntarism, while incorporating some of the elements of conventional voluntarism is based on ideology rather than mere idealism. It aims at achieving development and social justice rather than relief and welfare. Modern voluntarism strives to change the social, economic and political position of the poor, the deprived, the oppressed and the weak.”⁸ Today NGO sector plays an important role in overall development of society.

According to R. Sooryamoorthy and K.D. Gangrade (2001), “The NGO sector today is subject to a number of issues that emanate from both within and outside the individual organizations that, jointly or individually determine the existence, survival, or decline of the organizations. Internally, NGOs confront problems relating to objectives, ideology, perceptions on the concerns of the organization, organizational matters, management, volunteers, paid workers, staff programs, resources, and the like.”⁹ NGOs have to face many challenges in the process of raising funds for their functioning. Many a times, the project work of NGO is stuck up or gets delayed due to insufficiency of funds. Barring exceptional cases (big NGOs), NGOs have to hunt for the funds. NGOs face problems in the

management of their staff and volunteers, availability of suitable manpower, difference in ideologies, fund raising, continuity in work and actual implementation challenges. NGOs also have to face competition from other NGOs; since there is mushrooming of NGOs. There are many NGOs working on the same cause.

The perspective of looking at NGOs is not the same as it was, few decades ago. Earlier, it was considered as purely philanthropic work; now this sector is looked upon with doubt. There has been criticism on NGOs for corruption. In year 2009, 833 NGOs were blacklisted for misappropriation of funds by CAPART. The news in *Times of India*, New Delhi dated Dec 20, 2009, states that, “As many as 833 NGOs and voluntary organizations have been blacklisted by an autonomous body under rural development ministry after they were found indulging in misappropriation of funds. The ministry informed that these NGOs were blacklisted for their indulgence in irregularities including misappropriation of funds....”¹⁰. On one hand few NGOs are making money for their self interest and being criticized and on the other hand many NGOs are working sincerely towards social development. Many NGOs who have insufficient funds, spend money from pockets of the members to carry on the work. Development of our nation without NGOs is not possible. The work of NGOs stand at top position when national development comes into picture.

1.4 INTERPRETATION OF THE RESEARCH TOPIC

Title: A critical study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008)

Period: Year 2005 to 2008 – The financial data and manpower data pertains to the years between 2005 and 2008

Management of Human resources and Financial resources: The thesis pertains to the research of some selected aspects of management of human and financial resources in NGOs. The research wants to clarify that although this study is limited, it advocates that in NGOs, man and money – cannot be studied in isolation of each other – they should be studied simultaneously and together. Considering this, the present study will give a general guideline about practices related with the management of human resources and financial resources of NGOs. The human resource management and financial resource

management is a huge field of study. In this research focus is on some specific factors that are critical to effective management of human and financial resources.

Study region – Pune metropolitan area

The study region is Pune Metropolitan Area. Pune Metropolitan area consists of Pune city and Pimpri-Chinchwad town. The city of Pune can be divided into four zones: Central Pune, New Developments (inner), New Developments (outer) and Suburbs. Central Pune includes all the Peths (markets) of Pune and are referred as the old city. New Developments (inner) is bounded on the north by the Mula – Mutha river includes; Deccan Gymkhana, Erandwane and Shivajinagar in the west; Camp, Bund Garden and Koregaon Park in the east; Swargate, Parvati Hill, Sahakarnagar, Mukund Nagar, Maharshi Nagar, Gultekdi and Salisbury Park to the south. New Developments (outer) include Khadki, Aundh and Ganeshkhind in the northwest; Kothrud and Paud Road in the west; Dattawadi, Sahakarnagar and Dhankawadi in the southwest; Bibvewadi and Lullanagar in the southeast; Yerwada, Wadgaon Sheri (including Kalyani Nagar and Shastri Nagar) in the northeast; Vishrantwadi in the north; Ghorpadi, Fatimanagar, Wanowrie and Hadapsar South to the east. Suburbs include Baner and Pashan in the northwest; Bavdhan and Warje in the west; Wadgaon Budruk, Dhayari and Ambegaon in the southwest; Katraj, Kondhwa, Undri and Mohammedwadi in the southeast; Hadapsar, Mundhwa and Manjri in the east; Kharadi in the northeast; Dhanori and Kalas to the north.¹¹

1.5 BENEFICIARIES OF THIS RESEARCH:

This research will act as an informative source to:

- Non- government organisations
- management consultants
- philanthropists
- researchers
- students of social work

- students of NGO management
- volunteers or general people interested in social work

1.6 SWOT ANALYSIS OF RESEARCH

SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) is used to identify the Strengths, Weaknesses, Opportunities and Threats of this research. Table 1.1 shows the SWOT analysis of this research.

Table 1.1: SWOT Analysis

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> - This research is an important study - It includes views of stakeholders - It includes views of experts related with NGOs 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> - Comparative analysis not easy - Process of data collection is lengthy and complicated
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> - Findings will suggest new research areas - This research would act as a knowledge base 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> - This research may bring out some sensitive issues

Strengths: There is less research conducted in areas related to non-government organizations as compared to other topics of research. The number of non-government organizations is increasing day by day. This makes this study “need of the hour” and an important study. This research includes the interviews of some stakeholders to get in-depth understanding of the subject in study. It also includes views of experts related with NGOs.

Weaknesses: NGOs in the study region have different working styles, varied sizes, structures and ideologies which make the study complex as it makes the comparative analysis a bit difficult. Also, the data collection process is lengthy as primary data

includes not only NGOs, but also some stakeholders of NGOs like staff and volunteers.

Opportunities: The findings of this research will bring aspects that could be studied in depth further. This research would act as a knowledge base to understand how the human resources and financial resources managed by non-government organizations.

Threats: The findings of this research may bring out some sensitive issues and highlight some bitter facts.

1.7 RESEARCH METHODOLOGY

1.7.1 INTRODUCTION:

The aim of this research is to understand practices followed by NGOs in managing their human and financial resources. The data collection is done through questionnaire and personal interviews. Both quantitative and qualitative questions are included in the questionnaire.

1.7.2 SCOPE OF THE STUDY:

This research is an effort towards understanding NGOs and how do they manage human resources and financial resources. NGOs working on issues related with Women, Children and Environment are studied in this research.

In Pune metropolitan area, major area of Pune city is covered. NGOs from different parts of the study region were visited personally. Visited NGO offices exist in these areas; Navi Peth, Narayan Peth, Budhwar Peth, Sadashiv Peth, Deccan Gymkhana, Erandwane, Shivajinagar, Koregaon Park, Parvati Hill, Sahakarnagar, Aundh, Ganeshkhind, Kothrud, Yerwada, Wadgaonsheri, Ghorpadi, Pashan and Warje spread. The work area of these NGOs covers major part of Pune metropolitan area.

1.7.3 PROBLEM IDENTIFICATION

Being a non-profit organization, NGO depends on funds from donors. NGOs need to use the monetary resources in an efficient way. This in turn demands efficient team of people who can make optimum use of human and financial resources. Today most of the NGOs face problems of shortage of funds. Not all the NGOs have sufficient and suitable manpower to carry out different type of activities. Under such challenging circumstances, NGOs have to manage their organizational activities. The research aims to understand how the NGOs manage their human and financial resources.

1.7.4 APPROACH TO PROBLEM:

The approach to research problem is through its objectives and hypothesis. The study makes use of different tools for primary data collection like questionnaire with qualitative and quantitative questions, personal interview (of the respondent of questionnaire) based on the given responses in the questionnaire. Not only response of NGO personals but also views of staff of NGO, volunteer of NGO, beneficiary of NGO and MSW students are taken into consideration.

1.7.5 RESEARCH OBJECTIVES:

This study aims at following objectives:

1. To study the management of human and financial resources of NGOs.
2. To understand the strengths & weaknesses of NGOs.
3. To understand role of NGOs in development of the selected sector (Pune metropolitan area).
4. To assess whether a relation exists between the size of NGO and effective management of human and financial resources.
5. To assess whether there is need of any regulatory mechanism for proper functioning of NGO.

1.7.6 HYPOTHESIS:

This research is based on following hypothesis:

Hypothesis 1: NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time.

Hypothesis 2: There is positive co-relation between size of NGO and effective management of human and financial resources.

Hypothesis 3: Effective management of human resources is important for retaining volunteers and reducing employee turnover.

Hypothesis 4: Availability of funds is scarce but achievable if financial resources are managed properly.

1.7.7 ASSUMPTIONS IN RESEARCH:

1. The respondents of the research instrument (questionnaire and interviews) will answer honestly. For this respondent is assured of keeping his identity confidential.
2. The study of the selected sample gives picture of total universe of study.
3. The respondent's gender will not affect perception of researcher.

1.7.8 SIGNIFICANCE OF RESEARCH:

1. It will assist in understanding of current resource management practices of NGOs.
2. The strengths and weaknesses of NGOs derived from this research will be beneficial to NGOs while finalizing their strategies.
3. This research will help in understanding the importance of effective utilization of available resources of NGOs.
4. This research will prove whether the effective use of resources depends on the size of the NGOs or not.
5. This research will prove whether there is need of any regulatory mechanism for proper functioning of NGOs.
6. It will act as an informative source to NGOs, management consultants, researchers, students of NGO management.

1.7.9 METHODOLOGY

The Research Design used is of Descriptive type. The Descriptive research is used to collect data to answer the current status of NGOs management of human and financial resources. The Questionnaires and Personal Interview are used as a tool for data collection.

A) Selection of study region: Pune metropolitan area was selected as study region since the study region has substantial number of NGOs and the researcher resides in this area.

B) Population and Sample size: Population comprises of 208 NGOs, 35 samples were selected for study.

Appropriateness of sample size:

Formula used: Sample size determination for attributes:

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{[(N-1) e^2 + z^2 \cdot p \cdot q]}$$

n = Sample Size

N = Population

p, q = probabilities

e = error

z = confidence level

For management of human resource:

p = 0.751.....(finding: Maturity in managing human resources is 75.1%)

q = 1 - 0.751 = 0.249

z = confidence level of 95.44% = 2

N = 208

e = ± 0.15.....(20% of p)

$$\begin{aligned} n &= \frac{Z^2 \cdot p \cdot q \cdot N}{[(N-1) e^2 + z^2 \cdot p \cdot q]} \\ &= \frac{2^2 \times 0.751 \times 0.249 \times 208}{[(208-1)0.15^2 + 2^2 \times 0.751 \times 0.249]} \\ n &= 28.78 \end{aligned}$$

Similarly, with p = 0.835...(Maturity in managing financial resources is 83.5%)

q = 0.165; z = 2; N = 208; e = ± 0.167

$$\begin{aligned} n &= \frac{Z^2 \cdot p \cdot q \cdot N}{[(N-1) e^2 + z^2 \cdot p \cdot q]} \\ &= \frac{2^2 \times 0.835 \times 0.165 \times 208}{[(208-1)0.167^2 + 2^2 \times 0.835 \times 0.165]} \\ &= 18.12 \end{aligned}$$

The appropriate sample size should be 29 (for managing human resources) and 18 (for managing financial resources) as findings. In this study 35 samples are studied.

Therefore sample size selection is appropriate.

C) Sampling: Convenience sampling method used during the research process. NGOs working on various issues related to women, children and environment were used. As far as possible, researcher has tried to include NGOs working at city level, state level, district level, national level and international level.

D) Criteria for sample selection (NGOs):

1. NGO should be legally formed
2. It should be existing for minimum six years
3. NGOs working on following issues are to be covered in research:
 - a. Women
 - b. Children
 - c. Environment

E) Instruments used : Questionnaire and Personal Interview

F) Questionnaire design and types:

The main tool for collecting primary data was Questionnaire. Respondents were assured that the data provided was strictly for academic purpose and would be kept confidential. Total five types of questionnaires were designed:

1. Questionnaire for NGO (Annexure 2)
2. Questionnaire for Staff of NGO (Annexure 3)
3. Questionnaire for Volunteer of NGO (Annexure 4)
4. Questionnaire for Beneficiary of NGO (Annexure 5)
5. Questionnaire for MSW student (Annexure 6)

Out of the above 5 type of questionnaires, “Questionnaire for NGO” was used for hypothesis testing; whereas others act as a supporting data.

Questionnaire for NGO: This questionnaire included qualitative as well as quantitative questions. The questions asked are of closed type, open type and multiple choice questions.

It is divided into two sections: Section I and Section II.

Section I contains general information about the respondent (name, sex, designation, education and name of the organization) and 11 questions related to the general details of NGO like establishment year, address, contact details, mission statement, budget.

Section II includes 15 questions related with the management of human and financial resources and other aspects like strength and weakness, problems faced. Question number 1 of the Section II contains 24 sub-questions; out of which 20 are closed type and 4 are multiple choice questions. Question number 2 asks for data for the years 2005 to 2008 for annual expenditure, administrative expenditure, paid staff, volunteers and employee turnover. Question number 4 is about major sources of funds.

Questionnaire for Staff of NGO: This questionnaire includes general information of respondent (like name, age and sex) and total 8 questions.

Questionnaire for Volunteer of NGO: This questionnaire includes general information of respondent (like name, age and sex) and total 5 questions.

Questionnaire for Beneficiary of NGO: This questionnaire includes general information of respondent (like name, age, sex) and total 6 questions.

Questionnaire for MSW student: This questionnaire includes general information of respondent (like name, age and sex) and total 7 questions.

In all above questionnaires, “open type” or “open ended” questions were used for providing maximum freedom and openness for the respondent in answering.

G) Personal Interview: It was conducted after receiving and studying the filled questionnaire. The response in the questionnaire was discussed for better understanding and reasoning for given information in the questionnaire. In case of NGOs, presence of internal control system for managing finances like record keeping

periodic monitoring system for expenses and financial planning, motivation methods, training methods were discussed.

H) METHODS OF DATA COLLECTION:

PRIMARY DATA: The primary data was collected through Questionnaire and Personal interviews. Preliminary study was conducted, prior to finalisation of the questionnaire. The questionnaire was discussed with the experienced people from the NGOs for its appropriateness in contents related with management of human and financial resources. Pretesting was also done on 5 NGOs. The questionnaire was properly filled by these NGOs proving the worth of questionnaire.

A combined list of 208 NGOs working on issues related with women, children and environment was prepared from the following directories / sources:

1. NGO Directory of Pune city – Published by All India Institute of Local Self Government, November 2008
2. Reach – A directory of NGOs working in Pune Published by Chinmayee & Shailaja, Feb. 2002
3. The Pune Green Guide – Published by Kalpavriksh, April 2000
4. Directory of Pune city – Published by SNDT (Shreemati Nathibai Damodar Thackersey Women’s University)
5. Known sources (personally known NGOs)

SECONDARY DATA: Desk research carried out to collect the secondary data. Secondary data was collected through various sources - Books, National and International Journals, Articles, News papers, Research thesis, e-books, internet data base, educational websites.

I) Procedure for collection of Primary data:

Upon finalisation of Questionnaire, it was sent to 148 NGOs by UPC (Under Postal Certificate) along with the covering letter. But the response from the NGOs was lukewarm.

Most of the NGOs did not respond. Out of twelve which responded, eight were keen in having discussions while others had their own reasons for not contributing in this research.

The next action plan was contacting the NGOs personally and visiting them. Most of the NGOs did not show interest in the research. It took a lot of efforts in convincing the NGO to contribute in the research. The questionnaire was handed over personally (along with the covering letter – Annexure 1) and explained to the NGOs those who were convinced.

In most of the NGOs, the researcher had to fill the questionnaires while the respondent gave the answers. Personal face to face interviews were conducted with the respondents after studying the filled questionnaires. Same procedure had to be followed for getting the questionnaires filled from staff members, volunteers and beneficiaries. For getting complete data from the NGOs, each NGO had to be visited at least 3-4 times.

During the process of data collection, some of the NGOs suggested to conduct interview of MSW students since they are important part of the future NGO sector. According to these NGOs, MSW students are the most suited for working in NGOs therefore their views and expectations are worth considering. This suggestion was taken in right spirit and immediately implemented by conducting interview of 40 MSW students. Prior conducting the interviews, permission from concerned authority was taken.

In all, 125 questionnaires [Questionnaire for NGO: 35, Questionnaire for Staff of NGO: 26, Questionnaire for Volunteer of NGO: 11, Questionnaire for Beneficiary of NGO: 13, Questionnaire for MSW student: 40] were filled by various respondents. In case of Questionnaire for NGO, the responsible and knowledgeable person in NGO (like Manager, Founder, President) was interviewed.

In case of Questionnaire for beneficiary, following method was adopted:

- The questions were explained in local language wherever necessary.
- In case of children (who cannot fill the questionnaire) as beneficiary, the questionnaire was filled by responsible person (guardian or parent)

During the research at least 150 people (including respondents of all questionnaires) were interviewed formally and informally during the research.

J) Data compilation and analysis: Data entry was done using Microsoft Excel software. Testing of hypothesis is done using correlation coefficient. List of factors related with management of human and financial resources was prepared. These factors were derived from the questionnaire for NGO (Annexure 2). Weightage for each factor was assigned and maturity level of NGO in managing human and financial resources was calculated. This is explained in detail in Chapter - V.

K) Period of data collection: Primary data was collected during the period of Year 2009 to Year 2011.

1.8 COMPLEXITIES AND LIMITATIONS OF RESEARCH:

1. Since research is being done by an individual, there are natural limitations considering the large number of NGOs operating in the Pune region with different ideologies. Still, a representative sample was studied to reflect on the working of NGOs.
2. Since NGOs themselves have certain organizational limitations, their effect may not be concluding proof of gaps existing in management of human and financial resources. Still, efforts will be made from the available data of personal interviews, questionnaires and secondary data to understand the present practices followed in management of human and financial resources.
3. NGOs in the study region have different working styles, varied size, structures and ideologies which make the study complex as it makes the comparative analysis a bit difficult.
4. Study is limited to NGOs in Pune metropolitan area.
5. Updated and comprehensive list of NGOs in Pune metropolitan area is not available. List from various sources were combined and a final list was prepared that included NGOs working on issues related with Women, Children and Environment.

1.9 OUTLINE OF THE THESIS:

The chapter scheme for this research is as given under:

- Chapter - I Introduction to Research Topic and Research Methodology: This chapter describes in brief the need of this study, research background and research methodology.
- Chapter - II Introduction to NGOs and their management: This chapter includes meaning and types of NGOs, their characteristics, roles, history, and concept of management in NGOs.
- Chapter - III Legal aspects of Non – Government Organizations: This chapter includes registration methods in NGOs, comparison among Trust, Society and Non profit Company, India’s tax laws affecting NGOs and regulatory framework of NGOs.
- Chapter - IV Literature review and Introduction to the study region: This chapter focuses on review of literature and the study region.
- Chapter - V Analysis and Interpretations: This chapter explains the method of analysis, the results and its interpretation.
- Chapter - VI Findings and conclusions: This chapter explains the findings and their conclusions.
- Chapter -VII Recommendations and scope for further studies: This is the concluding chapter which explains the area for further research and its scope.

SUMMARY

NGOs are important entities that bring about overall development in India. Though, today the non-profit sector is facing criticism, not all the NGOs are involved in unethical practices. There is need to motivate the efforts of those NGOs which are transparent in their functioning. This research will help in creating awareness among the people regarding NGOs and their continuous contribution towards society.

In spite of having its own limitations, this research contributes in: i) understanding the current practices employed by NGOs for management of human and financial resources, ii) understanding the strengths and weaknesses of NGOs, iii) finding the correlation between the size of NGO and effective management of human and financial resources and iv) understanding whether there is need of any regulatory mechanism for proper functioning of NGOs.

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Chapter - II

INTRODUCTION TO NON – GOVERNMENT ORGANIZATIONS AND THEIR MANAGEMENT

2.1 THE MEANING AND DEFINITION OF NGO

A NGO is an organization consisting of private individuals who believe in certain basic social principles/ obligations and who structure their activities to bring about development to communities that they are servicing. “NGOs include groups and institutions that are entirely or largely independent of Government and that have primarily humanitarian rather than commercial objectives”¹. They are non-profit making, voluntary and service oriented organizations. Working on various issues like Environment protection, Save the Planet Earth, Disability, Science and Technology, Health, Agriculture, Animal welfare, Art and Culture, Education. NGOs are known by different names: Voluntary organizations (VOs), Voluntary Agencies (VAs), Voluntary Development Organizations (VDOs) and Non Governmental Development Organizations (NDGO). NGOs vary greatly according to their philosophy, purpose, programs, approach, orientation, scope of activities, expertise and structures. To a layman, NGO is a social institute, it is non-governmental and has a purpose of charity. Following are the different definitions of NGOs to have a better understanding of NGOs:

The **World Bank** defines NGOs as “Private organisations 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 organisation which is independent from government. NGOs are typically value based organisations which depend, in whole or in part, on donations and voluntary service².

The **United Nations** describes an NGO as: Any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, monitor policies and

encourage political participation at the community level. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements³.

In simple terms, NGOs can be defined as “self-governing, private, not-for - profit organizations that are geared to improving the quality of life for disadvantaged people” (Vakil, 1997)⁴.

Professor Peter Willets, from the City University of London, defines an NGO as "an independent voluntary association of people acting together on a continuous basis for some common purpose other than achieving government office, making money or illegal activities."⁵

Duggal (1988) defines NGOs in his study. According to him, (a) NGOs are registered as public trusts or societies; (b) Programmes adopted by NGOs are welfare programmes and many a time it is government funded rural development programs; (c) NGOs as a rule do not generate their own funds completely but rely on external financial assistance from government agencies, both national and international; (d) NGOs are private organizations, but their nature makes them somewhat different from what one gradually refers to the private sector. Thus, they are not supposed to make any profit⁶.

Some other definitions of NGO⁷:

An NGO is . . .

- ✓ A non-profit making, voluntary, service – oriented/ development oriented organization, either for the benefit of members (a grassroots organization) or of other members of the population (an agency).
- ✓ It is an organization of private individuals who believe in certain basic social principles and who structure their activities to bring about development to communities that they are servicing.
- ✓ Social development organization assisting in empowerment of people.

- ✓ An organization or group of people working independent of any external control with specific objectives and aims to fulfil tasks that are oriented to bring about desirable change in a given community or area or situation.
- ✓ An independent, democratic, non-sectarian people's organization working for the empowerment of economic and/or socially marginalized groups.
- ✓ An organization not affiliated to political parties, generally engaged in working for aid, development and welfare of the community.
- ✓ Organization committed to the root causes of the problems trying to better the quality of life especially for the poor, the oppressed, the marginalized in urban and rural areas.
- ✓ Organizations established by and for the community without or with little intervention from the government; they are not only a charity organization, but work on socio-economic-cultural activities.
- ✓ An organization that is flexible and democratic in its organization and attempts to serve the people without profit for itself.

2.2 NGO and VO

These terms, NGO and VO are generally understood as synonymous terms and are used interchangeably, but are different than each other in real sense. The NGOs need to be registered under some specific act and have a legal status; whereas VOs exist without any legal status. "VOs are initiated by individuals or groups of individuals for welfare and development. But NGOs are initiated or constituted in India generally by Government as autonomous bodies for pursuing some specific objectives. VOs formulate their own strategies, policies and programmes, but NGOs are more or less influenced by Government in fixing policies, programme and strategies"⁸. "VOs are non-profit organizations, small in size and run outside the domain of the state control; but NGOs are a later phenomenon. There is a relationship between the state and welfare NGOs. It is a fact that NGOs are non-profit organizations but provide welfare services sometimes as a part of or on the behest of Government and sometimes outside it"⁹. The VOs may be political or non-political in nature but NGOs are generally non-political in nature.

2.3 TYPES OF NGO

Different classifications of the NGOs are mentioned in literature. The classification of NGOs retrieved from different sources is as under:

- a) NGO type can be understood by orientation and level of co-operation¹⁰.

NGO type by orientation:

Charitable orientation: It often involves a top – down paternalistic effort with little participation by the “beneficiaries”. It includes NGOs with activities like food, clothing, housing of needy. Such NGOs may also undertake relief activities during a natural or manmade disaster.

- **Service orientation:** It includes NGOs with activities such as the provision of health, family planning or education service in which the program is designed by the NGO and people are expected to participate in its implementation and in receiving the service.
- **Participatory orientation:** It includes NGOs with participation of local people in organization’s activities. It is characterized by self – help projects where local people are involved particularly in the implementation of project by contributing cash, tools, land, materials, labor, etc.
- **Empowering orientation:** It is where the aim is to help poor people develop a clearer understanding of the social, political and economic factors affecting their lives, and to strengthen their awareness of their own potential power to control their lives.

NGO type by level of Operation

- **Community-Based Organization:** CBOs arise out of people’s own initiatives. These can include sports clubs, women’s organizations, neighbourhood organizations, religious or educational organizations.
- **City Wide Organization:** It includes organizations like Rotary or Lion’s Club, Chamber of Commerce and industry, coalitions of business, ethnic or educational groups and associations of community organizations. Some exist

for other purposes, and become involved in helping the poor as one of many activities, while others are created for the specific purpose of helping the poor.

- **National NGOs:** It includes organizations such as Red Cross, YMCAs / YWCAs, professional organizations, etc.
 - **International NGOs:** These range from secular agencies such as CARE, Ford and Rockefeller Foundations to religiously motivated groups. Their activities vary from mainly funding local NGOs, institutions and projects, to implementing the projects themselves.
- b) The World Bank differentiates two main categories of NGOs with which it interacts:
1. *Operational NGOs*, the primary purpose of which is the design and implementation of development-related projects.
 2. *Advocacy NGOs*, the primary purpose of which is to defend or promote a specific cause, and influence the policies and practices of international organizations.

The operational NGOs are further classified as national organizations, which operate in individual developing countries, international organizations, which are typically headquartered in developed countries and carry out operations in developing countries, and community-based organizations (CBOs), which serve a specific population in a narrow geographical area. CBOs, also referred to as grassroots organizations or peoples' organizations (PO), differ from other NGOs in both nature and purpose: while national and international organizations are seen as "intermediary" NGOs that are formed to serve others, CBOs are usually "membership" organizations whose purpose is to advance the interests of their members. Examples include women's groups, credit circles, youth clubs, cooperatives and farmers' associations"¹¹.

- c) NGOs are categorized based on their theme, nature of operations, or level of operation. Thematic NGOs deal with specific issues such as the environment, rural development, health, or women's empowerment. NGOs can also be classified on the basis of their operations such as advocacy, research, or training. The third possible

classification might be based on their level of operation, i.e. they can be international, national, or local”¹²

d) Korten (1990) classifies NGOs as per strategies of development. He states four types on NGOs i.e. Relief & Welfare Organization, Community Development Organization, Sustainable Systems Development Organization and People’s Organization”¹³.

e) According to D. Rajashekhar (2000), NGOs are of four categories, such as, Operational or Grassroots NGOs, Support NGOs, Network NGOs and Funding NGOs. *Grassroots NGOs* directly work with the oppressed sections of the society. It is, again, of four types: “Charity and Welfare NGOs’ which focus on providing Charity and Welfare to the poor, ‘Social Action Groups’ focus on mobilizing marginalized sections around specific issues, ‘Development NGOs’ focus on implementation of concrete development activities with issue based struggle. Support NGOs provide services that would strengthen the capacities of grassroots NGOs, Panchayati Raj Institutions, cooperatives and others to function more effectively. Network NGOs are formal associations or informal groups of grassroots and/or Support NGOs, which meet periodically on particular concerns. Funding NGOs are those who extend financial assistance to the grassroots NGOs, Support NGOs or people’s organizations”¹⁴.

f) Apart from "NGO", often alternative terms are used as for example: independent sector, volunteer sector, civil society, grassroots organizations, transnational social movement organizations, private voluntary organizations, self-help organizations and non-state actors (NSA's).

The Non-governmental organizations are a heterogeneous group. A long list of acronyms has developed around the term "NGO". These include¹⁵:

- BINGO: Business-friendly International NGO or Big International NGO
- National NGO: A non-governmental organization that exists only in one country
- CSO: Civil society organization
- DONGO: Donor Organized NGO

- ENGO: Environmental NGO, such as Greenpeace and WWF
- NNGO: Northern non-governmental organization.
- IDCIs: International development cooperation institutions.
- SNGOs: Support nongovernmental organizations
- SCOS, also known as social change organizations
- GONGOs are government-operated NGOs, which may have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests of the government in question
- INGO stands for international NGO
- QUANGOs are quasi-autonomous non-governmental organizations, such as the International Organization for Standardization (ISO). (The ISO is actually not purely an NGO, since its membership is by nation, and each nation is represented by what the ISO Council determines to be the 'most broadly representative' standardization body of a nation. That body might itself be a nongovernmental organization; for example, the United States is represented in ISO by the American National Standards Institute, which is independent of the federal government. However, other countries can be represented by national governmental agencies; this is the trend in Europe.)
- TANGO: Technical assistance NGO;
- TNGO: Transnational NGO;
- GSO: Grassroots Support Organization
- MANGO: short for market advocacy NGO
- NGDO: non-governmental development organization

2.4 CHARACTERISTICS OF NGOs: Though NGOs vary in different aspects like nature, structure and ideology but they have some characteristics which make them fall into a category of non-government organizations. In general, following are the common characteristics of NGOs:

i) The NGOs are not created for profit making, they are non-profit making organizations. The profit generated, if any is used for working of organization's programmes and is not distributed among its members.

ii) NGOs are independent of government.

iii) The NGOs are formed on voluntary basis and possess spirit of voluntarism.

iv) The NGOs have legal status/ identity. They need to be registered under appropriate Act (e.g. Trust Act, Society Registration Act or Companies Act). For obtaining foreign funding, they need to be registered under Foreign Contribution Regulation Act (FCRA) with Ministry of Home Affairs, Government of India.

v) All NGOs are formed to serve a common purpose of benefit and / or development of community. They aim towards helping the needy.

Apart from the above aspects, the definitions of NGOs also highlight the characteristic features of NGOs (See Point 2.1).

2.5 ROLE AND IMPORTANCE OF NGOs IN INDIA:

The NGOs perform various functions for the benefit of society. The range of NGO activities is huge and is spread in all fields: environment concern, age care, rural development, health, culture and heritage, women empowerment, child care and upliftment, basic education to all children, animal welfare, disaster management and many more.

India, being a largely populated country, it is not easy to meet all social and human needs by the government without help of NGOs. NGO takes efforts to satisfy the needs of a common man and development of nation by undertaking various projects and thus helps the Government to fulfil its objectives.

“The Government has enunciated welfare state as one of the Directive Principles of State Policy and essentially the society and social organizations also have a role to play in providing basic needs and amenities to and addressing the problems of the down trodden, destitute, and the weaker sections (women and children). Government has identified, considering the social pattern of living and needs of citizens, schemes in which NGOs and voluntary organizations can participate. These are broadly: Age Care, Agriculture, Animal Welfare, Art & Craft, Children, Cities & Urban, Culture & Heritage, Disability, Education, Environment, Health, Human Resource, Rural

Development, Science & Technology, Tribal People, Waste Management, Welfare, Women Development, Other Social and Cultural Activities”¹⁶.

“NGOs provide expert analysis in the field; serve as early warning agents and help monitor and implement international agreements. NGOs also help raise public awareness of issues, play a major role in advancing UN goals and objectives and contribute essential information at UN sponsored events. NGOs advocate many of the causes of concern to the United Nations. Volunteer resources and execute and oversee development projects”¹⁷.

To brief,

- NGOs perform a very important role in helping the needy people.
- NGOs are of great help in case of natural disaster / calamity like earthquake, tsunami or floods.
- NGOs act as a link between people and the government which act as a communicator, facilitator or active force for solving the problem.
- NGOs have a significant role in improving the standard of living and reducing the poverty.
- NGOs are also contributing in important research and education for development of the country.
- NGOs supplements government efforts. Today’s youth is nation’s future hope. NGOs play a vital role in education. NGOs try to reach the under privileged children and youth and make sure they get education.
- NGOs help to bring about sustainable development of the country since NGOs are active in most of the fields that bring about the economic and social growth and concern for the environment.
- Many NGOs are actively bringing about social mobilization on issues like empowerment of women, human rights, environment concern through campaigns, rallies or workshops.
- The corporate sector along with the NGOs are bringing sustainable development. NGOs play an important role in CSR activities. NGOs being more knowledgeable about social structure and social problems, expert advice

or assistance of NGOs is very useful for corporate sector in executing their CSR activities.

Significance of NGOs in India's Five Year Plans:

The voluntary organizations play an important role in formulating policies in India's Five Year Plan. "The Planning Commission had realized that the task of development was so large and complex that the State alone would not be able to accomplish it. Accordingly the very First Five Year Plan document had carried a plea to voluntary organizations to become involved in the task of development, mainly by implementing government programmes. Appropriate financial provisions were also made for them. Beginning with allocation of Rs. 4 crore in the First Plan, the voluntary sector has been receiving increasing amounts of public funds. In the Eighth Plan it rose to 750 crore and multiplied in subsequent plans"¹⁸.

The news in "THE HINDU" – New Delhi, December 6, 2010 says– "Planning Commission seeks inputs from NGOs, social groups for 12th Five Year Plan (2012-2017)"¹⁹. The role of NGOs has been very important in formulating policies, giving inputs and suggestions right from the First Five Year Plan till date.

2.6 STRENGTHS AND WEAKNESSES OF NGO:

As in case of any other type of organization, every NGO has its own set of strengths and weaknesses. No thumb-rule could be applied to list the strengths and weaknesses of NGOs as no two NGOs are totally identical. In general following are the most common strengths and weaknesses of NGOs:

Strengths of NGO:

- Proximity to grass root levels: NGOs are close to community and can understand people's needs and expectations. This is the major strength of NGOs. There is clarity about the nature and extent of problem or need prevailing in the community.

- Enthusiasm and inner drive of the members: NGO people have an inner drive towards social cause and they are enthusiastic about their work which results in timely achievement of their goals.
- Creativity and innovation: NGOs are generally known for their creative and innovative nature. Due to their freedom in working, NGOs are not under any kind of pressure of doing a job in a particular way, which in turn make them think creatively and brings innovation.
- Quality of work: NGOs utilise the funds economically as already most of the NGOs face shortage of funds. NGOs projects or activities are met in time and have long term effect.
- Speed of work: The communication is faster in case of NGOs since they do not contain long chain of commands in the organization. Fast communication, flexibility, field experience and field presence of NGOs increase the working speed.

Weaknesses of NGO:

- Dependence on donors: This is the biggest weakness of NGO which makes them unsustainable. Most of the NGOs are dependent on external funds for running their projects. In absence/ shortage of funds, the work of NGOs is slowed down or even stopped till the funds are available.
- Lack of skilled manpower: Technical ability is required for running the projects successfully, which is not available easily for NGOs. Also in NGOs working in rural areas or remote places, there is problem of inadequacy of trained people which is really a challenging situation.
- Limitations with long term and large scale projects: NGOs are efficient in short range projects, but they might find big projects difficult to manage because of insufficiency of funds and inadequacy of suitable manpower. The NGOs are close to grass roots but may be unaware of global socio – economic scenario which may make them unsuitable for large scale projects.

Strengths and Weaknesses of NGOs according to World Bank:

Because the nature and quality of individual NGOs varies greatly, it is extremely difficult to make generalizations about the sector as a whole. Despite this diversity, some specific **strengths** generally associated with the NGO sector include the following:

- ✓ strong grassroots links
- ✓ field-based development expertise
- ✓ ability to innovate and adapt
- ✓ process-oriented approach to development
- ✓ participatory methodologies and tools
- ✓ long-term commitment and emphasis on sustainability
- ✓ cost-effectiveness

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
- ✓ small scale interventions
- ✓ lack of understanding of the broader social or economic context²⁰

According to Shastri, “Nature and quality of individual NGOs varies greatly, it is extremely difficult to make generalizations about the sector as a whole. Despite this diversity, some specific strengths and weaknesses generally associated with the NGO sector includes the following²¹” (Table 2.1).

Table 2.1: Strength and weaknesses associated with the NGO sector²²

Strengths	Weaknesses
<p>Strong link with grassroots</p> <p>Empirical expertise</p> <p>Innovative ability</p> <p>Democratic work culture</p> <p>Cost effectiveness</p> <p>Long term Commitment</p>	<p>Lack of Experienced Manpower</p> <p>Limited financial assistance</p> <p>Focus on short range objectives</p> <p>Political influence</p> <p>Legal obligations</p> <p>High rate of growth in number of NGOs</p> <p>High corruption rate</p>

2.7 HISTORY OF NGOS

The concept of ‘philanthropy’, defined as the ethical notions of giving and serving to those beyond one’s immediate family, has existed in different forms across most cultures throughout history, often driven by religious tradition (Ilchman 1998)²³. Philanthropy, charity, voluntary work existed in various religions and cultures from long back.

NGOs origin goes back to nineteenth century or even earlier than that but the term “NGO” came into use in 1945, when the United Nations (UN) was created.

Industrial Revolution (1700-1900) began in Great Britain and within a few decades had spread to Western Europe and the United States and eventually in the whole world. There were major changes in manufacturing process, technology, agriculture and transportation. The Industrial Revolution affected the social, economical and cultural conditions of human life. There were major problems related to lower class masses like health and sanitation issues, child labour, women suffrage. The child labour existed even before Industrial Revolution, but it worsened due to increase in population. Labourers at factories, manufacturing units were working and

living in unhealthy and unsafe environment. In this period of time, most of the NGOs were active in child labour, women suffrage and anti-slavery movement.

By the end of the twentieth century due to globalization and advancements in transportation and telecommunications, there was rapid increase in number of NGOs at local, national and international levels.

According to David Lewis and Nazneen Kanji (2009), most NGOs emerge from relatively small-scale origins and grow over time into larger and more complex organizations.²⁴ Korten (1990) has explained the evolutionary process of NGOs in four generational terms (Table 2.2). The four generations are: First generation – Relief and welfare, Second generation – Community development, Third generation – Sustainable Systems Development, Fourth generation – People’s movements. In the first generation, an NGO provides relief and welfare services directly to the beneficiaries on urgent basis, for example – distribution of food or providing health facility. “In the second, NGOs shift towards the objectives of building small-scale, self-reliant local development initiatives, as they acquire more experience and build better knowledge, and may become more influenced by other agencies, such as donors. A stronger focus on sustainability emerges with the third generation, and a stronger interest in influencing the wider institutional and policy context through advocacy. In the fourth generation, NGOs become more closely linked to wider social movements and combine local action with activities at a national or global level, aimed at long-term structural change. Korten’s (1990) generation model is useful because it explores the way that some NGOs change, influenced by both external pressures and internal processes.”²⁵

Table 2.2: Korten’s schema of the four development NGO strategy ‘generations’

	Generation			
	First (relief and welfare)	Second (community development)	Third (sustainable systems development)	Fourth (people’s movements)
Problem definition	Shortage	Local Inertia	Institutional and policy constraints	Inadequate mobilizing vision
Timeframe	Immediate	Project life	10-20 years	Indefinite future
Scope	Individual or family	Neighbourhood or village	Region or nation	National or global
Main actors	NGO	NGO plus community	All relevant public and private institutions	Loosely defined networks of people and organizations
NGO role	Doer	Mobilizer	Catalyst	Activist/ educator

Source: adapted from Korten (1990)²⁶

2.8 HISTORY OF NGOs IN INDIA

“NGOs in India have their origins in ancient times: written in 1,500 BC, the *Rig Veda*, the ancient Aryan Scriptures, promoted the values of dharma (personal obligations), *jeev daya* (humanitarian concern and a concern for all living things) and voluntarism and philanthropy (Iyengar 2000; Mishra et al. 2006; Sen, S.1997)²⁷. India has a long history of civil society based on the concepts of *daana* (giving) and *seva* (service)²⁸. In ancient India, concept of charity emerged from religious beliefs. The noblemen or kings used to give *daana* to the needy people. *Daana* generally used to be the *annadaana* (offering food, grains, edibles). This *daana* and *seva* was done to receive blessings or good wishes from the people.

In the medieval era, voluntary work was focused on education, health, cultural promotion and natural calamities such as droughts, floods. “Voluntary organizations

proliferated and actively participated in various fields of social action during the British rule. They were engaged in social welfare activities, literary and relief works”²⁹.

The first half of the nineteenth century (1800 to 1850) was the era of social reform movements. Various social reformers like Raja Ram Mohan Roy, Ravindranath Tagore, Dayananda Saraswathy, Iswara Chandra Vidyasagar, Kesava Chandra Sen, Ram Krishna Paramhansa, Sayyed Ahmed Khan, Swami Vivekananda, Vinoba Bhave, Keshab Chandra Sen and Mahatma Phule had focused their work to eliminate practices like *Sati* (a recently widowed woman would immolate herself on her husband’s funeral pyre), child marriage, caste discrimination, untouchability and promote practices like widow remarriage and inter-caste marriage. During this period many organizations were formed, to name a few- Atmiya Sabha (1815), Brahma Sabha (1828), Dharma Samaj (1830), Widows Remarriage Association (1850), Satya Shodhak Samaj (1873), Arya Samaj (1875), the National Council for Women in India (1875), Indian National Social Conference (1887), the Ram Krishna Mission (1898). This increased number of NGOs resulted in the Societies Registration Act of 1860. This act gave the legal identity to the NGOs. During this period voluntary work was in the field of education, health services, relief and welfare. “A firm foundation for secular voluntary action in India was not laid until the Servants of India, a secular NGO was established in 1905.”³⁰“The approach of the society was secular and it sought to solve the national and social problems on a rational basis. It engaged itself in improving the condition of women, problems of untouchability, establishing cooperative enterprises and rendering relief work.”³¹

“The emergence of Mahatma Gandhi into the Indian political arena during 1916-17 changed the complexion of the national movement and also that of voluntarism. The period marked the beginning of a more principled and value-based voluntary action in India.”³²According to Mahatma Gandhi, India’s problem was poverty of rural masses. His constructive work aimed towards developing self sufficient villages. He encouraged the masses to make use of *charkha* (spinning wheel), *khadi* (handwoven cloth) and *gramudoyog* (village industries). “Gandhiji’s Constructive Work became part of the mass national movement for political freedom and he insisted that political freedom must go hand in hand with a sense of social

responsibility”.³³ Many organizations were formed at this time which were based on Gandhiji’s constructive work.

After independence, government recognized the importance of voluntary sector and carried out various welfare, relief and development programmes. In 1951, India’s first five year’s development plan (1951 to 1956) came into existence. In 1953, Central Social Welfare Board (CSWB) was established for promotion of voluntary organisations. Then voluntary organizations started getting government funds through Grant-in-aid. “In the early fifties, with the introduction of National Community Development Programme and National Extension Service, started the process of decentralization of voluntary efforts in development. Further decentralization took place with the introduction of a three tier Panchayati Raj in 1958.”³⁴ “Association for Voluntary Agencies for Rural Development (AVARD) came into existence in 1958 to provide a national level common platform of voluntary agencies spread across the country”³⁵.

“In the period (1970-1990), civil Society space started increasing from 70s, NGO’s started highlighting that why government programme not yielding positive results for poor and marginalized, presented new model for development with people’s participation. With this new model NGO’s covered vast program areas like education, primary health care, drinking water, sanitation, small irrigation, forest regeneration, tribal development, women’s development, child labour, pollution safety etc. later on many of these models were included in govt programme and policies.”³⁶

“A recent Report on Non Profit institutions in India (March 2012) by the National Accounts Division, Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India (“MOSPI Report”) found that there were only 1.44 lakh societies registered till the year 1970, followed by 1.79 lakh registrations in the period 1971 to 1980, 5.52 lakh registrations in the period 1981 to 1990, 11.22 lakh registrations in the period 1991 to 2000, and as many as 11.35 lakh societies were registered after 2000”³⁷. This data shows there was rapid growth in number of NGOs from 1970s. From then till date, NGOs are recognized as development partners of the state. There is emphasis on role of NGOs in every Five Year Plan of India.

2.9 FACTS AND FIGURES ON NGOS

Table 2.3: Evolution of NGOs in India

I] Evolution of NGOs in India

Period	Activities
Pre Independence	Social welfare, Constructive work (inspired by Gandhian philosophy) very much in line with independence movement
1950-1970	Social welfare, Govt. funded and managed NGO like Khadi Industries. India's five year's development plans came into existence, Most of the development works were rested with NGO's
1970-1990	Civil Society space started increasing from 70s, NGO's started highlighting that why govt. programme not yielding positive results for poor and marginalized, presented new model for development with people's participation. With this new model NGO's covered vast program areas like education, primary health care, drinking water, sanitation, small irrigation, forest regeneration, tribal development, women's development, child labour, pollution safety etc. later on many of these models were included in govt programme and policies.
1990-2005	GO-NGO partnership got a boost in this period; NGO focus is more on Self Help Groups, Micro Credit, Livelihood. NGO participation is ensured in policy formation and programme implementation

(Sources: Discussion with Chinese Delegate, 7th June 2005 at PRIA)

II] Total number of NGO

1. *PRIA [Source: Invisible, Yet Widespread: The Non-Profit Sector In India, December 2002, PRIA]*

Table 2.4: Total number of NGO

Total Number of NGO	1.2 million
Rural Based	53%
Urban Based	47%
Unregistered	49.6%

2. From Wikipedia : Non Governmental Organisation

India is estimated to have around 3.3 million NGOs in year 2009, which is one NGO for less than 400 Indians, and many times the number of primary schools and primary health centres in India.

3. The Indian Express – 7.7.2010, Wednesday

First official estimate: An NGO for every 400 people in India: India has possibly the largest number of active non-government, not-for-profit organizations in the world. A recent study commissioned by the government put the number of such entities, accounted for till 2009, at 3.3 million. That is one NGO for less than 400 Indians, and many times the number of primary schools and primary health centres in India.

According to the government study, the largest number of NGOs are registered in Maharashtra (4.8 lakh), followed by Andhra Pradesh (4.6 lakh), UP (4.3 lakh), Kerala (3.3 lakh), Karnataka (1.9 lakh), Gujarat (1.7 lakh), West Bengal (1.7 lakh), Tamil Nadu (1.4 lakh), Orissa (1.3 lakh) and Rajasthan (1 lakh). More than 80 per cent of registrations come from these 10 states.

III] SIZE OF NGO (in terms of manpower)

PRIA (Source: *Invisible, Yet Widespread: The Non-Profit Sector In India, December 2002, PRIA*)

Table 2.5: SIZE OF NGO (in terms of manpower)

Category of staff	Percentage of NGOs
One or less paid staff	73.4
Between 2-5	13.3
Between 6-10	4.8
Above ten paid staff	8.5

IV] FUNDING MECHANISM IN INDIA

All India estimates of total receipts of NPOs for 1999 – 2000 were Rs. 17922 crores (*one crore equivalent to 10 million*)

SOURCES OF FUNDING IN INDIA: PRIA (Sources: *Discussion with Chinese Delegate, 7th June 2005 at PRIA*)

Table 2.6: Sources Of Funding In India

Sources	Percentage of Total Fund (app.)
Local (peoples contribution and Corporate Contribution)	80%
Government	13%
International	7%

TYPES OF FUNDING: PRIA (Source: *Invisible, Yet Widespread: The Non-Profit Sector In India, December 2002, PRIA*)

Table 2.7: Types Of Funding

Types	Percentage of Total Fund (app.)
Self Generated	51%
Loans	7.1%
Grants	29%
Donations	12.9%

DOMINANT ACTIVITIES IN INDIA: PRIA (Source: *Invisible, Yet Widespread: The Non-Profit Sector In India, December 2002, PRIA*)

Table 2.8: Dominant Activities in India

Type of Activities	Percentage of NGOs
Religious	26.5%
Community/Social Service	21.3%
Education	20.4%
Sports/Culture	17.9%
Health	6.6%
Others	7.5%

2.10 NGOs AND THE GOVERNMENT

The NGOs and the government both share one common intention of development of nation. The Government of India has recognized the potential of NGOs, which is evident in the India's five year plans and various schemes of government for NGOs. NGOs are closer to the community, and have information and knowledge base about current situation related to number of issues like problems of women, child labor, health and sanitation, environmental degradation. The NGOs act as a communication channel between general public and government by sharing such information. NGOs, especially those working to provide various services – health, education, nutrition, rural development- act as a buffer between the state and people. NGOs ensure that the

voice of the impoverished people is heard (Desai 1999). NGOs at times act as ‘contractors’ of the State for implementing government designed and sponsored schemes for the people.”³⁸ NGOs have active role in influencing the government policies that affect the society.

The working of NGOs as compared to government is more timely and cost effective on account of the facts that NGOs have strong grass root links, better field work expertise, flexible and adaptive nature. Unlike government’s method of working where total process of project implementation is quite lengthy, NGOs are comparatively faster in action. According to the Report of the Steering Committee on Voluntary Sector on Tenth Five Year Plan (2002-2007) “Developmental activities undertaken with people’s active participation have a great chance of success and can also be more cost-effective as compared to the development activities undertaken by the Government where people become passive observers”³⁹. The NGO sector is weaker than government when it comes to financial independence. Most of the NGOs often face scarcity of funds and are dependent on donors (like funding agencies, government, individual donors).

The government acts as one of the major sources of funds for NGOs. Government has different funding schemes under various Ministries of central government. Most of the NGOs are dependent on funds from government. NGOs in India are registered under various acts like Societies Registration Act 1860, Bombay Public Trusts Act 1950. These Acts are regulated by Government. NGOs have to abide by the rules and regulations and regulatory mechanism laid by government under these Acts. Income Tax Act 1961 is the legislation relating to finance enacted by government on NGOs. For regulating the in-flow of foreign funds to the NGOs, Foreign Contribution (Regulation) Act, 1976 was enacted which is now replaced by its improved version as Foreign Contribution (Regulation) Act, 2010.

2.11 SOURCES OF FUNDING OF NGOS:

The NGOs rely on funding from variety of sources for their projects, administrative costs and their overall functioning. These sources could be internal sources like membership fees or could be external sources like funding from government. NGOs may depend on some large number of donations or more small number of donations.

I] Internal sources: Internal sources of funding are membership fees, subscriptions, interests/ dividends, sales of products, individual donations and rent.

Membership fees – Annual fees charged for becoming a member of the organization is the membership fees.

Subscription – Fees is charged by the organization for subscribing in-house magazine or bulletin or any other type of publication.

Interests/dividends – On any short term or long term investment of NGO, interest / dividend is received.

Sales of products – Funds are raised by sale of products like handicraft items, food items and candles that are generally prepared by the beneficiaries.

Individual donations – Any member of the NGO may give funds from his pocket as individual donation.

Rent- In case the NGO leases out its property like office, rent becomes the internal funding source.

II] External sources: External sources include Government, Foundations, Trusts, Funding Agencies, Corporations, Public donations, Self financing.

Government- “By and large, funds from government to the work of voluntary organizations have been coming right from independence. Central Social Welfare Board and Khadi and Village Industries Corporation are two early examples of funding the work of certain types of activities of Voluntary Development Organisations”⁴⁰. The Central and State Governments have many schemes of various Ministries and Departments in the areas like Education, Health, Children and Women welfare, Human Resource Development, Environment, Rural Development. Many NGOs receive funds from government to work on their projects.

Foundations, Trusts, Funding Agencies: National Foundations/ Funding Agencies, Foreign/international foundations / Funding Agencies and Trusts are one of the major sources of funds for NGOs.

Corporations: Corporate sector includes the corporations and business houses acting as a funding source for NGOs.

Public donations⁴¹: Donations given by an individual or a group of individual for charitable cause, fall under this category. According to a national (India) survey covering around 28 percent of urban India and concluded in August 2001 by Sampradaan.

96% of upper and middle class households in urban India donate to a charitable cause. The total amount donated is Rs. 16.16 billion.

2.12 INTRODUCTION TO MANAGEMENT

Management means managing any activity, carrying out the activity in such a way that it leads to achievement of goals in time. It is a problem solving process of effectively achieving organisational objectives through the efficient use of scarce resources in a dynamic environment.

Management is applicable in every sphere of life. It is applicable from household activities to business activities. Management principles are helpful in any type of organization – small scale to large scale, profit organization to non-profit organization to meet the objectives and targets in time.

Definitions of Management:

There are different opinions about Management. Different experts and scholars have defined management in a different way. Some have defined management as an art, some have defined management as a series of steps with specific functions. Definitions according to various experts is given below:

Peter Drucker has defined management as, “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work”⁴²

F.W.Taylor has defined management as, “Management is knowing exactly what you want men do, and then seeing that they do it in the best and cheapest way.”⁴³

Henry Fayol has quoted management as – “To manage is to forecast, to plan, to organize, to co-ordinate and to control.”⁴⁴

As per **Mary Parker Follett**, “Management is the art of getting things done through people.”⁴⁵

George R. Terry defines management as “A process consisting of planning, organising, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources.”⁴⁶

Importance of Management:

1. **Achievement of goals** or meeting targets in time: Every organization has some goal to accomplish and has target line. By proper planning, direction, coordination and control over all activities, one can achieve goals and meet the targets of organization in time.
2. **Stability and growth:** Management ensures the effective and optimum utilization of available resources of the organization. It controls the various activities and operations, integrates the functions.
3. **Change and development-** Organization that follows management concepts, is aware of the changing environment and can foresee the development in future.
4. **Efficiency and effectiveness** – Management functions are Planning, Organizing, Leading and Controlling. These functions bring efficient and effective human efforts and operations.

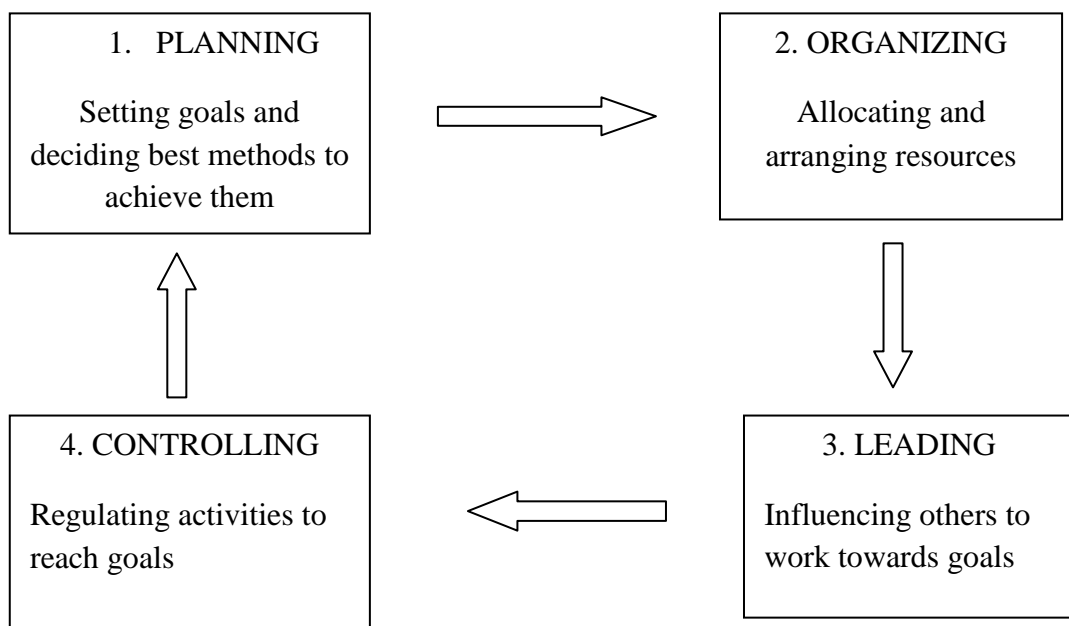
Significance of Management

Management has significant role to play in all type of organisations, whether profit organisations or non-profit organisations, whether small or large. Principles of management are applicable at all levels of organisation – top, middle and bottom level. Management is applicable in all the areas of the organisation like finance, Marketing, Production, and Sales.

Functions of Management (Process of Management):

Management is a process consisting of different stages which are the functions of management. The important functions of management are planning, organizing, leading and controlling.

Figure 2.1: Functions of Management⁴⁷



Planning:

Planning is the basis of other major functions of management – organizing, leading and controlling.

Planning is deciding in advance what is to be done, when it is to be done, how it is to be done and why it is to be done. There are two types of planning – strategic

planning and operational planning. Strategic planning means planning for long range goals and the broad approaches for achieving them. Operational planning means planning for short range objectives and the specific means used to obtain them and on the related managerial activity of decision making.

Organizing:

After planning, next step is organizing. In organizing according to the plan, arrangement for allocation of resources is done. Job responsibility based on skills possessed by human resource is prepared. Establishment of proper communication system and coordination is also part of organizing.

Leading:

Leadership, communication and motivation are the important components in leading. It involves motivation and directing. It is the management function that involves influencing others to carry out work to meet organizational goals. A good leader builds up a team spirit and cooperative efficiency.

Controlling:

Controlling implies having 'control' over the various activities, operations of the organisation to ensure that actual performance is close to expected (standard) performance of the organization. Close control and monitoring or check is required on ongoing activities and wherever necessary corrective action should be taken immediately.

2.13 CONCEPT OF MANAGEMENT IN NGOs:

As mentioned in Chapter I, according to Peter Drucker, non profit organizations need management all the more, because they do not have a conventional bottom line. The corporate sectors and business organisations have objectives of profit making, so they adhere strictly to management principles to achieve the maximum results. NGOs do not have objectives of profit making, but they also need to follow management principles as there is always the shortage of resources in most of the NGOs.

Objectives or Mission statement:

Every organization, profit or non-profit, commercial or welfare, small or large needs to define its objectives. Without defining the objectives, an organization remains directionless. Objectives are important in laying down the targets and measuring organizational performance.

A mission statement throws light on the reason for organisations existence, who would be the beneficiaries and their needs / problems, which strategies will be employed to solve these problems / satisfy their needs, and what is to be achieved. In case of NGOs, Mission / Mission statement satisfies this need. For deciding the objectives / Mission, the general requirements are⁴⁸:

- i) Identifying a problem
- ii) Finding probable solutions to the problems
- iii) Measures to be taken / products to be distributed / marketed
- iv) Beneficiaries to be rescued from the problem

Every NGO must have a properly defined mission statement.

Planning:

In most of the NGOs, long term plan (plan for 3-5 years) may not be available. This is because NGOs are dependent on external sources of funds like donations, grants etc. Unless they have been sponsored by big corporate houses or they are funded by Government. The NGOs who are always in need of funds and face scarcity of funds cannot have long term planning. In fact they are so much occupied in solving present problems with the existing work going on. In such cases long term planning is almost absent. NGOs at a time or undertake two or more projects at a time. Project implementation requires planning, arrangement and allocation of resources and time management.

For implementing the project / achieving any goal, thoughtful and considerate planning is essential. In case of NGOs, planning may involve following⁴⁹:

- i) Designing the projects to achieve the targets

- ii) Plan of project activities
- iii) Formulating strategies for implementing the project
- iv) Identifying various requirements like manpower, method of implementing the project, funds requirement etc.; in short the need of Man, Machine, Material, Money.

Organising:

In NGOs following are the areas that need organising:

i) Marketing:

In present days, where boom in NGOs is observed, it has become vital for NGOs to market themselves. Marketing is essential for creating awareness of general public, donors and beneficiaries about the work NGOs are undertaking and services being offered by NGOs. Websites and brochures are some methods of marketing of NGOs. Marketing is equally important in commercial sector as well as non-profit sector.

ii) Staffing:

In NGOs, manpower comprises of paid staff and volunteers. The volunteers could be students, social workers or any person who is willing to work for a social cause, benefit of society. Staffing process involves identifying jobs according to needs of organization, recruitment of human resource based on their qualification and skills, providing training as per need. Staffing is an important component of human resource management.

iii) Financing:

In case of NGOs, funds are generated by various means like public donations or Government / Corporate grants or sale of products produced by them, workshops, charity shows and personal donations by the members. There is no fixed 'income' as such. Many a times it happens in NGOs that the project gets stuck up at some stage due to insufficient funds. There is always a gap between the funds requirement and funds generated. NGOs need to plan financing methods and should take fund raising as an important activity. They should not rely on one single source of fund, rather they should look for more options.

Proper financing involves investment of surplus available funds so that more resources are generated by way of interest / dividend or capital gains for future use; this also ensures optimum utilisation of available resources.⁵⁰

iv) Project implementation:

After marketing, staffing and financing, project implementation starts. Management concept is very important for successful implementation of project.

Controlling:

It includes monitoring that the activities are going as per the pre-decided planning, comparing the actual findings with the estimated standards. If there is any deviation from the standards, there is need to take corrective action in time. In NGOs controlling is very important to avoid misuse or wastage of scarce resources. Different measures of control in NGOs are:

i) Feedback: The feedback from the beneficiaries for service / facility / help provided by NGOs is an informative source for improvement in working of NGO. NGOs should have some methodology to collect feedback of beneficiaries, know their opinions and non desirable things (if any), their suggestions for further improvement.

ii) Budget: It is an important aspect of controlling. It is used as a control device by matching revenues and expenses for the concerned department against the budget projections. A periodic performance evaluation is necessary to ensure that performance is in line with projections. In case there are any deviations, corrective actions should be taken and if required, the budget projections may be revised⁵¹.

iii) Performance Control: This refers to comparing the actual performance to the standard performance, actual output to the standard optimum output.

2.14 PROJECT FORMULATION IN NGOs

Project⁵²: As stated in a UN publication entitled ‘Manual of Economic Development Projects’, project is defined as “the compilation of data which will enable an appraisal to be made of the economic advantages and disadvantages attendant upon the allocation of country’s resources to the production of specific goods and services.” As such project means the specifications and accomplishments, within a given period, of related set of activities that will result in a measurable change in any system’s capacity to improve the status of the community directly or indirectly.

Project is a target based and time framed activity. NGOs work on specific objectives which are based on their mission. These objectives in form of a project are implemented in pre-decided time frame and resources.

Origin of Project⁵³:

The decision of taking up a project emerges from the researchers, evaluations or studies conducted by the training institutes / Universities, from the people, pressure groups, social activists, Government, or from within NGO. It is essential to ensure that the project is:

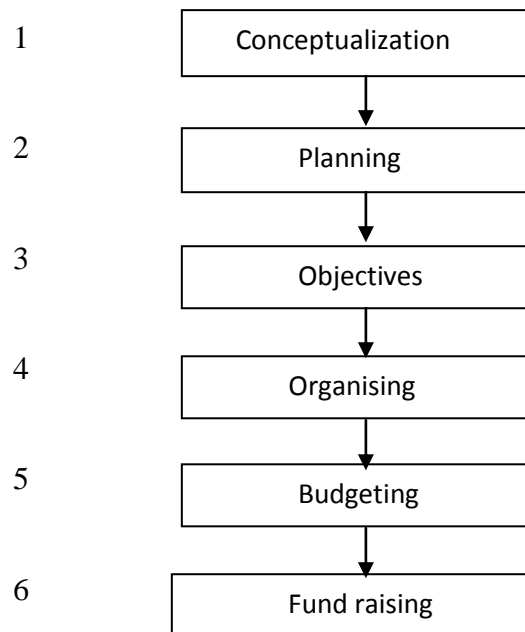
- a) according to the socio-economic policy of NGO;
- b) according to the priority needs of the people;
- c) linked properly with the objectives and goals of the planning;
- d) it fits into the overall economic and social development of the society;
- e) properly linked with the projects in the allied area; and
- f) capable of achieving useful and permanent results.

Project Formulation:

The project formulation needs more time. The funding organizations have their own criteria which NGOs have to follow. The funder should be satisfied the concept of NGO’s project. Therefore NGOs have to accurately plan the projects considering all the factors; economic value, social importance of project and sustainability of project.

Project formulation is a thoughtful process which needs experience. Project formulation requires these steps: conceptualization, planning, setting objectives, organising, budgeting and fund raising⁵⁴.

Figure 2.2: Steps in Project formulation:



Step 1: Conceptualization

In this step the basic purpose of project is decided based upon some need or problem existing in community. After identifying the problem, the team of human resource of NGO along with some experts analyse the problem and finalise the action plan for solving that problem.

Step 2: Planning

Planning involves plan for allocation of all resources that are required for implementation of projects. In NGOs participation from all levels – top to down – is required. Staff, volunteers, all members should be involved in planning.

Step 3: Objectives

Targets should be clear and achievable in decided time frame.

Step 4: Organising

Organising involves arrangement and allocation of all resources that are required for successful implementation of project.

Step5: Budgeting

A budget is an important document for assessing the financial requirements on an NGO. A budget is normally prepared for a period of one year, which may be financial year or calendar year. If there are various branches, then budget should be prepared for every branch first and then should be consolidated at central level.

The income and expenditure side should always be balanced showing deficit or surplus. If there is deficit then sources to meet the deficit should be indicated or the measures to reduce the expenditure should be stated. A budget should be realistic and accurate; it should also take care of certain unforeseen expenditure⁵⁵.

Step 6: Raising funds

Fund raising is a very important and essential activity for NGOs. NGOs have to convince the donors by presenting a good project proposal which is worth. Fund raising involves identifying and listing donors, approaching the donors with project proposal. Fund raising is not an easy activity, since there is high population of NGOs. A competent NGO is successful in getting funds in time.

2.15 OPINIONS (OF EXPERTS AND EXPERIENCED PEOPLE FROM NGO SECTOR) ON MANAGEMENT OF NGOS:

- NGOs need to understand the importance of Management. This is surprising to note that big NGOs, NGOs working from last 20-25 years or NGOs supported by or formed by big corporate or business houses are also not good at their management. They need to understand, how to work effectively (Refer Annexure 8)
- As compared to societies and trust, management is better in section 25 companies (Refer Annexure 9). Management of section 25 company is like management of any other private company. Proper organization structure exists. Roles and responsibilities are clear and identified (Refer Annexure 10).

- Section 25 companies work systematically. As compared to Society and Trust, human and financial resources are managed in a better way in Section 25 company (Refer Annexure 11).
- Transparency is must in NGOs. A transparent NGO doesn't face problems in getting funds. The people in the Managing Committee / Trustee Board should have high morale. If these people are disciplined and have philanthropic value, all other people working for the organization follow them (Refer Annexure 13).
- NGOs should follow self-regulation. People are the regulatory bodies. If a NGO is doing good work, people reward that NGO by their belief and support in various forms like participation in rallies for social cause, donating money. Role of NGOs should be of catalyst (Refer Annexure 13).
- The effective management of human and financial resources dependent does not depend on size (budget) of NGO. "Size does not matter, intent and internal values does" (Refer Annexure 14).

SUMMARY:

Charity had its roots in ancient India. The term, “NGO” came into existence in 1945. Role of NGOs in development of nation was recognised by government of India, and emphasised in every five year plan of India. Government introduced various schemes for funding NGOs. NGOs started getting recognized as ‘third sector’ or ‘NGO sector’.

NGOs dependency on donors makes the concept of management, an essential element in their activities. NGOs need to manage their projects in such a way that they achieve optimum utilization of available resources. Like commercial organizations, non-profit organizations also have to plan their budgets, resources, time lines and goals.

NGOs have legal existence, but complexities come along with the legal system – the next chapter talks about legal systems and complexities of NGOs.

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CHAPTER - III

LEGAL ASPECTS OF NON – GOVERNMENT ORGANIZATIONS

3.1 LEGISLATION IN NGOs:

In India, NGO can be formed and registered under various legal identities: a Charitable Trust, a Society under the Societies Registration Act and a Company under Section 25 of the Companies Act of 1956.

Different states in India have different Trusts Acts in force. In case, there is no Trust Act in any state, the general principles of the Indian Trusts Act 1882 are applicable. In state of Maharashtra and Gujarat, Bombay Public Trusts Act, 1950 is applicable.

Societies are registered under the Societies Registration Act, 1860, which is a federal act. In certain states, which have a charity commissioner, the society should be registered under both the Acts; the Societies Registration Act and Bombay Public Trusts Act.

Section-25 companies are registered under section-25 of the Indian Companies Act. 1956.

3.2 REGISTRATION METHODS OF NGOs:

Trust: A public charitable trust is usually floated when there is property involved, especially in terms of land and building¹

“The main instrument is the trust deed. The three parties (settler, trustee and beneficiary of trust) are linked by a trust deed. Trusts are commonly classified as private/family and public trusts. The main difference between a private and public trust is that while the beneficiary of a private trust is one or a few individual (mostly family members of the donor), the beneficiary of a public trust is the general public. For the purposes of forming an NGO ensuring public benefit a public trust can be formed.”²

The trust deed should include – name of the trust, trustee, settler and beneficiary, objectives of the trust, procedure for appointment, removal or replacement of a trustee and any other condition that the settler may wish to enforce.

Important features of Trust:

- A trust can be established by two or more individuals and registered under the Trusts Act of the State.
- Legal requirements of a trust are simpler than that of section 25 company.
- Board of trustees are responsible for management of trust and they can remain so for life long and cannot be removed by election as the case is in society.
- The disadvantage is that the alteration of the objects laid down in the trust deed is difficult and only the settler can modify them.
- It is difficult to wind up a trust.

Society: A society is association of people who come together for some common purpose and do the work that is useful to others.

According to section 20 of the Societies Registration Act, 1860, the following societies can be registered under the Act: ‘charitable societies, military orphan funds or societies established at the several presidencies of India, societies established for the promotion of science, literature, or the fine arts, for instruction, the diffusion of useful knowledge, the diffusion of political education, the foundation or maintenance of libraries or reading rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of art, collection of natural history, mechanical and philosophical inventions, instruments or designs’³

The main instrument is ‘Memorandum of Association’ and ‘Rules and regulations’. The memorandum of association contains- name of the society, the registered/ principal office of the society, objectives of the society, names, addresses and occupations of the members of the governing body. The rules and regulations direct the members of the governing body to carry out internal management and functions of the society.

Important features of Society:

- The legal requirements are much simpler than in the case of a trust or Section 25 companies.
- Unlike trusts, a society has a more flexible and democratic set up with membership and an elected body to manage the society.
- It is easier to wind up a society than it is to wind up a trust.
- Legal requirements of a society are simpler than that of section 25 company.

Company licensed under Section 25 of the Companies Act of 1956: A non-profit company can be formed by people for non-profit activity. According to section 25(1)(a) and (b) of the Indian Companies Act, 1956, a section-25 company can be established ‘for promoting commerce, art, science, religion, charity or any other useful object’, provided the profits, if any, or other income is applied for promoting only the objects of the company and no dividend is paid to its members⁴. The main instrument is a Memorandum and articles of association.

“A company may obtain nonprofit status if it fulfills the following conditions: the Memorandum of Association of the Company makes it expressly nonprofit; the income of the company is solely applied for promotion of charitable objectives; and the members do not get any dividends or other profits. Such companies are known as charitable companies and can hold property for charitable purposes. In such cases, this must be stated in the Memorandum of Association and the central government has to grant a license. The registration procedure for a company is elaborate and requires the submission of a printed Memorandum of Association and Articles of the Association to the Register of Companies”⁵.

Important features of section 25 company:

- It is a legal entity which can own its funds and other property.
- Less interference from government, more freedom in working as compared to trusts and societies.
- Better management and governance system than trusts and societies.

- An incorporated company has perpetual succession. Notwithstanding any changes in the members of the Company, the Company will be a same entity with the same privileges, immunities, estates and possessions. The Company shall continue to exist till its wound up in accordance with the provisions of the relevant law.
- It has to ensure that the profits are not distributed as dividend to its members and is used solely for the object of company.
- Any change in Memorandum of Association needs approval of Central Government
- The process of closing down a company is not easy as compared to trust and society. It involves compliance of various formalities.

3.3 COMPARISON AMONG TRUST, SOCIETY AND NON-PROFIT COMPANY⁶

Table 3.1: Comparison among Trust, Society and Non-profit Company

Differential factor	Trust	Society	Section-25 Company
Statute/ Legislation	Relevant State Trust Act or Bombay Public Trusts Act, 1950	Societies Registration Act, 1860	Indian Companies Act, 1956
Jurisdiction	Deputy Registrar/Charity commissioner	Registrar of societies (charity commissioner in Maharashtra).	Registrar of companies
Registration	As trust	As Society In Maharashtra, both as a society and as a trust	As a company u/s 25 of the Indian Companies Act.
Registration Document	Trust deed	Memorandum of association and rules and regulations	Memorandum and articles of association. and regulations
Stamp Duty	Trust deed to be executed on non-judicial stamp paper, vary from state to state	No stamp paper required for memorandum of association and rules and regulations.	No stamp paper required for memorandum and articles of association.
Members Required	Minimum – two trustees. No upper limit.	Minimum – seven managing committee members. No upper limit.	Minimum three trustees. No upper limit.
Board of Management	Trustees / Board of Trustees	Governing body or council/managing or executive committee	Board of directors/ Managing committee

3.4 INDIA'S TAX LAWS AFFECTING NGOs

3.4.1 Income of NGOs⁷: NGOs are taxable on basis of their income. The income of an NGO may include:

- i) Subscriptions from the members;
- ii) Donations and voluntary contributions from the members and others, including the donations towards the corpus of the trust or institution;
- iii) Income from property held under trust (including a business undertaking so held);
- iv) Capital gain on transfer of property held under trust;
- v) Income from any other business carried on by the organisation which is incidental to the attainments of its objectives;
- vi) Income from any other business carried on by the organisation.

3.4.2 Tax exemptions for NGOs

1. General scheme:

The Income Tax Act, 1961 is the national all- India Act which is applicable to NGOs. It governs tax exemption for NGOs. Organizations eligible for tax-exempt status if the following conditions are met:

- They must be organized for religious or charitable purposes;
- The organization must spend 85% of its income on the objects of the organization;
- The organization must use funds for benefit of the public and not for the founder or trustee;
- Annual income return should be filed in time by the organization;
- The income should be applied in India

2. **Corpus donations:** Corpus donations are capital contribution and are not denoted as income. (It is invested and its interest/ dividend will be income).
3. **Business Income:** Under amendments to Section 11(4A) of the Income Tax Act 1961, a not-for-profit organization is not taxed on income from a business that it operates that is incidental to the attainment of the objects of the not-for-profit organization, provided the entity maintains separate books and accounts with respect to the business. Furthermore, certain activities resulting in profit, such as renting out auditoriums, are not treated as income from a business⁸.
4. **Disqualification from Exemption:** Following groups are ineligible for tax exemption: all private religious trusts; and charitable trusts or organizations created after April 1, 1962, and established for the benefit of any particular religious community or caste. But note that a trust or organization established for the benefit of "Scheduled Castes, backward classes, Scheduled Tribes or women and children" is an exception; such a trust or organization is not disqualified, and its income is exempt from taxation⁹.

3.4.3 Tax Deduction for Donors¹⁰

The Income Tax Act, section 80G, sets forth the types of donations that are tax-deductible. The Act permits donors to deduct contributions to trusts, societies and section 25 companies. Many institutions listed under 80G are government-related; donors are entitled to a 100% deduction for donations to some of these government funds. Donors are generally entitled to a 50% deduction for donations to non-governmental charities. Total deductions taken may not exceed 10% of the donor's total gross income.

In – kind donations are not tax-deductible under Section 80G. Under section 35AC of the Act, donors may deduct 100% of contributions to various projects, including: 1) construction and maintenance of drinking water projects in rural areas and in urban slums; 2) construction of dwelling units for the economically disadvantaged;

and 3) construction of school buildings, primarily for economically disadvantaged children.

Under section 35CCA of the Act, donors may deduct 100% of their contributions to associations and institutions carrying out rural development programs and, under Section 35CCB of the Act, 100% of their donations to associations and institutions carrying out programs of conservation of natural resources.

A weighted deduction of 125% is also allowed for contributions to organizations approved under section 35(1)(ii) (a scientific research institute or a university, college or other institution) specifically for "scientific research," and for contributions made under section 35(1)(iii) specifically for "research in social science or statistical research."

3.4.4 Foreign Contribution Regulation Act (FCRA)

“The Foreign Contribution (Regulation) Act, 2010 (42 of 2010) dated the 26th September, 2010 was notified in the Gazette of India – Extraordinary – Part II - Section I dated the 27th September, 2010. However, the Act has come into force with effect from the 1st May, 2011 vide Gazette Notification vide G.S.R. 349 (E) dated the 29th April, 2011. Consequently, the earlier Act, viz., the Foreign Contribution (Regulation) Act, 1976 has been repealed. The Foreign Contribution (Regulation) Rules, 2011 made under section 48 of FCRA, 2010 have also come into force simultaneously with FCRA, 2010 vide Gazette Notification vide G.S.R. 349 (E) dated the 29th April, 2011.”¹¹

FCRA 2010 is an improved version of FCRA 1976 and it contains stringent provisions to ensure there is no mis-utilization of the foreign contribution. “The prime objective of the Act is to regulate the acceptance and utilization of foreign contribution and foreign hospitality by persons and associations working in the important areas of national life.”¹²

FCRA is regulated by the Ministry of Home Affairs, Government of India. Every certificate of registration granted under FCRA, 2010 is valid for a period of five years from the date of its issue and then it has to be renewed. The renewal process is faster than the registration process.

3.4.5 Double Tax Treaty¹³:

India and the United States signed a double-tax treaty on September 12, 1989. The treaty does not address issues related to charitable giving or not-for-profit entities.

3.5 REGULATORY FRAMEWORK

There are so many regulations on NGOs. Charitable trusts registered under the Bombay Public Trusts Act 1950, applicable in Gujarat and Maharashtra, are regulated by the Charity Commissioner in respective states. Societies registered under Societies Registration Act 1860 are regulated by the Registrar of Societies and in Maharashtra state by Charity Commissioner. Section 25 company registered under Indian Companies Act 1956 are regulated by the Registrar of Companies.

Reporting requirements:

Trusts have to file annual reports and audited accounts. Societies have to submit annual report and list containing details of managing body every year to Charity Commissioner of that state. A section 25 company has to file an annual report, audited accounts an annual return and main resolutions to the Registrar of Company. All the rules and regulations laid down in the respective Acts have to be followed by all the organizations.

3.6 OBSERVATIONS – “COMPLEXITIES IN THE LEGISLATION”

To understand the complexities in the legislation, interviews of some knowledgeable persons and experts related with the NGO sector were conducted (Annexure: 7 to 13). Also a case study was done for the same purpose (Annexure: 15). The observations from these interviews and case study yielded following conclusions:

- Bombay Public Trusts Act 1950 and Societies Registration Act 1860 are age old Acts. These acts are not amended since their date of inception. They should be modified to suit the present time or development changes.
- The case study (Annexure 15), reveals the inconvenience faced by a trust in the “process of change of name of the trust”. This case also talks about the time factor and inadequacies of the Bombay Public Trusts Act 1950.
- Registration process of trusts and societies, takes longer time due to inadequacy of staff at the Joint Charity Commissioner’s department.
- There are total 52277 trusts in Pune district as on 19.12.13. NGOs are increasing day by day. It is difficult to control population of NGOs (Annexure 12).
- About 10 % to 20 % NGOs are prompt in reporting to the Charity Commissioner. (Annexure 7, 8 and 12).
- Findings for years 2009 to 2012, shows that approx. 71% of Section 25 companies, have reported in time to ROC (balance sheets and annual reports) (Annexure 11).
- Experts (Charity administration authorities, lawyers, Chartered Accountants, Company secretaries, authorities of Registrar of Companies) agree that there is need of such a platform where there will be interactions between Charity administration authorities, lawyers, Chartered Accountants, Company secretaries, authorities of Registrar of Companies and NGOs to understand the gaps in

existing systems. Only, if authority and power is assigned to this platform necessary amendments could be done.(Annexure : 8, 9, 12)

- Companies Act 1956 will now be replaced in year 2014 by Companies Act 2013. Companies Act 2013 is more wider than Companies Act 1956 and also there is much clarity. (Annexure 9,10)
- In proposed Companies Act 2013, company will have to spend 2% (minimum) of the average net profits on CSR. If in any case company cannot spend such amount, it should be reported with reasoning for not doing so. Due to this rule, the total CSR percentage will increase definitely (Annexure 11).

SUMMARY:

NGOs are entities with legal existence. NGOs are registered under different enactments depending upon the purpose of its formation. NGOs have regulatory framework of different acts. NGOs face many complications in laws related with NGO.

It is observed that many NGOs are not prompt in following the rules and regulations given under the enactments. The number of NGOs is increasing but it is difficult to control the growth due to ineffective system. Lack of manpower at Charity Commissioner's department (Pune) is a constraint.

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CHAPTER - IV

LITERATURE REVIEW AND INTRODUCTION TO THE STUDY REGION

4.1 LITERATURE REVIEW

This study aims at understanding current practices of managing human resource and financial resource in existing NGOs.

There is less literature available on management of NGOs as compared to management of business or corporate sector. Researcher has emphasised more on current and recent information on NGOs for better relativity of the study subject. Literature review includes sources like books, articles from various journals and information from newspapers. (Chapters- IInd and IIIrd are also based on literature review).

Literature review includes the specific literature study under the heads:

4.1.1 Problems in management of NGOs

4.1.2 Need of present study

4.1.1 PROBLEMS IN MANAGEMENT OF NGOs:

This section of literature review is a collection of opinions, views, findings (of study) and observations of different authors on management of NGOs.

According to **Anil Bhatt (1995)**, several trends emerged towards the end of 80s and by that time voluntarism had become both extensive and established and recognised as a distinct sector in India.¹ Bhatt observed following trends in voluntary action in India:

- Trends that are a concern to voluntary organisations themselves. “It primarily deals with how they conduct themselves. This cannot be ignored since voluntary

work no more inspires the awe and respect that it used to in the 70s and the early 80s”.²

- “Towards the end of the 80s, dissensions and conflict between the activists and their organisations based on territorial imperatives, struggle for positions, fame and funds, had begun to surface”.³
- Internal management of the VOs was another problem. The directors, managing trustees, co-ordinators had no fixed terms which resulted in dissatisfaction among the members of organization. Irregularity and even corruption in management of funds, juggling of accounts and infrastructure for personal purposes were becoming common practices.⁴

R. Sooryamoorthy and K.D. Gangrade (2001) inform that, “The NGO sector today is subject to a number of issues that emanate from both within and outside the individual organizations that, jointly or individually determine the existence, survival, or decline of the organizations. Internally, NGOs confront problems relating to objectives, ideology, perceptions on the concerns of the organization, organizational matters, management, volunteers, paid workers, staff programs, resources, and the like.”⁵

S.L.Goel and R. Kumar (2004) mention that:Most of the NGOs use suspicious methods and lack transparency. In ancient India, persons associated with NGOs were men of character with spirit of service and dedication. Today NGOs are not functioning well. NGOs face various challenges of 21st century like need of honest and dedicated persons to run the NGO. NGOs need to practice ethical values, need of transparency in functioning.⁶

Observation of **D Rajasekhar & R R Biradar (2004)**: Most of the small NGOs face the shortage of funds to meet the salaries of their permanent staff. Such a resource crunch often forces them to participate in any on-going government programmes to obtain resources, and thereby reduce the tension of seeking funds elsewhere.

However, this problem is not acute among large NGOs as they have greater organisational capacity to mobilise funds from international donors.”⁷

Rajesh Kumar Shastri (2008) states that: Nature and quality of individual NGOs varies greatly, it is extremely difficult to make generalizations about the sector as a whole. Some specific weaknesses generally associated with the NGO sector include ; lack of experienced manpower, limited financial assistance, focus on short range objective, political Influence, legal obligations, high rate of growth in number of NGOs, high corruption rate.⁸

The focus of the paper (Understanding the Human Resource Challenges in Not-for-Profit Organizations Cycle from a Life Perspective) by **Vasanthi Srinivasan (2008)** is on understanding the appropriate human resource strategies and practices that NGOs will have to engage within the various stages of growth.⁹ This research is done using two case studies of organizations (which have started as self-financed organizations) which are at different stages of the life cycle.¹⁰

The four stages of life cycle of NGO as stated by Vasanthi Srinivasan are: the start-up stage, the expansion/ growth stage, the consolidation stage and the phase-out/ metamorphosis stage.

The **start-up stage** identifies starting up of an organization. At this stage, many of the NGOs do not have modern managerial practices except for the statutory requirements related to accounting and finance. Founder takes most of the decisions. The need of organizational structuring that clearly describes roles and responsibilities appears to be the critical requirement at this stage. **‘Attracting talent’** remains the key human resource challenge at this stage.¹¹

There is growth in number of projects and donors in the **expansion/ growth stage**. Due to this multiple project activities and multiple geographical areas, there is need of professional skills, proper staff and delegation. An institutionalized process where work allocation and job responsibilities which allow employees to perform to the best of their potential can only be created at this stage. The key human resource challenge is **‘hiring professionals and compensation’**.¹²

The **consolidation stage** is the stage where the organisation is more than a summation of projects. At this stage NGO does its strategic planning and assesses itself against its environment. Key human resource challenge at this stage is ‘**managing performance and recognition of employees**’.¹³

The **phase-out/ metamorphosis** stage can be defined as the process where the NGO hands over its programmes, projects and its interventions to a community based organisation, another NGO or an institution which continues to do the same work. This stage is characterised by the NGO playing the role of a capacity builder and a mentor to another organization. Building external networks and engaging with them in a partnership mode would be critical requirement. Key human resource challenge at this stage is ‘**managing redeployment and capacity building**’.¹⁴

This study proves the importance of HRM at every stage of life cycle of NGO.

Asok Kumar Sarkar (2008), like SL Goel and R Kumar (2004) informs about the dark side of NGOs, “NGOs are criticized and termed as contractors in development business. NGOs are blamed for their unethical activities, i.e. they change priority of work every year as per the availability of funds. It is also heard that staff members in NGOs are also discontented because of inherent contradictions as well as conflicts; lack of health care benefits and provident fund; absence of job security and career advancement scheme; incidents of corruption, exploitation, and sexual harassment; poor salary and long working hours; etc.”¹⁵

4.1.2 NEED OF PRESENT STUDY:

This section of literature review reflects the need of this research study. It is a collection of opinions, views, findings (of study) and observations of different authors:

According to **Peter F. Drucker (1990)**: "...non profit institutions themselves know that they need management all the more, because they do not have a conventional "bottom line"¹⁶

D.L. Sheth and Harsh Sethi (1991): "Notwithstanding the phenomenal growth of the NGO sector in recent years, it has received surprisingly scanty attention from academic researchers and social analysts."¹⁷

David Lewis (2001): NGOs constitute an important subject for mainstream management research, which has until now given little attention to the third sector.¹⁸

Vidyalaxmi informs, "Charity needs caution (Mumbai): Govt blacklists 769 NGOs" (Nov 14, 2007): A study finds that not all the charity money reach the 'right' individual. Council for Advancement of People's Action and Rural Technology (CAPART) recently blacklisted around 769 NGOs who have indulged in unscrupulous activities. According to a senior CAPART official: "These NGOs have misused the funds sanctioned by the ministry, indulged in financial mismanagement and also submitted forged documents."¹⁹

Biswambhar Panda (2008) refers that there has been a steady rise of research studies on NGO sector both by academia and NGOs themselves covering various aspects such as the programmes, strategies and approaches of NGOs. However, comprehensive and systematic empirical studies on NGOs approach are meagre.²⁰

Mustaghis-ur-Rahman (2008) states that, “A proper management system for NGOs is must. Despite many shortcomings, as well as internal and external constraints, the NGO sector as a whole has established itself as one of the important institutions of civil society, distinct sector- distinct from public and private sectors. He further adds, “Sufficient research work on NGO management has not been recorded in southern world”.²¹

David Lewis (2008), in his article, “Issues and priorities in Non-governmental Organization Research”, explores current issues related to research on the general theme of NGOs:

A study undertaken by **Lewis and Themudo (2003)** for the Economic and Social Science Council (ESRC) in preparation for an NGO research programme based in the UK. The literature search was based on the International Bibliography of the Social Sciences (IBSS) and used ‘title, keywords and abstract’ for the search. It was found that there was a rapid growth in numbers of academic publications, including refereed journal articles, books and reviews, on ‘non-governmental public action’ during the past 20 years, increasing from 82 in the period 1983-1987 to a total of 5457 publications between 1998 and 2002.²² Despite of this growth, the number of publications on the non-governmental public action sector is small compared to those on the private or public sector, corresponding to only about 4 percent to total research in any of the sectors (public sector-51%, private sector – 45%)²³

David Lewis (2008) states that it is necessary to encourage work by and with disciplines previously underrepresented in the field (such as anthropology, management and social history). In particular, there is little detailed ethnographic work on non-governmental organizations and networks, nor have management researchers engaged explicitly with the issues of not-for profit management, the role of values, or the use of volunteers.²⁴

In year **2009**, 833 NGOs were blacklisted for misappropriation of funds by CAPART. The news in Times of India, New Delhi, dated Dec 20, 2009, states that, “As many as 833 NGOs and voluntary organizations have been blacklisted by an autonomous body under rural development ministry after they were found indulging in misappropriation of funds.

The ministry informed that these NGOs were blacklisted for their indulgence in irregularities including misappropriation of funds.”²⁵

David Lewis, Nazneen Kanji (2009) states that: NGOs are no longer ‘flavour of the month’ in either mainstream or alternative development circles, as once perhaps they were during the 1990s. The idea of NGOs as a straightforward ‘magic bullet’ that would help to reorient development efforts and make them more successful has now passed (Hulme and Edwards 1997). In the media, NGOs no longer have the relatively easy ride they once did, and it is not unusual to find them criticized as ineffectual do-gooders, over-professionalized large humanitarian business corporations, or self-serving interest groups.²⁶

The Indian Express ²⁷(7.7.2010)- First official estimate: **An NGO for every 400 people** in India: India has possibly the largest number of active non-government, not-for-profit organizations in the world. A recent study commissioned by the government put the number of such entities, accounted for till 2009, at 3.3 million. That is one NGO for less than 400 Indians, and many times the number of primary schools and primary health centres in India. According to the government study, the largest number of NGOs are registered in Maharashtra (4.8 lakh), followed by Andhra Pradesh (4.6 lakh), UP (4.3 lakh), Kerala (3.3 lakh), Karnataka (1.9 lakh), Gujarat (1.7 lakh), West Bengal (1.7 lakh), Tamil Nadu (1.4 lakh), Orissa (1.3 lakh) and Rajasthan (1 lakh). More than 80 per cent of registrations come from these 10 states.

The Times of India²⁸ (23.02.2014) : For a country which till recently had a weak civil society movement, India is now witnessing a boom in the NGO sector. The mind-boggling figures boil down to **one NGO per every 600 people**, as estimated by Central Bureau of Investigation India.

SUMMARY:

In India, concept of philanthropy is very old. NGO - the term, as independent body came into existence much later, in early twentieth century. From then till now there is fast growth of NGOs, which is evident from the literature review.

An importance of NGOs in India is not a subject of debate. Efforts of government and NGOs both are essential for development of India. Therefore NGOs remain at important position. Because NGOs have an important role in national development, it is obvious expectation of efficiency in functioning of NGOs. As mentioned in the literature review, NGOs have many limitations related to management.

The numbers of NGOs have been increasing day by day, but there were problems related to management from inception days (of NGO) and still there are issues in 21st century.

Various studies have documented a need of research in the field of NGOs which makes this research worth and need of the time.

In present situation, NGOs are looked with suspicion. Due to few corrupt NGOs, all the credible NGOs are suffering. This aspect also makes this research important.

4.2 INTRODUCTION TO THE STUDY REGION

Introduction: Study region is Pune metropolitan area which consists of Pune city and Pimpri-Chinchwad town. Pune, earlier famous as Poona is one of the most important cities of Western India. The city is nicknamed variously such as 'Pensioner's Paradise', the 'Oxford of East', the cultural capital of Maharashtra' and 'Punyanagari.'

Geography: This area is located in the valleys of several hill ranges. To the south there is a hill range over which the Katraj Ghat is located. To the west there are the hilly regions of Dehu Road. To the east lies the nearly flat land mass of the Deccan Plateau. To the north there is the Indrayani river. To the north at Rajgurunagar (Khed), another hill range is located.²⁹ Three rivers flow through this area: the Purna, the Mula, the Mutha rivers and also merge here. There are many hills in this area as this region is surrounded by three side by mountains. The Sahyadri to west and two subranges of Sahyadri one in north and other in south. The famous hills in this region are Vetal Tekdi, Fergusson Hill, Parvati, Gul Tekdi and Chaturshingi Hill in Pune and Durga Tekdi in Nigdi³⁰. The climate is typical monsoonal, with three distinct seasons- summer, rains and winter.

Census 2011³¹:

An official Census 2011 detail of Pune district has been released by Directorate of Census Operation. In 2011, the **total population** of Pune Metropolitan region is 5,049,968. The male population of which is 2,659,484 while female population is 2,390,484.

The **literacy rate** of Pune Metropolitan region is 91.42% which is higher than National Urban average of 85 %. Literacy rate for male and female for Pune Metropolitan region stood at 95.00 % and 87.44 % respectively. Total literates in Pune Metropolitan region were 4,103,766 of which males were 2,243,534 and remaining 1,860,232 were females.

The **children** (0-6 age) population of Pune Metropolitan region is around 11.11 % of total Pune Metropolitan region population which is higher than National Urban

average of 10.93 %. Total children in Pune Metropolitan region were 561,004 of which male were 297,943 while remaining 263,061 were female.

The **sex ratio** of female to male in Pune Metropolitan region was found lower with figure of 899 females against national urban average of 926 females per 1000 males. For children (0-6 age), girls were 883 per 1000 boys in Pune Metropolitan region against national average of 902 girls per 1000 boys.

Urbanisation in Pune Metropolitan Region³²

In Haveli Taluk of Pune District, Pune Metropolitan region consists of Pune Municipal Corporation (PMC), Pimpri Chinchwad Municipal Corporation (PCMC), Pune Cantonment (PC), and Khadki Cantonment (KC) and close to 100 other census towns and villages.

PMC: PMC has a population of 2.54 million (2001) which accounts for 35 percent of the total urban population in Pune District and 60 percent of total Pune metropolitan region population. The PMC's population has grown from 1.57 million in 1991 to 2.54 million in 2001. PMC's growth is influenced by various factors. It is the most preferred destination for many citizens in Maharashtra for job, education, healthcare treatment, real estate investment, better quality of life, etc. as Mumbai is already crowded complied with comparatively high cost of life.

PCMC: PCMC is a twin city of PMC and houses most of the industrial developments. PCMC has a population of 1.01 million (2001) which accounts for 14 percent of the total urban population in the Pune District and 23 percent of the total Pune metropolitan region population. The PCMC's population has grown from 0.52 million in 1991 to 1.01 million in 2001.

PC and KC: Pune is headquarters of the Indian Army Southern Command. PC and KC are the military bases established during British rule and still continue to operate as army bases for Indian army. KC is also famous for two ordnance factories: Ammunition Factory and High Explosive Factory. PC and KC account for only 4 percent of the total Pune metropolitan region population and shown a slight growth in the last. Any

development in these cantonment areas are under control of Indian army and have minimal impact on urbanization of the rest of the Pune metropolitan region .

Rest of the Pune Metropolitan region: The remaining part of the Pune metropolitan region consists of close to 100 census towns and villages with population of 0.56 million that accounts for 13 percent of the total Pune Metropolitan region population. The rest of the Pune Metropolitan region also shows a fast pace of urbanization in line with PMC and PCMC growth.

Industrial sector: The study region has huge number of industries and IT and software companies: - to name a few; TATA Motors, Volkswagen, FIAT, General Motors, IBM India, KPIT Cummins, Tata Technology, Infosys, Wipro, Cognizant, Geometric, L&T Infotech, Hindustan Antibiotics, Forbes-Marshall, Thermax and Alfa Laval.

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CHAPTER - V

ANALYSIS AND INTERPRETATIONS

5.1 INTRODUCTION

This is a descriptive research with approach to seek solution to the research problem under study. Different questionnaires were designed for NGO, staff of NGO, volunteer of NGO and beneficiary of NGO. Collected data is both qualitative and quantitative. Systematic analysis is done separately for each question from the questionnaire. Data is analyzed by both methods; descriptive method and statistical method. For hypothesis testing, statistical technique used is correlation coefficient.

Data analysis is divided into 6 parts:

- 5.2 Data analysis of questionnaire for NGO (Annexure 2)
- 5.3 Hypothesis testing
- 5.4 Maturity in managing human financial resources
- 5.5 Data analysis of questionnaire for Staff of NGO (Annexure 3)
- 5.6 Data analysis of questionnaire for Volunteer of NGO (Annexure 4)
- 5.7 Data analysis of questionnaire for Beneficiary of NGO (Annexure 5)
- 5.8 Data analysis of questionnaire for MSW student (Annexure 6)

5.2 DATA ANALYSIS OF QUESTIONNAIRE FOR NGO

The Questionnaire for NGO (Annexure 2) had two sections: Section I and Section II including open ended, closed ended, multiple choice questions and questions for quantitative data. Section I pertains to the information about the organization and respondent and contains 11 questions Section II contains total 15 questions; of which question 1 contains 24 sub-questions. Section II pertains to the information related with human resources, financial resources, organizational aspects, problems, strengths and weaknesses and needs of NGOs.

5.2.1 Analysis of Section – I

This section contains 11 questions. Few questions (3, 4) that reveal the identity of NGOs are not covered in analysis for secrecy reason (Refer Annexure 1).

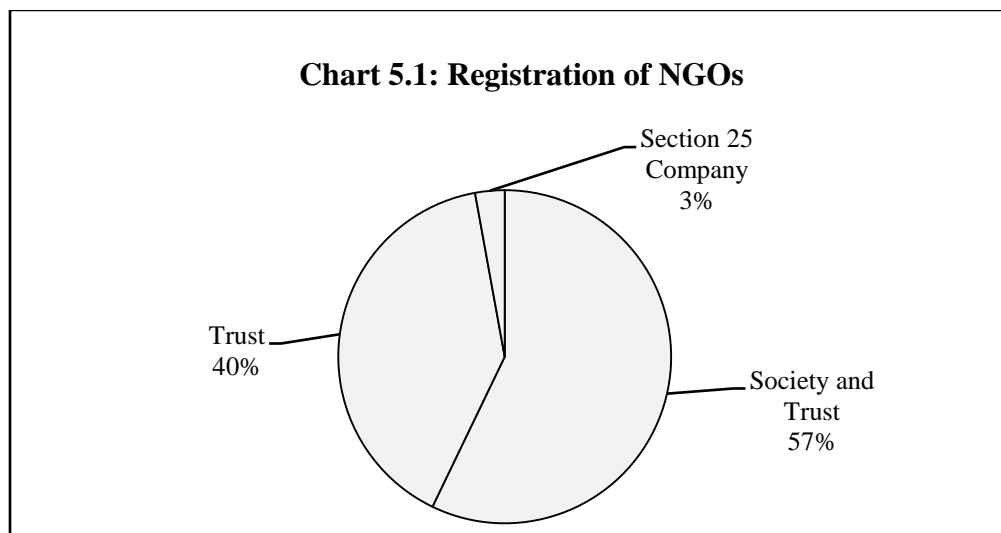
Q.1 NGO is registered as- Society – Trust – Section 25 Company

Registration of NGOs:

Total 35 NGOs are covered under this study; out of which 20 NGOs (57%) are registered as Society and Trust both, 14 NGOs (40%) are registered as Trust and 1 NGO (1%) is registered as a Section 25 Company.

Table 5.1: Registration of NGO

Registration	Frequency	Percent
Society and Trust	20	57%
Trust	14	40%
Section 25 Company	1	3%
Total	35	100%



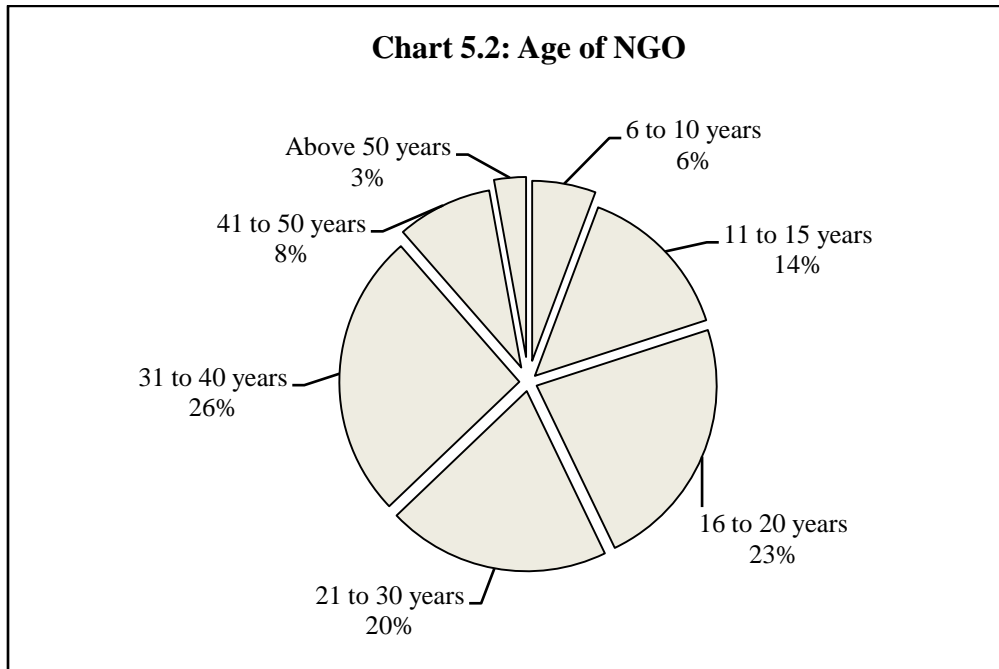
Q.2 Established in year:

Age of NGOs:

Age of NGOs (as on 2013) based on their establishment year was calculated. Out of 35 NGOs; 2 NGOs (6%) are of 6 to 10 years, 5 NGOs (14%) are of 11 to 15 years, 8 NGOs (23%) are of 16 to 20 years, 7 NGOs (20%) are of 21 to 30 years, 9 NGOs (26%) are of 31 to 40 years, 3 NGOs (8%) are of 41 to 50 years and 1 NGO (3%) is above 50 years.

Table 5.2: Age of NGO

Age of NGO(as on 2013)	Frequency	Percent
6 to 10 years	2	6.0%
11 to 15 years	5	14.0%
16 to 20 years	8	23.0%
21 to 30 years	7	20.0%
31 to 40 years	9	26.0%
41 to 50 years	3	8.0%
Above 50 years	1	3.0%
Total	35	100%



Q.5 E-mail and Website:

Information about availability of e-mail address of the organization and website was collected from this question. 29 NGOs (83%) owned e-mail address (Table 5.3) and 26 NGOs (74%) owned website (Table 5.4) of organization.

Table 5.3: E-mail address of NGO

E-mail address of organization	Frequency	Percent
Available	29	83 %
Not available	6	17%
Total	35	100 %

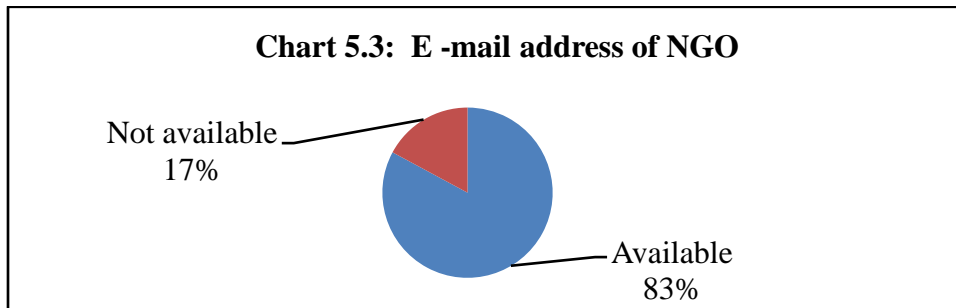
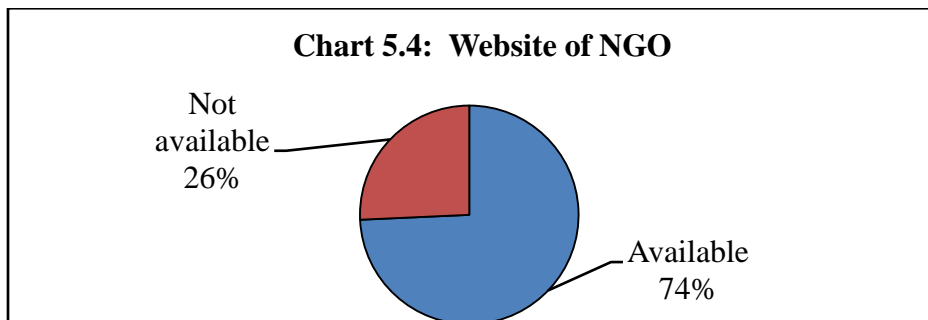


Table 5.4: Website of NGO

Website of organization	Frequency	Percent
Available	26	74%
Not available	9	26%
Total	35	100%



Q.6 Mission statement of the organization

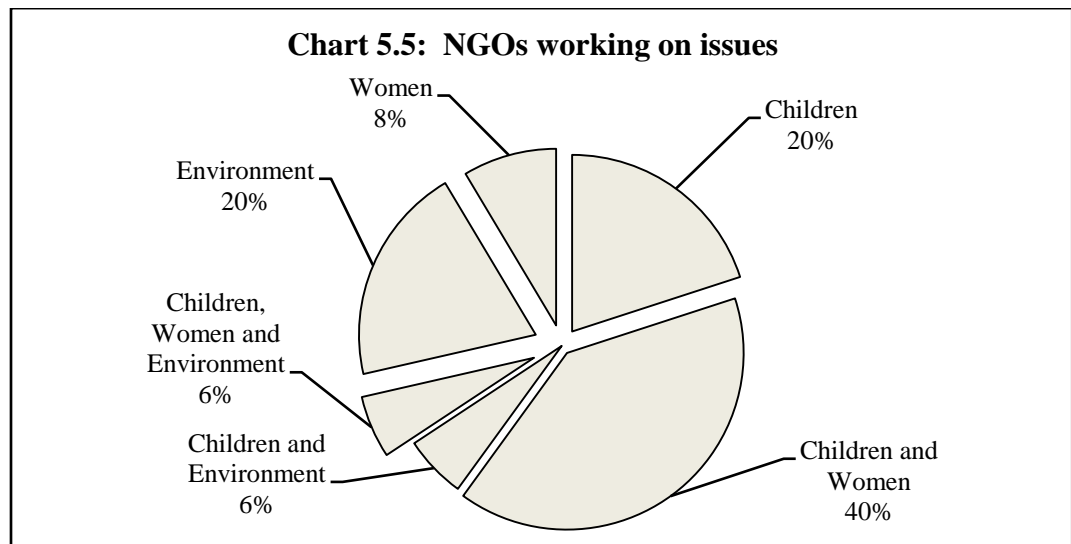
All the 35 NGOs (100%) have mission statement.

Q.7 NGOs working on issues:

NGOs working on issues related with children, women and environment were selected for study. Based on response of Q.7, 7 NGOs (20%) working on issues related with Children, 14 NGOs (40%) working on issues related with Children and Women, 2 NGOs (6%) working on issues related with Children and Environment, 2 NGOs (6%) working on issues related with Children, Women and Environment, 7 NGOs (20%) working on issues related with Environment, 3 NGOs (8%) working on issues related with Women.

Table 5.5: NGOs working on issues

NGOs working on issues	Frequency	Percent
Children	7	20%
Children and Women	14	40%
Children and Environment	2	6%
Children, Women and Environment	2	6%
Environment	7	20%
Women	3	8%
Total	35	100%



Q.8 Work area / place:

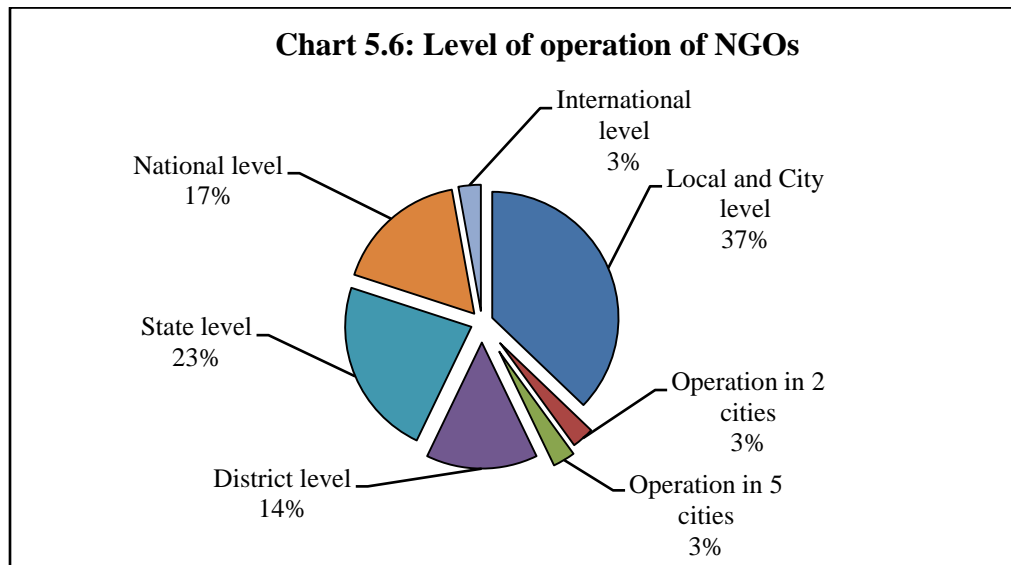
All 35 NGOs work in Pune metropolitan area along with some other areas.

Q.9 Level of operation

Table 5.6 is derived from response of NGOs to Question 9 in Section I. 13 NGOs (37%) operate at local and city level, 1 NGO (3%) operates in two cities, 1 NGO (3%) operates in 5 cities, 5 NGOs (14%) operate at district level, 8 NGOs (23%) operate at State level, 6 NGOs (17%) operate at National level and 1 NGO (3%) operates at International level.

Table 5.6: Level of operation of NGOs

Level of operation of NGOs	Frequency	Percent
Local and City level	13	37%
Operation in 2 cities	1	3%
Operation in 5 cities	1	3%
District level	5	14%
State level	8	23%
National level	6	17%
International level	1	3%
Total	35	100%

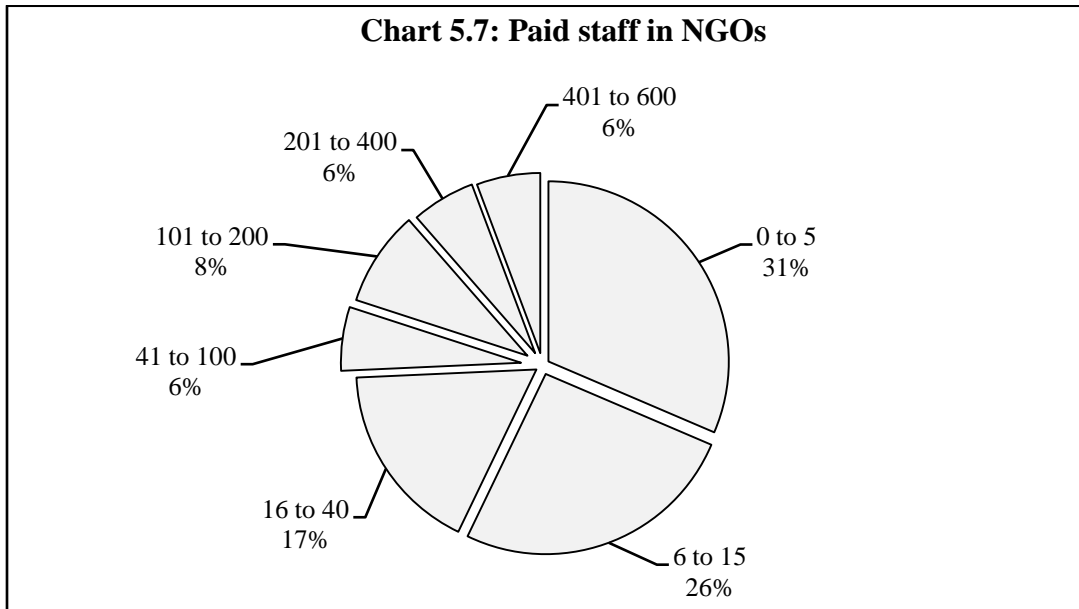


10. Paid staff in NGOs

Paid staff includes both fulltime staff and part time staff. 11 NGOs (31%) have 0 to 5 paid staff, 9 NGOs (26%) have 6 to 15 paid staff, 6 NGOs (17%) have 16 to 40 paid staff, 2 NGOs (6%) have 41 to 100 paid staff, 3 NGOs (8%) have 101 to 200 paid staff, 2 NGOs (6%) have 201 to 400 paid staff, 2 NGOs (6%) have 401 to 600 paid staff and 2 NGOs (6%) have 401 to 600 paid staff.

Table 5.7: Paid staff in NGOs

Paid staff	Frequency	Percent
0 to 5	11	31%
6 to 15	9	26%
16 to 40	6	17%
41 to 100	2	6%
101 to 200	3	8%
201 to 400	2	6%
401 to 600	2	6%
Total	35	100%

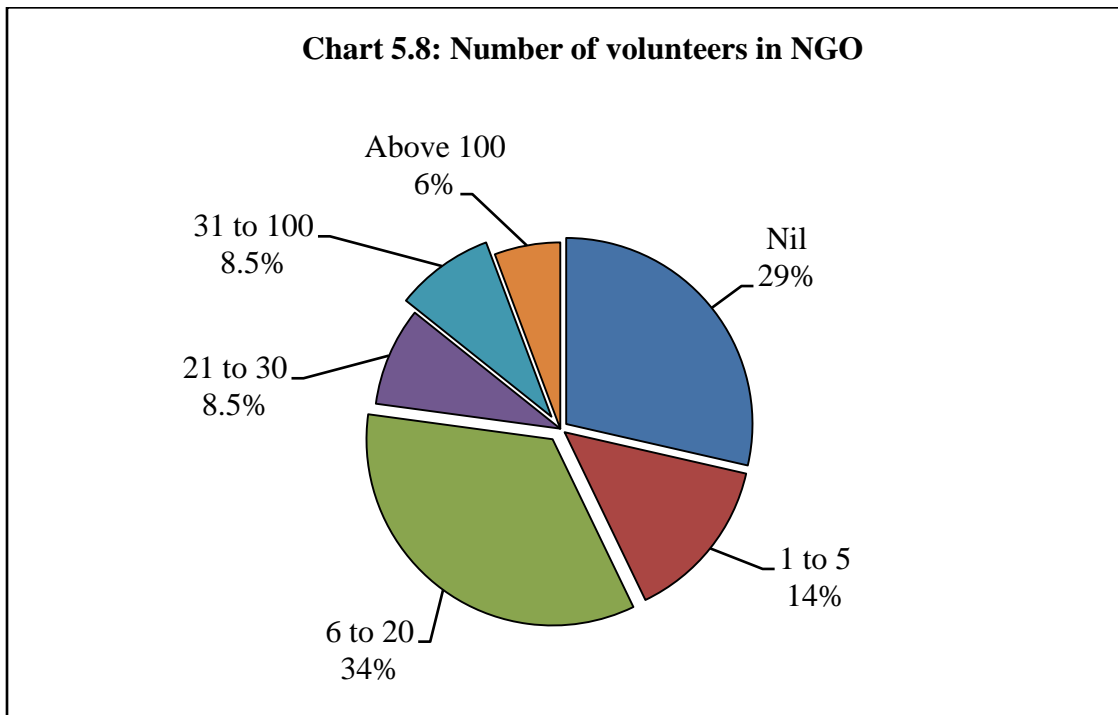


Volunteers in NGO:

10 NGOs (29%) have no volunteers, 5 NGOs (14%) have 1 to 5 volunteers, 12 NGOs (34%) have 6 to 20 volunteers, 3 NGOs (8.5%) have 21 to 30 volunteers, 3 NGOs (8.5%) have 31 to 100 volunteers and 2 NGOs (6%) have more than 100 volunteers

Table 5.8: Number of volunteers in NGO

Volunteers	Frequency	Percent
Nil	10	29%
1 to 5	5	14%
6 to 20	12	34%
21 to 30	3	8.5%
31 to 100	3	8.5%
Above 100	2	6%
Total	35	100%

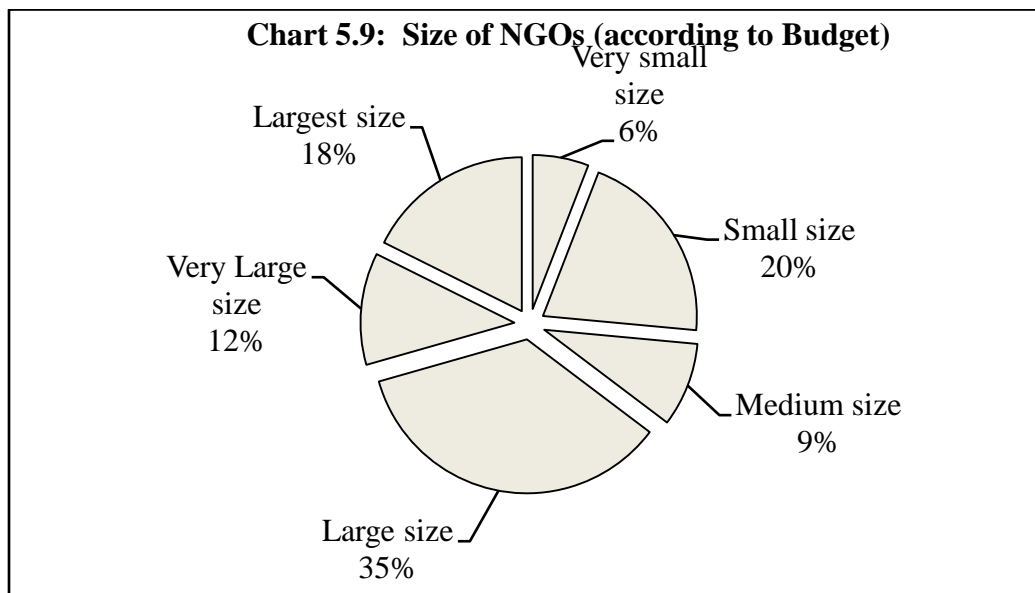


Q.11 Budget of Organization

NGOs (according to Budget) were grouped into six sizes. One NGO did not respond to this question. Out of 34 NGOs, 2 NGOs (6%) have budget of very small size (less than 1 Lakhs), 7 NGOs (20%) have budget of Small size (1 Lakh to 5 Lakhs), 3 NGOs (9%) have budget of Medium size (6 Lakhs to 10 Lakhs), 12 NGOs (35%) have budget of Large size (11 Lakhs to 50 Lakhs), 4 NGOs (12%) have budget of Very Large size (51 Lakhs to 1 Crore) and 6 NGOs (18%) have budget of Largest size (above 1 Crore).

Table 5.9: Size of NGOs (according to budget)

Size of NGOs (according to Budget)	Frequency	Percent
Very small size (less than 1 Lakhs)	2	6%
Small size (1 Lakh to 5 Lakhs)	7	20%
Medium size (6 Lakhs to 10 Lakhs)	3	9%
Large size (11 Lakhs to 50 Lakhs)	12	35%
Very Large size (51 Lakhs to 1 Crore)	4	12%
Largest size (above 1 Crore)	6	18%
Total	34	100



5.2.2 Analysis of Section – II

This section contains 15 questions of mixed types- qualitative and quantitative.

Q.1 This question contains 24 sub-questions which are closed ended and multiple choice questions and are numbered from 1.1 to 1.24.

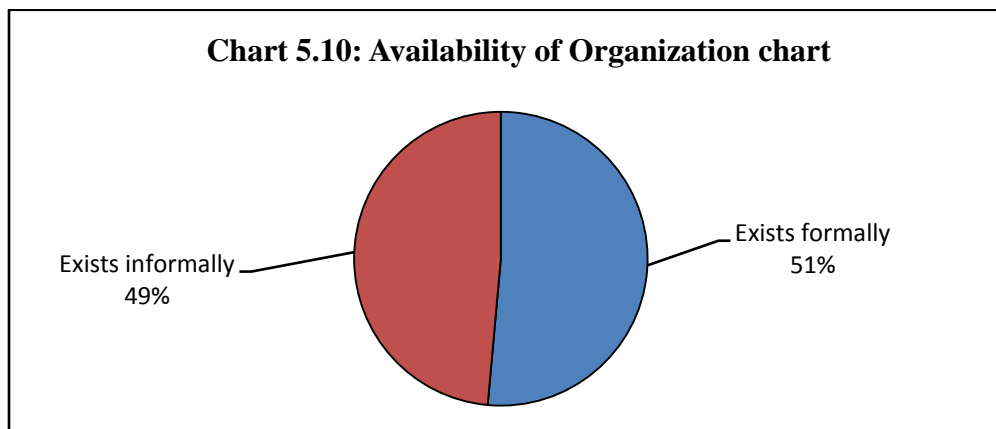
- 1.1.1 Is organizational chart available? Yes / No
Organizational chart exists informally. Yes / No

Organization chart:

18 NGOs (51 %) have organization chart, while remaining 17 NGOs (49%) said that it exists informally and is being followed.

Table 5.10: Availability of Organization chart

Organization chart	Frequency	Percent
Exists formally	18	51%
Exists informally	17	49%
Total	35	100%



1.2 Is written manual /policy handbook available and is regularly updated and reviewed?
 - Yes/ No

Manual / policy handbook exists informally. Yes/ No

Written manual:

13 NGOs (37%) have written manual /policy handbook available and is regularly updated and reviewed while 22 NGOs (63%) do not have any written manual (Refer Table 5.11). Out of this, 22 NGOs who do not have written manual; 16 NGOs (73%) said Manual / policy handbook exists informally while remaining 6 NGOs (27%) gave negative response (Refer Table 5.12). 6 NGOs (17%) out of total 35 NGOs said that manual/ policy handbook does not exist either formally or informally.

Table 5.11: Availability of written manual

Written manual / policy handbook available and is regularly updated and reviewed	Frequency	Percent
Yes	13	37%
No	22	63%
Total	35	100%

Chart 5.11: Availability of written manual

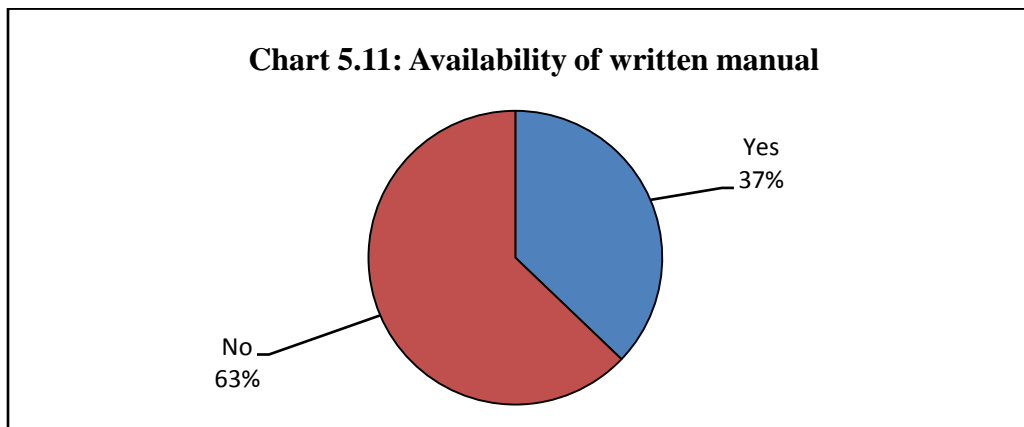


Table 5.12: Manual available informally

Manual / policy handbook exists informally	Frequency	Percent
Yes	16	73%
No	6	27%
Total	22	100%

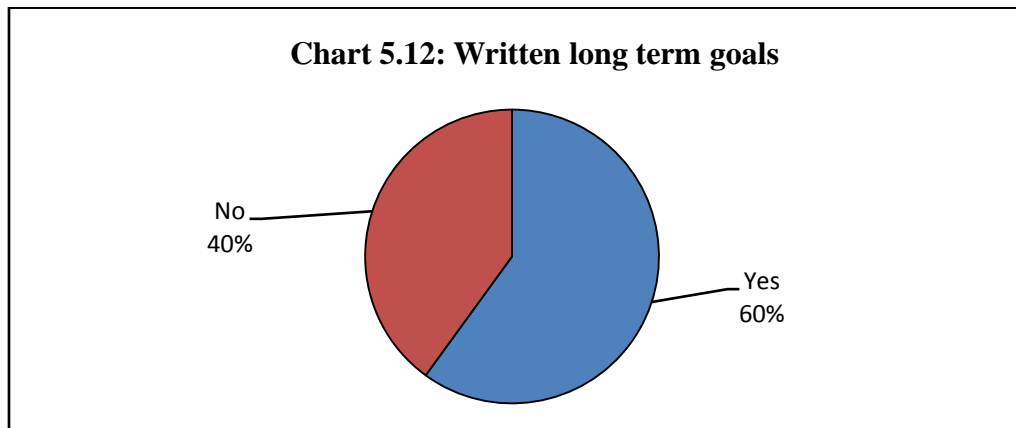
1.3 Do you have written goals for period of 3-5 years? Yes / No

Written long term goals:

21 NGOs (60%) have written goals for period of 3-5 years while remaining 14 NGOs(40%) do not have.

Table 5.13: Written long term goals

Written long term goals available	Frequency	Percent
Yes	21	60%
No	14	40%
Total	35	100%



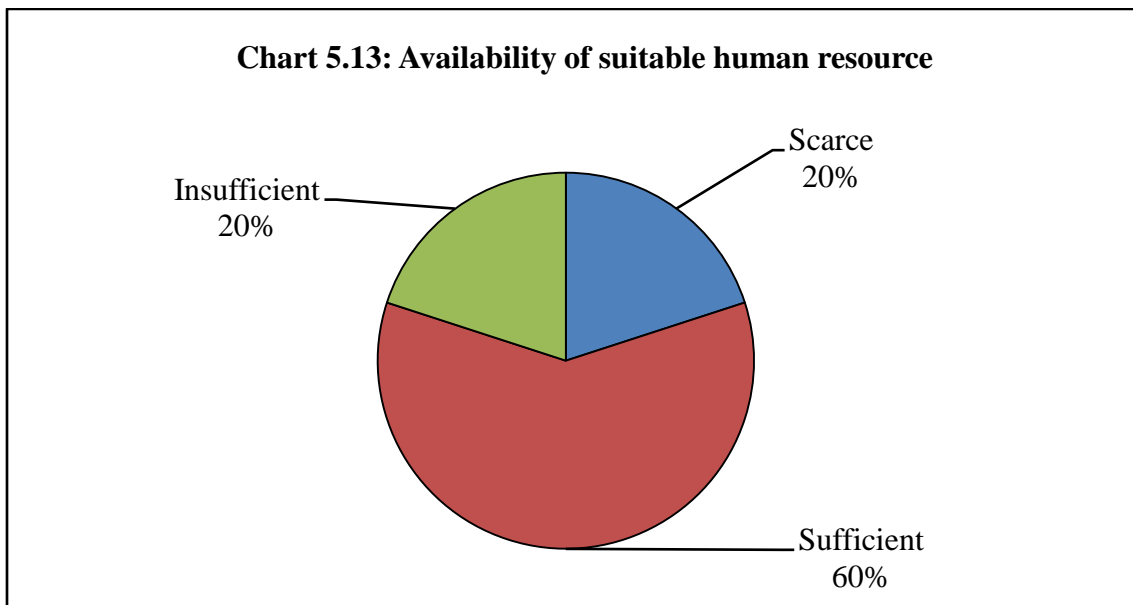
1.4 Availability of suitable human resource is: a) Scarce, b) Sufficient, c) Insufficient

Availability of suitable human resource:

Out of 35 NGOs, 7 NGOs (20%) said that availability of suitable human resource is scarce, 21 NGOs (60%) said that availability of suitable human resource is sufficient and 7 NGOs (20%) said that availability of suitable human resource is insufficient.

Table 5.14: Availability of suitable human resource

Availability of suitable human resource	Frequency	Percent
Scarce	7	20%
Sufficient	21	60%
Insufficient	7	20%
Total	35	100%



- 1.5 Is HRM budget available? Yes / No
 Is HRM plan available? Yes / No
 Is organization's mission linked with HRM plan? Yes / No

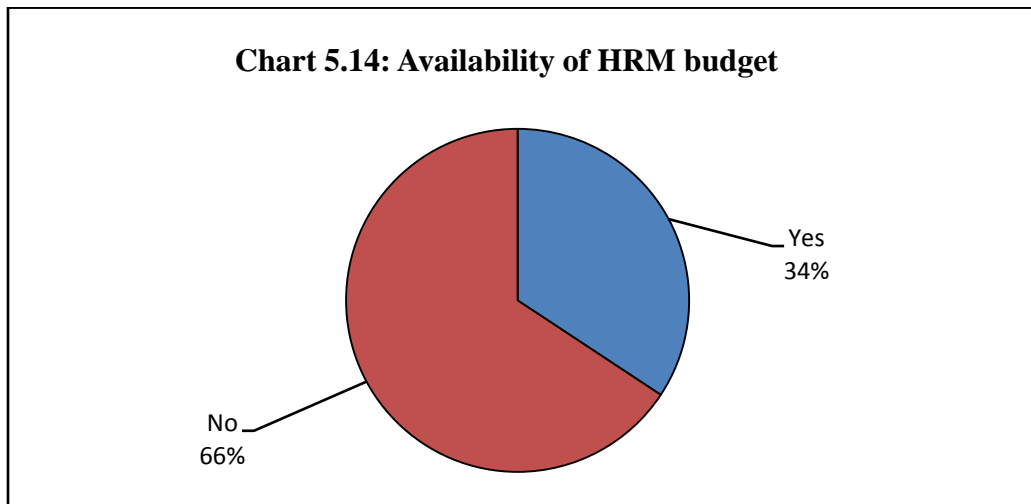
HRM budget:

12 NGOs (34%) have HRM budget while 23 NGOs (66%) do not have HRM budget.

Table 5.15: Availability of HRM budget

HRM budget available	Frequency	Percent
Yes	12	34%
No	23	66%
	35	100%

Chart 5.14: Availability of HRM budget

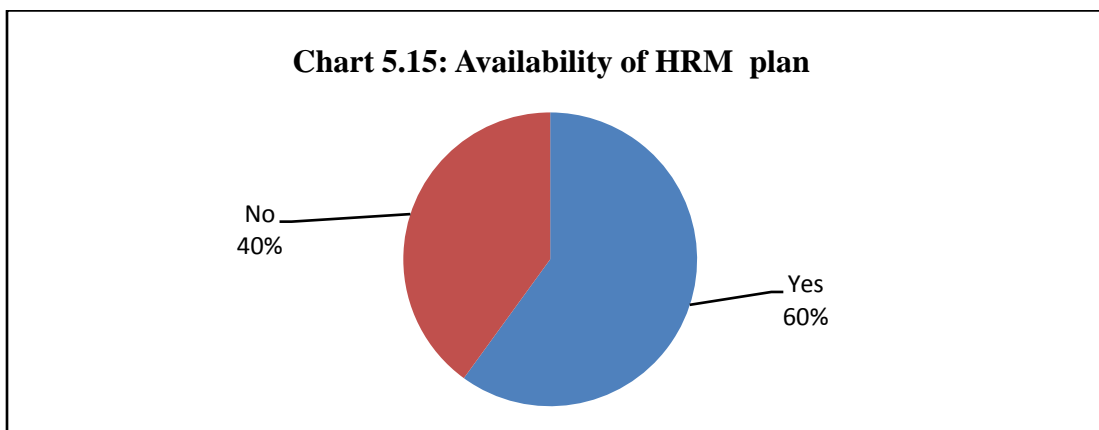


HRM Plan:

21 NGOs (60%) have HRM plan while 14 NGOs (40%) do not have.

Table 5.16: Availability of HRM plan

HRM Plan available	Frequency	Percent
Yes	21	60%
No	14	40%
Total	35	100%

**Linkage of mission to HRM plan:**

21 NGOs (60%) have HRM plan Table 5.16. These 21 NGOs who have the HRM Plan also have their mission linked to HRM Plan (Refer Table 5.17)

Table 5.17: Mission linked with HRM plan

Mission linked with HRM plan	Frequency	Percent
Yes	21	100%
No	00	0%
Total	21	100%

1.6 Is there any staff specifically for HRM activities?

Yes/ No

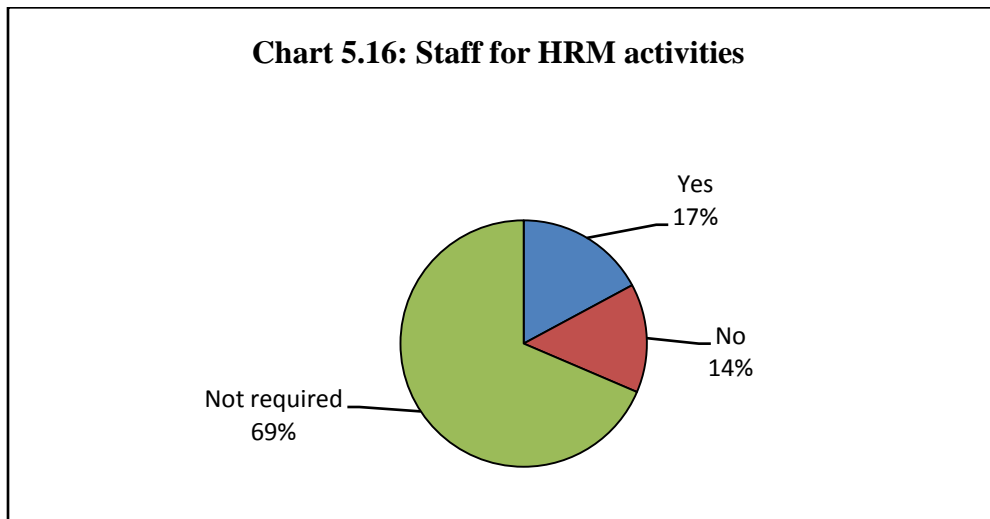
Staff for HRM activities:

Out of 35 NGOs; 6 NGOs (17%) have staff specifically for HRM activities, 5 NGOs (14%) do not have. Remaining 24 NGOs (69%) do not need any staff specifically for HRM activities.

Table 5.18: Staff for HRM activities

Staff specifically for HRM activities	Frequency	Percent
Yes	6	17%
No	5	14%
Not required	24	69%
Total	35	100%

Chart 5.16: Staff for HRM activities



1.7 Formal procedure exists for recruitment of Staff/ Volunteer

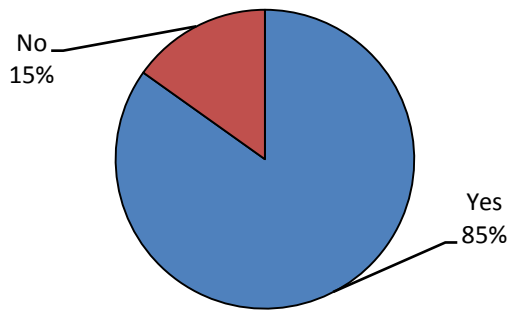
Formal procedure exists for recruitment of Staff:

2 NGOs out of 35, do not have staff (but still have recruitment procedure for staff); therefore out of 33, 28 NGOs (85%) have recruitment procedure for staff and remaining 5 NGOs (15%) do not have.

Table 5.19: Recruitment procedure for staff

Recruitment procedure for staff	Frequency	Percent
Yes	28	85%
No	5	15%
Total	33	100%

Chart 5.17: Recruitment Procedure for Staff



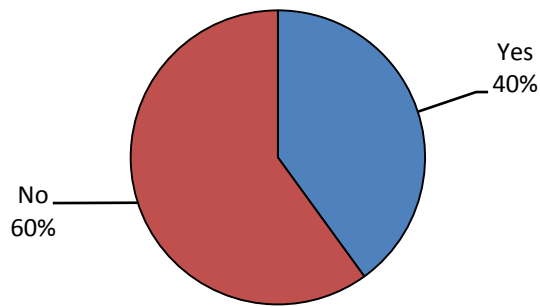
Formal procedure exists for recruitment of Volunteer:

Ten NGOs out of 35, do not have volunteers, therefore excluding these (10) there are 25 NGOs. Out of 25, 10 NGOs (40%) have recruitment procedure for volunteer while remaining 15 NGOs (60%) do not have.

Table 5.20: Recruitment procedure for volunteer

Recruitment procedure for volunteer	Frequency	Percent
Yes	10	40%
No	15	60%
Total	25	100%

Chart 5.18: Recruitment Procedure for Volunteer



1.8 Job-descriptions are available for - Staff/ Volunteer

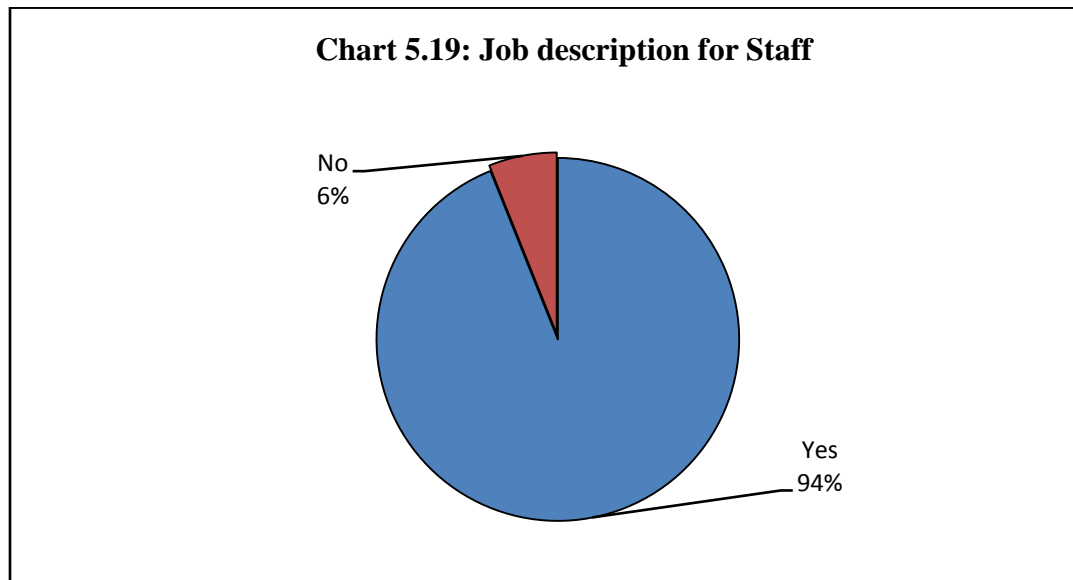
Job descriptions are reviewed and updated regularly for - staff / Volunteer

Job-descriptions for Staff:

Two NGOs out of 35, do not have staff, therefore they are not applicable. Excluding these NGOs (2), out of 33, 31 NGOs (94%) have job-descriptions of staff while 2 NGOs (6%) do not have.

Table 5.21: Job description for Staff

Job description for Staff	Frequency	Percent
Yes	31	94%
No	2	6%
Total	33	100%

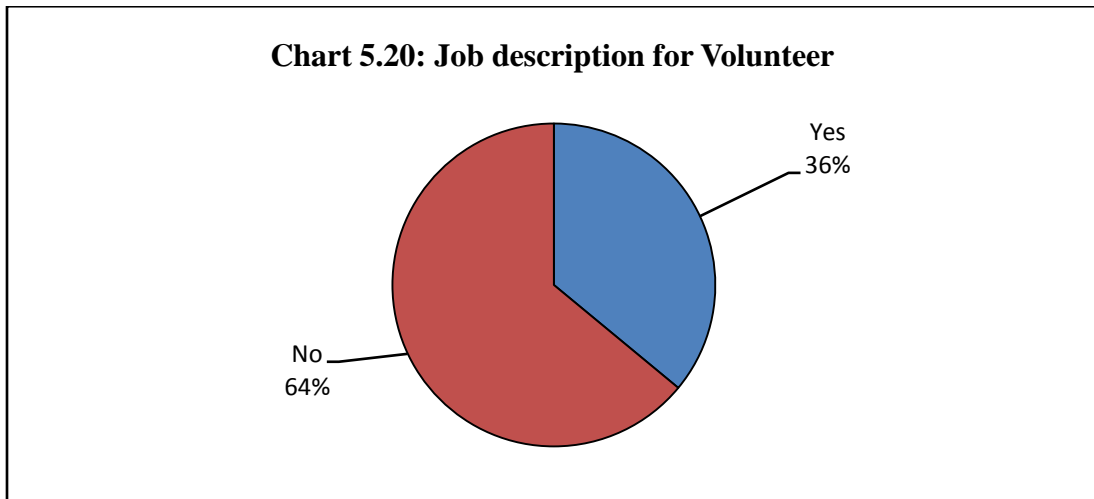


Job-descriptions for Volunteer:

10 NGOs out of 35, do not have volunteers. Excluding these NGOs (10), there are 25 NGOs; out of which 9 NGOs (36%) have job-descriptions for volunteers while 16 NGOs (64%) do not have.

Table 5.22: Job description for Volunteer

Job description for Volunteer	Frequency	Percent
Yes	9	36%
No	16	64%
Total	25	100%



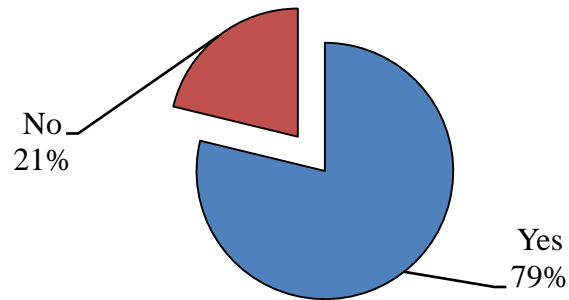
Job description review and updation for staff:

Out of 33 NGOs; 26 NGOs (79%) review and update the job-descriptions of staff while 7 NGOs (21%) have not reviewed nor updated the job-descriptions for staff.

Table 5.23 :Job description review and updation for staff

Job description review and updation for staff	Frequency	Percent
Yes	26	79%
No	7	21%
Total	33	100%

Chart 5.21: Job description review and updation for Staff



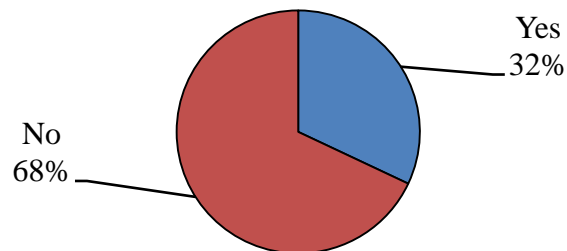
Job description review and updating for volunteer:

Out of 25 NGOs; 8 NGOs (32%) review and update the job-descriptions of volunteer while 17 NGOs (68%) have not reviewed nor updated the job-descriptions for volunteer.

Table 5.24: Job description review and updating for Volunteer

Job description review and upadation for Volunteer	Frequency	Percent
Yes	8	32%
No	17	68%
Total	25	100%

Chart 5.22 : Job description review and upadation for Volunteer



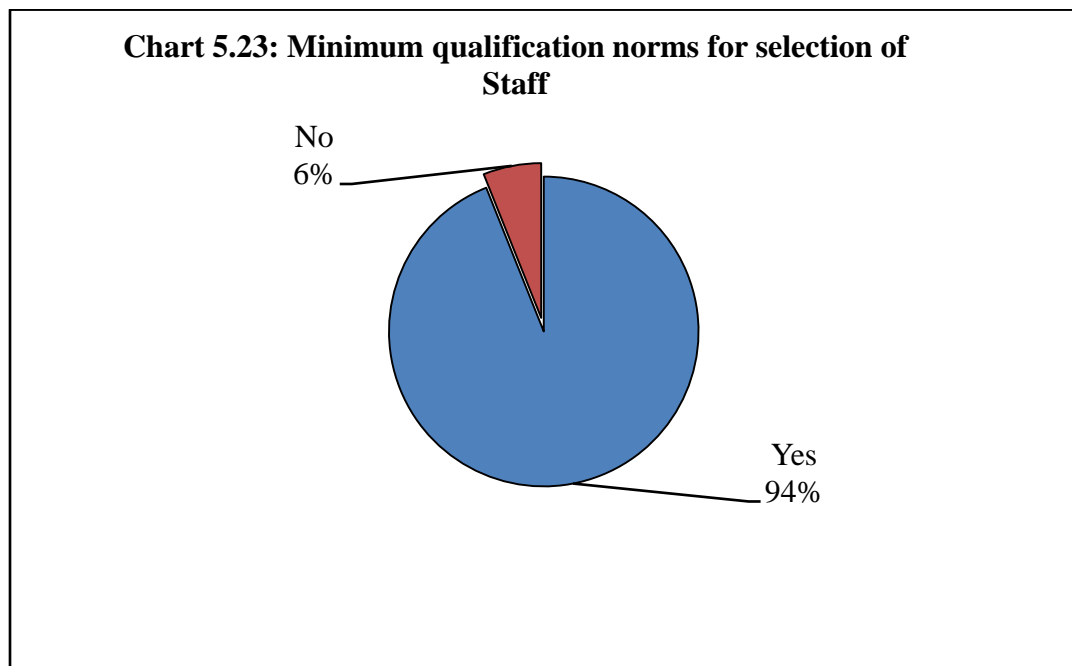
1.9 Minimum qualification norms for selection are available for: Staff / Volunteer

Minimum qualification norms for selection of Staff:

Two NGOs out of 35, do not have staff, therefore they are not applicable. Excluding these NGOs (2); out of 33, 31 NGOs (94%) have minimum qualification norms for selection of staff while 2 NGOs (6%) do not have.

Table 5.25: Minimum qualification norms for selection of Staff

Minimum qualification norms for selection of Staff	Frequency	Percent
Yes	31	94%
No	2	6%
Total	33	100%



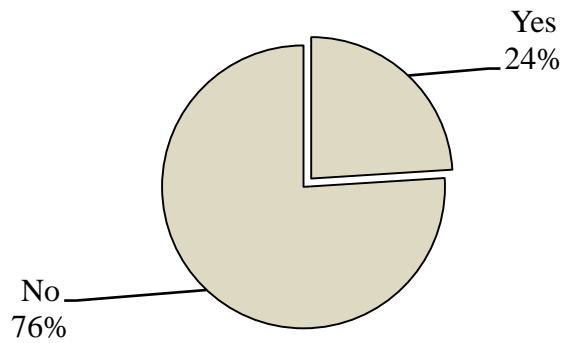
Minimum qualification norms for selection of Volunteer:

Ten NGOs out of 35, do not have volunteers. Excluding these NGOs (10), there are 25 NGOs; out of which 6 NGOs (24%) have job-descriptions for volunteers while 19 NGOs (76%) do not have.

Table 5.26: Minimum qualification norms for selection of Volunteer

Minimum qualification norms for selection of Volunteer	Frequency	Percent
Yes	6	24%
No	19	76%
Total	25	100%

Chart 5.24: Minimum qualification norms for selection of Volunteer



1.10 Training / Re-training is necessary for Staff/ Volunteer

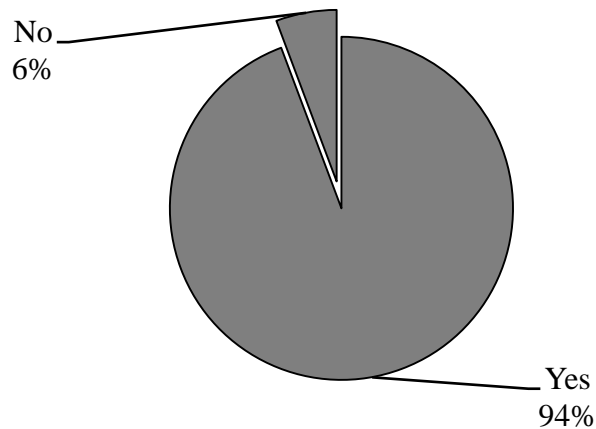
Training / Re-training is necessary for staff:

33 NGOs (94%) feel that training / re-training is necessary for staff, while 2 NGOs (6%) do not feel so.

Table 5.27: Training / Re-training is necessary for staff

Training / Re-training is necessary for staff	Frequency	Percent
Yes	33	94%
No	2	6%
Total	35	100%

Chart 5.25: Training/ Re-training is necessary for staff



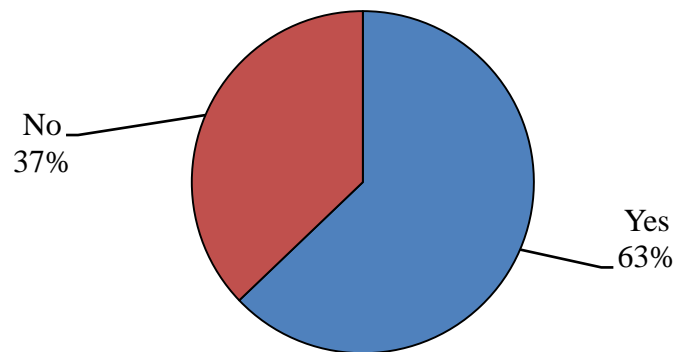
Training / Re-training is necessary for volunteer:

32 NGOs (63%) feel that training / re-training is necessary for volunteer, while 13 NGOs (37%) do not feel so.

Table 5.28: Training / Re-training is necessary for volunteer

Training / Re-training is necessary for volunteer	Frequency	Percent
Yes	22	63%
No	13	37%
Total	35	100%

Chart 5.26: Training/ Re-training is necessary for volunteer

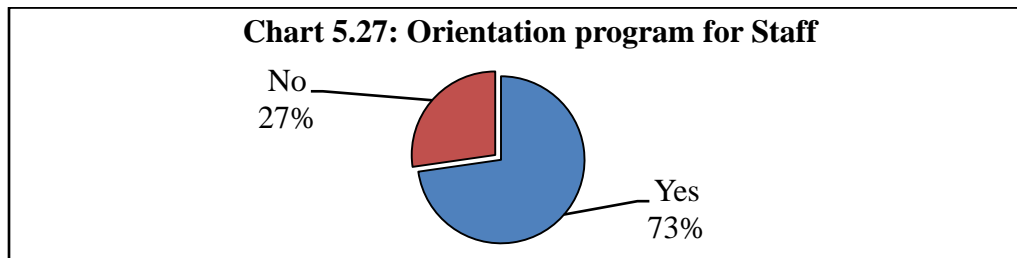


1.11 Orientation program exists and followed for Staff / Volunteer

Orientation program for Staff:Orientation program exists for staff and is followed in 24 NGOs (73%). 9 NGOs (27%) do not have orientation program forstaff.

Table 5.29: Orientation program for Staff

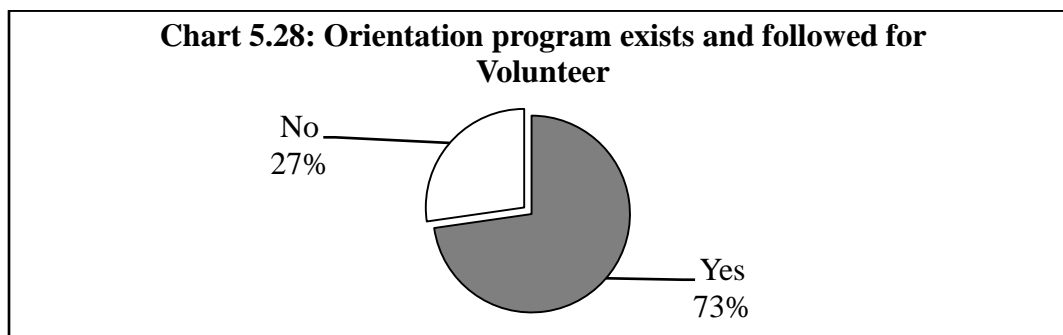
Orientation program exists and followed for Staff	Frequency	Percent
Yes	24	73%
No	9	27%
Total	35	100%



Orientation program for Volunteer: Orientation program exists for volunteers and is followed in 10 NGOs (27%). 15 NGOs (73%) do not have orientation program for staff.

Table 5.30: Orientation program for Volunteer

Orientation program exists and followed for	Frequency	Percent
Yes	10	27%
No	15	73%
Total	25	100%



1.12 Training records are maintained for Staff / Volunteer

You have training record for leadership development for Staff / Volunteer

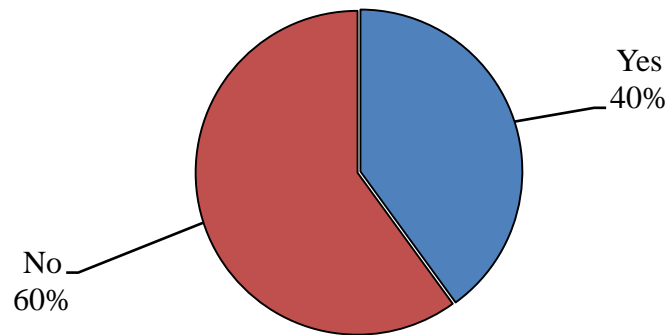
Training records for Staff:

Two NGOs out of 35, do not have staff, therefore this question is not applicable for them. Excluding these NGOs (2); out of 33, 20 NGOs (40%) have maintained training records for staff while 13 NGOs (60%) have not maintained.

Table 5.31: Training records for Staff

Training records are maintained for Staff	Frequency	Percent
Yes	20	40%
No	13	60%
Total	33	100%

Chart 5.29: Training records are maintained for Staff



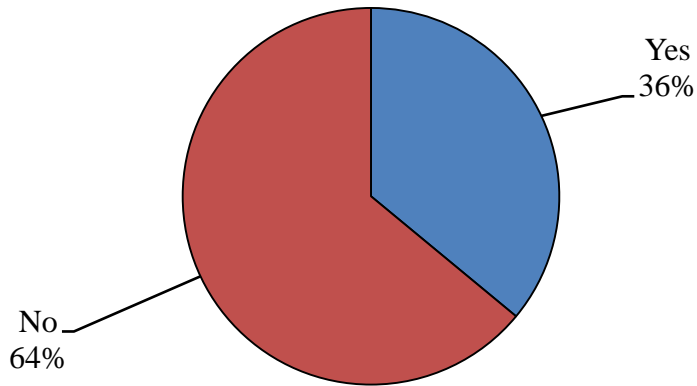
Training records for Volunteer:

Ten NGOs out of 35, do not have volunteers, therefore this question is not applicable for them. Excluding these NGOs (10); out of 25, 9 NGOs (36%) have maintained training records for volunteers while 16 NGOs (64%) have not maintained.

Table 5.32: Training records for Staff

Training records are maintained for Volunteer	Frequency	Percent
Yes	9	36%
No	16	64%
Total	25	100%

Chart 5.30: Training records are maintained for Volunteer



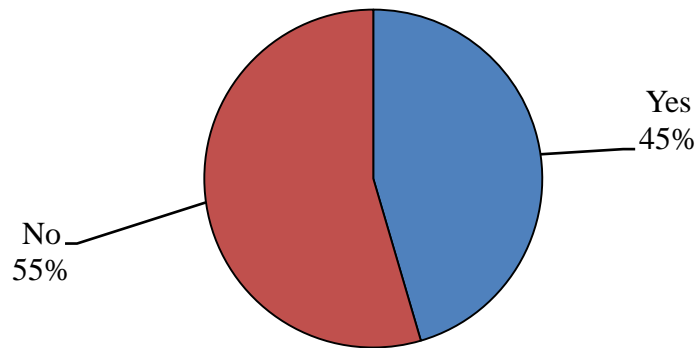
Training record for leadership development for Staff / Volunteer

Two NGOs out of 35, do not have staff, therefore this question is not applicable for them. Excluding these NGOs (2); out of 33, 15 NGOs (45%) have maintained training records for leadership development for staff while 18 NGOs (55%) have not maintained such record.

Table 5.33: Training record for leadership development for Staff

Training record for leadership development for Staff	Frequency	Percent
Yes	15	45%
No	18	55%
Total	33	100%

Chart 5.31: Training record for leadership development for Staff



Training record for leadership development for Volunteer

Ten NGOs out of 35, do not have volunteers, therefore this question is not applicable for them. Excluding these NGOs (10); out of 25, 10 NGOs (40%) have maintained training records for leadership development for volunteers while 15 NGOs (60%) have not maintained such record.

Table 5.34: Training record for leadership development for Volunteer

You have training record for leadership development for Volunteer	Frequency	Percent
Yes	10	40%
No	15	60%
Total	25	100%



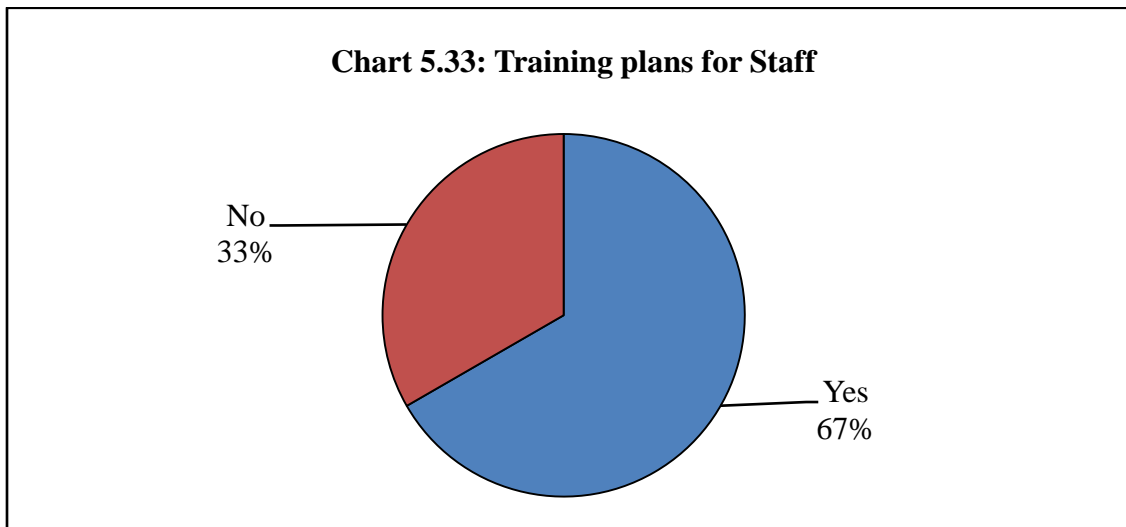
1.13 Training plans are available for Staff / Volunteer

Training plans for Staff:

Two NGOs out of 35, do not have staff, therefore this question is not applicable for them. Excluding these NGOs (2); out of 33, 22 NGOs (67%) have training plans for staff while 11 NGOs (33%) do not have training plans for staff.

Table 5.35: Training plans for staff

Training plans for staff	Frequency	Percent
Yes	22	67%
No	11	33%
Total	33	100%



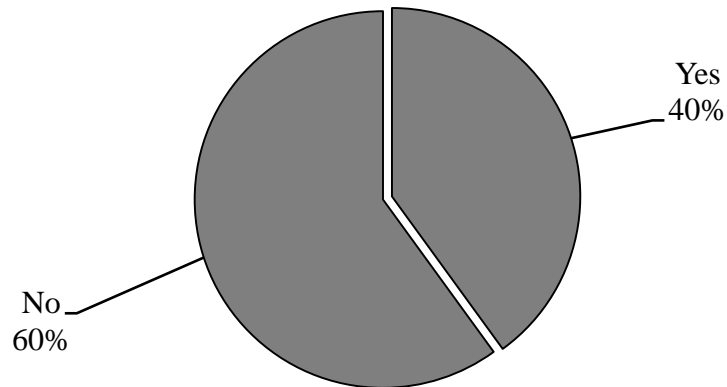
Training plans for volunteers:

Ten NGOs out of 35, do not have volunteers, therefore this question is not applicable for them. Excluding these NGOs (10); out of 25, 10 NGOs (40%) have maintained training records for leadership development for volunteers while 15 NGOs (60%) have not maintained such record.

Table 5.36: Training plans for volunteers

Training plans are available for Volunteer	Frequency	Percent
Yes	10	40%
No	15	60%
Total	25	100%

Chart 5.34: Training plans are available for Volunteer



1.14 Reward / Recognition system for motivation is available for Staff/ Volunteer

Reward / Recognition system for motivation of Staff:

All 35 NGOs (100%) have reward/ recognition system for motivation of staff.

Table 5.37: Reward / Recognition system for motivation of Staff

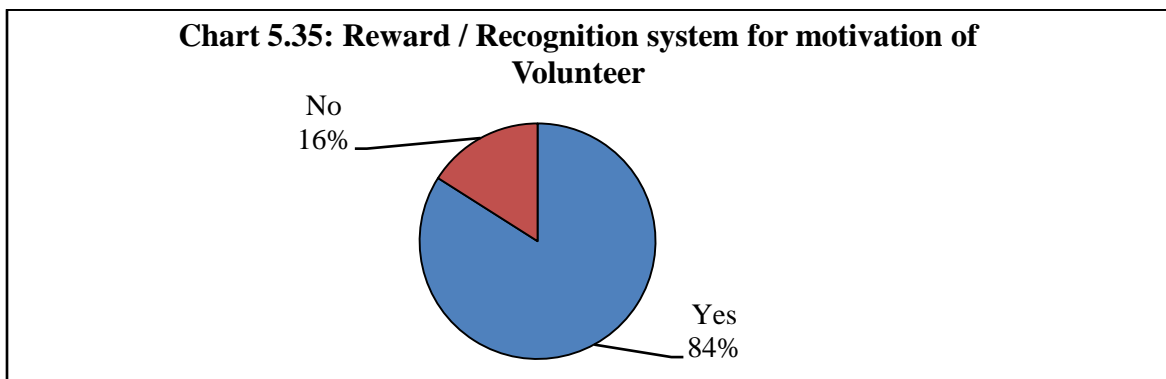
Reward / Recognition system for motivation of Staff	Frequency	Percent
Yes	35	100%
No	nil	Nil
Total	35	100%

Reward / Recognition system for motivation of volunteer:

Ten NGOs are not applicable as there is no staff. Out of 33 NGOs; 21 NGOs (84%) have reward / recognition system for motivation of Volunteer while other 4 NGOs (16%) do not have any system for motivation of volunteers.

Table 5.38: Reward / Recognition system for motivation of Volunteer

Reward / Recognition system for motivation of Volunteer	Frequency	Percent
Yes	21	84%
No	4	16%
Total	25	100%



1.15 Performance is measured for Staff / Volunteer

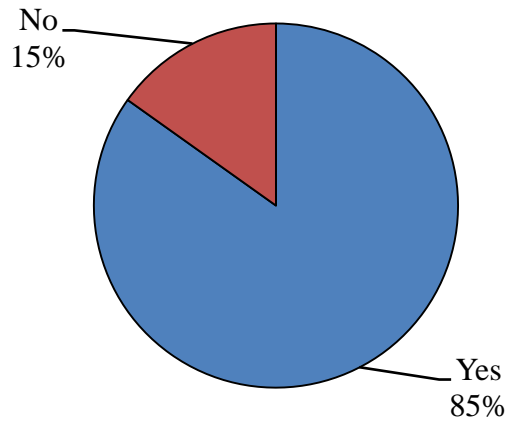
Performance measurement for Staff:

Out of 33 NGOs; 28 NGOs (85%) measure the staff's performance while 5 NGOs (15%) do not measure staff's performance. Two NGOs do not have staff, therefore this question is not applicable to them.

Table 5.39: Performance measurement for Staff

Performance is measured for Staff	Frequency	Percent
Yes	28	85%
No	5	15%
Total	33	100%

Chart 5.36: Performance is measured for Staff

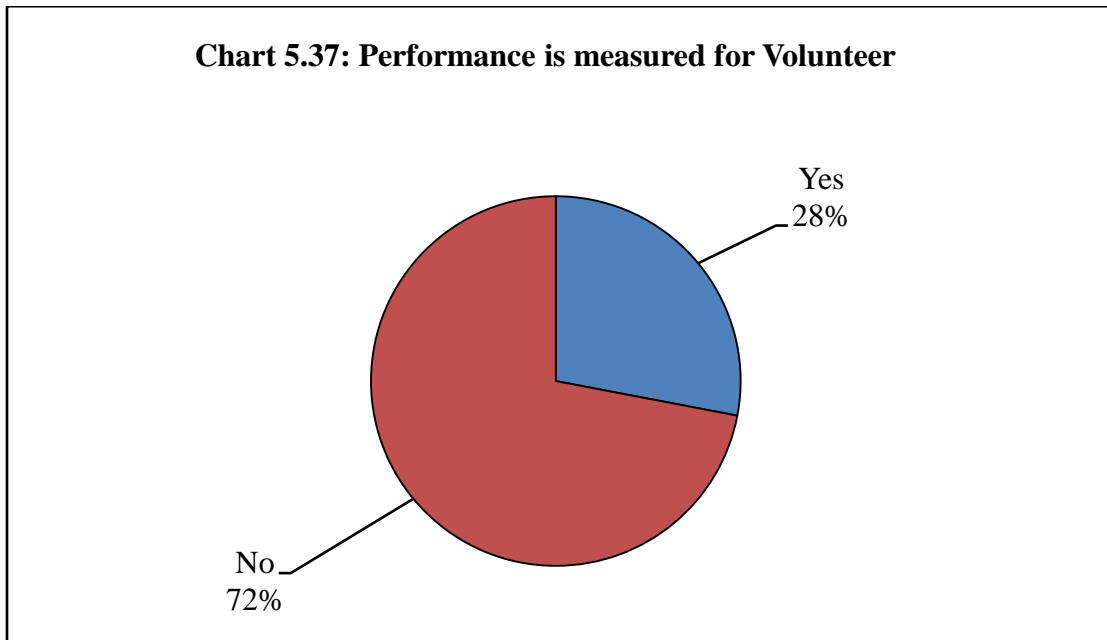


Performance measurement for volunteer:

Out of 35 NGOs, 10 NGOs do not have volunteers. Therefore out of total 25 NGOs; 7 NGOs (28%) measure the volunteer’s performance while 18 NGOs (72%) do not measure volunteer’s performance.

Table 5.40: Performance measurement for volunteer

Performance measurement for volunteer	Frequency	Percent
Yes	7	28%
No	18	72%
Total	25	100%



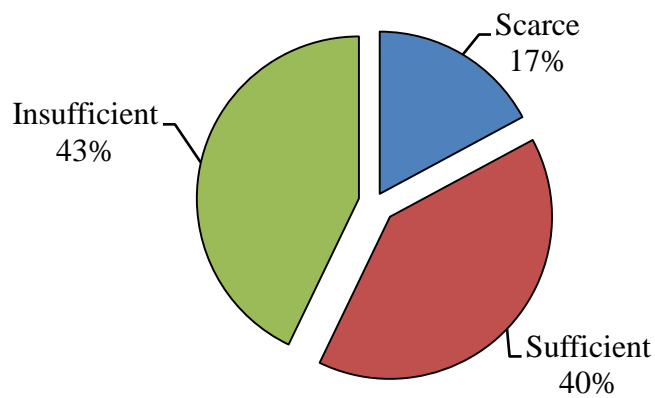
1.16 Availability of financial resources is: a) Scarce b) Sufficient c) Insufficient

Out of 35 NGOs, 6 NGOs (17%) said that availability of financial resources is scarce, 14 NGOs (40%) said that availability of financial resources is sufficient and 15 NGOs said that availability of financial resources is insufficient.

Table 5.41: Availability of financial resources

Availability of financial resources	Frequency	Percent
Scarce	6	17%
Sufficient	14	40%
Insufficient	15	43%
Total	35	100%

Chart 5.38: Availability of financial resources



1.17 Do you have long term plans for raising funds? Yes/ No
Is there any plan for mobilization of financial resources?

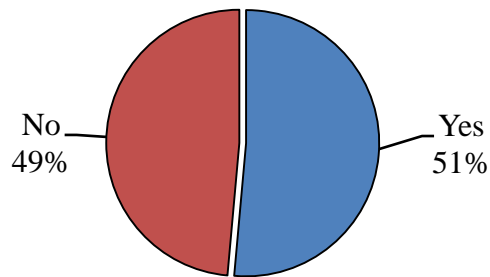
Long term plans for fund raising:

Out of 35 NGOs; 18 NGOs (51%) have long term plans for fund raising; while 17 NGOs (49%) do not have long term plans for fund raising.

Table 5.42: Long term plans for fund raising

Long term plan for fund raising	Frequency	Percent
Yes	18	51%
No	17	49%
Total	35	100%

Chart 5.39: Long term plan for fund raising



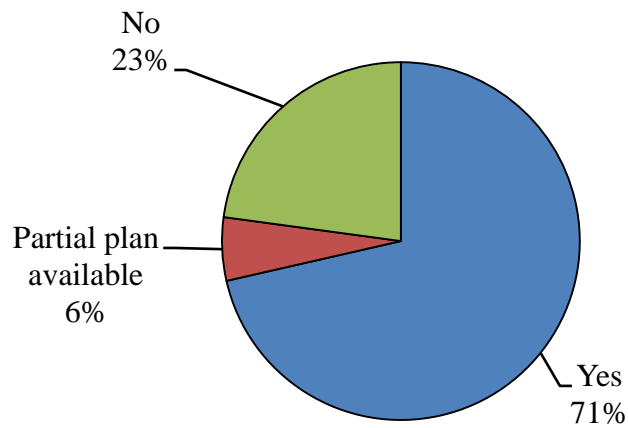
Plan for mobilization of financial resources:

Out of 35 NGOs; 25 NGOs (71%) have plan for mobilization of financial resources, 2 NGOs (6%) have partial plan (in process of completion) for mobilization of financial resources and 8 NGOs (23%) do not have plans for mobilization of financial resources

Table 5.43: Plan for mobilization of financial resources

Plan for mobilization of financial resources	Frequency	Percent
Yes	25	71%
Partial plan available	2	6%
No	8	23%
Total	35	100%

Chart 5.40: Plan for mobilization of financial resources



1.18 Is there any staff specifically for financial management? Yes/ No

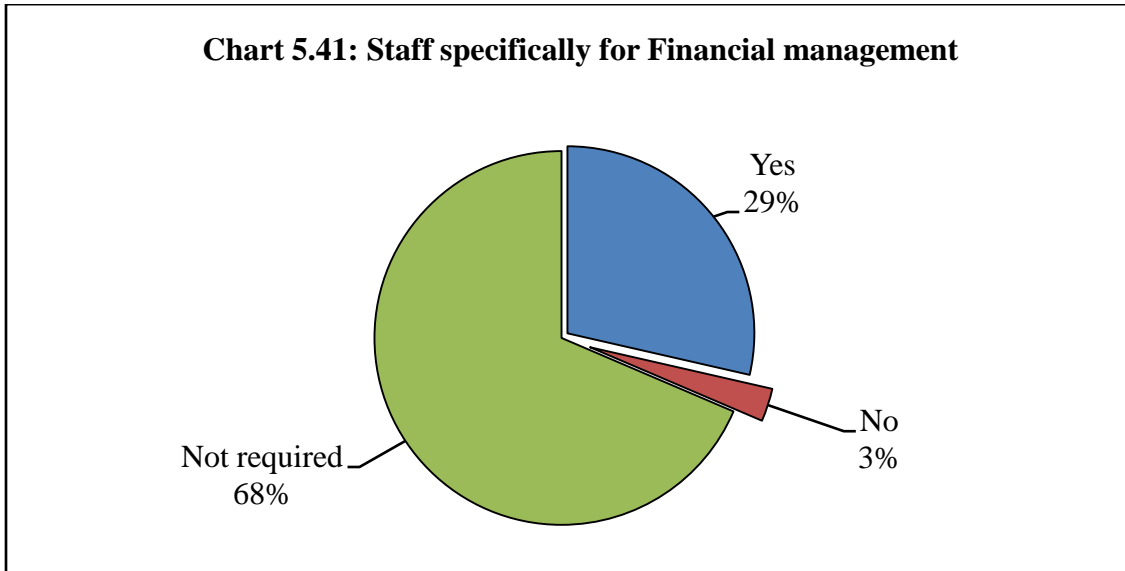
Staff specifically for financial management:

Out of 35 NGOs, 10 NGOs (29%) have staff specifically for financial management, 1 NGO (3%) does not have staff specifically for financial management and 24 NGOs (68%) do not require any staff specifically for financial management.

Table 5.44: Staff specifically for financial management

Availability of staff specifically for Financial management	Frequency	Percent
Yes	10	29%
No	1	3%
Not required	24	68%
Total	35	100%

Chart 5.41: Staff specifically for Financial management



1.19 Is internal financial audit conducted in your organization?
If yes, who conducts the internal audit?

Internal financial audit:

All 35 NGOs (100%) conduct internal financial audit.

Table 5.45: Internal financial audit

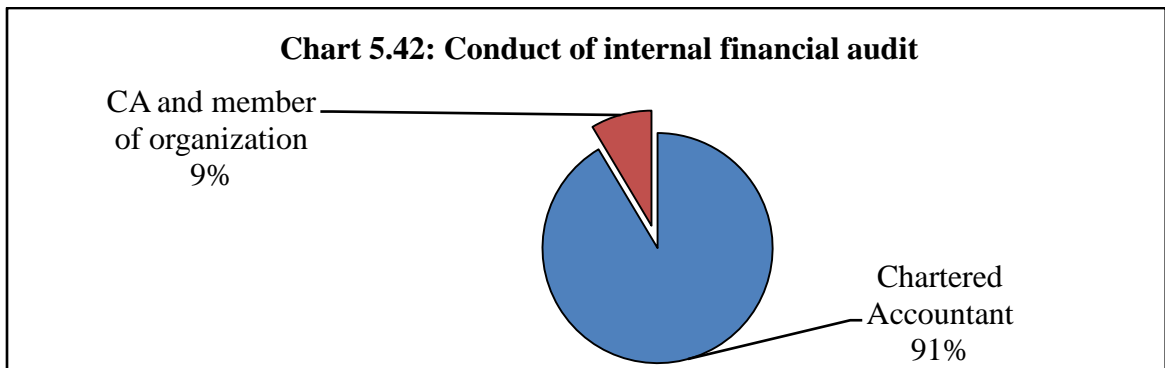
Internal financial audit	Frequency	Percent
Yes	35	100%
No	nil	nil
Total	35	100%

Conduct of internal financial audit:

Out of 35 NGOs, in 32 NGOs internal financial audit is conducted by authorized Chartered Accountant and in 3 NGOs (9%) internal financial audit is conducted by authorized Chartered Accountant and member of organization like council member, secretary, committee member.

Table 5.46: Conduct of internal financial audit

Internal financial audit conducted by	Frequency	Percent
Chartered Accountant	32	91%
Chartered Accountant and member of organization	3	9%
Total	35	100%



1.20 Are feedback / views of beneficiaries taken regarding service being provided by the NGO?

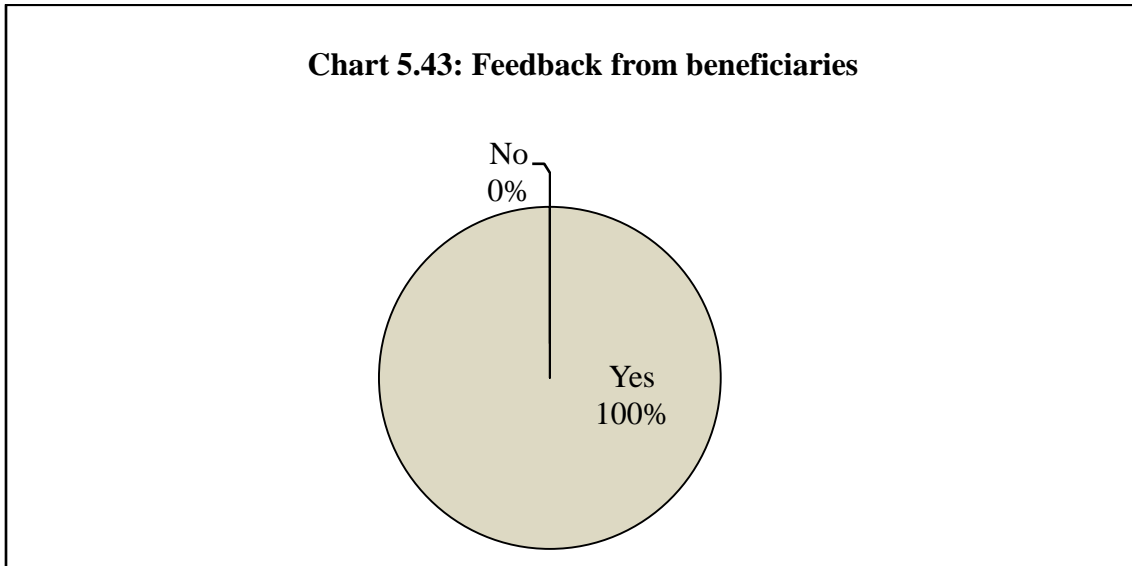
Feedback from beneficiaries:

All 35 NGOs (100%) take feedback from beneficiaries regarding service provided to them.

Table 5.47: Feedback from beneficiaries

Feedback from beneficiaries	Frequency	Percent
Yes	35	100%
No	nil	nil
Total	35	100%

Chart 5.43: Feedback from beneficiaries



1.21 Fund raising methods used by your organization:

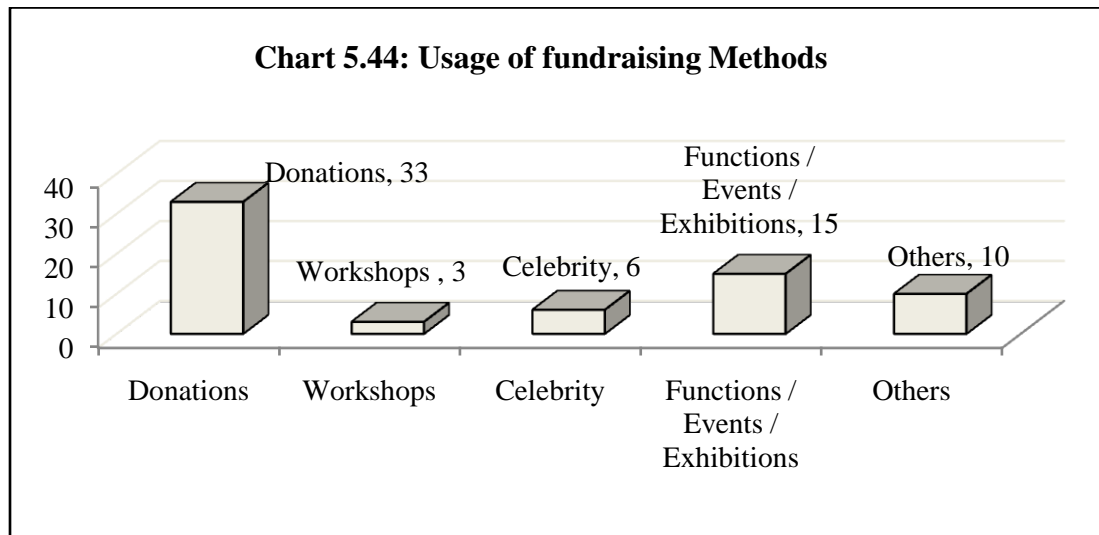
- a) Donations
- b) Workshops
- c) Celebrity
- d) Functions / Events / Exhibitions
- e) Others (please mention): _ _ _ _

Fund raising methods:

Table 5.48 lists funding method and number of NGOs using respective funding method. Donations as fund raising method is used by 33 NGOs; Workshops as fund raising method is used by 3 NGOs; Celebrity as fund raising method is used by 6 NGOs; Functions / Events / Exhibitions as fund raising method is used by 15 NGOs; others fund raising methods are used by 11 NGOs. Other fund raising methods include membership fees, sale of products, publishing of organization’s magazine, soliciting for advertising in organization’s journal, service fees, membership fees, self-sustainability, personal contacts and networking.

Table 5.48: Usage of fund raising methods

Fundraising method	Usage
Donations	33
Workshops	3
Celebrity	6
Functions/ Events / Exhibitions	15
Others	11



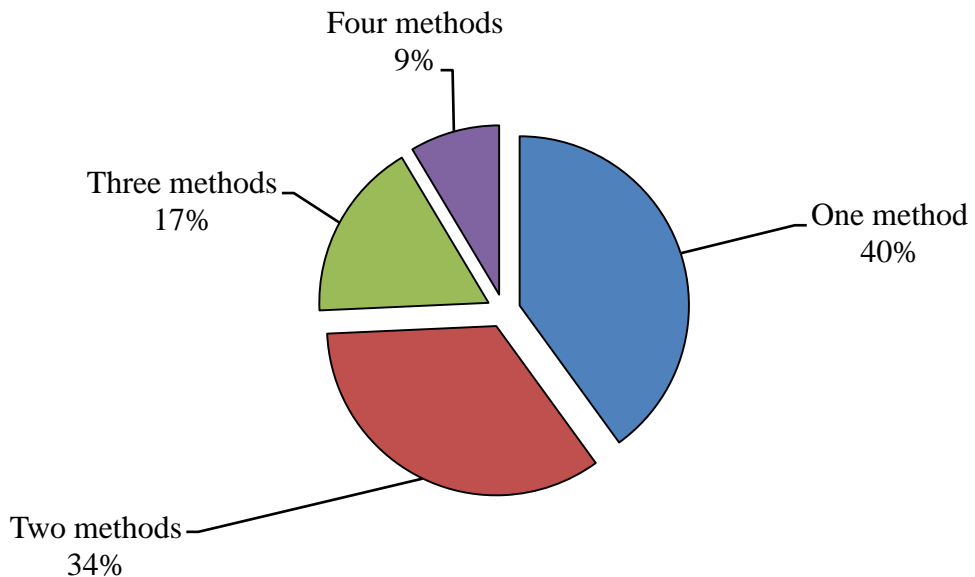
Number of fund raising methods used:

Table 5.49 lists number of fund raising methods used by NGOs. 14 NGOs (40%) NGOs use only one method of fund raising; 12 NGOs (34%) use two methods of fund raising; 6 NGOs (17%) use three methods of fund raising; 3 NGOs (9%) use four methods of fund raising.

Table 5.49: Number of fund raising methods used

Number of fund raising methods used	Frequency	Percent
One method	14	40%
Two methods	12	34%
Three methods	6	17%
Four methods	3	9%
Total	35	100%

Chart 5.45: Number of fund raising methods used



1.22 Your organization is accountable to: a) Beneficiaries, b) Staff, c) Volunteers, d) Government / Funding agencies / Donors, e) General Public

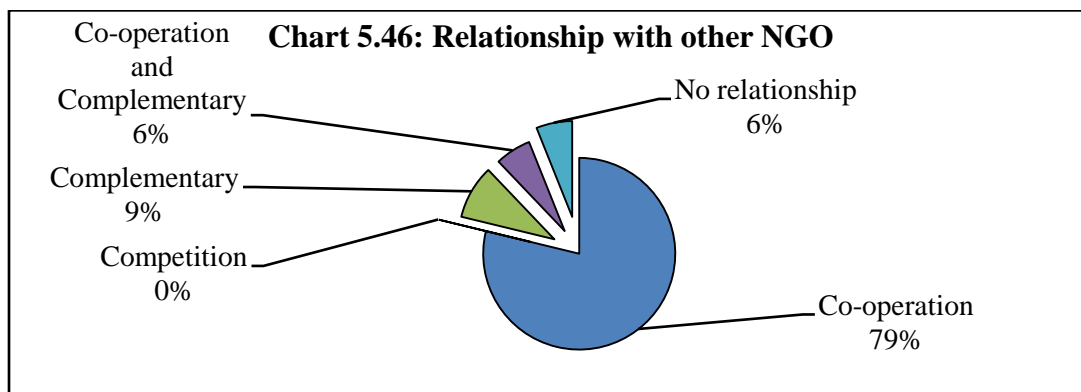
Accountability: All 35 NGOs (100%) are accountable to their beneficiaries, staff, volunteers, government / funding agencies / donors and general public.

1.23 Relationship between your organization and other NGOs (working on same issue as of your organization): a) Co-operation, b) Competition, c) Complementary

Relationship with other NGO: Out of 35 NGOs; 2 NGOs did not respond. Out of 33 responses, the relationships (of responded NGO) with other NGOs are; 26 NGOs (79%) – Co-operation; 3 NGOs (9%) – complementary; 2 NGOs (6%) – Co-operation and Complementary; 2 NGOs (6%) – no relationship and none of the NGO has relationship of competition.

Table 5.50: Relationship with other NGO

Relationship with other NGO	Frequency	Percent
Co-operation	26	79%
Competition	0	nil
Complementary	3	9%
Co-operation and Complementary	2	6%
No relationship	2	6%
Total	33	100%



1.24 Do you face difficulties in receiving the Grants / Funds from Donors/Funding agencies at sanctioning level?

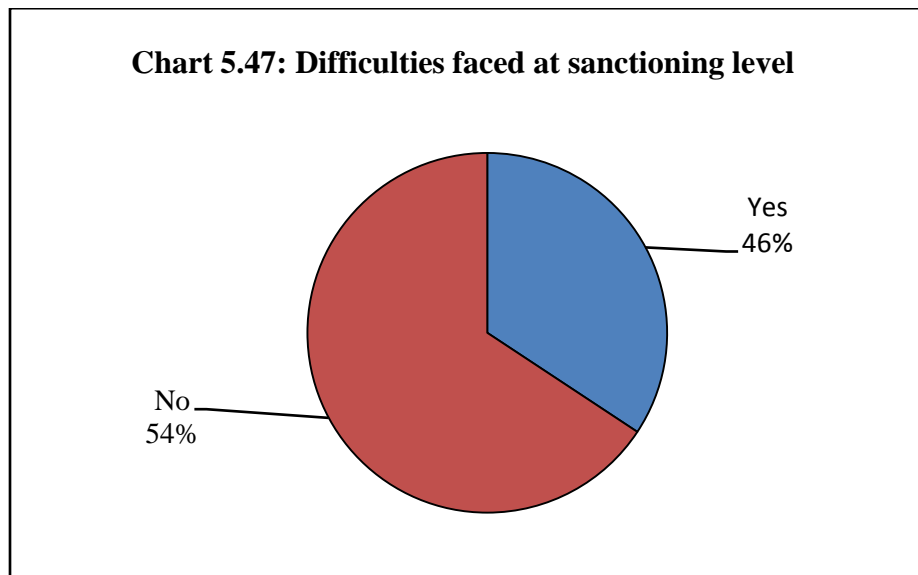
Difficulties in receiving the Grants / Funds from Donors/Funding agencies at sanctioning level:

16 NGOs (46%) face difficulties in receiving the grants / funds from donors/funding agencies at sanctioning level while 19 NGOs (54%) do not face difficulties.

Table 5.51: Difficulties faced at sanctioning level

Difficulties faced at sanctioning level	Frequency	Percent
Yes	16	46%
No	19	54%
Total	35	100%

Chart 5.47: Difficulties faced at sanctioning level



Do you face difficulties in receiving the Grants / Funds from Donors/Funding agencies at the time of disbursement?

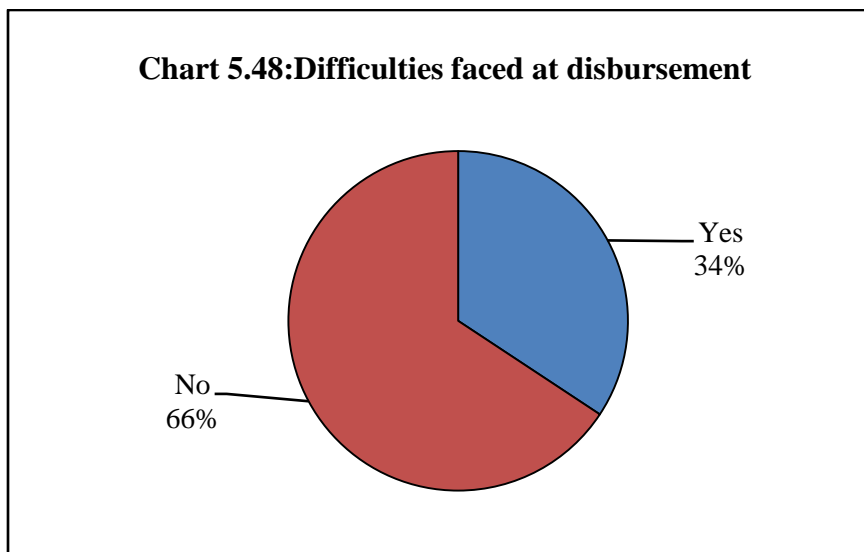
Difficulties in receiving the Grants / Funds from Donors/Funding agencies at the time of disbursement:

12 NGOs (34%) face difficulties in receiving the grants / funds from donors/funding agencies at time of disbursement while 23 NGOs (66%) do not face difficulties.

Table 5.52: Difficulties faced at disbursement

Difficulties faced at disbursement	Frequency	Percent
Yes	12	34%
No	23	66%
Total	35%	100%

Chart 5.48: Difficulties faced at disbursement



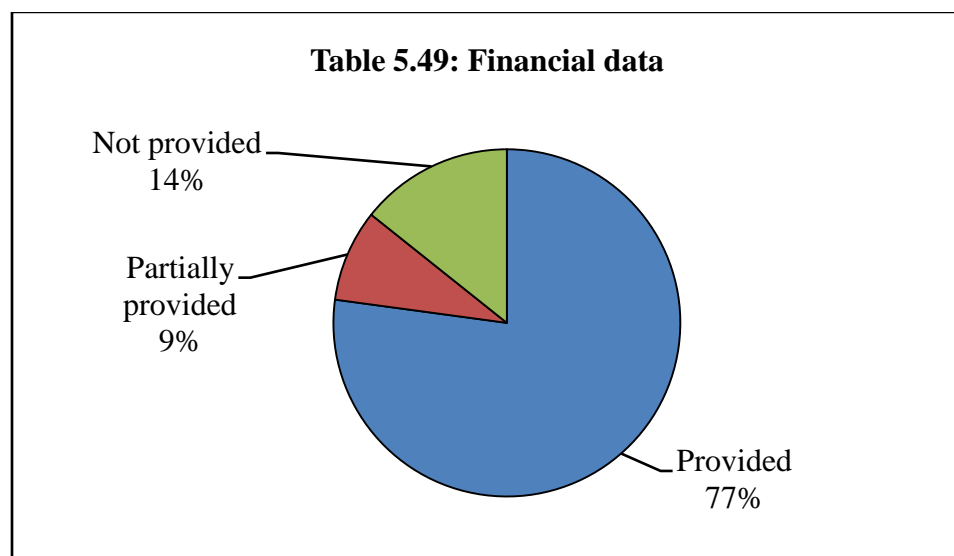
- Q.2 Please provide the following data (for the years 2005 to 2008)
- Annual expenditure (in Rs.) and Administrative expenditure (in Rs.)
 - Paid staff (Part time and Full time)
 - Number of volunteers
 - Employee (Staff) turnover (in %)

Financial data (Annual Expenditure and administrative expenditure for the years 2005 to 2008):

Out of 35 NGOs, 27 NGOs (77%) have provided data for annual expenditure and administrative expenditure for the years 2005 to 2008; 3 NGOs (9%) have partially provided this data and 5 NGOs (14%) have not provided this data.

Table 5.53: Financial data

Financial data	Frequency	Percent
Provided	27	77%
Partially provided	3	9%
Not provided	5	14%
Total	35	100%

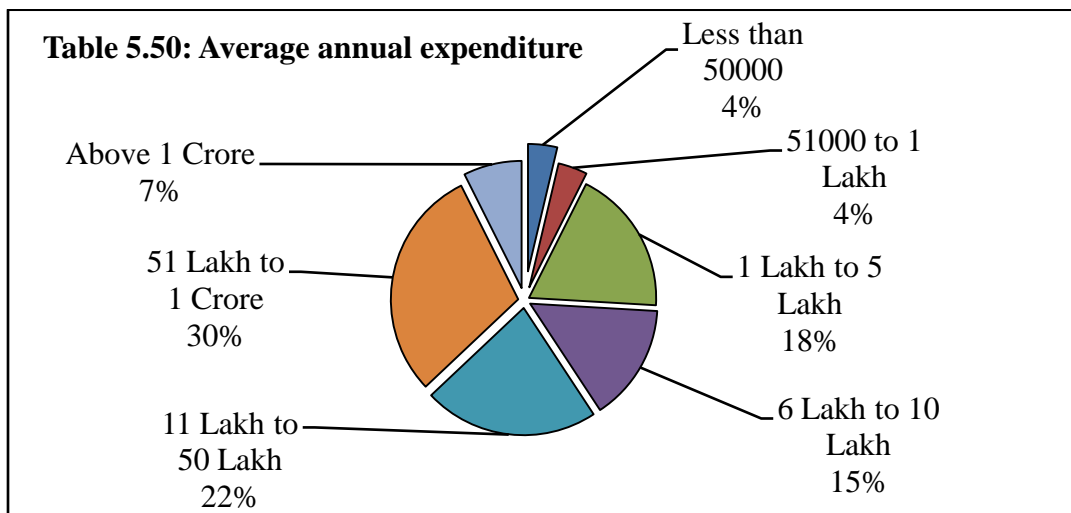


Average Annual Expenditure:

Table 5.54 is derived from calculating the average for years 2005 to 2008. This data includes 27 NGOs who have provided complete data. 1 NGO (4%) has average annual expenditure of less than Rs. 50000; 1 NGO (4%) has average annual expenditure of Rs. 51000 to Rs.1 Lakh; 5 NGOs (18%) have average annual expenditure of Rs.1 Lakh to Rs.5 Lakh; 4 NGOs (15%) have average annual expenditure of Rs. 6 Lakh to Rs. 10 Lakh; 6 NGOs (22%) have average annual expenditure of Rs. 11 Lakh to Rs. 50 Lakh; 8 NGOs (30%) have average annual expenditure of Rs. 51 Lakh to Rs. 1 Crore and 2 NGOs (7%) have average annual expenditure of above Rs.1 Crore.

Table 5.54: Average annual expenditure in rupees

Average annual expenditure in rupees	Frequency	Percent
Less than 50000	1	4%
51000 to 1 Lakh	1	4%
1 Lakh to 5 Lakh	5	18%
6 Lakh to 10 Lakh	4	15%
11 Lakh to 50 Lakh	6	22%
51 Lakh to 1 Crore	8	30%
Above 1 Crore	2	7%
Total	27	100%

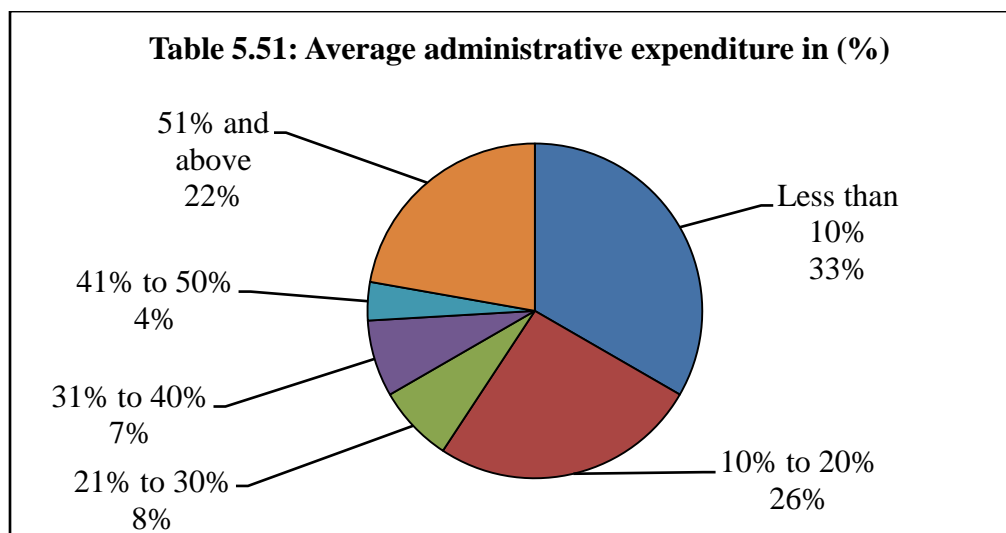


Average Annual Expenditure:

Table 5.55 is derived from calculating the average for years 2005 to 2008. Administrative data is expressed in percent (calculated against the average annual expenditure in rupees). This data includes 27 NGOs who have provided complete data. 9 NGOs (33%) have administrative expenditure of less than 10%; 7 NGOs (26%) have administrative expenditure of 10% to 20%; 2 NGOs (8%) have administrative expenditure of 21% to 30%; 2 NGOs (8%) have administrative expenditure of 31% to 40%; 1 NGO (4%) has administrative expenditure of 41% to 50% and 6 NGOs have administrative expenditure of 51% and above.

Table 5.55: Average Annual Expenditure (in percent)

Administrative Expenditure in %	Frequency	Percent
Less than 10%	9	33%
10% to 20%	7	26%
21% to 30%	2	8%
31% to 40%	2	7%
41% to 50%	1	4%
51% and above	6	22%
Total	27	100%

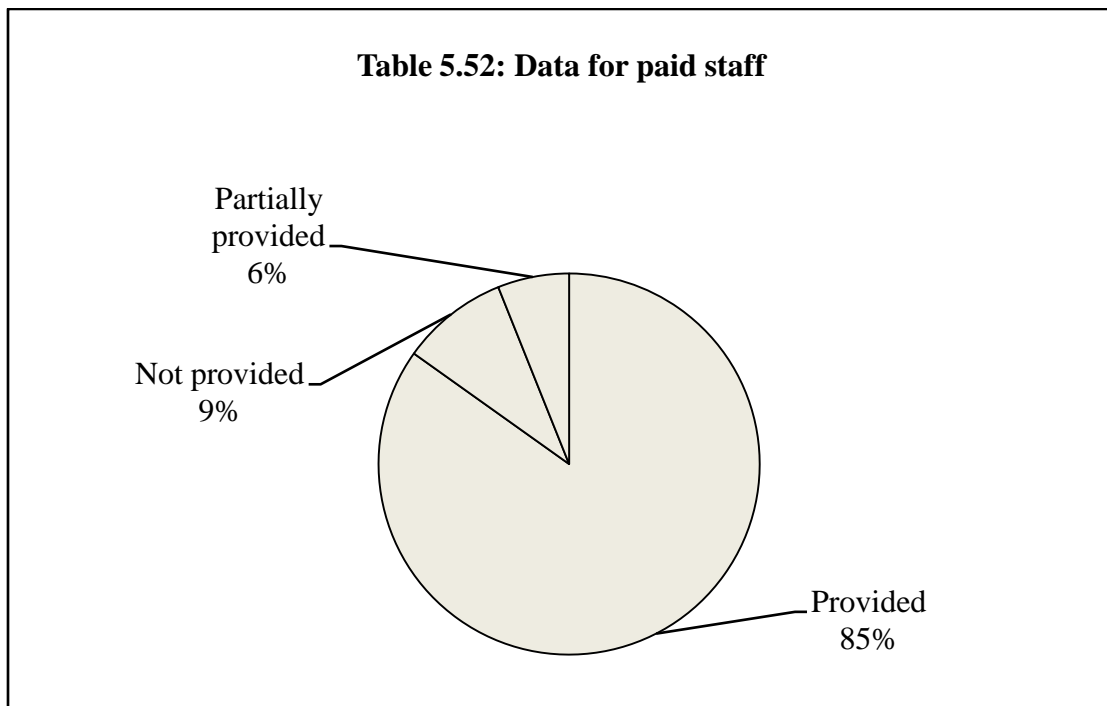


Data for number of paid staff (in the year 2005 to 2008):

Out of 35, 2 NGOs do not have paid staff. Out of remaining 33 NGOs; 28 NGOs (85%) have provided data for paid staff; 2 NGOs (6%) have provided data partially and 3 NGOs (9%) have not provided any data.

Table 5.56: Data for paid staff

Data for paid staff	Frequency	Percent
Provided	28	85%
Not provided	3	9%
Partially provided	2	6%
Total	33	100%

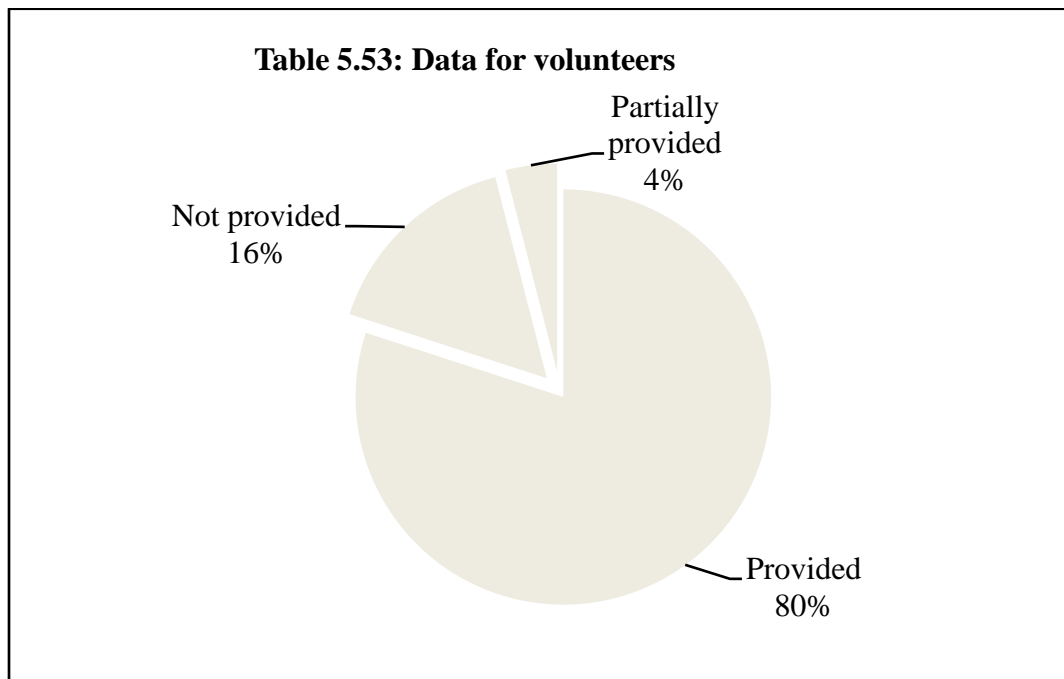


Data for number of volunteers (in the year 2005 to 2008):

Out of 35, 10 NGOs do not have volunteers. Out of remaining 25 NGOs; 20 NGOs (80%) have provided data for volunteers; and 1 NGO (4%) has provided data partially and 4 NGOs (16%) have not provided any data.

Table 5.57: Data for volunteers

Data for volunteers	Frequency	Percent
Provided	20	80%
Not provided	4	16%
Partially provided	1	4%
Total	25	100%



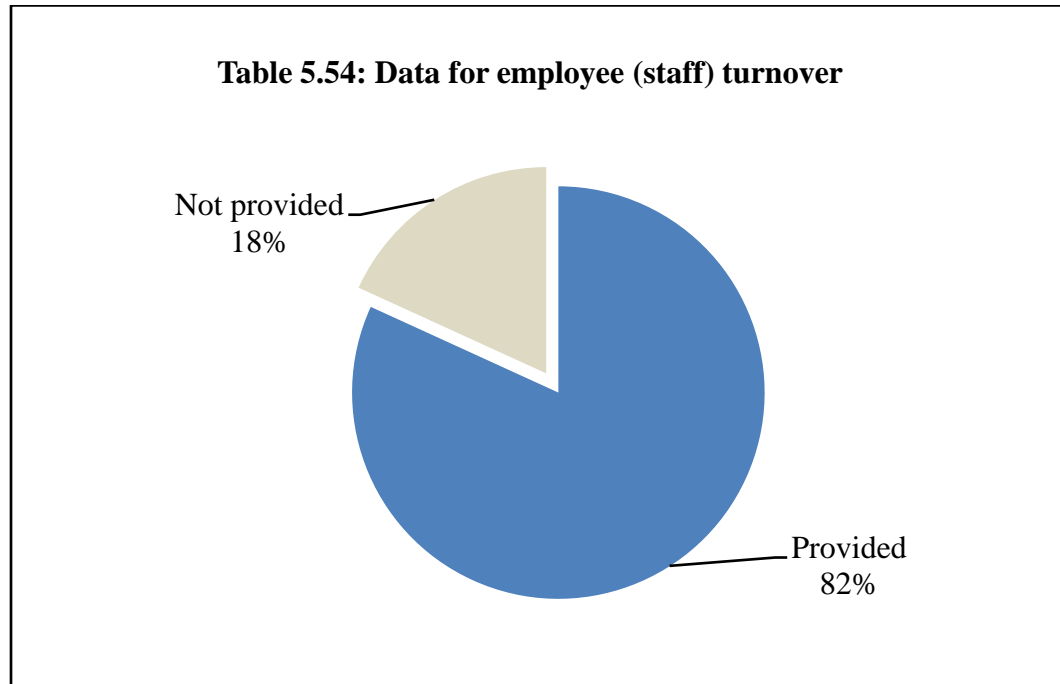
Employees (Staff) turnover in percent (in the years 2005 to 2008):

Out of 35, 2 NGOs do not have paid staff. Out of remaining 33 NGOs; 27 NGOs (82%) have provided data for Employee (Staff) turnover in percent (in the years 2005 to 2008) and 6 NGOs (18%) have not provided any data.

Table 5.58: Data for employee (Staff) turnover in %

Data for % Employee staff turnover	Frequency	Percent
Provided	27	82%
Not provided	6	18%
Total	33	100%

Table 5.54: Data for employee (staff) turnover



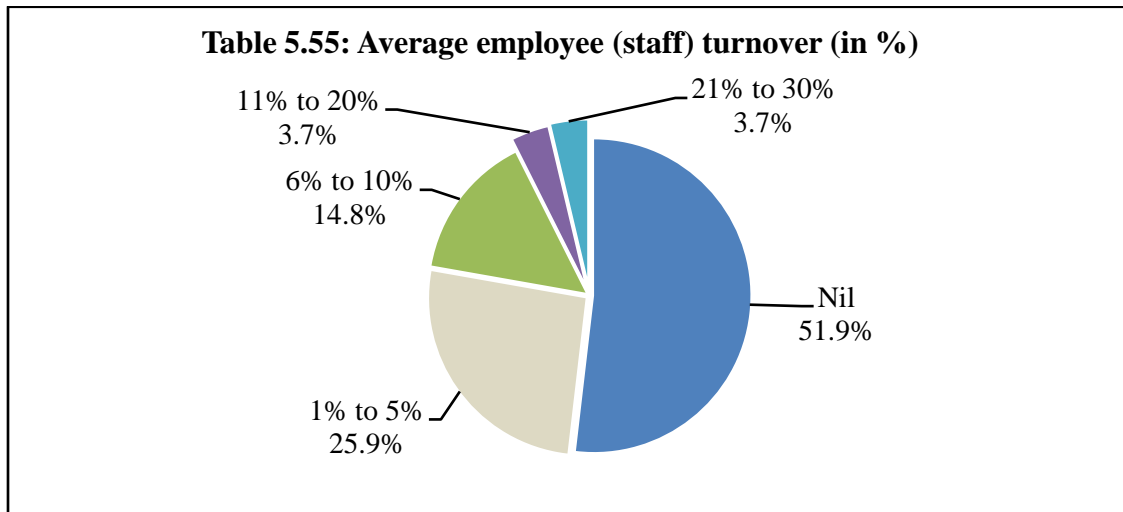
Average employee (staff) turnover (in %):

Table 5.59 is derived from calculating the average employees (staff) turnover for years 2005 to 2008. Out of 35, 2 NGOs do not have paid staff, 6 NGOs have not provided any data. Therefore, out of 27, 14 NGOs (51.9%) have no employee (staff) turnover; 7 NGOs (25.9%) have average employee (staff) turnover in between 1% to 5%; 4 NGOs (14.8%) have average employee (staff) turnover in between 6% to 10%; 1 NGO (3.7%) has average employee (staff) turnover in between 11% to 20% and 1 NGO (3.7%) has average employee (staff) turnover in between 21% to 30%.

(There was absence of organized data for staff turnover an volunteer turnover. These figures are given approximately.)

Table 5.59: Average employee (staff) turnover (in %)

Average Employee (staff) turnover in %	Frequency	Percent
Nil	14	51.9%
1% to 5%	7	25.9%
6% to 10%	4	14.8%
11% to 20%	1	3.7%
21% to 30%	1	3.7%
Total	27	100.0%



Q.3 The optimum number of personnel for better performance of your organization:

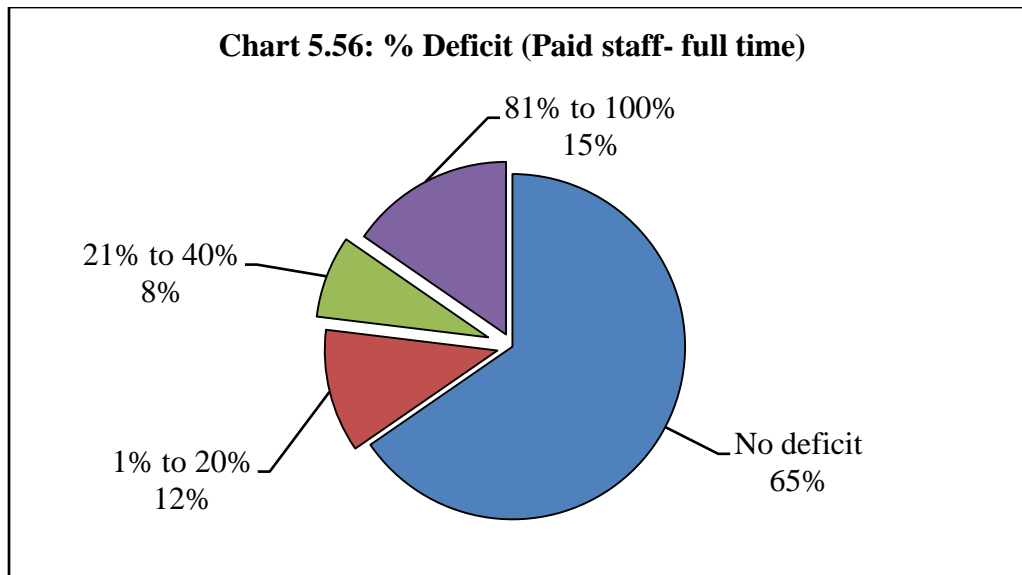
a) Paid staff (full time): __ b) Paid staff (part time): __ c) Volunteers: __

a) Paid staff (full time):

Out of 35, 3 NGOs do not need paid staff (full time). Out of remaining 32 NGOs, 6 NGOs have not provided relevant data. Therefore Table 5.60 is derived from information given by 26 NGOs. In this table, percent deficit of paid staff (full time) is calculated with respect of optimum number of staff and available number of staff. The interpretation for percent deficit in paid staff (full time): 17 NGOs (65%) have no deficit; 3 NGOs (12%) have 1% to 20% deficit; 2 NGOs (8%) have 21% to 40% deficit and 4 NGOs (15%) have 81% to 100% deficit.

Table 5.60: % Deficit (Paid staff -full time)

% Deficit (Paid staff -full time)	Frequency	Percent
No deficit	17	65%
1% to 20%	3	12%
21% to 40%	2	8%
81% to 100%	4	15%
Total	26	100%

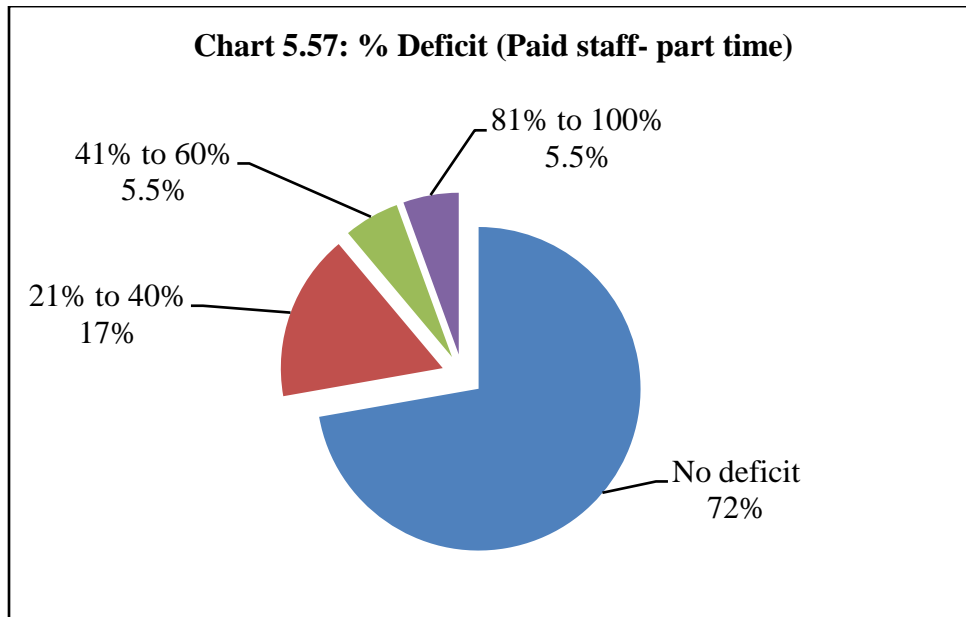


b) Paid staff (part time):

Out of 35, 11 NGOs do not need paid staff (part time). Out of remaining 21 NGOs, 6 NGOs have not provided relevant data. Therefore Table 5.61 is derived from information given by 18 NGOs. In this table, percent deficit of paid staff (part time) is calculated with respect of optimum number of staff and available number of staff. The interpretation for percent deficit in paid staff (part time):13 NGOs (72%) have no deficit; 3 NGOs (17%) have 21% to 40% deficit; 1 NGO (5.5%) has 41% to 60% deficit and 1 NGO (5.5%) has 81% to 100% deficit.

Table 5.61: % Deficit (Paid staff -part time)

% Deficit (Paid staff -part time)	Frequency	Percent
No deficit	13	72%
21% to 40%	3	17%
41% to 60%	1	5.5%
81% to 100%	1	5.5%
Total	18	100%

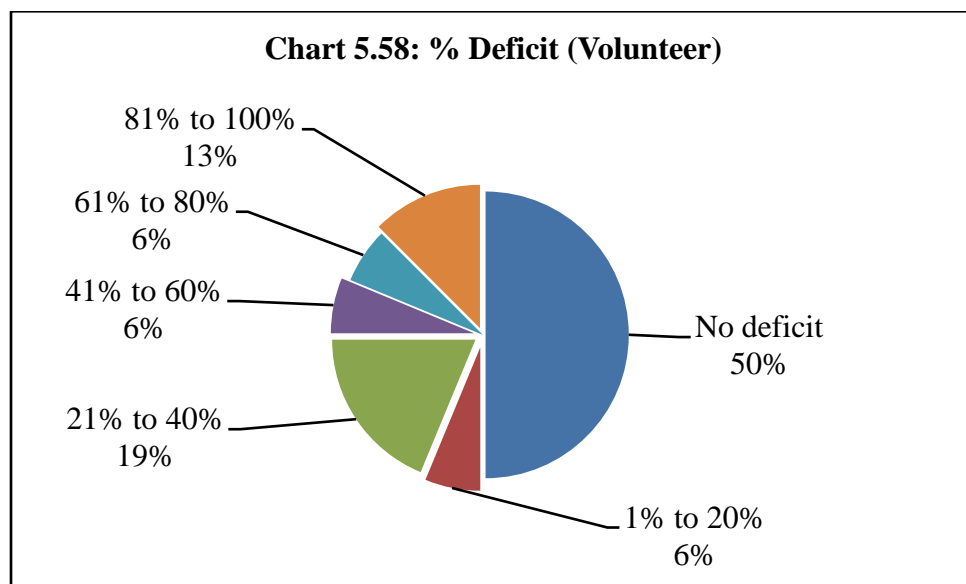


b) Volunteers

Out of 35, 7 NGOs do not need volunteers. Out of remaining 28 NGOs, 8 NGOs have not provided relevant data and 4 NGOs have more volunteers than optimum requirement. Therefore Table 5.62 is derived from information given by 16 NGOs. In this table, percent deficit of volunteers is calculated with respect of optimum number of volunteers and available number of volunteers. The interpretation for percent deficit in volunteers: 8 NGOs (50%) have no deficit; 1 NGO (6%) has 1% to 20% deficit; 3 NGOs (19%) have 21% to 40% deficit and 1 NGO (6%) has 41% to 60% deficit; 1 NGO (6%) has 61% to 80% deficit and 2 NGOs (13%) have 81% to 100% deficit.

Table 5.62: % Deficit (Volunteers)

% Deficit (Volunteers)	Frequency	Percent
No deficit	8	50%
1% to 20%	1	6%
21% to 40%	3	19%
41% to 60%	1	6%
61% to 80%	1	6%
81% to 100%	2	13%
Total	16	100%



Q.4 Approximate the relative importance (proportion of your current budget) of the major sources of funds. (Please tick the appropriate option):

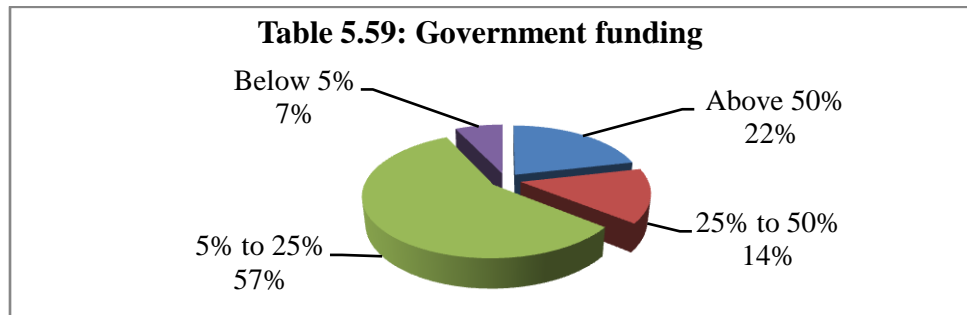
- Above 50% -25% to 50% -5% to 25% -Below 5%
- Government
- National foundations donations/grants
- Foreign/international foundations donations/grants
- Corporate donations/ grants
- Foreign/international business/corporate donations / grants,
- Public donations or grants,
- Membership dues (fees) Self financing
- Others (please brief)

Government funding:

14 NGOs receive government funding. Table 5.63 lists the percentage of government funds in these NGOs in proportion of their budgets. Government funds in 3 NGOs (22%) is above 50%, in 2 NGOs (14%) it is in between 25% to 50%, in 8 NGOs (57%) it is in between 5% to 25% and in 1 NGO (7%) it is below 5%.

Table 5.63: Government funding proportion

Funding proportion	Frequency	Percent
Above 50%	3	22%
25% to 50%	2	14%
5% to 25%	8	57%
Below 5%	1	7%
Total	14	100%



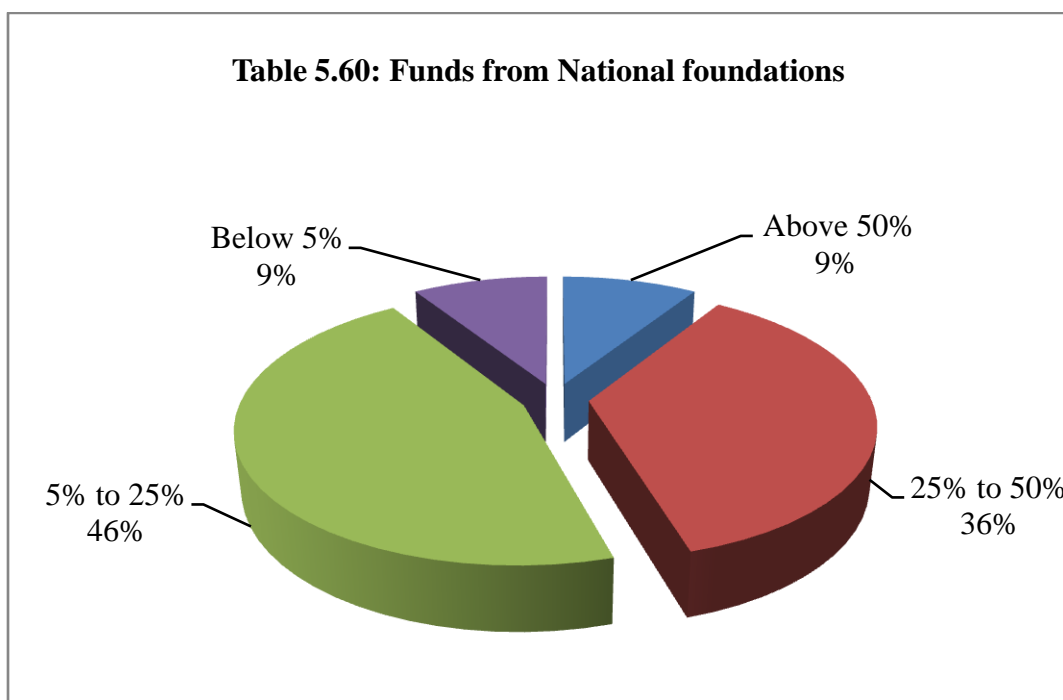
Funds from National foundations:

11 NGOs receive funding from National foundations. Table 5.64 lists the percentage of National foundations funds in these NGOs in proportion of their budgets. National foundations funds in 1 NGO (9%) is above 50%, in 4 NGOs (36%) it is in between 25% to 50%, in 5 NGOs (46%) it is in between 5% to 25% and in 1 NGO (9%) it is below 5%.

Table 5.64: Funds from National foundations

Funding proportion (of budget)	Frequency	Percent
Above 50%	1	9%
25% to 50%	4	36%
5% to 25%	5	46%
Below 5%	1	9%
Total	11	100%

Table 5.60: Funds from National foundations



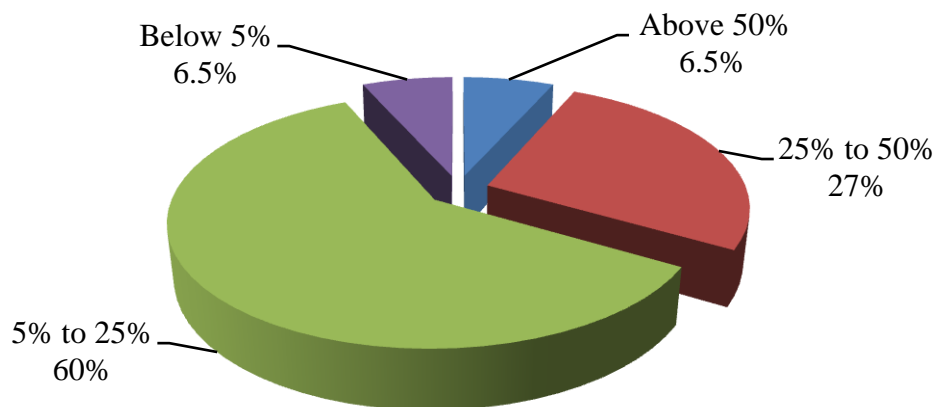
Funds from Foreign/international foundations:

15 NGOs receive funding from Foreign/international foundations. Table 5.65 lists the percentage of Foreign/international foundations funds in these NGOs in proportion of their budgets. Foreign/international foundations funds in 1 NGO (6.5%) is above 50%, in 4 NGOs (27%) it is in between 25% to 50%, in 9 NGOs (60%) it is in between 5% to 25% and in 1 NGO (6.5%) it is below 5%.

Table 5.65: Funds from Foreign/international foundations

Funding proportion (of budget)	Frequency	Percent
Above 50%	1	6.5%
25% to 50%	4	27.0%
5% to 25%	9	60.0%
Below 5%	1	6.5%
Total	15	100%

Table 5.61: Funds from Foreign/international foundations

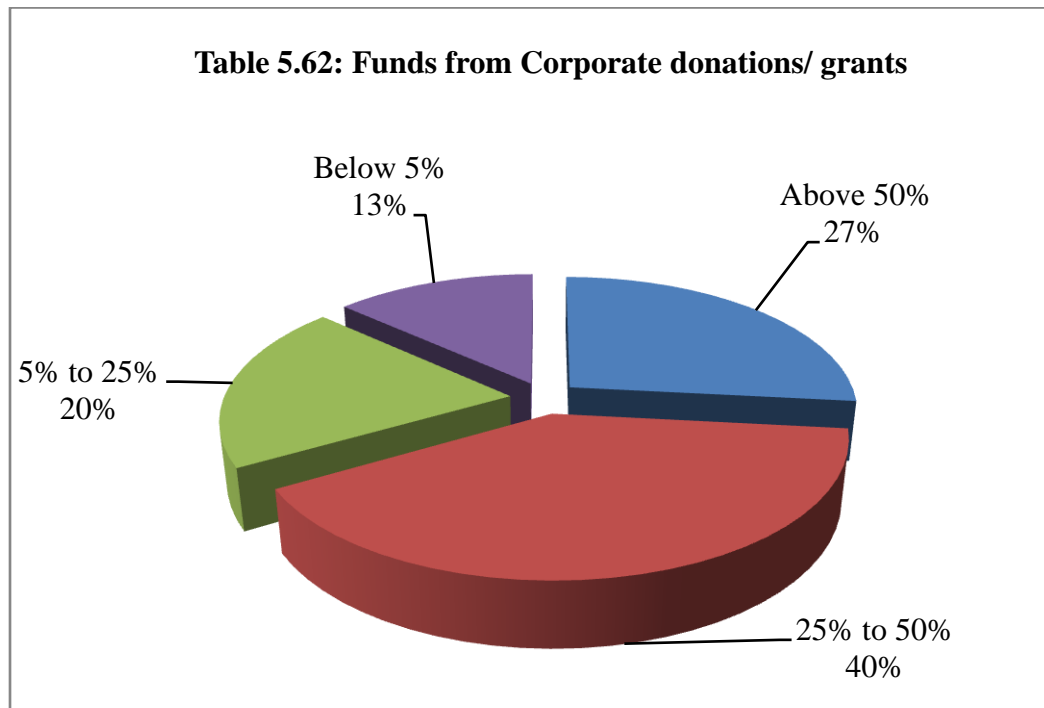


Funds from Corporate donations/ grants:

15 NGOs receive funding from corporate donations/ grants. Table 5.66 lists the percentage of corporate donations/ grants funds in these NGOs in proportion of their budgets. Corporate donations/ grants funds in 4 NGO (27%) is above 50%, in 6 NGOs (40%) it is in between 25% to 50%, in 3 NGOs (20%) it is in between 5% to 25% and in 2 NGOs (13%) it is below 5%.

Table 5.66: Funds from Corporate donations/ grants

Funding proportion (of budget)	Frequency	Percent
Above 50%	4	27%
25% to 50%	6	40%
5% to 25%	3	20%
Below 5%	2	13%
Total	15	100%

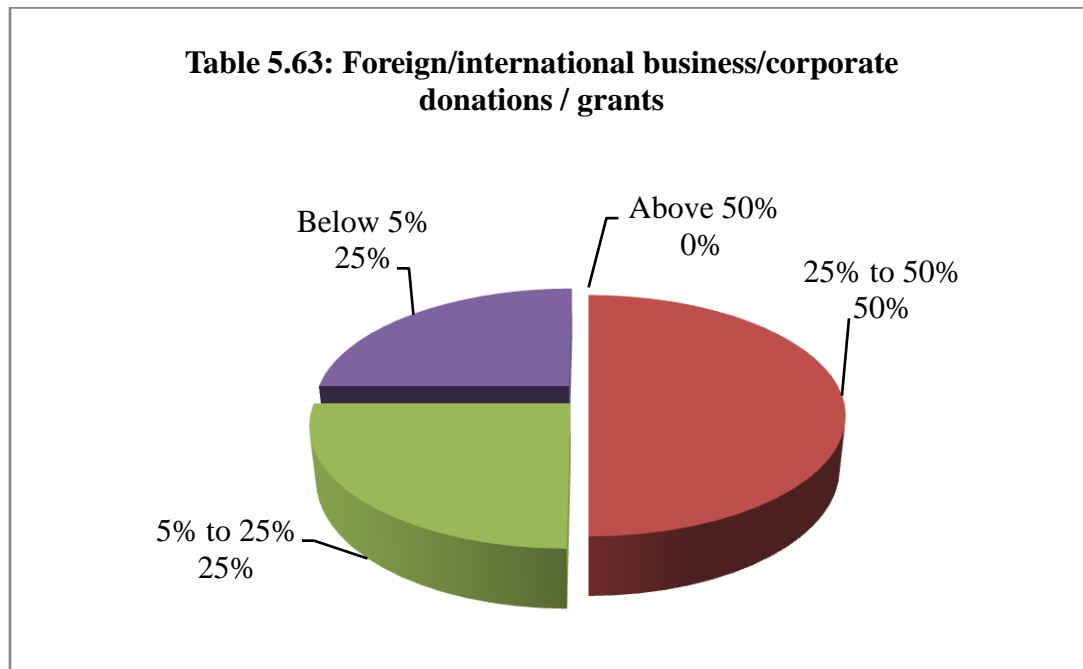


Funds from Foreign/international business/corporate donations / grants:

4 NGOs receive funding from Foreign/international business/corporate donations / grants. Table 5.67 lists the percentage of Foreign/international business/corporate donations / grants funds in these NGOs in proportion of their budgets. Foreign/international business/corporate donations / grants funds in 2 NGOs (50%) it is in between 25% to 50%, in 1 NGO (25%) it is in between 5% to 25% and in 1 NGO (25%) it is below 5%.

Table 5.67: Funds from Foreign/international business/corporate donations /grants

Funding proportion (of budget)	Frequency	Percent
Above 50%	0	0%
25% to 50%	2	50%
5% to 25%	1	25%
Below 5%	1	25%
Total	4	100%



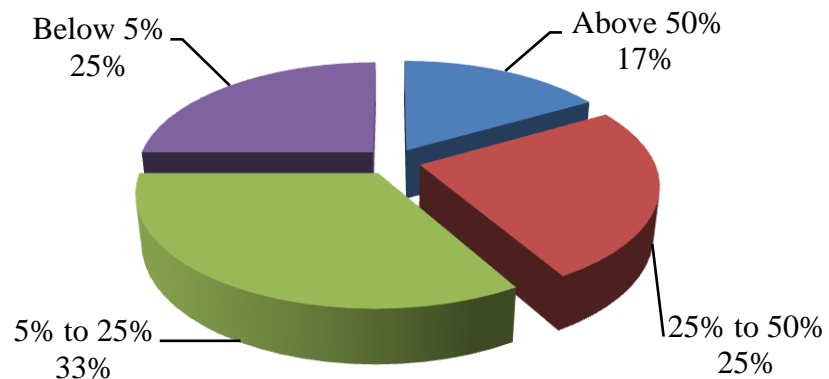
Funds from Public donations or grants:

24 NGOs receive funding from Public donations or grants. Table 5.68 lists the percentage of funds from Public donations in these NGOs in proportion of their budgets. Public donations / grants funds in 4 NGOs (17%) it is above 50%, in 6 NGOs (25%) it is in between 25% to 50%, in 8 NGOs (33%) it is in between 5% to 25% and in 6 NGO (25%) it is below 5%.

Table 5.68: Funds from Public donations or grants

Funding proportion (of budget)	Frequency	Percent
Above 50%	4	17%
25% to 50%	6	25%
5% to 25%	8	33%
Below 5%	6	25%
Total	24	100%

Table 5.64: Funds from Public donations or grants



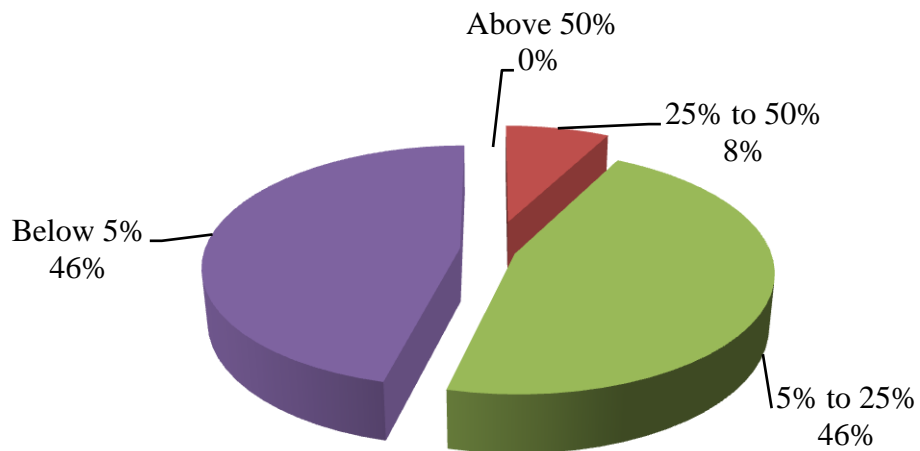
Funds from Membership dues (fees):

13 NGOs receive funding from Membership dues (fees). Table 5.69 lists the percentage of funds from Membership dues (fees) in these NGOs in proportion of their budgets. Funds from Membership dues (fees) in 1 NGO (8%) it is in between 25% to 50%, in 6 NGOs (46%) it is in between 5% to 25% and in 6 NGOs (46%) it is below 5%.

Table 5.69: Funds from Membership dues (fees)

Funding proportion (of budget)	Frequency	Percent
Above 50%	0	0%
25% to 50%	1	8%
5% to 25%	6	46%
Below 5%	6	46%
Total	13	100%

Table 5.65: Funds from Membership dues (fees)



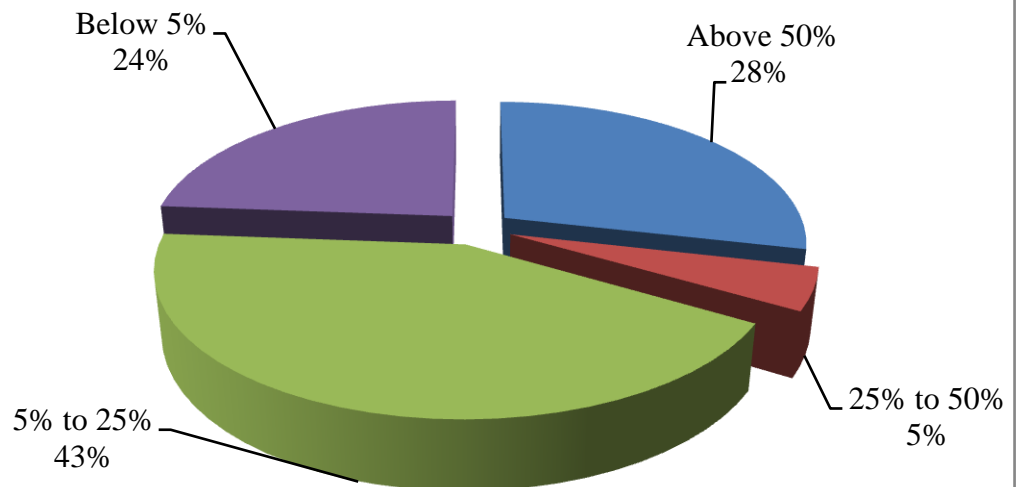
Funds from Self-financing:

21 NGOs are involved in self-financing. Table 5.70 lists the percentage of funds from self-financing in these NGOs in proportion of their budgets. Funds from Self-financing in 6 NGOs (28%) it is above 50%, in 1 NGO (5%) it is in between 25% to 50%, in 9 NGOs (43%) it is in between 5% to 25% and in 5 NGO (24%) it is below 5%.

Table 5.70: Funds from Self-financing

Funding proportion (of budget)	Frequency	Percent
Above 50%	6	28%
25% to 50%	1	5%
5% to 25%	9	43%
Below 5%	5	24%
Total	21	100%

Table 5.66: Funding from Self financing



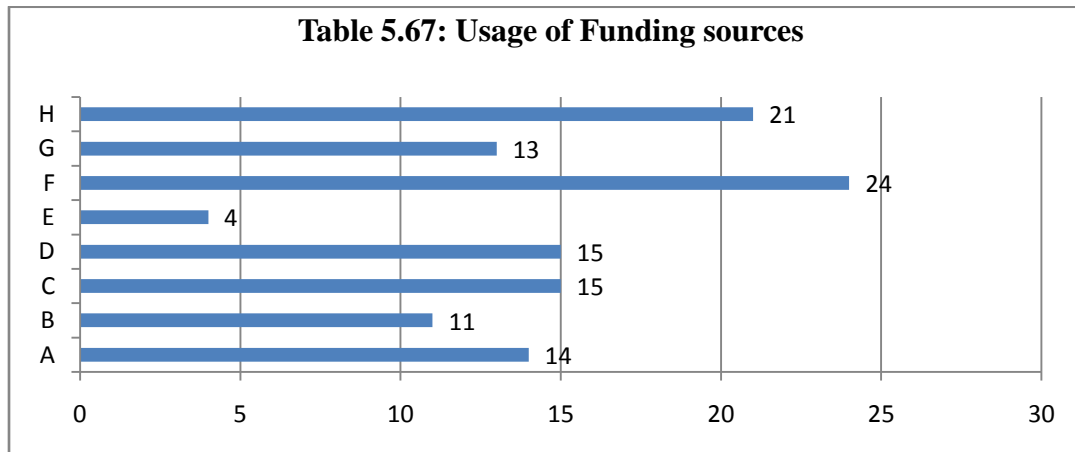
Usage of Funding sources:

Table 5.71 lists funding sources and number of NGOs using respective funding sources. Funds from Type A (Government) are used by 14 NGOs, funds from Type B (National foundations) are used by 11 NGOs, funds from Type C (Foreign/international foundations) are used by 15 NGOs, funds from Type D (Corporate) are used by 15 NGOs, funds from Type E (Foreign/international business/corporate) are used by 4 NGOs, funds from Type F (Public donations) are used by 24 NGOs, funds from Type G (Membership dues) are used by 13 NGOs, funds from Type H (Self-financing) are used by 21 NGOs.

Table 5.71: Usage of Funding sources

Funding source	Type for Funding source	Usage
Government	A	14
National foundations donations/grants	B	11
Foreign/international foundations donations/grants	C	15
Corporate donations/ grants	D	15
Foreign/international business/corporate donations / grants	E	4
Public donations or grants	F	24
Membership dues (fees)	G	13
Self financing	H	21

Table 5.67: Usage of Funding sources



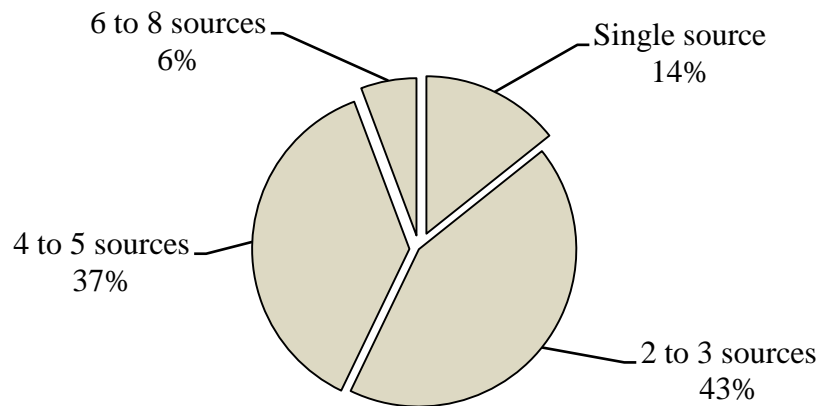
Funding sources used by NGOs:

Table 5.72 categorizes NGOs based on number of funding sources used by them. 5 NGOs (14%) have single funding source; 15 NGOs (43%) have 2 to 3 funding sources; 13 NGOs (37%) have 4 to 5 funding sources; 2 NGOs (6%) have 6 to 8 funding sources.

Table 5.72: Number of funding sources used by NGOs

Number of funding sources	Frequency	Percent
Single source	5	14%
2 to 3 sources	15	43%
4 to 5 sources	13	37%
6 to 8 sources	2	6%
Total	35	100%

Chart 5.68: Number of funding sources used by NGOs



Q.5 How do you select a project?

Project selection:

Out of 35, 5 NGOs said that they don't work on projects; they have continuous ongoing activities based on their mission. Remaining 30 NGOs select projects based on their mission. Meeting with members/ discussion with experts, beneficiary feedback/ field research/ present need / issues are the common methods followed by these NGOs to select a project.

Q.6 Which are the non-financial motivators that keep the spirits high and boost the enthusiasm of volunteers towards philanthropic vision?

Non-financial motivators:

Out of 35 NGOs, 5 NGOs did not respond. Responses of 30 NGOs (to Q.6) is as given:

- Response of 10 NGOs: Volunteers are self-motivated.
- Response of 10 NGOs: Good work of NGOs motivates the volunteers.
- Response of 4 NGOs: Good work culture of NGO motivates volunteers and volunteers are self-motivated.
- Response of 3 NGOs: Good work culture of NGO and freedom of working motivates volunteers
- Response of 1 NGO: Recognition of volunteers for good work in meetings motivates volunteers.
- Response of 1 NGO: Recognition of volunteers for good work in meetings and decision making authority motivates volunteers.
- Response of 1 NGO: Decision making authority and freedom of working motivates volunteers

Q.7 Financial status of your organization:

- a) Very Good b) Good c) Average d) Unstable

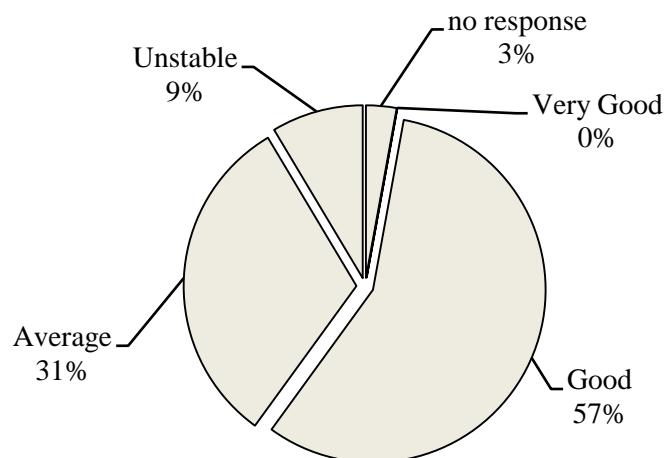
Financial status of organization:

Out of 35 NGOs, 1 NGO did not respond, 20 NGOs (57%) said ‘Good’ in response to above question, 11 NGOs (31%) said ‘Average’ and 3 NGOs (9%) said ‘Unstable’.

Table 5.73: Financial status

Financial status	Frequency	Percent
No response	1	3%
Very Good	Nil	0%
Good	20	57%
Average	11	31%
Unstable	3	9%
Total	35	100%

Chart 5.69: Financial status



Q.8 Performance of your organisation in achieving its goals for last year (tick only one option)/ in %:

- a. All the goals that were identified for last year are achieved
- b. Several goals were achieved, while several others were not
- c. No goals achieved (they are near completion – in process)

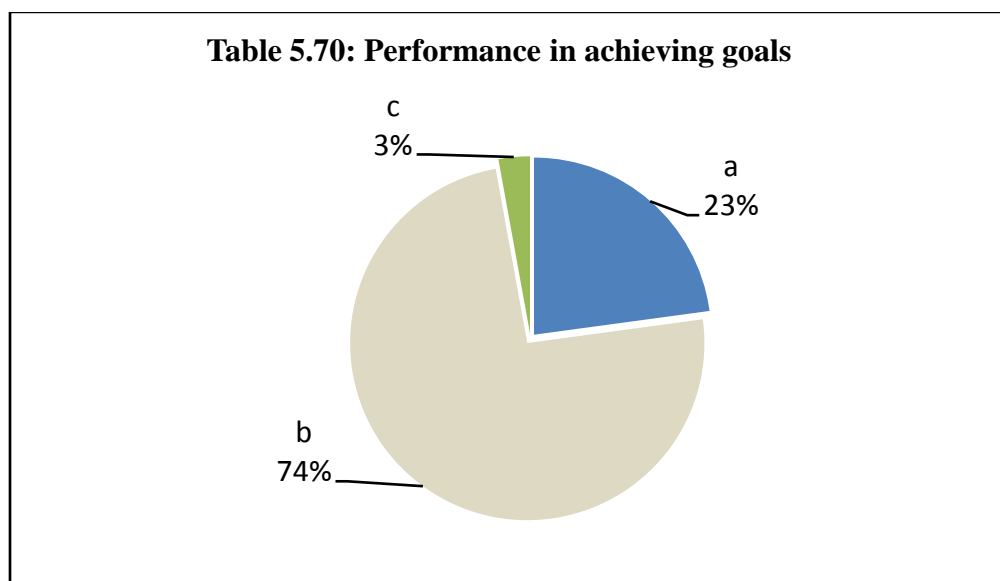
Performance of organisation (in achieving its goals for last year):

In response to above question, 8 NGOs (23%) selected first option (a. All the goals that were identified for last year are achieved), 26 NGOs (74%) selected second option (b. Several goals were achieved, while several others were not) and 1 NGO selected third option [c. No goals achieved (they are near completion – in process)].

Table 5.74: Performance of organisation

Goal achievement	Frequency	Percent
a	8	23%
b	26	74%
c	1	3%
Total	35	100%

Table 5.70: Performance in achieving goals



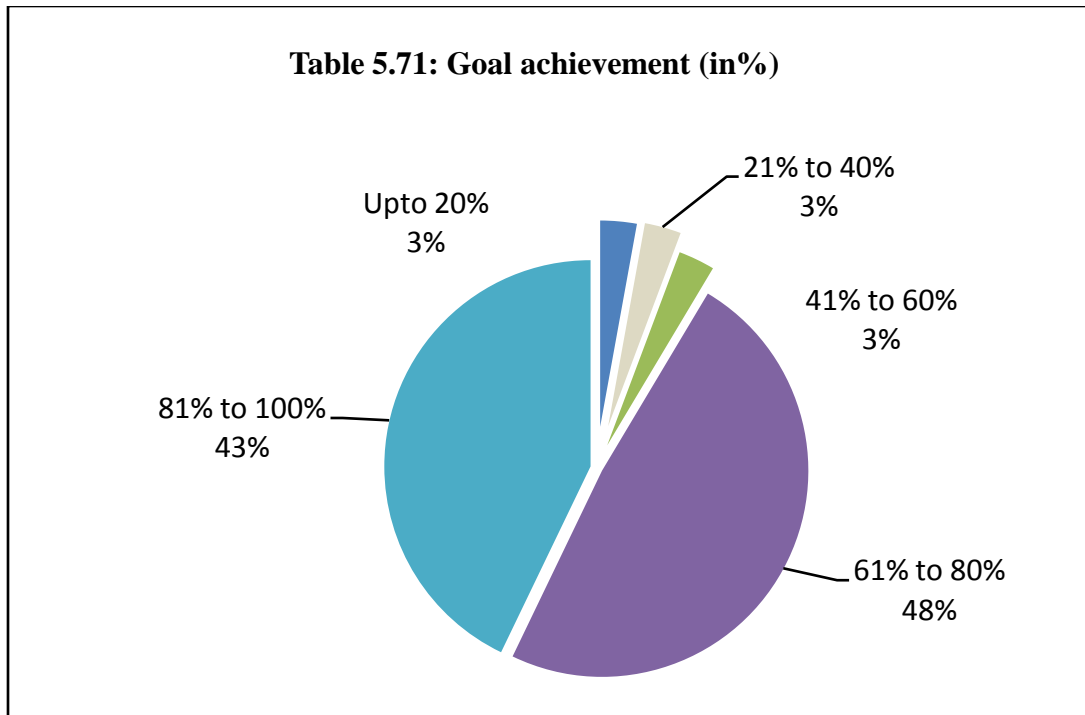
Goal achievement (in%):

1 NGO (3%) has achieved goals upto 20%, 1 NGO (3%) has achieved goals in between 21% to 40%, 1 NGO (3%) has achieved goals in between 41% to 60%, 17 NGOs (48%) have achieved goals in between 61% to 80% and 15 NGOs (43%) have achieved goals in between 81% to 100%.

Table 5.75: Goal achievement (in%)

Goal achievement (in%)	Frequency	Percent
Upto 20%	1	3%
21% to 40%	1	3%
41% to 60%	1	3%
61% to 80%	17	48%
81% to 100%	15	43%
Total	35	100%

Table 5.71: Goal achievement (in%)



Q.9 Have you ever observed conflicts among staff and volunteer?

Yes No

If yes, what are the issues of conflict?

What is the mechanism to resolve the conflicts?

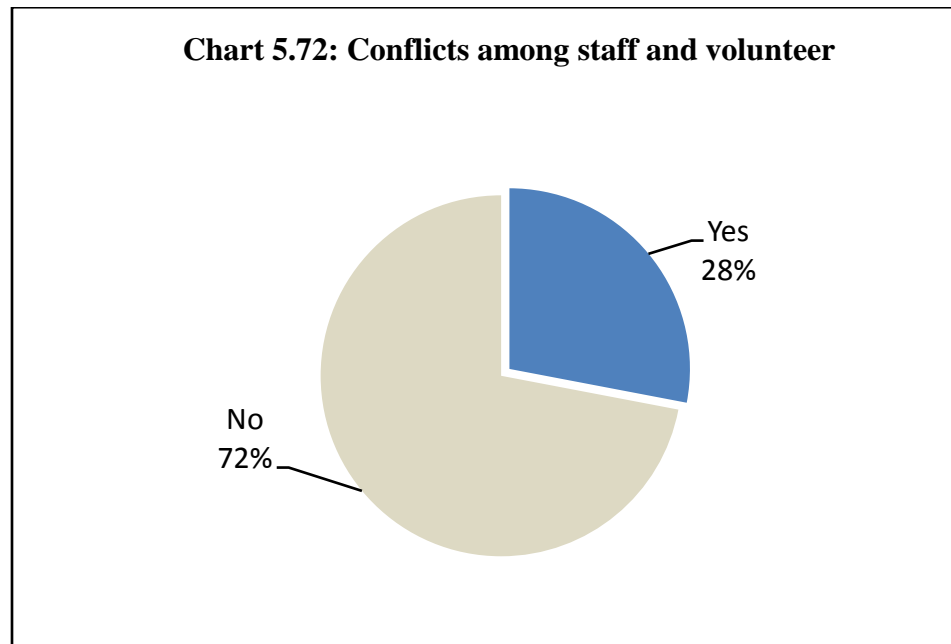
Conflicts among staff and volunteer:

10 NGOs do not have volunteers therefore they are not applicable for this question. Out of remaining 25 NGOs, 7 NGOs (28%) have observed conflicts among staff and volunteer while 18 NGOs (72%) have not.

Table 5.76: Conflicts among staff and volunteer

Conflicts among staff and volunteer	Frequency	Percent
Yes	7	28%
No	18	72%
Total	25	100%

Chart 5.72: Conflicts among staff and volunteer



Issues of conflict in staff and volunteer:

7 NGOs have observed conflicts among staff and volunteer (Refer Table 5.37). 5 NGOs have answered about the issues of conflict that are as follows:

1. Misunderstandings
2. Interpersonal issues
3. Different ideologies of staff and volunteer
4. Conflict of opinion between staff and volunteer
5. Difference in work methodology

Mechanism to resolve the conflicts between staff and volunteer:

7 NGOs (28%) have observed conflicts among staff and volunteer Refer Table 5.76). According to them, mechanism to resolve such conflicts is having discussions or meetings of concerned staff, concerned volunteer and members of the organization.

Q.10 What are the strengths & weaknesses of your organization?

Strengths: One NGO did not respond to this question. The other 34 NGOs mentioned strength of their organization. In Table 5.77 strengths and corresponding number of NGOs having that strength is mentioned.

Table 5.77: Strengths of NGOs (self-rating by NGOs)

No.	Strengths	Number of organizations
1	Efficient, qualified and committed manpower	18
2	Transparency in functioning	5
3	Team work	5
4	Good work environment	4
5	Clear vision, ideologies and perspectives	4
6	Good planning/ Sincere implementation/ Achievements	4
7	Participation of beneficiaries in organization's activities	3
8	Goodwill/ reputation/good rapport with community	2
9	Leadership and decision making	2
10	Good administration	1
11	Staff satisfaction	1
12	Good networking with national and international organizations	1

Weaknesses: 14 NGOs did not respond to this question. The other 21 NGOs mentioned weaknesses of their organization. In Table 5.78 weaknesses and corresponding number of NGOs having that weakness is mentioned.

Table 5.78: Weaknesses of NGOs (self-rating by NGOs)

No.	Weaknesses	Number of organizations
1	Lack of funds	6
2	Lack of suitable human resource	6
3	Lack of sufficient human resource	4
4	Need of young people at apex position in organization	2
5	Delay in decision making	1
6	Slow pace of work	1
7	Fund raising techniques	1
8	Lack of motivation	1
9	Need of more work space	1
10	Lack of self-discipline, systematic approach and lack of hardship	1

Q.11 Amongst the following areas, in which area would you need improvement / training?

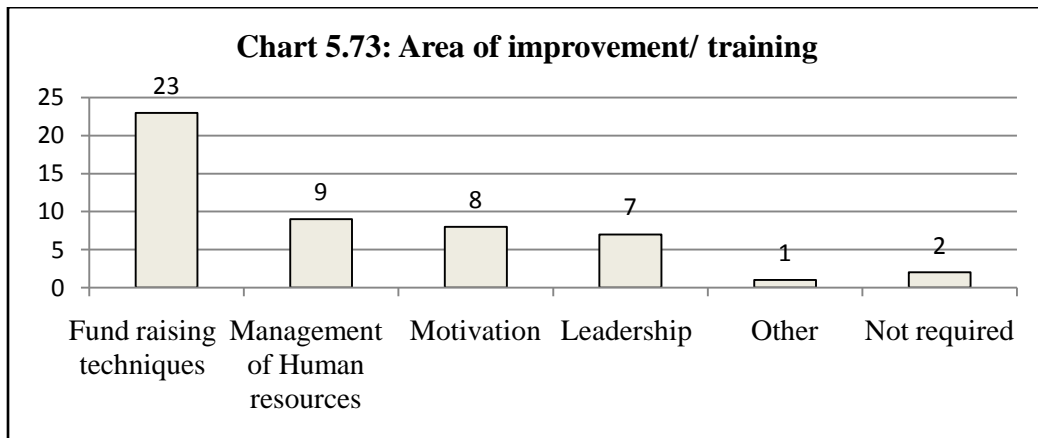
- a) Fund raising techniques b) Management of Human resources
- c) Motivation d) Leadership e) Other (please mention)

Area of improvement / training in NGOs:

One NGO did not respond to this question. Considering the responses of 34 NGOs, Table 5.79 is derived which lists areas of improvement/ training felt by respondent NGOs. 23 NGOs need improvement/ training in ‘Fund raising techniques’; 9 NGOs need improvement/ training in ‘Management of Human resources’; 8 NGOs need improvement/ training in ‘Motivation’; 7 NGOs need improvement/ training in ‘Leadership’; 2 NGOs have said ‘no need’ in response to this question. 1 NGO has other need, ‘Up-gradation of education of staff’.

Table 5.79: Area of improvement/ training

Area of improvement	No.
Fund raising techniques	23
Management of Human resources	9
Motivation	8
Leadership	7
Other	1
Not required	2



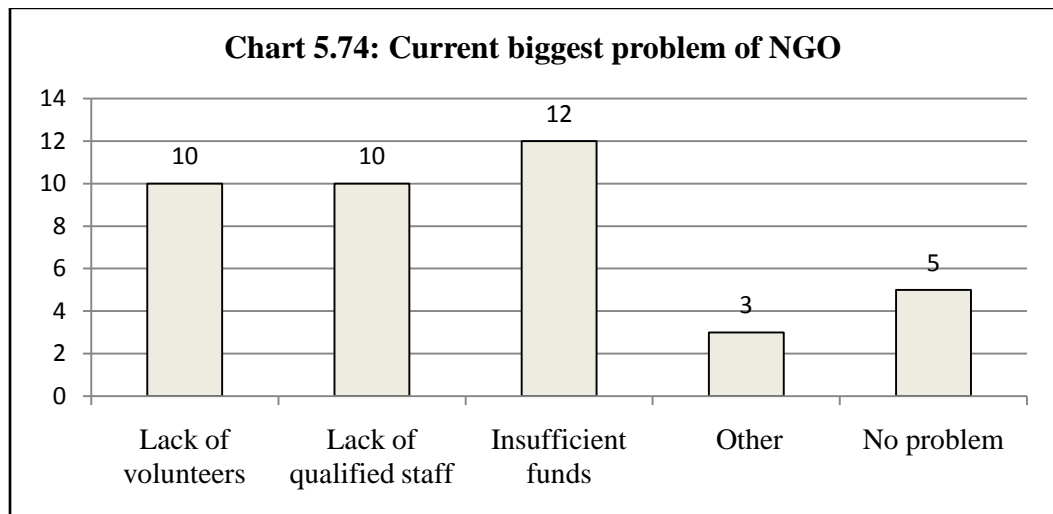
- Q.12 Which is the biggest problem that your organization is facing currently?
- a) Lack of volunteers b) Lack of qualified staff c) Insufficient funds
d) Other (please mention):

Current biggest problem of NGO:

Table 5.80 is derived from respondent NGOs, which lists their current biggest problem. 5 NGOs do not have any current big problem; 10 NGOs said ‘Lack of volunteers’ is their current big problem; 10 NGOs said ‘Lack of qualified staff’ is their current big problem; 12 NGOs said ‘Insufficient funds’ is their current big problem. 3 NGOs had some other big problem, which are lack of committed staff, staff turnover and competition.

Table 5.80: Current biggest problem of NGO

Current problem	Frequency
Lack of volunteers	10
Lack of qualified staff	10
Insufficient funds	12
Other	3
No problem	5



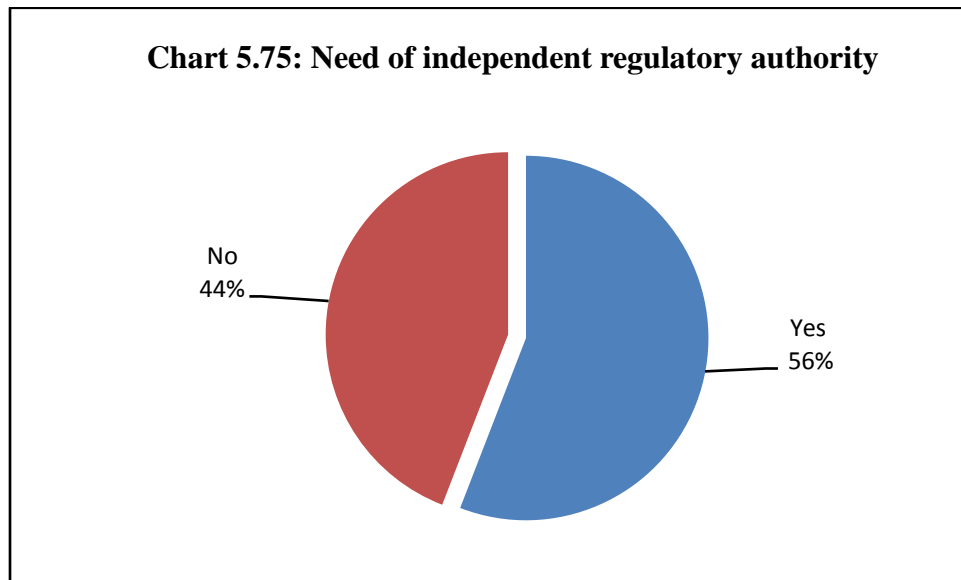
Q.13 Is there any need of independent regulatory authority for accountability? Yes/ No
Please comment:

Need of independent regulatory authority for accountability:

One NGO, which is a Section 25 Company, said this question is not applicable to them. Out of 34 NGOs, 19 NGOs (56%) responded, 'Yes' while 18 NGOs (44%) responded 'No'

Table 5.81: Need of independent regulatory authority

Need of independent regulatory authority	Frequency	Percent
Yes	19	56%
No	15	44%
Total	34	100%



Comments on need of independent regulatory authority for Accountability:

19 NGOs (Refer Table 5.81) felt there is need of independent regulatory authority for Accountability. Out of this only 7 NGOs commented on this. Their comments are given as under:

- 3 NGOs felt this need to bring transparency in financial management.
- 1 NGO felt this need for accountability of NGOs.
- 1 NGO felt there is need to improve the present regulatory system.
- 2 NGOs suggested that there should be group of people who will strictly audit the organization. This group should include government officials, people from NGO sector, lawyers and important entities associated with NGOs.

15 NGOs (Refer Table 5.81) felt there is no need of independent regulatory authority for accountability. Out of this only 3 NGOs commented on this. Their comments are given as under:

- One NGO felt there is no need of separate regulatory authority since qualified auditors are appointed for audit.
- One NGO felt having separate independent regulatory authority will add to more work of NGOs
- One NGO suggested that instead of having independent regulatory authority, the present system should be improved.

Q.14 Please brief the role of your NGO in development of Pune region.

All respondents of NGOs, mentioned they have brought development in Pune region by carrying out activities/ work based on their mission. NGOs covered in this study have played an important role in development of Pune in three fields: women, children and environment.

Work of NGOs for Environment:

- Protection of urban heritage, urban bio-diversity and environment.
- Taking efforts in controlling traffic and pollution due to traffic.
- Activities to promote and advocate sustainable transport
- Tree plantations
- Reducing water pollution by cleaning of trash from the shores of lakes, streams and rivers.
- Study of environment in Pune
- Study and count of birds, rivers and biodiversity of hills
- Creating awareness of nature conservation through education by conducting lectures, workshops and audio-visual presentations to promote
- Active role in urban planning issues of Pune.

Work of NGOs for Children:

- Providing education and support to the children of pavement and slum dwellers, construction labourers, brick kiln areas and other underprivileged families.
- Providing education to special children and disabled children.
- Taking responsibility of upbringing of prostitute children and providing them education.
- Creating awareness about child sexual abuse
- Providing non-formal education for dropout percentage with an aim to re-enter children again in formal education system.
- Providing gender specific services to the girl child through financial assistance, counseling and vocational guidance and training and for creation of awareness of their rights and responsibilities.

Work of NGOs for Women issues:

- Promotion of gender equality and women empowerment
- Prevention of violence on women
- Providing access to justice for the vulnerable through conducting and raising legal awareness
- Protection of shelter less women
- Care of court committed girls and providing them educational and medical facilities.
- Making women independent by providing training (crafts, knitting, household utility articles like soap, candles)
- AIDS awareness and counseling in women.
- Mobile resource centre to create awareness about women's rights.
- Conducting various campaigns against domestic violence, sexual harassment of women at workplace, security of women during Ganesh Festival.
- Serves as a resource base on issues related to women. The database includes books, articles, films, posters, research material, manuals which are used by researchers, activists, lawyers and general public.
- Contribution in publication, documentation and research for women.
- Providing services to women in the field of health, sex and family life education, mother and child care.
- Mobile clinics to provide health services to women in inaccessible areas at virtually no cost.
- Educating prostitutes
- Re-settle abused women and provide help for working women who want to be self sufficient by providing them safe home and basic amenities.
- Educational sponsorship program for the children of single mothers

Q. 15 For effective utilization of human & financial resources, what improvements would you like in present management practices of your organization?

Out of 35, 25 NGOs did not respond to this question, while 10 responded. The improvements required in present management practices of organization for effective utilization of human & financial resources:

- 3 NGOs said there is need of suitable manpower.
- 2 NGOs said training should be given to human resource.
- 1 NGO felt there is need of improvement in leadership qualities.
- 1 NGO said there is shortage of funds and manpower which should be worked upon.
- 1 NGO felt there is need of proper correspondence.
- 1 NGO felt there is need of developing contacts with media and other organizations.
- 1 NGO said there is need of dedicated person at apex level in the organization.

5.3 HYPOTHESIS TESTING

As mentioned in Chapter I, hypothesis testing is done using correlation coefficient. The analysis is done on Microsoft Excel software.

This section is divided into 4 sub-sections:

5.3 A Hypothesis 1

5.3B Hypothesis 2

5.3C Hypothesis 3

5.4D Hypothesis 4

5.3 A HYPOTHESIS 1

Hypothesis 1: NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time.

Methodology adopted for Hypothesis 1 is explained in three steps as follows:

Part I] Correlation between HR maturity (Maturity in managing human resources) and goal achievement

Part II] Correlation between FR maturity (Maturity in managing financial resources) and goal achievement

Part III] Testing of Hypothesis 1

Part I] Correlation between HR maturity (Maturity in managing human resources) and goal achievement

Method of analysis:

1. List of factors which are important for effective management of human resources were derived from the questionnaire for NGO (Annexure 2).
2. Total 17 factors were selected from the questionnaire for NGO (Annexure 2) which are as follows:
 - 1) Organizational chart available (Section II, Q.1, 1.1)
 - 2) Written goals for period of 3-5 years (Section II, Q.1, 1.3)
 - 3) HRM budget & HRM plan available and linked with mission (Section II, Q.1, 1.5)
 - 4) Staff specifically for HRM activities (if required) (Section II, Q.1, 1.6)
 - 5) Formal procedure exists for recruitment of Staff (Section II, Q.1, 1.7)
 - 6) Job-descriptions are available for Staff (Section II, Q.1, 1.8)
 - 7) Job descriptions are reviewed and updated regularly for Staff (Section II, Q.1, 1.8)
 - 8) Minimum qualification norms for selection are available for Staff (Section II, Q.1, 1.9)
 - 9) Orientation program exists and followed for staff (Section II, Q.1, 1.11)

- 10) Training records are maintained for staff (Section II, Q.1, 1.12)
 - 11) Training record for leadership development for staff & volunteer are available (Section II, Q.1, 1.12)
 - 12) Training plans are available for staff (Section II, Q.1, 1.13)
 - 13) Reward / Recognition system for motivation is available for staff & volunteer (Section II, Q.1, 1.14)
 - 14) Performance is measured for staff (Section II, Q.1, 1.15)
 - 15) Feedback / views of beneficiaries taken regarding service being provided by the NGO (Section II, Q.1, 1.20)
 - 16) Trend in number of staff (Section II, Q.2)
 - 17) Trend in number of volunteer (Section II, Q.2)
3. Weightage for each factor was assigned. Weightage assigned for factor number 11 (Training record for leadership development for staff & volunteer are available) and 13 (Reward / Recognition system for motivation is available for staff & volunteer) is 2 and weightage for all other factors is 1. Total weightage is 19.
 4. Factor number 16 and 17 were given weightage in case the respective data (from Q.2, No. of paid staff, No. of volunteers) shows increasing or constant trend. In case of decreasing trend over the years 2005 to 2008, weightage was not given.
 5. Goal achievement (in %) is derived from Section II, Q.8.
 6. All above factors were discussed in detail by the researcher with the respondent (to understand the reasoning of respondents response in the questionnaire) after studying the filled questionnaire. For positive response of each factor, assigned weightage was given. Maturity level of NGOs in managing human resources was estimated (in Microsoft Excel) by calculating total score of each NGO against the total weightage (which is 19) (Refer Table 5.82)
 [For example a NGO scores total of 16,
 the HR maturity (in %) = $16/19*100= 84.2\%$]
This is referred as “HR maturity” which is maturity in managing human resources.
 7. In next step, Average HR maturity is calculated [(in Microsoft Excel) by calculating average of HR maturities of all NGOs (35)].

8. Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between HR maturity and goal achievement.

FINDING:

Average HR maturity = 75.1 %

CORREL (HR Maturity: Goal Achievement)= Correlation (r) = 0.71

= Correlation coefficient

Formula for Correlation Coefficient¹:

$$\text{Correlation}(r) = r = \frac{[N\Sigma XY - (\Sigma X)(\Sigma Y)]}{\text{Sqrt}([N\Sigma X^2 - (\Sigma X)^2][N\Sigma Y^2 - (\Sigma Y)^2])}$$

Where, N = Number of cases

X = first set of values

Y = second set of values

ΣXY = Sum of the product of X and Y

ΣX = Sum of X

ΣY = Sum of Y

ΣX^2 = Sum of square of X

ΣY^2 = Sum of square of goal achievement Y

[Interpretation of correlation value²:

An r from 0.00 to ± 0.20 denotes negligible correlation

An r from ± 0.21 to ± 0.40 denotes low or slight relationship

An r from ± 0.41 to ± 0.70 denotes marked or moderate correlation

An r from ± 0.71 to ± 0.90 denotes high relationship

An r from ± 0.91 to ± 0.99 denotes very high relationship

An r from ± 1.00 denotes perfect relationship,

r has a value between +1 and -1 inclusive, where 1 is total positive correlation, 0 is no correlation, and -1 is total negative correlation.]

Table 5.82: Management of Human resources

			Sample				
No.	Factors	Weightage	1	2	3	4	5
1	Organizational chart available	1	0	1	0	0	0
2	Written goals for period of 3-5 years	1	0	0	0	0	1
3	HRM budget & HRM plan available and linked with mission	1	0.5	0.5	0	0	0.5
4	Staff specifically for HRM activities (if required)	1	1	1	1	1	0
5	Formal procedure exists for recruitment of Staff	1	1	1	1	0	1
6	Job-descriptions are available for Staff	1	1	1	0	0	1
7	Job descriptions are reviewed and updated regularly for Staff	1	1	1	0	0	1
8	Minimum qualification norms for selection are available for Staff	1	1	1	0	1	1
9	Orientation program exists and followed for staff	1	0	0	1	1	1
10	Training records are maintained for staff	1	0	1	1	1	1
11	Training record for leadership development for staff & volunteer are available	2	0	0	0	0	0
12	Training plans are available for staff	1	0	0	0	0	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	1
14	Performance is measured for staff	1	1	0	0	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	1	1
17	Trend in number of volunteer	1	0	1	1	1	1
Total weightage		19	10.5	12.5	9	10	13.5
HR Maturity			55%	66%	47%	53%	71%
Goal Achievements			80%	90%	35%	60%	100%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	6	7	8	9	10
1	Organizational chart available	1	0	0	1	0	0
2	Written goals for period of 3-5 years	1	1	0	1	0	1
3	HRM budget & HRM plan available and linked with mission	1	0	1	0.5	0	0
4	Staff specifically for HRM activities (if required)	1	0	1	1	1	1
5	Formal procedure exists for recruitment of Staff	1	1	0	1	1	1
6	Job-descriptions are available for Staff	1	1	1	1	1	1
7	Job descriptions are reviewed and updated regularly for Staff	1	0	1	1	1	1
8	Minimum qualification norms for selection are available for Staff	1	1	1	1	1	1
9	Orientation program exists and followed for staff	1	1	1	1	1	1
10	Training records are maintained for staff	1	0	1	1	1	1
11	Training record for leadership development for staff & volunteer are available	2	2	2	1	0	2
12	Training plans are available for staff	1	1	1	1	0	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	2
14	Performance is measured for staff	1	1	1	1	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	0	1	1	1	1
17	Trend in number of volunteer	1	1	1	1	0	1
Total weightage		19	13	16	17.5	12	17
HR Maturity			68%	84%	92%	63%	89%
Goal Achievements			100%	75%	100%	70%	100%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	11	12	13	14	15
1	Organizational chart available	1	0	1	0	1	0
2	Written goals for period of 3-5 years	1	0	0	0	0	0
3	HRM budget & HRM plan available and linked with mission	1	0	0.5	1	0	0
4	Staff specifically for HRM activities (if required)	1	1	0	1	1	1
5	Formal procedure exists for recruitment of Staff	1	1	1	1	1	0
6	Job-descriptions are available for Staff	1	1	1	1	1	0
7	Job descriptions are reviewed and updated regularly for Staff	1	1	1	0	1	0
8	Minimum qualification norms for selection are available for Staff	1	1	1	1	1	0
9	Orientation program exists and followed for staff	1	1	1	0	1	0
10	Training records are maintained for staff	1	1	0	0	0	0
11	Training record for leadership development for staff & volunteer are available	2	0	0	0	0	0
12	Training plans are available for staff	1	1	0	0	1	0
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	2
14	Performance is measured for staff	1	0	1	0	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	1	0
17	Trend in number of volunteer	1	1	1	0	1	0
Total weightage		19	13	12.5	9	14	5
HR Maturity			68%	66%	47%	74%	26%
Goal Achievements			80%	65%	70%	70%	20%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	16	17	18	19	20
1	Organizational chart available	1	1	0	1	0	1
2	Written goals for period of 3-5 years	1	1	1	1	0	1
3	HRM budget & HRM plan available and linked with mission	1	1	0.5	0	0	0.5
4	Staff specifically for HRM activities (if required)	1	1	1	1	1	1
5	Formal procedure exists for recruitment of Staff	1	1	1	1	1	1
6	Job-descriptions are available for Staff	1	1	1	1	1	1
7	Job descriptions are reviewed and updated regularly for Staff	1	1	0	0	1	1
8	Minimum qualification norms for selection are available for Staff	1	0	1	1	1	1
9	Orientation program exists and followed for staff	1	1	0	0	0	1
10	Training records are maintained for staff	1	1	0	0	0	1
11	Training record for leadership development for staff & volunteer are available	2	2	0	0	2	2
12	Training plans are available for staff	1	1	0	0	1	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	2
14	Performance is measured for staff	1	1	1	1	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	1	1
17	Trend in number of volunteer	1	1	1	1	1	1
Total weightage		19	18	11.5	12	14	18.5
HR Maturity			95%	61%	63%	74%	97%
Goal Achievements			100%	70%	70%	80%	80%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	21	22	23	24	25
1	Organizational chart available	1	1	1	1	1	1
2	Written goals for period of 3-5 years	1	1	1	1	1	1
3	HRM budget & HRM plan available and linked with mission	1	1	1	0	1	0.5
4	Staff specifically for HRM activities (if required)	1	1	0	1	1	1
5	Formal procedure exists for recruitment of Staff	1	1	1	1	1	1
6	Job-descriptions are available for Staff	1	1	1	1	1	1
7	Job descriptions are reviewed and updated regularly for Staff	1	1	1	0	1	1
8	Minimum qualification norms for selection are available for Staff	1	1	1	1	1	1
9	Orientation program exists and followed for staff	1	1	1	1	0	1
10	Training records are maintained for staff	1	0	1	1	1	0
11	Training record for leadership development for staff & volunteer are available	2	0	2	2	2	0
12	Training plans are available for staff	1	1	1	1	1	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	2
14	Performance is measured for staff	1	1	1	1	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	1	1
17	Trend in number of volunteer	1	1	1	1	1	1
Total weightage		19	16	18	17	18	15.5
HR Maturity			84%	95%	89%	95%	82%
Goal Achievements			100%	90%	100%	75%	70%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	26	27	28	29	30
1	Organizational chart available	1	1	1	0	1	0
2	Written goals for period of 3-5 years	1	1	1	1	0	0
3	HRM budget & HRM plan available and linked with mission	1	1	0	1	1	1
4	Staff specifically for HRM activities (if required)	1	1	1	1	1	1
5	Formal procedure exists for recruitment of Staff	1	1	1	1	1	1
6	Job-descriptions are available for Staff	1	1	1	1	1	1
7	Job descriptions are reviewed and updated regularly for Staff	1	1	1	1	1	1
8	Minimum qualification norms for selection are available for Staff	1	1	1	1	1	1
9	Orientation program exists and followed for staff	1	1	1	1	1	1
10	Training records are maintained for staff	1	1	1	0	1	1
11	Training record for leadership development for staff & volunteer are available	2	2	2	2	0	2
12	Training plans are available for staff	1	1	1	0	1	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	2	2	1
14	Performance is measured for staff	1	1	1	0	1	1
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	1	1
17	Trend in number of volunteer	1	1	1	1	1	1
Total weightage		19	19	18	15	16	16
HR Maturity			100%	95%	79%	84%	84%
Goal Achievements			75%	95%	95%	100%	85%

Contd. (Management of Human resources)

			Sample				
No.	Factors	Weightage	31	32	33	34	35
1	Organizational chart available	1	0	1	0	1	1
2	Written goals for period of 3-5 years	1	1	1	1	1	1
3	HRM budget & HRM plan available and linked with mission	1	0	1	0	1	0.5
4	Staff specifically for HRM activities (if required)	1	1	1	0	1	1
5	Formal procedure exists for recruitment of Staff	1	1	1	0	1	0
6	Job-descriptions are available for Staff	1	1	1	1	1	1
7	Job descriptions are reviewed and updated regularly for Staff	1	1	1	1	1	1
8	Minimum qualification norms for selection are available for Staff	1	1	1	1	1	1
9	Orientation program exists and followed for staff	1	1	1	1	1	0
10	Training records are maintained for staff	1	0	1	1	1	1
11	Training record for leadership development for staff & volunteer are available	2	0	0	1	0	2
12	Training plans are available for staff	1	1	1	1	0	1
13	Reward / Recognition system for motivation is available for staff & volunteer	2	2	2	1	1	2
14	Performance is measured for staff	1	1	1	1	1	0
15	Feedback / views of beneficiaries taken regarding service being provided by the NGO	1	1	1	1	1	1
16	Trend in number of staff	1	1	1	1	0	1
17	Trend in number of volunteer	1	1	1	1	0	1
Total weightage		19	14	17	13	13	15.5
HR Maturity			74%	89%	68%	68%	82%
Goal Achievements			75%	90%	75%	75%	90%

Part II] Correlation between FR maturity (Maturity in managing financial resources) and goal achievement:

1. List of factors which are important for effective management of financial resource were derived from the questionnaire for NGO (Annexure 2).
2. Total 10 factors were selected from the questionnaire for NGO (Annexure 2) which are as follows:
 - 1) Long term plans for raising funds (Section II, Q.1, 1.17)
 - 2) Plan for mobilization of financial resources (Section II, Q.1, 1.17)
 - 3) Staff specifically for Financial management (if required) (Section II, Q.1, 1.18)
 - 4) Financial audit conducted (Section II, Q.1, 1.19)
 - 5) Different fund raising methods (Section II, Q.1, 1.21)
 - 6) Organization's accountability (Section II, Q.1, 1.22)
 - 7) Transparency (financial data provided) (Section II, Q.2)
 - 8) Trend in annual expenditure (Section II, Q.2)
 - 9) Budget given (Section I, Q.11)
 - 10) Multiple sources of funds (Section II, Q.4)
3. Weightage for each factor was assigned. Weightage assigned for factor number 2 (Plan for mobilization of financial resources) and 10 (Multiple sources of funds) is 2 and weightage for all other factors is 1. Total weightage is 12.
4. Factor number 5 (Different fund raising methods) was given weightage in case the NGO has at least two methods of fund raising. Factor number 8 (Trend in annual expenditure) was given weightage in case the respective data (from Q.2, Annual expenditure and administrative expenditure) shows increasing or constant trend. In case of decreasing trend over the years 2005 to 2008, weightage was not given. Factor 10 (Multiple sources of funds) was given weightage in case the NGO has at least two sources of funds.
5. Goal achievement (in %) is derived from Section II, Q.8.
6. All above factors were discussed in detail by the researcher with the respondent (to understand the reasoning of respondents response in the questionnaire) after studying the filled questionnaire. For positive response of each factor, assigned

weightage was given. Maturity level of NGOs in managing financial resources was estimated by calculating (in Microsoft Excel) total score of each NGO against the total weightage, 12 (Refer Table 5.83).

[forexample a NGO scores total of 8,
the FR maturity (in %) = $8/12*100= 66.6\%$]

This is referred as “FR maturity” which is maturity in managing human resources.

7. In next step, Average FR maturity is calculated [by calculating (in Microsoft Excel) average of FR maturities of all NGOs (35)].
8. Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between FR maturity and goal achievement.

FINDING:

Average FR maturity = 83.5 %

CORREL (FR Maturity: Goal Achievement)=Correlation (r) = 0.74

= Correlation coefficient

Table 5.83: Management of financial resources

No.	Factors	Weightage	Sample						
			1	2	3	4	5	6	7
1	Long term plans for raising funds	1	1	1	0	0	1	1	1
2	Plan for mobilization of financial resources	2	2	2	0	0	2	2	2
3	Staff specifically for Financial management (if required)	1	1	1	1	1	1	1	1
4	Financial audit conducted	1	1	1	1	1	1	1	1
5	Different fund raising methods	1	1	1	0	0	1	0	1
6	Organization's accountability	1	1	1	1	1	1	1	1
7	Transparency	1	1	1	0	0.5	1	1	1
8	Trend in annual expenditure	1	1	1	0	0	1	0	1
9	Budget given	1	1	1	1	1	1	1	1
10	Multiple sources of funds	2	2	2	0	2	2	2	2
Total		12	12	12	4	6.5	12	10	12
FR Maturity			100%	100%	33%	54%	100%	83%	100%
Goal Achievements			80%	90%	35%	60%	100%	100%	75%

Contd. (Management of financial resources)

No.	Factors	Weightage	Sample						
			8	9	10	11	12	13	14
1	Long term plans for raising funds	1	1	0	1	0	0	0	0
2	Plan for mobilization of financial resources	2	0	0	2	0	2	2	2
3	Staff specifically for Financial management (if required)	1	1	1	1	1	1	1	1
4	Financial audit conducted	1	1	1	1	1	1	1	1
5	Different fund raising methods	1	1	0	1	1	0	0	1
6	Organization's accountability	1	1	1	1	1	1	1	1
7	Transparency	1	1	1	1	0.5	1	1	1
8	Trend in annual expenditure	1	1	1	1	1	1	1	1
9	Budget given	1	1	1	1	1	1	1	1
10	Multiple sources of funds	2	2	2	2	2	2	2	0
Total		12	10	8	12	8.5	10	10	9
FR Maturity			83%	67%	100%	71%	83%	83%	75%
Goal Achievements			100%	70%	100%	80%	65%	70%	70%

Contd. (Management of financial resources)

No.	Factors	Weightage	Sample						
			15	16	17	18	19	20	21
1	Long term plans for raising funds	1	0	0	1	0	0	1	0
2	Plan for mobilization of financial resources	2	0	2	1	0	1	2	2
3	Staff specifically for Financial management (if required)	1	0	1	1	1	1	1	1
4	Financial audit conducted	1	1	1	1	1	1	1	1
5	Different fund raising methods	1	0	1	1	1	1	1	0
6	Organization's accountability	1	1	1	1	1	1	1	1
7	Transparency	1	0	1	1	0	1	1	1
8	Trend in annual expenditure	1	0	1	1	0	1	1	1
9	Budget given	1	1	1	1	0	1	1	1
10	Multiple sources of funds	2	0	2	2	2	2	2	2
Total		12	3	11	11	6	10	12	10
FR Maturity			25%	92%	92%	50%	83%	100%	83%
Goal Achievements			20%	100%	70%	70%	80%	80%	100%

Contd. (Management of financial resources)

No.	Factors	Weightage	Sample						
			22	23	24	25	26	27	28
1	Long term plans for raising funds	1	1	1	1	0	1	1	0
2	Plan for mobilization of financial resources	2	2	2	2	2	2	2	2
3	Staff specifically for Financial management (if required)	1	1	1	1	1	1	1	1
4	Financial audit conducted	1	1	1	1	1	1	1	1
5	Different fund raising methods	1	1	1	1	0	1	1	0
6	Organization's accountability	1	1	1	1	1	1	1	1
7	Transparency	1	1	0.5	1	1	1	1	1
8	Trend in annual expenditure	1	1	1	1	1	1	1	1
9	Budget given	1	1	1	1	1	1	1	1
10	Multiple sources of funds	2	2	2	2	2	2	2	2
Total		12	12	11.5	12	10	12	12	10
FR Maturity			100%	96%	100%	83%	100%	100%	83%
Goal Achievements			90%	100%	75%	70%	75%	95%	95%

Contd. (Management of financial resources)

No.	Factors	Weightage	Sample						
			29	30	31	32	33	34	35
1	Long term plans for raising funds	1	1	0	1	0	0	1	1
2	Plan for mobilization of financial resources	2	2	0	2	2	2	2	2
3	Staff specifically for Financial management (if required)	1	1	1	1	1	1	1	1
4	Financial audit conducted	1	1	1	1	1	1	1	1
5	Different fund raising methods	1	1	1	0	1	0	1	0
6	Organization's accountability	1	1	1	1	1	1	1	1
7	Transparency	1	1	0	1	1	1	0	1
8	Trend in annual expenditure	1	1	1	1	1	1	1	1
9	Budget given	1	1	1	1	1	1	1	1
10	Multiple sources of funds	2	2	2	0	2	2	2	2
Total		12	12	8	9	11	10	11	11
FR Maturity			100%	67%	75%	92%	83%	92%	92%
Goal Achievements			100%	85%	75%	90%	75%	75%	90%

Part III] Testing of Hypothesis 1:

Hypothesis 1 is, “NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time”.

Hypothesis 1 is tested positive and accepted since:

- There is positive correlation between HR Maturity and goal achievement and FR Maturity and goal achievement.
- Correlation coefficient between HR Maturity and Goal Achievement is **0.71** (Refer 5.3 A, Part I). Correlation coefficient of 0.71 denotes positive high relationship between HR Maturity and Goal Achievement.
- Correlation coefficient between FR Maturity and Goal Achievement is **0.74** (Refer 5.3 A, Part II)]. Correlation coefficient of 0.74 denotes positive high relationship between FR Maturity and Goal Achievement.

5.3 B HYPOTHESIS 2

Hypothesis 2: There is positive co-relation between size of NGO and effective management of human and financial resources.

Methodology adopted for Hypothesis 2 is explained in three steps as follows:

Part I] A) Correlation between Manpower (size) and HR maturity (Maturity in managing human resources)

B) Correlation between Manpower (size) and FR maturity (Maturity in managing financial resources)

Part II] A) Correlation between Budget (size) and HR maturity (Maturity in managing human resources)

B) Correlation between Budget (size) and FR maturity (Maturity in managing financial resources)

Part III] Testing of Hypothesis 2

Part I] A) Correlation between Manpower (size) and HR maturity (Maturity in managing human resources)

Method of analysis:

1. Manpower (size) was derived from Annexure 2- Section I, Q.10 (Paid staff – fulltime and part time)
2. HR maturity values calculated in Section 5.3A, Part I, Point 6, were considered.
3. Two NGOs were not included in this analysis since they do not have any paid staff.

Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between Manpower (size) and HR maturity (Maturity in managing human resources)

FINDING:

CORREL (Manpower (size):HR Maturity)= Correlation (r) = 0.13

= Correlation coefficient

Part I] B) Correlation between Manpower (size) and FR maturity (Maturity in managing financial resources)

Method of analysis:

1. Manpower (size) was derived from Annexure 2- Section I, Q.10 (Paid staff – fulltime and part time)
2. FR maturity values calculated in Section 5.3A, Part II, Point 6, were considered.
3. Two NGOs were not included in this analysis since they do not have any paid staff.

Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between Manpower (size) and FR maturity (Maturity in managing financial resources)

FINDING:

CORREL (Manpower (size):FR Maturity)= Correlation (r) = 0.09
= Correlation coefficient

Part II] A) Correlation between Budget (size) and HR maturity (Maturity in managing human resources)

Method of analysis:

1. Budget (size) was derived from Annexure 2- Section I, Q.11
2. HR maturity values calculated in Section 5.3A, Part I, Point 6 were considered.
3. One NGO was not included in this analysis since it has not given budget.

Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between Budget (size) and HR maturity (Maturity in managing human resources).

FINDING:

CORREL (Budget (size):HR Maturity)= Correlation (r) = 0.41
= Correlation coefficient

Part II] B) Correlation between Budget (size) and FR maturity (Maturity in managing financial resources)

Method of analysis:

1. Budget (size) was derived from Annexure 2- Section I, Q.11
2. FR maturity values calculated in Section 5.3A, Part II, Point 6, were considered.

3. One NGO was not included in this analysis since it has not given budget. Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated:

FINDING:

CORREL (Budget (size):FR Maturity)= Correlation (r) = 0.22

= Correlation coefficient

Part III] Testing of Hypothesis 2

Hypothesis 2 is, “There is positive co-relation between size of NGO and effective management of human and financial resources”.

Hypothesis 2 is not accepted since:

- There is negligible correlation between Manpower (size) and HR Maturity
- There is negligible correlation between Manpower (size) and FR Maturity
- There is low correlation between Budget (size) and HR Maturity
- There is low correlation between Budget (size) and FR Maturity

- Correlation coefficient between Manpower (size) and HR Maturity is **0.13** (Refer 5.3 B, Part IA). Correlation coefficient of 0.13 denotes negligible relationship between Manpower (size) and HR Maturity.
- Correlation coefficient between Manpower (size) and FR Maturity is **0.09** (Refer 5.3 B, Part IA). Correlation coefficient of 0.09 denotes negligible relationship between Manpower (size) and FR Maturity.
- Correlation coefficient between Budget (size) and HR Maturity is **0.41** (Refer 5.3 B, Part IIA). Correlation coefficient of 0.41 denotes low relationship between Budget (size) and HR Maturity.
- Correlation coefficient between Budget (size) and FR Maturity is **0.22** (Refer 5.3 B, Part IIA). Correlation coefficient of 0.22 denotes low relationship between Budget (size) and HR Maturity.

5.3 C HYPOTHESIS 3

Hypothesis 3: Effective management of human resources is important for retaining volunteers and reducing employee turnover.

This hypothesis 3 could not be tested due to following reasons:

1. Employee turnover data is not maintained with the NGOs. Most of them have given data approximately. According to most of the NGOs, employee turnover is within 0 to 5 % (Refer Table 5.59).
2. Many volunteers work for different type of NGOs for long or short period. Volunteers may work for an hour, few hours in a week, few days in a week, few months or few years.
3. In most of the NGOs, the manpower is floating, the number is not fixed. Manpower varies from project to project, activity to activity.
4. Since there was absence of organized data for staff turnover and volunteer turnover with the NGOs, this hypothesis could not be tested.

5.3 D HYPOTHESIS 4

Hypothesis 4: Availability of funds is scarce but achievable if financial resources are managed properly.

Methodology adopted for Hypothesis 4:

- Correlation between FR maturity (Maturity in managing financial resources) and goal achievement is calculated using Microsoft Excel software.
(Refer 5.3A, Part II,)

Correlation coefficient between FR Maturity and Goal Achievement is **0.74** (Refer 5.3 A, Part II)]. Correlation coefficient of 0.74 denotes positive high relationship between FR Maturity and Goal Achievement.

Most of the NGOs experience scarcity of funds. NGOs have insufficient funds and they have to constantly look for new sources of funds. Unless there are funds with the NGO, it cannot carry out its projects or day to day activities. Goals are achieved if funds are available. If financial resources are managed properly, scarcity of funds can be overcome. This is evident from the finding of positive high relationship between FR Maturity and Goal Achievement. (Correlation coefficient between FR Maturity and Goal Achievement is **0.74**) Any NGO who is mature in managing financial resources efficiently overcomes scarcity of funds and achieves its goals. Therefore **Hypothesis 4 is accepted.**

5.4 MATURITY IN MANAGING HUMAN AND FINANCIAL RESOURCES

Maturity in managing human resources:

Maturity in managing human resources (HR maturity from Table 5.82) is shown in Table 5.84. It is found that 20% NGOs have above 90% maturity in managing human resources.

Table 5.84: Maturity in managing human resources

HR maturity	Frequency	Percent
Below 50%	3	8.5%
51% to 75%	15	43%
76% to 90%	10	28.5%
Above 90%	7	20%
Total	35	100%

Maturity in managing financial resources:

Maturity in managing financial resources (FR maturity from Table 5.83) is shown in Table 5.85. It is found that 48.5% NGOs have above 90% maturity in managing financial resources.

Table 5.85: Maturity in managing financial resources

FR maturity	Frequency	Percent
Below 50%	3	8.5%
51% to 75%	6	17%
76% to 90%	9	26%
Above 90%	17	48.5%
Total	35	100%

5.5 DATA ANALYSIS OF QUESTIONNAIRE FOR STAFF OF NGO

The Questionnaire for Staff of NGO (Annexure 3) contains total 7 questions. One staff from each NGO was given this questionnaire.

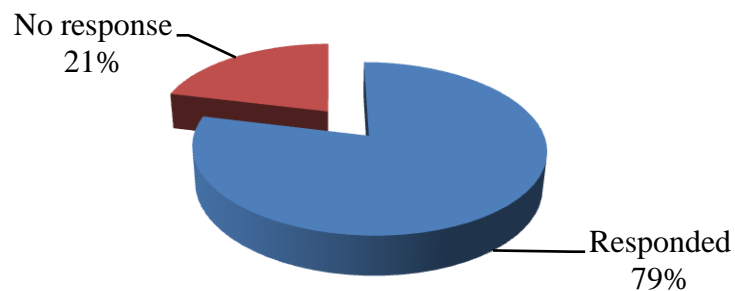
Response rate for staff questionnaire:

Out of 35 NGOs, 2 NGOs do not have staff, therefore are not applicable. Out of 33 NGOs, Staff of 26 NGOs (79%) have responded while staff of 7 NGOs (21%), have not responded.

Table 5.86A: Response rate for staff questionnaire

Response rate	Frequency	Percent
Responded	26	79%
No response	7	21%
Total	33	100%

Chart 5.76A: Response rate for staff questionnaire



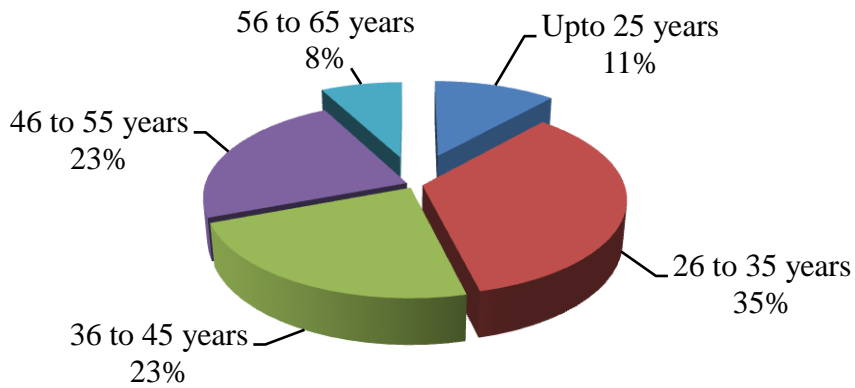
Age group of respondents:

Total 26 staffs responded to the questionnaire (Refer Table 5.86B). The respondent staff members were of 23 years to 61 years age. . 3 staff respondents (12%) were within 25 years age; 9 staff respondents (35%) were of age 26 to 35 years; 6 staff respondents (23%) were of age 36 to 45 years; 6 staff respondents (11%) were of age 46 to 55 years and 2 staff respondents (8%) were of age 56 to 65 years.

Table 5.86B: Age group of respondent staff members

Age group	Frequency	Percent
Upto 25 years	3	11%
26 to 35 years	9	35%
36 to 45 years	6	23%
46 to 55 years	6	23%
56 to 65 years	2	8%
Total	26	100%

Chart 5.76B: Age group of staff



Gender of staff respondents:

There were 17 female staff respondents (65%) and 9 male staff respondents (35%).

Table 5.86C: Gender of staff respondents

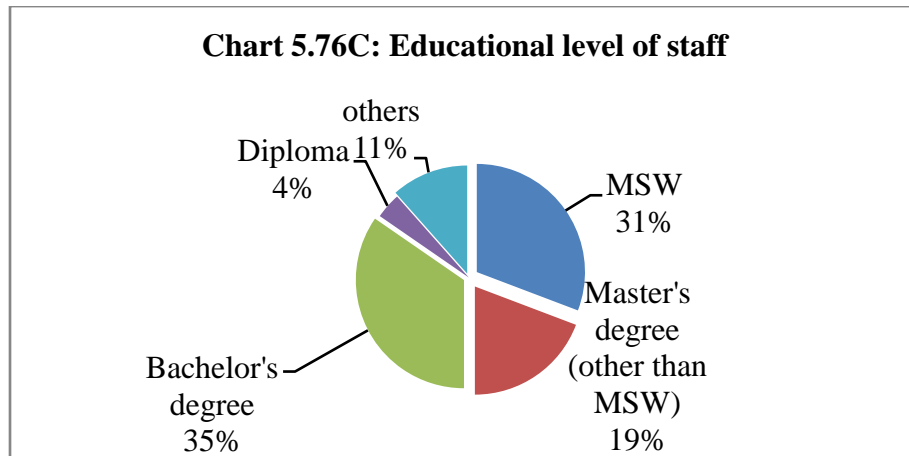
Gender	Frequency	Percent
Male	9	35%
Female	17	65%
Total	26	100%

Educational level of staff:

Out of 26, 8 staff members (31%) have MSW degree; 5 staff members (19%) have Master's degree (other than MSW); 9 staff members (35%) have Bachelor's degree; 1 staff member (4%) has Diploma and 3 staff members (11%) are educated upto XIIth standard.

Table 5.86D: Educational level of staff

Educational level of staff	Frequency	Percent
MSW	8	31%
Master's degree (other than MSW)	5	19%
Bachelor's degree	9	35%
Diploma	1	4%
Upto XII th standard	3	11%
Total	26	100%



Q.1 You are working with this NGO for last _ _ _ _ _ months / years.

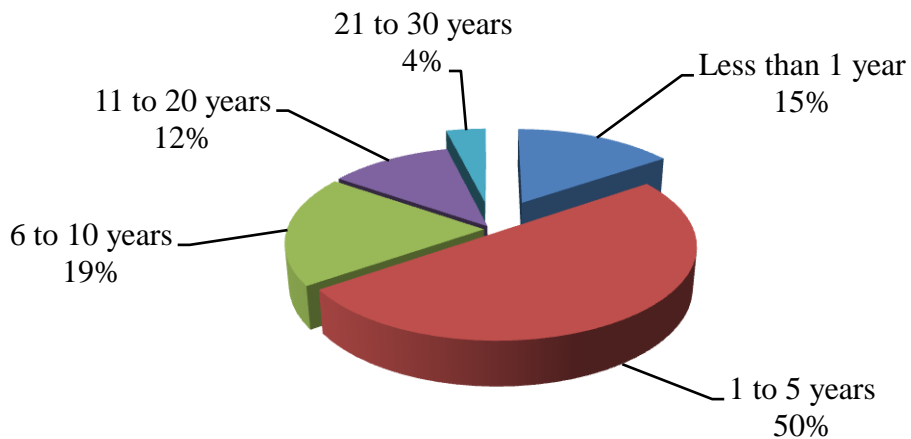
Working period:

Out of 26; 4 respondent staffs (15%) were working in NGO for less than 1 year; 13 respondent staffs (50%) were working in NGO for 1 to 5 years; 5 respondent staffs (19%) were working in NGO for 6 to 10 years; 3 respondent staffs (12%) were working in NGO for less than 11 to 20 years; 1 respondent staff (4%) was working in NGO for 21 to 30 years.

Table 5.86E: Working period of staff

Working period	Frequency	Percent
Less than 1 year	4	15%
1 to 5 years	13	50%
6 to 10 years	5	19%
11 to 20 years	3	12%
21 to 30 years	1	4%
Total	26	100%

Chart 5.76D: Working period of staff



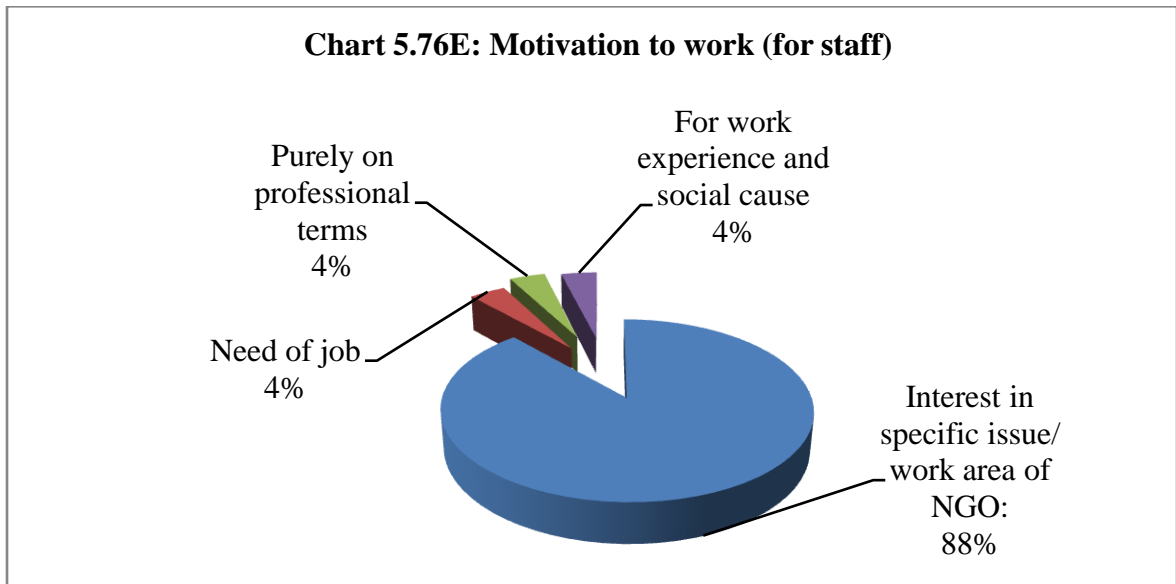
Q.2 What motivated you to join this NGO?

Motivation to work (for staff):

Out of 26 staff respondents; 23 staff (88%) were motivated to work in NGO because of interest in specific issue/ work area of NGO; 1 staff (4%) was motivated to work in NGO because of need of job; 1 staff (4%) joined NGO purely on professional terms;and 1 staff (4%) was motivated to work in NGO for work experience and social cause.

Table 5.86F: Motivation to work (for staff)

Motivation to work	Frequency	Percent
Interest in specific issue/ work area of NGO	23	88%
Need of job	1	4%
Purely on professional terms	1	4%
For work experience and social cause	1	4%
Total	26	100%



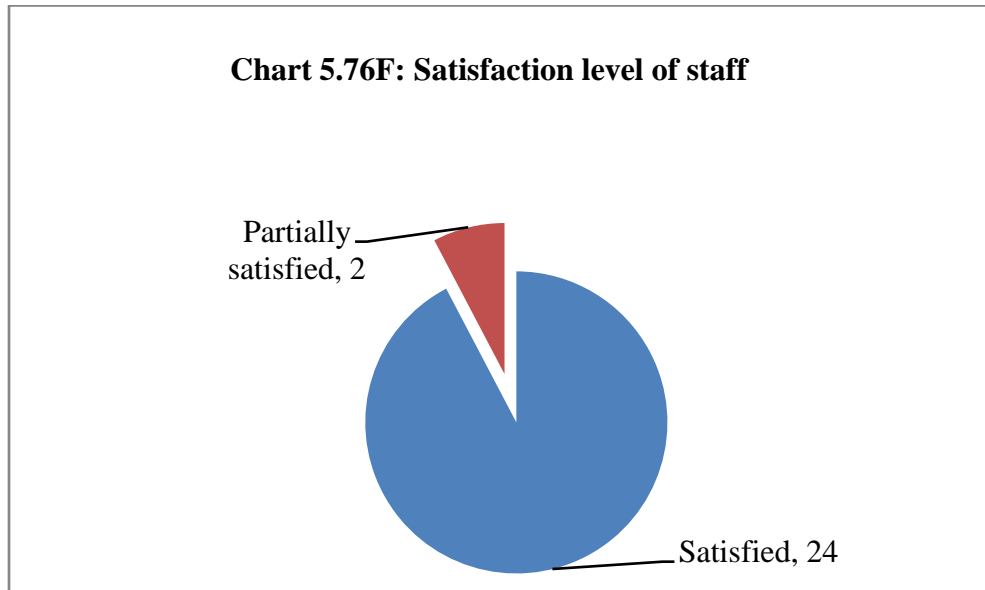
Q.3 As a Staff member, you are: Satisfied/ Partially satisfied/ Not satisfied with the NGO.

Satisfaction level of staff:

Out of 26 staff members; 24 staff members (92%) are satisfied while 2 staff members (8%) are partially satisfied.

Table 5.86G: Satisfaction level of staff

Satisfaction level of staff	Frequency	Percent
Satisfied	24	92%
Partially satisfied	2	8%
Total	26	100%



Q.4 Do you think working in NGO can be considered as a career?

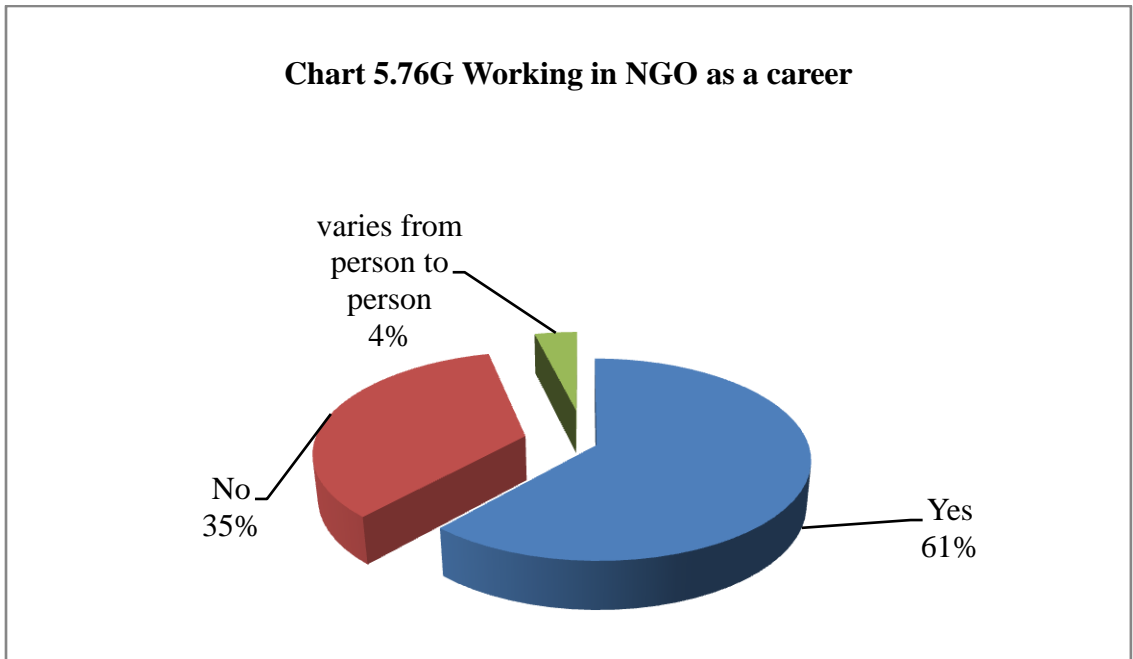
Working in NGO as a career:

Out of 26, 16 staff members (61 %) feel that working in NGO can be considered as a career; while 9 staff members (35%) do not think so.

Table 5.86H Working in NGO as a career

Working in NGO can be considered as a career	Frequency	Percent
Yes	16	61%
No	9	35%
varies from person to person	1	4%
Total	26	100%

Chart 5.76G Working in NGO as a career



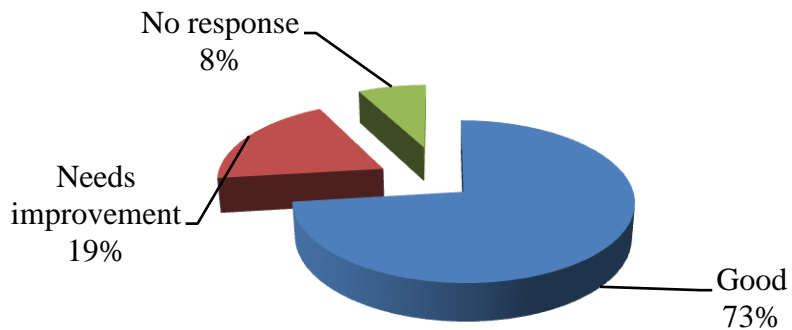
Q.5 What is your opinion about Human resource management in this NGO?

Out of 26, 19 staff members (73%) felt that Human resource management is good; 5 staff members (19%) felt there is need of improvement in Human resource management and 2 staff members (8%) did not respond.

Table 5.86I: Human resource management (opinion of staff)

Human resource management	Response	Percent
Good	19	73%
Needs improvement	5	19%
No response	2	8%
Total	26	100%

Chart 5.76H: Human resource management (opinion of staff)



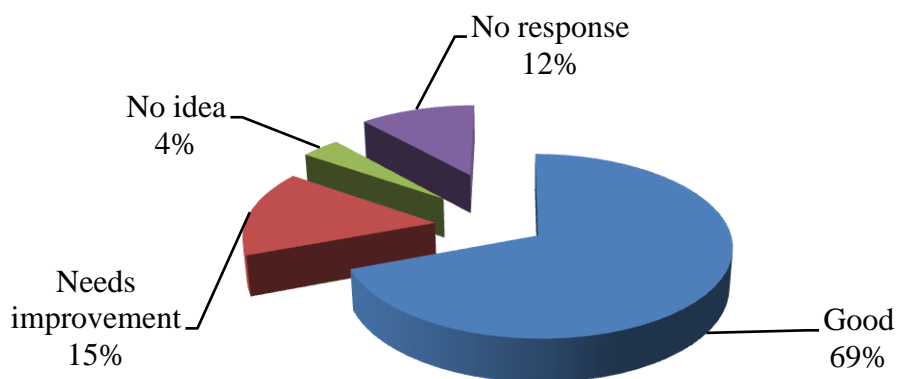
Q.7 What is your opinion about financial resource management in this NGO?

Out of 26, 18 staff members (69%) felt that Financial resource management is good; 4 staff members (12%) felt there is need of improvement in Financial resource management; 1 staff member(4%) said, 'no idea' and 3 staff members (15%) did not respond.

Table 5.86J: Financial resource management (opinion of staff)

Financial resource management	Response	Percent
Good	18	69%
Needs improvement	4	15%
No idea	1	4%
No response	3	12%
Total	26	100%

Chart 5.76I: Financial resource management (opinion of staff)



Q.8 Any suggestions for improvement in NGO?

Out of 26, 8 staff members (31%) gave suggestions for improvement in NGO while 18 staff members (69%) did not.

Table 5.86K: Suggestions by staff for improvement in NGO

Suggestions given	Frequency	Percent
Yes	8	31%
No	18	69%
Total	26	100%

Following suggestions were given by staff members for improvement in (their respective) NGO:

- Increasing manpower
- Committee members should take more interest in activities of organization. NGOs should think and identify the source for employee benefit, so that employees would get some amount of money at the time of retirement.
- Frequent member meetings should be encouraged so that interested members can come forward to work.
- Motivational training and encouragement through various means should be initiated
- There is need of motivation and integrity
- Funds are scarce, proper fund management system should be followed.
- There is need to increase the reach and supporters for organizational activities.

5.6 DATA ANALYSIS OF QUESTIONNAIRE FOR VOLUNTEER OF NGO

The Questionnaire for Volunteer of NGO (Annexure 4) contains total 5 questions. One Volunteer from each NGO was given this questionnaire.

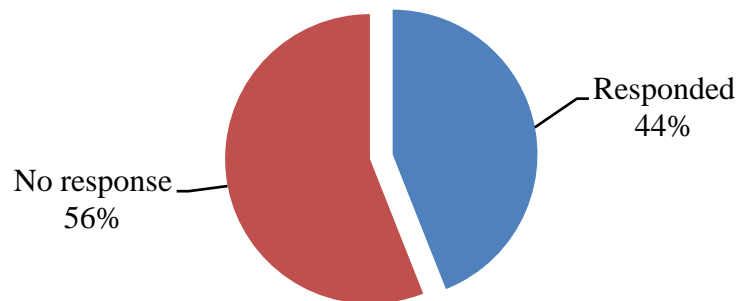
Response rate for volunteer questionnaire:

Out of 35 NGOs, 10 NGOs do not have volunteers, therefore are not applicable. Out of 25 NGOs, volunteers of 11 NGOs (44%) have responded while volunteers of 14 NGOs (56%) have not responded.

Table 5.87A: Response rate for volunteer questionnaire

Response rate	Frequency	Percent
Responded	11	44%
No response	14	56%
Total	25	100%

Chart 5.77A: Response rate for volunteer questionnaire



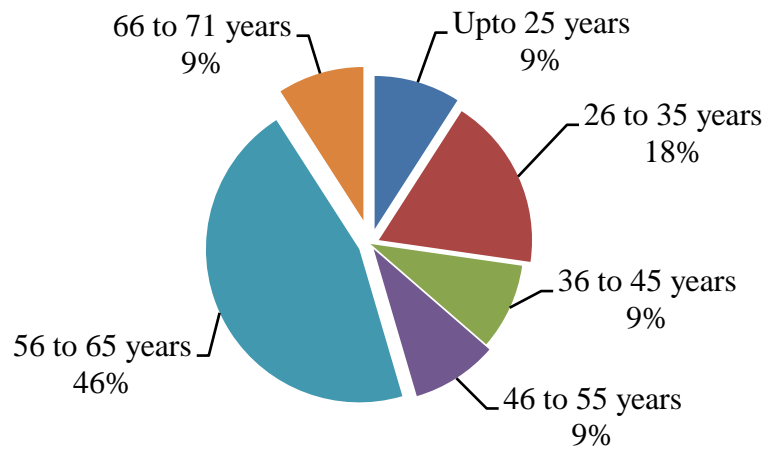
Age group of respondents:

Total 11 volunteers responded to the questionnaire. The age group of volunteer respondents were: 1 volunteer (9%) belonged to upto 25 years age; 2 volunteers (18%) belonged to 26 to 35 years age group; 1 volunteer (9%) belonged to 36 to 45 years age group; 1 (9%) volunteer belonged to 46 to 55 years age group; 5 volunteers (46%) belonged to years age group; 56 to 65 and 1 volunteer (9%) belonged to 66 to 71 years age group.

Table 5.87B: Age group of respondent volunteers

Age group	Frequency	Percent
Upto 25 years	1	9%
26 to 35 years	2	18%
36 to 45 years	1	9%
46 to 55 years	1	9%
56 to 65 years	5	46%
66 to 71 years	1	9%
Total	11	100%

Chart 5.77B: Age group of volunteers



Gender of volunteer respondents:

8 respondents (73%) were female while 3 respondents (27%) were male.

Table 5.87C: Gender of volunteer respondents

Gender	Frequency	Percent
Male	3	27%
Female	8	73%
Total	11	100%

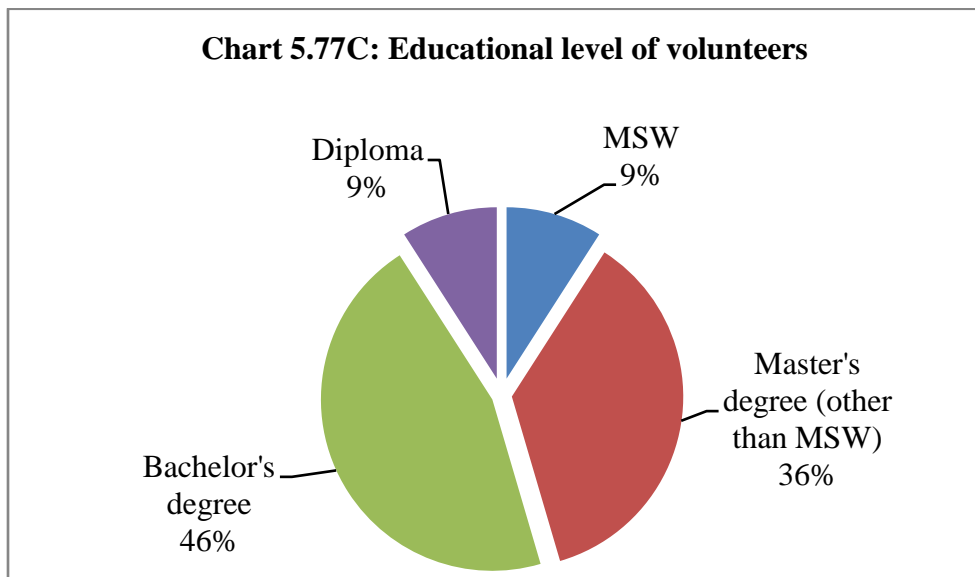
Educational level of volunteers:

1 volunteer (9%) is MSW; 4 volunteers (36%) have Master's degree (other than MSW); 5 volunteers (46%) have Bachelor's degree and 1 volunteer (9%) has Diploma.

Table 5.87D: Educational level of volunteers

Educational level of volunteer	Frequency	Percent
MSW	1	9%
Master's degree (other than MSW)	4	36%
Bachelor's degree	5	46%
Diploma	1	9%
Total	11	100%

Chart 5.77C: Educational level of volunteers



Q.1 What motivated you to join this NGO?

All 11 volunteers (100%) said their motivation to work is ‘Interest in specific issue/ work area of NGO’.

Table 5.87E: Motivation to work (for volunteer)

Motivation to work	Frequency	Percent
Interest in specific issue/ work area of NGO	11	100%
Total	11	100%

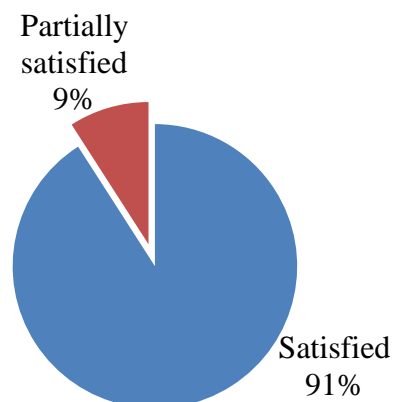
Q.2 As a Volunteer, you are: Satisfied/ Partially satisfied/ Not satisfied with the NGO.

Out of 11, 10 volunteers (91%) are satisfied while 1 volunteer (9%) is partially satisfied.

Table 5.87F: Satisfaction level of volunteers

Satisfaction level of volunteer	Frequency	Percent
Satisfied	10	91%
Partially satisfied	1	9%
Total	11	100%

Chart 5.77D: Satisfaction level of volunteers

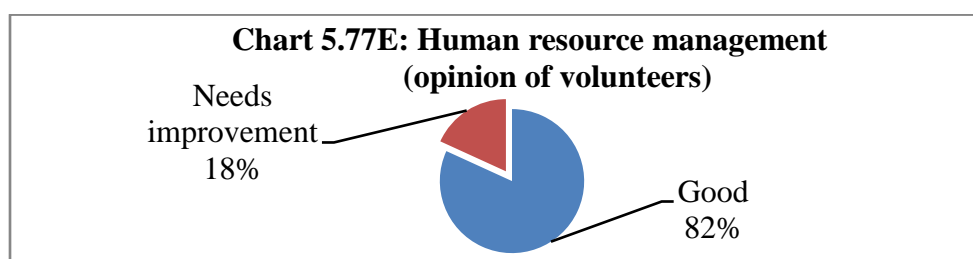


Q.3 What is your opinion about Human resource management in this NGO?

Human resource management (opinion of volunteers): Out of 11, 9 volunteers (82%) feel that the Human resource management in NGO is good while 2 volunteers (18%) felt that the NGO needs improvement.

Table 5.87G: Human resource management (opinion of volunteers)

Human resource management	Response	Percent
Good	9	82%
Needs improvement	2	18%
Total	11	100%

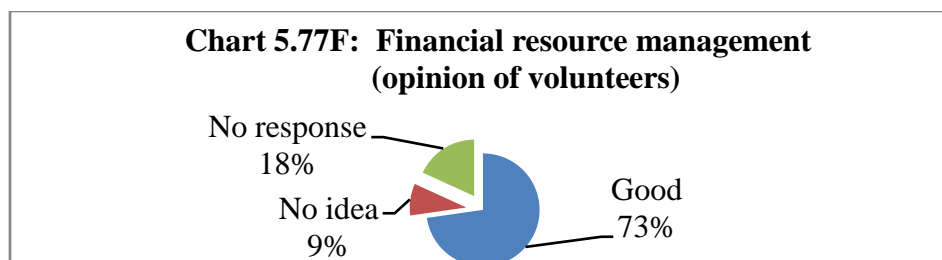


Q.4 What is your opinion about Financial resource management in this NGO?

Financial resource management: Out of 11, 8 volunteers (73%) feel that the financial resource management in NGO is good while 1 volunteer (9%) said 'no idea' and 2 volunteers (18%) did not respond.

Table 5.87H: Financial resource management (opinion of volunteers)

Financial resource management	Response	Percent
Good	8	73%
No idea	1	9%
No response	2	18%
Total	11	100%



Q.5 Any suggestions for improvement in NGO?

Out of 11, 8 volunteers (73%) gave suggestions for improvement in NGO while 3 staff members (27%) did not.

Table 5.87I: Suggestions by volunteer for improvement in NGO

Suggestions given	Frequency	Percent
Yes	8	73%
No	3	27%
Total	11	100%

Following suggestions were given by volunteers for improvement in (their respective) NGO:

- Focus from volunteers is deviated since number of volunteers has been drastically reduced over the years. More attention is needed on volunteers. Periodical meetings between committee members and volunteers should be conducted.
- There is need of proper fund management system.
- There is need of proper coordination and discipline within the organizational activities.
- There should be decentralized decision making. Since only one person is taking all decisions, it results in delay.
- Efforts should be taken to involve more number of young people in activities like tree plantation.
- The communication and coordination among all the projects need improvement.
- Trained manpower is required.
- Improvement in communication patterns are necessary in the organization for faster action.

5.7 DATA ANALYSIS OF QUESTIONNAIRE FOR BENEFICIARY OF NGO

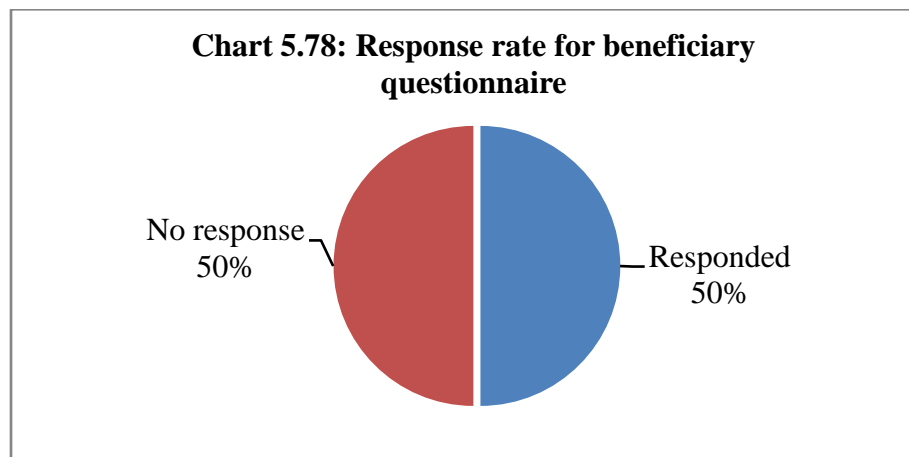
The Questionnaire for Beneficiary of NGO (Annexure 5) contains total 6 questions. One Beneficiary from each NGO was given this questionnaire.

Response rate for beneficiary questionnaire:

Out of 35 NGOs, 9 do not have direct beneficiaries, therefore are not applicable. Out of remaining 26, 13 beneficiaries (50%) responded while 13 beneficiaries (50%) did not respond.

Table 5.88: Response rate for beneficiary questionnaire

Response rate	Frequency	Percent
Responded	13	50%
No response	13	50%
Total	26	100%



Q.1 What type of help did you receive from NGO?

All beneficiaries responded to this question. They received different types of help from NGO:- education for children and women, financial help, medical help, counseling of women on family planning methods, providing training and then job to women , useful educational things like school bag, books, notebooks, clothing.

Q.2 How was the attitude of NGO personnel towards you?

All respondents have given positive response to this question. Beneficiaries experienced that NGO personnel were very positive, helpful and gave personal attention to their needs.

Q.3 Are you satisfied with the help provided by NGO?

All beneficiaries were satisfied with the help provided by NGO. Satisfaction level is 100%

Q.4 What is your opinion about this NGO?

All beneficiaries had good opinion about NGOs.

Q.5 How has your life improved after seeking the help of NGO?

All beneficiaries replied to this question. Their life has improved in many ways:- improved confidence, skill development and improvement in studies, becoming independent. Beneficiaries are experiencing improved quality of life.

Q.6 Any other suggestions / Comment?

No suggestions / comments were given by any of the beneficiary but they expressed the need of such organizations and wished there would be more number of such organizations to help the needy people.

5.8 DATA ANALYSIS OF QUESTIONNAIRE FOR MSW STUDENT

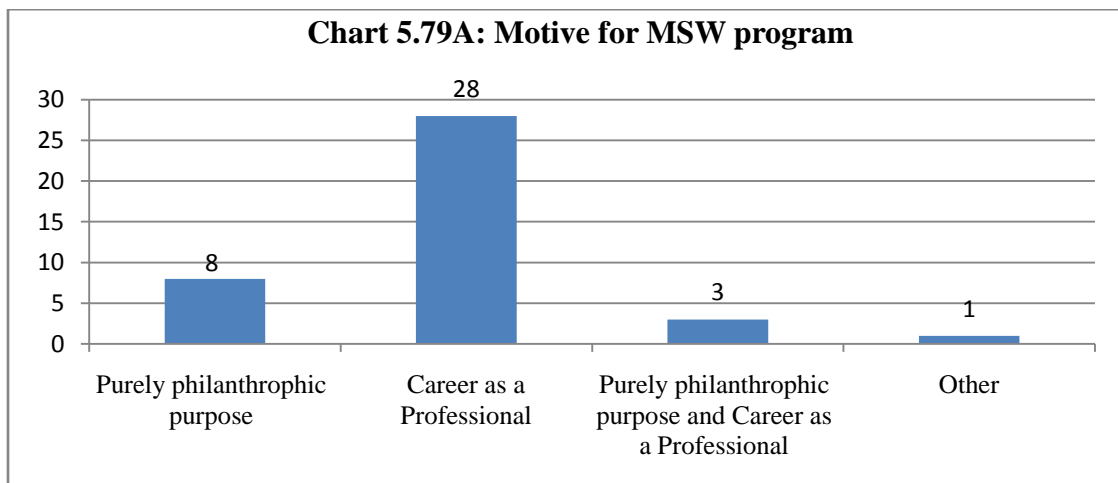
The Questionnaire for Beneficiary of MSW student (Annexure 8) contains total 7 questions. Total 40 MSW students were given this questionnaire.

- Q.1 What is your motive behind joining MSW program?
- Purely philanthropic purpose (Do you want to serve the society?)
 - Career as a Professional
 - Any other: _____

Table 5.89A is derived from responses to Q.1. Out of 40 MSW students, 8 have purely philanthropic motive, 28 have motive to have a career as a professional, 3 have motive of both philanthropic purpose and career as a professional. 1 student joined MSW program for other reason:- external motivation from parents (to work for society).

Table: 5.89A: Motive for MSW program

Motive for MSW program	Frequency
Purely philanthropic purpose	8
Career as a Professional	28
Purely philanthropic purpose and Career as a Professional	3
Other	1
Total	40

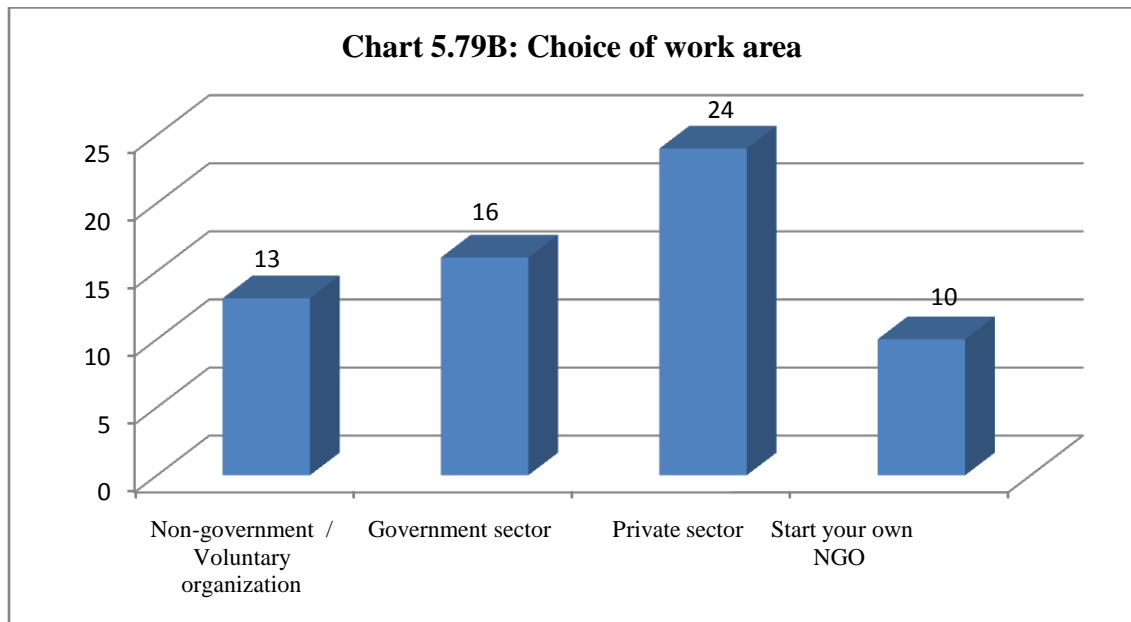


- Q.2 Where would you like to work after completion of your studies?
- Non-government / Voluntary organization (small pay scale but more work satisfaction)
 - Government sector (increased job security)
 - Private sector (more money)
 - Start your own NGO (more power and status in society)
- Any other: _____

Table 5.89B is derived from responses to Q.2. Score (count) of each work area was calculated and is presented in this table. Non-government / Voluntary organization has a score of 13, Government sector has a score of 16, Private sector has a score of 24 and ‘Start your own NGO has a score of 10.

Table 5.89B: Choice of work area

Choice of work area	Score
Non-government / Voluntary organization	13
Government sector	16
Private sector	24
Start your own NGO	10

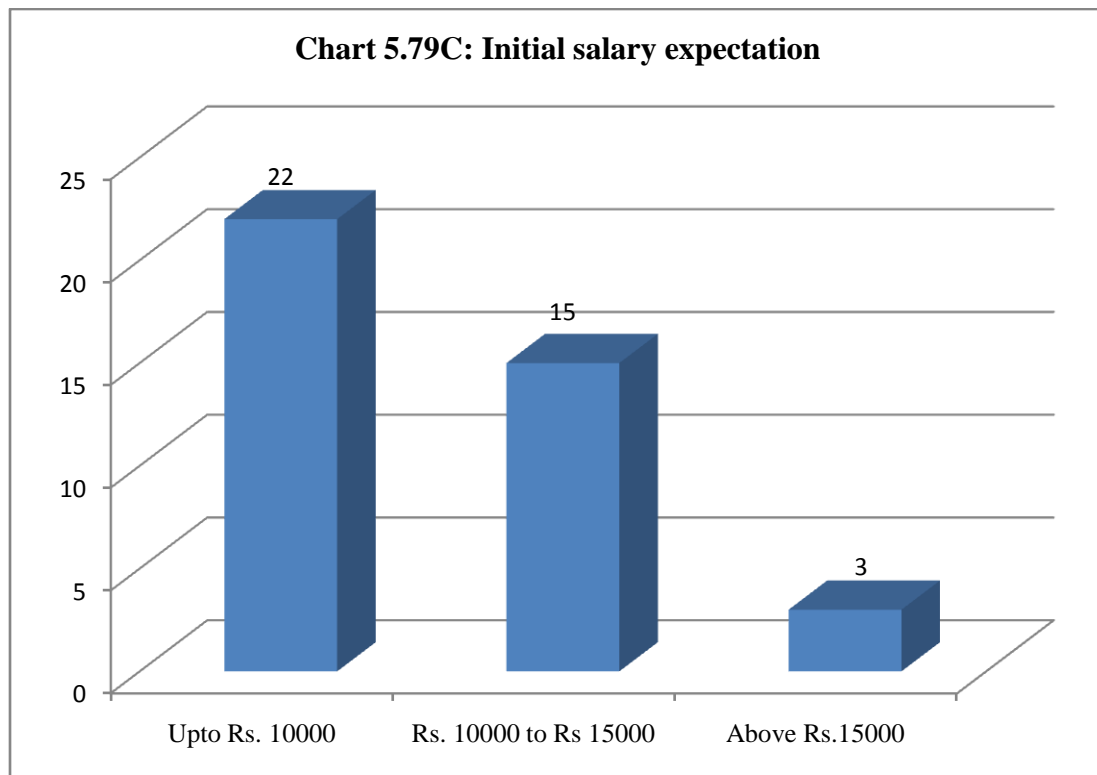


Q.3 According to you, how much should be the starting salary for MSW candidate in NGOs?

Table 5.89C is derived from responses to Q.3. Out of 40 respondents, 22 expect their initial salary to be upto Rs.10000; 15 expect Rs. 10000 to Rs 15000 and 3 expect above Rs.15000.

Table 5.89C: Initial salary expectation

Initial salary expectation	Frequency
Upto Rs. 10000	22
Rs. 10000 to Rs 15000	15
Above Rs.15000	3



Q.4 Would you compromise with salary for working in a credible and transparent NGO?

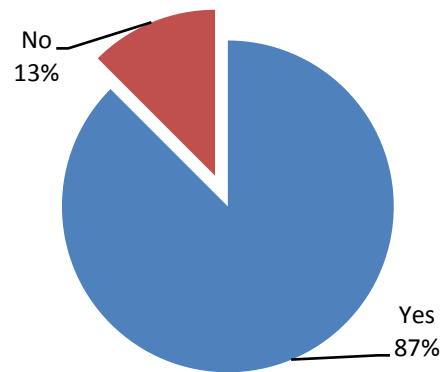
Yes/ No

Out of 40 respondents, 35 respondents (87%) can compromise with salary for working in a credible and transparent NGO while 5 respondents (13%) do not wish to compromise.

Table 5.89D: Willingness to compromise with salary

Response	Frequency	Percent
Yes	35	87%
No	5	13%
Total	40	100%

Chart 5.79D: Willingness to compromise with salary



Q.5 You have worked as volunteer in how many NGOs?

Out of 40 respondents, 28 have worked as volunteer in less than 5 NGOs; 9 have worked as volunteer in 6 to 10 NGOs and 3 have worked as volunteer in 11 to 20 NGOs.

Table 5.89E: Work experience as volunteer

Number of NGOs	Number of respondents
Less than 5	28
6 to 10	9
11 to 20	3
Total	40

Q.6 As a volunteer, how was your experience about Human resource management in NGOs?

- a. Very good b. Good c. Satisfactory d. Needs improvement

Out of 40 respondents, only those respondents are considered (for this question) who have worked in at least 10 NGOs as a volunteer. Table 5.89F is derived from responses given by such 9 respondents. 1 respondent (11%) rated HRM in NGOs as ‘very good’, 5 respondents (56%) rated HRM in NGOs as ‘good’, 2 respondents rated HRM in NGOs as ‘satisfactory’ and 1 respondent (11%) rated HRM in NGOs as ‘needs improvement’.

Table 5.89F: HRM in NGOs (experienced as a volunteer)

HRM	Frequency	Percent
Very good	1	11%
Good	5	56%
Satisfactory	2	22
Needs improvement	1	11%
Total	9	100%

Q.7 For effective utilization of human & financial resources, what improvements would you like to make in present management practices of NGOs based on your experience as a Volunteer?

Out of 40 respondents, only those respondents are considered (for this question) who have worked in at least 10 NGOs as a volunteer. Suggestions given by such 9 respondents:

- Enhancing skills of workforce
- Proper wage system of corporate level
- Improvement in training
- Salary should be based on educational qualifications
- Good work environment
- Identifying skills and utilizing them effectively
- Motivating the human resource
- Training in fund management
- For good performance, salary rise should be given

References:

1. L. Calmorin, M.Calmorin, *Statistics in Education and the Sciences (With Application to Research)*, First Edition 1997, ISBN 971-23-2232-7, Reprinted March 2006 , Page 125
2. *Ibid*, Page 133

CHAPTER - VI

FINDINGS AND CONCLUSIONS

6.1 FINDINGS:

A] GENERAL CHARACTERISTICS OF NGOs:

1. All (100%) NGOs have well defined mission statements.
2. 57% NGOs are registered as Society and Trust, 40% are registered as Trust and 3% are registered as a Section 25 Company
3. 74 % NGOs have websites (featuring all details like mission, vision, work team, area of work, projects, events, publications, and annual reports) as a means of communication to general public, donors. 83% NGO have e-mail address.
4. Age of NGOs (as on 2013) ranges from 9 years to 78 years. 94% NGOs are existing from at least 11 years (11 to 50 years).
5. 20% NGOs work purely on children issues, 20% NGOs work purely on environment issues, 8% NGOs work purely on women issues. 52% NGOs work on more than one issue [Children and Women (40%), Children and Environment (6%), Children, Women and Environment (6%)]
6. 3% NGOs operates at International level, 17% NGOs operate at National level, 23 % NGOs operate at State level, 14% NGOs operate at district level, and 43% operate at local level, city level or in 2 to 5 cities.
7. Number of paid staff in NGOs ranges between 1 to 524.
31% NGOs have 0 to 5 paid staff, 26% have 6 to 15 paid staff, 17% have 16 to 40 paid staff, 6% have 41 to 100 paid staff and 20% NGOs have more than 100 paid staff.
8. Number of volunteers in NGOs ranges between 0 to more than 100. 29% NGOs have no volunteers, 14% NGOs have 1 to 5 volunteers, 51% NGOs have 6 to 100 volunteers, 6% NGOs have more than 100 volunteers.
9. Budget of NGOs ranges between Rs. 20,000.00 to Rs. 4 Crores. NGOs exist in different sizes (according to budget). [6% NGOs have budget of very small size (less than 1 Lakhs), 20% NGOs have budget of Small size (1 Lakh to 5 Lakhs), 9% NGOs have budget of Medium size (6 Lakhs to 10 Lakhs), 35% NGOs

have budget of Large size (11 Lakhs to 50 Lakhs), 12% NGOs have budget of Very Large size (51 Lakhs to 1 Crore) and 18% NGOs have budget of Largest size (above 1 Crore).]

B] MANAGEMENT ASPECTS IN NGOS:

- 1. Organization chart and written manual:** 51 % of NGOs have organization chart and 37% NGOs have written manual /policy handbook available and is regularly updated and reviewed.
- 2. Long term plans:** 60% NGOs have written goals for period of 3-5 years.
- 3. HRM budget and HRM plan:** 34% NGOs have HRM budget. 60% NGOs have HRM plan and the plan is linked to mission of organization.
- 4. Formal procedure for recruitment:** 85% NGOs have recruitment procedure for staff while 15% NGOs do not. 40% NGOs have recruitment procedure for volunteer while 60% NGOs do not.
- 5. Job-descriptions:** 94% have job-descriptions of staff while 6% NGOs do not have. 79% NGOs review and update the job-descriptions of staff while 21% NGOs have not reviewed nor updated them. 36% NGOs have job-descriptions for volunteers while 64% NGOs do not have. 32% NGOs review and update the job-descriptions of volunteer while 68% NGOs do not.
- 6. Qualification norms for selection:** 94% NGOs have minimum qualification norms for selection of staff while 6% NGOs do not. 24% NGOs have minimum qualification norms for selection of volunteers while 76% NGOs do not.
- 7. Orientation program:** Orientation program exists for staff and is followed in 73% NGOs. Orientation program exists and followed for Volunteers in 27% NGOs.
- 8. Training:**

Plans: 67% NGOs have training plans for staff while 33% NGOs do not have training plans for staff. 40% NGOs have training plans for volunteers while 60% NGOs do not.

Records: 40% NGOs have maintained training records for staff while 60% NGOs have not maintained. 36% NGOs have maintained training records for volunteers while 64% NGOs have not maintained the training records..

- 9. Leadership development:** 45% NGOs have maintained training records for leadership development for staff while 55% NGOs have not maintained such record. 40% NGOs have maintained training records for leadership development for volunteers while 60% NGOs have not maintained such record.
- 10. Motivation:**
System: All NGOs (100%) have reward/ recognition system for motivation of staff while 84% NGOs have reward / recognition system for motivation of Volunteers.
Non-financial motivators for volunteers:
 Self-motivation of volunteers; good work of NGOs; good work culture of NGO; freedom of working; recognition of volunteers for good work in meetings; decision making
- 11. Performance measurement:** 85% NGOs measure the staff's performance while 15% NGOs do not measure staff's performance. 28% NGOs measure the volunteer's performance while 72% NGOs do not measure volunteer's performance.
- 12. Long term plans for fund raising:** 51% NGOs have long term plans for fund raising; while 49% do not.
- 13. Mobilization of financial resources:** 71% NGOs have plan for mobilization of financial resources, 6% NGOs have partial plan (in process of completion) for mobilization of financial resources and 23% NGOs do not have plans for mobilization of financial resources.
- 14. Financial audit:** All NGOs (100%) conduct financial audit by authorized Chartered Accountant. 9% NGOs conducted financial audit by authorized Chartered Accountant and also by member of organization (like council member, secretary, committee member).
- 15. Feedback system:** All NGOs (100%) take feedback from beneficiaries regarding service provided to them.
- 16. Accountability:** All NGOs (100%) are accountable to their beneficiaries, staff, volunteers, government / funding agencies / donors and general public.
- 17. Relationships with other NGOs:** The relationships (of responded NGO) with other NGOs are as given:- 79% NGOs: Co-operation; 9% NGOs:

Complementary; 6% NGOs: Co-operation and Complementary; 6% NGOs: no relationship.

18. Conflict management: 28% NGOs have observed conflicts among staff and volunteer. The issues of conflicts are misunderstandings, interpersonal issues, different ideologies of staff and volunteer, conflict of opinion between staff and volunteer, difference in work methodology. The mechanism to resolve such conflicts is having discussions or meetings of concerned staff, concerned volunteer and members of the organization.

19. Work method: 86% NGOs work on projects while 14% NGOs have ongoing activities.

20. Fund raising methods: Donations is the most used fund raising method in NGOs.

- Donations as fund raising method is used by 33 NGOs;
- Workshops as fund raising method is used by 3 NGOs;
- Celebrity as fund raising method is used by 6 NGOs;
- Functions / Events / Exhibitions as fund raising method is used by 15 NGOs;
- Other fund raising methods are used by 11 NGOs. [Other fund raising methods include membership fees, sale of products, publishing of organization's magazine, soliciting for advertising in organization's journal, service fees, membership fees, self sustainability, personal contacts and networking.]

Number of fund raising methods used: 40% NGOs use only one method of fund raising; 34% NGOs use two methods of fund raising; 17% NGOs use three methods of fund raising; 9% NGOs use four methods of fund raising.

21. Usage of Funding sources: Public donation is the most commonly used funding source among all NGOs.

- Public donations are used by 24 NGOs;
- Self-financing is used by 21 NGOs;
- Foreign/international foundations donations are used by 15 NGOs;
- Corporate donations are used by 15 NGOs;
- Government funds are used by 14 NGOs;
- Membership dues are used by 13 NGOs;
- National foundations donations are used by 11 NGOs;

- Foreign/international business/corporate donations / grants are used by 4 NGOs.

Number of funding sources used by NGOs: 14% NGOs have single funding source; 43% NGOs have 2 to 3 funding sources; 37% NGOs have 4 to 5 funding sources; 6% NGOs have 6 to 8 funding sources.

- 22. Financial status of organization:** 57% NGOs have 'Good' financial status, 31% NGOs have 'Average' and 9% have 'Unstable' financial status and 3% NGOs did not respond.
- 23. Performance of organization:** 43% NGOs have achieved goals in between 81% to 100%, 48% NGOs have achieved goals in between 61% to 80% and 9% NGOs have achieved goals below 61%.
- 24.** Section 25 Company has better management of human and financial resources as compared to trusts and society. A Section 25 Company covered in this study is efficient in management of both human resources and financial resources.

C] STRENGTHS AND WEAKNESSES OF NGOs (as given by NGOs):

STRENGTHS: Dedicated, committed, efficient and qualified manpower; Transparency in functioning; Team work; Good work environment; Clear vision, ideologies and perspectives; Good planning/ Sincere implementation/ Achievements; Participation of beneficiaries in organization's activities; Goodwill/ reputation/good rapport with community; Leadership and decision making; Good administration; Good networking with national and international organizations; staff satisfaction, volunteer satisfaction; beneficiary satisfaction

WEAKNESSES: Lack of funds; Lack of suitable human resource; Lack of sufficient human resource; Need of young people at apex position in organization; Delay in decision making; Slow pace of work; Fund raising techniques; Lack of motivation; Need of more work space; Lack of self discipline, Systematic approach and lack of hardship, Lack of long term planning for fund raising, Lack of leadership development

D] NEEDS AND CHALLENGES OF NGOs

1. **Availability of suitable human resource:** According to 20% NGOs, availability of suitable human resource is 'scarce', 20% NGOs said 'insufficient' and 60% NGOs said 'sufficient'.
2. **Availability of financial resources:** According to 17% NGOs, availability of financial resources is 'scarce', 40% NGOs said 'sufficient' and 43% NGOs 'insufficient'.
3. **a) Difficulties in receiving the Grants / Funds from Donors/Funding agencies at sanctioning level:** 46% NGOs face difficulties in receiving the grants / funds from donors/funding agencies at sanctioning level while 54% NGOs do not.
b) Difficulties in receiving the Grants / Funds from Donors/Funding agencies at the time of disbursement: 34% NGOs face difficulties in receiving the grants / funds from donors/funding agencies at time of disbursement while 66% NGOs do not.
4. **The optimum number of personnel for better performance of organization:**
 - a) Paid staff -full time: 35% NGOs (out of 26 responses) need additional paid staff full time for better performance of organization.
 - b) Paid staff -part time: 28% NGOs (out of 18 responses) need additional paid staff -part time for better performance of organization.
 - c) Volunteers: 50% NGOs (out of 16 responses) need additional volunteers for better performance of organization.
5. **Staff specifically for HRM activities:** 14% NGOs need staff specifically for HRM activities (17% NGOs have staff specifically for HRM activities and 69% NGOs do not need any staff specifically for HRM activities).
6. **Staff specifically for financial management:** 3% NGO needs staff specifically for financial management (29% NGOs have staff specifically for financial management and 68% NGOs do not require any staff specifically for financial management).
7. **Need of independent regulatory authority for accountability:** 56% NGOs feel there is need of independent regulatory authority for accountability while 44% NGOs do not feel so.

8. **Area of improvement / training in NGOs:** Most needed area of improvement is 'Fund raising techniques' and 'Management of Human resources' (out of responses of 34 NGOs, 23 NGOs need improvement/training in 'Fund raising techniques' and 9 NGOs need improvement/training in 'Management of Human resources').
9. **Current biggest challenge of organization:** Biggest problem that NGOs are facing currently are 'Insufficient funds', 'Lack of qualified staff' and 'Lack of volunteers' (Out of 35 responses, 12 NGOs said 'Insufficient funds', 10 NGOs said 'Lack of qualified staff' and 10 NGOs said 'Lack of volunteers' is their current big problem).
10. **Training / re-training:** 94% NGOs feel that training / re-training is necessary for staff, while 6% NGOs do not feel so. 63% NGOs feel that training / re-training is necessary for volunteer, while 37% NGOs do not.

EJ FEEDBACK FROM STAFF OF NGO:

Response of 26 staff members:

Motivation to work: 88% staff is motivated to work in NGO because of interest in specific issue/ work area of NGO

Satisfaction level: 92% staff is satisfied while 8% staff is partially satisfied.

Working in NGO as a career: 61% staff feel that working in NGO can be considered as a career; 35 % staff members do not think so while 4% staff replied, 'varies from person to person'.

FJ FEEDBACK FROM VOLUNTEER OF NGO:

Response of 11 volunteers:

Motivation to work: All volunteers (100%) are motivated to work in NGO because of interest in specific issue/ work area of NGO

Satisfaction level: 91% volunteers are satisfied while 9% are partially satisfied

GJ FEEDBACK FROM BENEFICIARY OF NGO:

Response of 13 beneficiaries: All beneficiaries (13) are satisfied with the services provided by NGO and have a positive opinion about NGO.

HJ FEEDBACK FROM MSW STUDENTS:

Response of 40 students:

Motive behind joining MSW program: Maximum respondents want to have 'career as a professional'

Choice of work area: Maximum respondents want to work in private sector.

Willingness to compromise with salary: 87% students are willing to compromise with salary for working in a credible and transparent NGO.

IJ HYPOTHESIS TESTING:

Hypothesis 1: NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time.

Hypothesis 1 is tested positive and accepted since:

- Correlation coefficient between "Maturity in managing Human resources" and goal achievement is 0.71 which denotes positive high relationship.
- Correlation coefficient between "Maturity in managing Financial resources" and goal achievement is 0.74 which denotes positive high relationship.

Testing of Hypothesis 2

Hypothesis 2: There is positive co-relation between size of NGO and effective management of human and financial resources".

Hypothesis 2 is not accepted since:

- There is negligible relation between Manpower (size) and "Maturity in managing Human resources. (correlation coefficient = 0.13)
- There is negligible relation between Manpower (size) and "Maturity in managing Financial resources. (correlation coefficient = 0.09)
- There is low relationship between Budget (size) and "Maturity in managing Human resources". (correlation coefficient = 0.41)
- There is low relationship between Budget (size) and "Maturity in managing Financial resources". (correlation coefficient = 0.22)

Hypothesis 3: Effective management of human resources is important for retaining volunteers and reducing employee turnover.

This hypothesis 3 could not be tested due to absence of organized data for staff turnover and volunteer turnover with the NGOs.

Hypothesis 4: Availability of funds is scarce but achievable if financial resources are managed properly.

Hypothesis 4 is tested positive and accepted since:

Correlation coefficient between “Maturity in managing Financial resources” and Goal achievement is 0.74, which denotes positive high relationship between “Maturity in managing Financial resources” and Goal achievement.

Most of the NGOs experience scarcity of funds. Unless there are funds with the NGO, it cannot carry out its projects or day to day activities. Goals are achieved if funds are available. If financial resources are managed properly, scarcity of funds can be overcome.

The positive high relationship between “Maturity in managing Financial resources” and Goal Achievement is an indication that if NGO is managing finances well, it can achieve its budgeted expense goals. Therefore hypothesis is accepted.

6.2 CONCLUSIONS:

A] SPECIFIC CONCLUSIONS

The specific conclusion of this study revolves around the set hypothesis and research objectives:

1. NGOs have noble intentions of serving the community but effective management of human and financial resources are of great significance in achieving their goals in time. NGOs are essential entities that help the society in different ways based on their mission. These good intentions come to an effect only when they achieve their targets. Those NGOs who manage their human and financial resources effectively achieve their targets in time. There is positive correlation between management of human and financial resources and goal achievement.
2. 94% NGOs in the study region are having work experience of more than 10 years. It is expected from these NGO to be good at managing their human and financial resources. However this study brings out the fact that only 20% NGOs are efficiently managing their human resources and 48.5% NGOs are efficiently managing their financial resources. The findings are: 20% NGOs are having 90% and above maturity level in managing human resources and 48.5% NGOs are having 90% and above maturity level in managing financial resources.
3. There is no relation between the size of NGO and effective management of human and financial resources. A NGO can have effective system for management of human and financial resources whether it is of small size or large size. The study brings out the fact that effective management of human and financial resources is independent of size of NGO.
4. There is need of regulatory mechanism for proper functioning of NGOs. Based on the findings of this study it is observed that NGOs have noble intentions of serving the society and are doing really good work based on their mission. The NGOs under study felt there is need of regulatory mechanism for proper functioning of NGOs since, because of 'few unethical NGOs', credibility of all

the NGOs is looked upon with doubt. NGOs feel independent regulatory authority will bring transparency in functioning of NGOs. In this study, 56% NGOs feel there is need of independent regulatory authority for accountability.

5. NGOs covered in this study have been playing an important role in development working towards educating the needy children (under privileged, disabled and special children). There are many issues related with women like women empowerment, health, legal aid, education, justice, gender inequality and recurring issues of safety of women in Pune . NGOs are playing vital role in solving these issues. NGOs have been influential in taking efforts towards providing a better environment to citizens of Pune. Environmental NGOs are actively involved in preservation and conservation of environment. Important issues of Pune like increasing traffic, traffic pollution and river pollution are worked upon by them.
6. Strengths and weaknesses of NGO:
Based on findings, the major strengths of studied NGOs are: motivation, staff and volunteer satisfaction, efficient, qualified and committed manpower, beneficiary satisfaction.
Major weaknesses of studied NGOs are: Lack of funds, Lack of suitable human Resource, Insufficient human resource, Lack of planning, Lack of long term plans for fund raising

B] GENERAL CONCLUSIONS

The general conclusions of this study are derived from the findings:

1. NGOs in the study region show heterogeneity. They have different characteristics, like size, level of operation, manpower, working method.
2. It is found that in NGOs, management of financial resources is better than management of human resources (average maturity in managing financial resources is 83.5% and average maturity in managing human resources is 75.1%).
3. As compared to the work experience of NGOs (9 years to 78 years), their management of human and financial resources is not that efficient. Many NGOs (40%) lack long range planning. Many NGOs (66%) do not have HRM plan. Only 51 % NGOs have organization charts. 33% NGOs do not have training plans for staff. Leadership development training records are not maintained by 55% NGOs.
4. The management aspects followed properly in studied NGOs are: motivation for human resource, performance measurement of staff, feedback (beneficiary) system, accountability to all stakeholders of NGOs
5. The studied NGOs need training in fund raising techniques, and management of human resources.
6. Biggest challenge that NGOs are facing currently are ‘insufficient funds’, ‘lack of qualified staff’ and ‘lack of volunteers’
7. MSW students are the most suited human resource for NGOs, but inclination of these students is towards private sector and professionalism though they are willing to compromise on salary for working in a credible NGO.

CHAPTER - VII

RECOMMENDATIONS AND SCOPE FOR FURTHER STUDIES

7.1 RECOMMENDATIONS:

The recommendations are given based on the research findings and opinion of experts associated with the NGO sector:

1. Need of independent regulatory mechanism for proper functioning of NGOs.

The NGOs have to submit audit reports to Charity Commissioner, but many NGOs fail to do so. (Refer Annexure 14). Number of NGOs is multiplying quite fast. It is observed that as soon as the government schemes for NGOs are declared, many new NGOs are registered. Most of the NGOs exist only on paper and are not functional in practice. (Refer Annexure 14) E (Trust registered on the basis of Trust Deed) and F (Societies converted into trust) type of trusts have increased by approximately 18012 from year 2008 to year 2013 in Pune district as informed by the office of Charity Commissioner Pune. There are 49012 trusts (E and F type) in Pune district as on December 2013.(Refer Annexure 14)

There is insufficient manpower and tremendous work load with the office of Charity Commissioner Pune. Use of computers to improve work efficiency is required. Credibility of NGOs is questioned these days. Few corrupt NGOs are spoiling image of the whole NGO sector. In this study, 56% NGOs also expressed the need of independent regulatory authority for accountability.

In such a scenario, there is need of independent regulatory mechanism who will monitor proper functioning of NGOs by audits and actual visits to NGOs. The regulatory body should comprise of experts from NGO sector, lawyers and government officials.

2. Need of training to NGOs in fund raising techniques and management of human resources.

It is found in this study that one of the current biggest challenge that NGOs are facing is ‘insufficient funds’ and most needed areas of improvement are ‘Fund raising techniques’ and ‘Management of Human resources’.

3. Need of a separate common enactment for creation and functioning of NGOs of all categories.

At present there are different enactments for different type of NGOs like trusts, societies, section 25 companies. Different jurisdiction, registration process, legislation exist which make the system complicated. In some states like Maharashtra, all societies registered under the Society Registration Act, 1860 have to be registered as trust under Bombay Public Trust Act, 1950. These complications are faced by NGOs. Even big NGOs, many-a-times are not clear how to manage legal compliances.

A common enactment would set a uniform central law for all NGOs. Such enactment will have these benefits:- common central control, reduced complications in legal procedure and improved performance of NGOs.

4. To strengthen NGOs in finance there is need to establish a separate platform for fund raising.

It is observed in this study that many NGOs are facing challenge of ‘insufficient funds’. As government of India has started SEBI stock exchange for raising funds and IPO, there should be a platform having database of credible NGOs which will be made available for interested donors or corporate houses.

This will have dual benefit:-

1. For NGOs: Fund raising
2. For donors: Selection of credible and transparent NGOs for funding

7.2 SCOPE FOR FURTHER STUDIES:

1. A study of ‘Management of human and financial resources in NGOs considering the external environment, internal environment and project life cycle’ can be carried out.
2. ‘Legal aspects of NGOs’ can be a study subject which will bring out legal complexities, that NGOs have to face.
3. An in-depth study of staff turnover in NGOs can be carried out to understand the needs and problems of staff as well as NGOs.

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Annexure 1: Covering Letter

Date:

Research Guide :

From: Research Student

To:

Subject: Interview / Questionnaire regarding research topic,
“A critical study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

Dear Sir/ Madam,

I am a PhD student from Tilak Maharashtra University, Pune working on research topic:
“A critical study of Management of Human and Financial resources by Non- Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

This research will be an important source of information in understanding the current resource management practices of NGOs. It will also create awareness among the people regarding NGOs and their contribution towards society.

Presently, I am collecting the data from selected NGOs for my research work. Attached, please find the questionnaire for data collection. I need to have a meeting with you at your convenience for discussion in respect of the questionnaire. Please confirm date, day and time of your convenience for the same.

Your input and cooperation will be useful and important for my research work in drawing the conclusions. I assure that the information collected is only for academic purpose and shall remain confidential.

Thanking You,

Research Student

Annexure 2: Questionnaire for NGO

Research Topic: “A critical study of Management of Human and Financial resources by Non- Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

[Please tick the appropriate option, wherever applicable. Any additional comments are welcome.]

Respondent's name: _____ Sex: _____

Designation: _____ Education: _____

Organization: _____

Section – I

1. NGO is registered as: - Society - Trust - Section 25 Company

2. Established in year: _____

3. Address: _____

4. Contact no.: _____

5. E-mail: _____ Website: _____

6. Mission statement of the organization: _____

7. Working on issues:

- Children - Environment - Women

- Others (please mention): _____

8. Work area / place: _____

9. Level of operation: _____ (Local /city/ District/ State/
National/International)

10. No. of paid staff (full time):

No. of paid staff (part time):

No. of volunteers:

11. Your organizations Budget for current year is Rs. _____

Section – II

1] Please tick the appropriate options:

1.1	Is organizational chart available? If yes, please	Yes	No
	Organizational chart exists informally.	Yes	No
1.2	Is written manual /policy handbook available and is regularly updated and reviewed?	Yes	No
	Manual / policy handbook exists informally.	Yes	No
1.3	Do you have written goals for period of 3-5 years?	Yes	No
1.4	Availability of suitable human resource is: a) Scarce b) Sufficient c) Insufficient		
1.5	Is HRM budget available?	Yes	No
	Is HRM plan available?	Yes	No
	Is organization's mission linked with HRM plan?	Yes	No
1.6	Is there any staff specifically for HRM activities?	Yes	No
1.7	Formal procedure exists for recruitment of	Staff	Volunteer
1.8	Job-descriptions are available for	Staff	Volunteer
	Job descriptions are reviewed and updated regularly for	Staff	Volunteer
1.9	Minimum qualification norms for selection are available for	Staff	Volunteer
1.10	Training / Re-training is necessary for	Staff	Volunteer
1.11	Orientation program exists and followed for	Staff	Volunteer
1.12	Training records are maintained for	Staff	Volunteer
	You have training record for leadership development for	Staff	Volunteer
1.13	Training plans are available for	Staff	Volunteer
1.14	Reward / Recognition system for motivation is available for	Staff	Volunteer
1.15	Performance is measured for	Staff	Volunteer
1.16	Availability of financial resources is: a) Scarce b) Sufficient c) Insufficient		
1.17	Do you have long term plans for raising funds?	Yes	No
	Is there any plan for mobilization of financial resources?	Yes	No
1.18	Is there any staff specifically for Financial management?	Yes	No
1.19	Is internal financial audit conducted in your organization?	Yes	No
	If yes, who conducts the internal audit?_ _ _ _ _		
1.20	Are feedback / views of beneficiaries taken regarding service being provided by the NGO?	Yes	No

1.21	Fund raising methods used by your organization: a) Donations b) Workshops c) Celebrity d) Functions / Events / Exhibitions e) Others (please mention): _____		
1.22	Your organization is accountable to: a) Beneficiaries b) Staff c) Volunteers d) Government / Funding agencies / Donors e) General Public		
1.23	Relationship between your organization and other NGOs (working on same issue as of your organization): a) Co-operation b) Competition c) Complementary		
1.24	Do you face difficulties in receiving the Grants / Funds from Donors/Funding agencies at sanctioning level?	Yes	No
	Do you face difficulties in receiving the Grants / Funds from Donors/Funding agencies at the time of disbursement?	Yes	No

2] Please provide the following data:

Data	Year			
	2005	2006	2007	2008
Annual expenditure (in Rs.)				
Administrative expenditure (in Rs.)				
No. of paid staff – Full time				
No. of paid staff – Part time				
No. of Volunteers				
Employee (Staff) turnover (in %)				

3] The optimum number of personnel for better performance of your organization:

a) Paid staff (full time):

b) Paid staff (part time):

c) Volunteers:

9] Have you ever observed conflicts among staff and volunteer?

Yes No

If yes, what are the issues of conflict? _____

What is the mechanism to resolve the conflicts? _____

10] What are the strengths & weaknesses of your organization?

Strengths: _____

Weaknesses: _____

11] Amongst the following areas, in which area would you need improvement/
training?

a) Fund raising techniques b) Management of Human resources

c) Motivation d) Leadership

e) Other (please mention): _____

12] Which is the biggest problem that your organization is facing currently?

a) Lack of volunteers b) Lack of qualified staff c) Insufficient funds

d) Other (please mention): _____

13] Is there any need of independent regulatory authority for accountability?

Yes No

Please comment: _____

14] Please brief the role of your NGO in development of Pune region.

15] For effective utilization of human & financial resources, what improvements
would you like in present management practices of your organization?

Respondents Signature

Annexure 3: Questionnaire for Staff of NGO

Research Topic: "A critical study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008)."

Name of the Staff member: _____ Job position_____

Age: _____ Sex: _____ Contact no.: _____

Education: _____

Address: _____

Concerned NGO: _____

1. You are working with this NGO for last _____ months / years

2. What motivated you to join this NGO?

3. As a Staff member, you are : Satisfied/ Partially satisfied/ Not satisfied with the NGO.
(Tick the suitable option)

4. Do you think working in NGO can be considered as a career?

5. Please comment: _____

6. What is your opinion about Human resource management in this NGO?

7. What is your opinion about Financial resource management in this NGO?

8. Any suggestions for improvement in NGO?

Respondents Signature

Annexure 4: Questionnaire for Volunteer of NGO

Research Topic: “A critical study of Management of Human and Financial resources by Non-Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

Name of the Volunteer: _____

Age: _____ Sex: _____ Contact no.: _____

Education: _____

Address: _____

Concerned NGO: _____

1. What motivated you to join this NGO?

2. As a Volunteer, you are : Satisfied/ Partially satisfied/ Not satisfied with the NGO.
(Tick the suitable option)

3. What is your opinion about Human resource management in this NGO?

4. What is your opinion about Financial resource management in this NGO?

5. Any suggestions for improvement in NGO?

Respondents Signature

Annexure 5: Questionnaire for Beneficiary of NGO

Research Topic: “A critical study of Management of Human and Financial resources by Non- Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

Name of the beneficiary: _____

Age: _____

Sex: _____

Education: _____

Address: _____

Concerned NGO: _____

1 What type of help did you receive from NGO?

2 How was the attitude of NGO personnel towards you?

3. Are you satisfied with the help provided by NGO?

4. What is your opinion about this NGO?

5. How has your life improved after seeking the help of NGO?

6. Any other suggestions / Comment?

Respondents Signature

Annexure 6: Questionnaire for MSW student

Research Topic: “A critical study of Management of Human and Financial resources by Non- Government Organizations in Pune metropolitan area (Period: Year 2005 to 2008).”

[Please tick the appropriate option, wherever applicable. Any additional comments are welcome.]

Name : _____

Age: _____ Sex: _____ Contact no.: _____

E-mail : _____

Address: _____

Education: MSW-I / MSW-II Institute: _____

1. What is your motive behind joining MSW program?
 - a. Purely philanthropic purpose (Do you want to serve the society?)
 - b. Career as a Professional
 - c. Any other: _____

2. Where would you like to work after completion of your studies?
 - a. Non-government / Voluntary organization (small pay scale but more work satisfaction)
 - b. Government sector (increased job security)
 - c. Private sector (more money)
 - d. Start your own NGO (more power and status in society)
 - e. Any other: _____

3. According to you, how much should be the starting salary for MSW candidate in NGOs? _____

4. Would you compromise with salary for working in a credible and transparent NGO? Yes No
5. You have worked as volunteer in how many NGOs? _____
6. As a volunteer, how was your experience about Human resource management in NGOs?
- a. Very good b. Good c. Satisfactory d. Needs improvement
7. For effective utilization of human & financial resources, what improvements would you like to make in present management practices of NGOs based on your experience as a Volunteer?

Respondents Signature

Annexure 7: Interview of Advocate 1

1. Is the legal environment supportive for NGOs in India?
It is mandatory to follow the rules of various acts. Legal environment is supportive to NGOs, on the contrary most of the NGOs do not follow the Acts. About 90 % of NGOs in Pune do not report to Charity Commissioner in time.
2. Registration procedures across the states are different in India. Please comment.
One jurisdiction is required all over India so that NGOs can work in different states with less complicated procedures.
3. What are the complications in registration process of NGOs? Can the methods be simplified? Is there time limit and is it specified in the Act?
Process of registration takes time as there is lot of work with Charity Commissioner. Time limit is not stated in the acts because it is not possible seeing the scope of work of Charity Commissioner and less work force.
4. Is there negative effect on NGOs (performance, growth, time etc.) because of registration and reporting requirements? / Do registration and reporting requirements hinder NGO growth?
No, as said earlier, in fact NGOs are the ones who are not prompt in reporting.
5. Do you think there is need of independent regulatory mechanism?
I don't think so. Present regulations are enough. But there is need to follow them strictly.
6. Should there be such platform where there will be interactions between Charity administration authorities, lawyers, CAs and NGOs? Is there any?
Yes, it would be good for NGOs to interact with concerned and knowledgeable people. But again when the things will come to amendments in any of the Acts,

the lengthy process with government will arise. Authority and powers, if assigned to such platform then it would be helpful in real sense.

7. Reason for mushrooming of NGOs. How to control it?

When government announces various schemes of NGOs, many NGOs start functioning. Otherwise many NGOs are in non-working stage. Charity Commissioner cannot have check on all the NGOs because of less manpower.

8. Numerous cases with Charity commissioner's office are pending due to insufficient manpower. How are they solved?

Yes, again it comes to manpower issue.

9. Any other important aspect according to you.

NGOs should work as per the rules of the Acts. NGOs are organizations that need to work in proper way. They should work as per their mission.

Annexure 8: Interview of Advocate 2

1. Is the legal environment supportive for NGOs in India?
Yes, it is supportive. Most of the NGOs in Pune, about 80 to 90 % NGOs do not report to Charity Commissioner in time.

2. Registration procedures across the states are different in India. Please comment.
Registration procedures across the states are different in India but there are no major changes. This is a problem for organization working at state level. It would be better if there is one jurisdiction.

3. What are the complications in registration process of NGOs? Can the methods be simplified? Is there time limit and is it specified in the Act?
There are no complications as such. Documentation is mandatory as per the Acts. Yes, there is no time limit, the registration process takes too much of time. But expecting quick action is not practical considering the tremendous work load at Charity Commissioner's office. If NGOs submit all their documents in time and as per procedure and keep regular follow up, it should not take more than three months. Also the working method at Charity Commissioner's office is one of the factors. Still computerized data is not available.

4. Is there negative effect on NGOs (performance, growth, time etc.) because of registration and reporting requirements? / Do registration and reporting requirements hinder NGO growth?
No, not at all.

5. Do you think there is need of independent regulatory mechanism?
No, the present system of getting accounts audited and reporting to Charity Commissioner in time is sufficient. Very few NGOs do so in time.

If the manpower is increased with Charity Commissioner's department, then there would be enough check on such NGOs. Having independent regulatory authority will only be an added complication, more of paper work for the sincere NGOs.

6. Should there be such platform where there will be interactions between Charity administration authorities, lawyers, CAs and NGOs? Is there any?

In case such platform is formed, will it have the power to make amendments for betterment of Acts relevant to NGOs? Only collecting suggestions and sending to Government authorities will not help. The suggestions will remain in the pending files.

7. Reason for mushrooming of NGOs. How to control it?

It should be made mandatory for NGOs to maintain record of their working for at least 3-5 years, show cause notice should be given if they are not functioning well and then cancel the registration. For this again there is need of more manpower with Charity Commissioner's department. At present it is difficult to control mushrooming of NGOs.

8. Numerous cases with Charity commissioner's office are pending due to insufficient manpower. How are they solved?

This is true and reason again comes to insufficient manpower, working method and corruption to some extent. NGOs should only keep track of their cases and civil courts, lok adalats are there.

9. Any other important aspect according to you.

1. Most of NGOs do not know how to work. They need to understand the importance of Management. This is surprising to note that big NGOs, NGOs working from last 20-25 years or NGOs supported by or formed by big corporate or business houses are also not good at their management. They need to understand, how to work effectively.

2. The rules of the Acts are not understood or half understood which results in many problems. It is responsibility of each NGO, to follow all rules and regulations.

3. Every NGO should get change (any change in the trust as per Section 22 of Bombay Public Trust Act 1950) entered in register (record) of Charity Commissioner by regular follow-ups and keep this on priority.

Annexure 9: Practising Company Secretary 1

1. Is the legal environment supportive for NGOs in India?

No. Trusts cannot do any commercial activity. Section 25 companies should be exempted from service tax. Registration requirements of section 25 companies are more as compared to Trust and Society.

2. What are the complications in registration process of NGOs as section 25 companies? Can the methods be simplified? Is there time limit and is it specified in the Act?

There are no complications as such, but there is lack of clarity between meaning of private company and public company in the Companies Act 1956.

Instead of giving advertisement in newspaper (about formation of section 25 company), notice can be put up in ROC (Registrar of Company) notice board to achieve cost reduction.

3. Do you think there is need of independent regulatory mechanism for section 25 companies?

No. Present procedures and regulations are sufficient.

4. Should there be such platform where there will be interactions between Registrar of Company, CSs, lawyers, CAs and NGOs as section 25 companies? Is there any?

Yes. It will be very helpful in improvement of present procedures. At present there is no such platform.

5. In case of Societies and Trusts, there is mushrooming of NGOs. What is the state of section 25 companies?

There is less mushrooming of section 25 companies compared to Society and Trust since company formation process is more complex and reporting requirements are more stringent.

There is enough transparency in section 25 companies. All the data related to section 25 companies is computerized and is easily available on demand. In case of trusts and societies, computerized information is not available at Charity commissioner's office.

6. Please elaborate FCRA for section 25 companies.

Online applications are available for FCRA. Immediate approvals may be granted depending upon the case if it is supported by necessary evidence and documents. There might be visit from government official to the company's office for ensuring the facts.

7. Is there negative effect on NGOs (performance, growth, time etc.) because of registration and reporting requirements? / Do registration and reporting requirements hinder NGO growth?

No. The system is to be followed by NGOs. Timely reporting and audits are a must for proper functioning.

8. How is the "Management of human and financial resources" in section 25 companies?

As compared to societies and trust, management is better in section 25 companies.

9. Strengths and weaknesses of section 25 companies?

Strengths –

A company has a legal identity

It has perpetual succession (existence of company is not affected by change/ death of members)

Good management exists.

Assets can be held.

Less interference by government.

Can invest in other profit making company.

Weaknesses-

To attract good talent there should be provision to remunerate the director / governing board (as per companies act 1956, directors are honorary members, salaries are given to staff only)

Section 25 Company cannot alter its objects clause in its Memorandum without seeking the written approval of central government. This is not a weakness, but this process takes lot of time.

10. Please elaborate on taxation in section 25 companies.

Applicable like trust and societies

11. Any other important aspect according to you.

Companies Act 1956 will now be replaced in year 2014 by Companies Act 2013. Companies Act 2013 is more wider than Companies Act 1956 and also there is much clarity.

For example – According to Companies Act 1956, section 25, a company can be formed for promoting commerce, art, science, religion, charity or any other useful object. In proposed Companies Act 2013, there is addition of sports, education, research, social welfare, and protection of environment (which was not clear in Companies Act 1956)

Annexure 10: Practising Company Secretary 2

1. Is the legal environment supportive for NGOs in India?

Not in case of Society and Trust. For section 25 companies, yes the legal environment is supportive.

2. What are the complications in registration process of NGOs as section 25 companies?

Can the methods be simplified? Is there time limit and is it specified in the Act?

There are no complicated procedures. In fact if all the requirement of registration are properly understood and followed, registration can be achieved as fast as 10 days. Otherwise it may take two or more months. Time limit is not specified in Act.

3. Do you think there is need of independent regulatory mechanism for section 25 companies?

There is no such need.

4. Should there be such platform where there will be interactions between Registrar of Company, CSs, lawyers, CAs and NGOs as section 25 companies? Is there any?

At present there is no such platform. Section 25 companies have enough freedom to work and there is less interference from government. I feel there is no such urgent need at present.

5. In case of Societies and Trusts, there is mushrooming of NGOs. What is the state of section 25 companies?

There is less mushrooming of section 25 companies compared to Society and Trust since company formation process is costly, complex and timely reporting to ROC (Registrar of company).

6. Please elaborate FCRA for section 25 companies.

Generally speaking, FCRA rules are similarly applicable for society, trust and section 25 companies. FCRA 1976 has been repealed by FCRA 2010. FCRA 2010 has more stringent provisions than FCRA 1976. FCRA is must in India. Organizations registered under the FCRA 2010 have to renew their certificate of registration every five years. Renewal process is faster than registration process. Failing to comply with any provision in FCRA 2010, there is a penalty charged.

7. Is there negative effect on NGOs (performance, growth, time etc.) because of registration and reporting requirements? / Do registration and reporting requirements hinder NGO growth?

No.....Rules/ procedures must be followed. There is no excuse.

8. How is the “Management of human and financial resources” in section 25 companies?

Management of section 25 company is like management of any other private company. Proper organization structure exists. Roles and responsibilities are clear and identified.

9. Strengths and weaknesses of section 25 companies?

Strengths –

It has a legal identity. It can invest in other profit making company.

Weaknesses- No specific weakness, Company’s work systematically.

10. Please elaborate on taxation in section 25 companies.

Applicable like trust and societies

11. Any other important aspect according to you.

Companies Act 1956 will now be replaced in year 2014 by Companies Act 2013.

Annexure 11: Interview of Asst. Registrar of Companies Pune

1. How is your experience with Section 25 companies in Pune?

The data is provided which shows whether annual reports and balance sheet is submitted with ROC by Section 25 companies or not.

[Findings for years 2009 to 2012, shows that approx. 71% of Section 25 companies, have reported in time to ROC (balance sheets and annual reports)]

.

2. How is the “Management of human and financial resources” in section 25 companies?

Section 25 companies work systematically. As compared to Society and Trust, human and financial resources are managed in a better way in Section 25 company.

.

3. In proposed Companies Act 2013, Clause 135, CSR is made mandatory. Please comment.

Yes, Company will have to spend 2% (minimum) of the average net profits on CSR. If in any case company cannot spend such amount, it should be reported with reasoning for not doing so. Total CSR percentage will increase definitely, but can't say right now by how much percentage.

4. Do you think there is need of independent regulatory mechanism for section 25 companies?

No, the present system is sufficient.

**Annexure 12: Interview of Information Officer
(Joint Charity Commissioner's Office Pune)**

1. How many NGOs in Pune are prompt in reporting the requirements laid in the Bombay Public Trusts Act 1950 and Societies Registration Act 1860?
NGOs are supposed to submit balance sheet every year. Also, any change in the trust should be communicated to us. Hardly 15 % to 20 % NGOs are prompt in reporting.

2. How many NGOs are there in Pune?

There are total 52277 NGOs in Pune district as on 19.12.2013 including all the categories A, B, C, D, E and F. The number of NGOs is increasing day by day.

Type of Trust	No. of Trusts in Pune district as on 19.12.2013
A: Hindu religious trust	2642
B: Muslim trust	492
C: Parsi trust	50
D: Christian trust	81
E: Trust registered on the basis of Trust Deed	6712
F: Societies converted into trust	42300
Total	52277

E and F type of trusts are of general category. Data for E and F type of trusts:

Type of Trust	Approximate number of trusts in year 2008	Actual number of trusts in year 2013
E: Trust registered on the basis of Trust Deed	4000	6712
F: Societies converted into trust	27000	42300
Total	31000	49012

E and F type of trusts have increased by approximately 18012 from year 2008 to year 2013.

3. Do you have computerized data of NGOs?

We do not have any computerized data. But now we have computers and soon the data of NGOs will be uploaded.

4. Do you have a directory of NGOs in Pune?

We don't have the directory of NGOs at present. The trusts are classified under Bombay Public Trust Act, 1950 under A, B, C, D, E and F categories.

5. Should there be such platform where there will be interactions between Charity administration authorities, lawyers, CAs and NGOs? Is there any?

Government has conducted few such programs in the past but no action has been taken yet as the government procedures take long time for approval. Such platform will be useful only if the actions are taken in time.

6. Do you think there is need of independent regulatory mechanism?

There is no need of independent regulatory mechanism. Suitable amendments should be done in law. More manpower and more controlling authority should be given to us.

7. What could be the reasons for mushrooming of NGOs?

NGOs exist all over India. It is observed that as soon as the government schemes for NGOs are declared, many new NGOs are registered. Most of the NGOs exist only on paper and are not functional.

8. Numerous cases with Charity commissioner's office are pending due to insufficient manpower. How are they solved?

There is insufficient manpower, but we take the important and priority cases first.

9. How is your experience with NGOs? What are your problems?

Only a few NGOs are prompt in reporting in time. There is tremendous work load with us but we are working with intention of helping the charitable work. From so many years, the manpower is same but the number of trusts have increased manifold. There had been no additional recruitments. But now government has sanctioned approximately 40-50 new appointments. May be, it will come in effect from next year. Once we get this additional manpower, the workload will be reduced and there will be more quality work.

Suggestions: There is need to amend Bombay Public Trusts Act, 1950 and Societies Registration Act, 1860.

Annexure 13: Interview of NGO expert 1

Q.1 What is your opinion about management of human and financial resources in NGOs based on your experience in social field?

Transparency is must in NGOs. A transparent NGO doesn't face problems in getting funds. The people in the Managing Committee / Trustee Board should have high morale. If these people are disciplined and have philanthropic value, all other people working for the organization follow them.

There are many NGOs; some are really doing the good work for society while some are earning profits for themselves. Good NGOs manage man and money effectively. In initial few years (2-3 years), every NGO faces many problems relating to manpower and funds; but this is the time for NGOs to prove themselves and get recognized in society. And once they prove themselves with their good work, they do not face problems of funds. There is no shortage of funds for credible NGOs.

Q.2 Do you think there is need of independent regulatory mechanism?

No, there is no need of any other regulation of NGOs, it will only add to the number of rules and regulations. There is insufficient manpower with Charity Commissioners department which makes the present regulation a bit weak.

NGOs should follow self- regulation. I feel, "People are the regulatory bodies." If a NGO is doing good work, people reward that NGO by their belief and support in various forms like participation in rallies for social cause, donating money. I believe that role of NGOs should be of catalyst.

Q.3 What is the effect of RTI Act (Right To Information Act 2005) on NGOs and society?

The Supreme Court has ruled that NGOs having substantial government funding come under RTI. RTI promotes better transparency and accountability.

Q.4 What is your opinion about CSR activities?

Corporate sector is benefitted by its' CSR activities as it helps them build good image in the society which indirectly helps them in their activities. Most of the

corporate or business houses are directionless when it comes to CSR activities. They need to route such activities in consultation with NGOs. Therefore NGOs will always have an important role whether it's social work or CSR.

Annexure 14: Interview of NGO expert 2

1. Is there need of any regulatory mechanism for proper functioning of NGOs?

There is enough regulation - Trusts / Societies / Companies Act, Income Tax, Service Tax, VAT, FCRAthat NGOs have to deal with not to speak of other allied laws wherever applicable.

2. Is the effective management of human and financial resources dependent on size (budget) of NGO?

No not necessary. Size does not matter, intent and internal values does.

3. Funding issues of Indian NGOs

There is enough scope from individuals, government, corporates, other foundations and funding agencies.

4. Please comment: "Availability of funds is scarce but achievable if financial resources are managed properly."

The issue, to be more accurate is, 'Good Governance' is key to good fundraising. Credibility is important and this comes out of systems and processes around transparency and accountability.

Annexure 15: Case study

Problem: Procedure for name change of NGO as per Bombay Public Trust Act 1950

Previous name: X (name not mentioned to maintain confidentiality)

New (changed) name: Y (name not mentioned to maintain confidentiality)

CASE:

As per the Section 22 of Bombay Public Trust Act 1950, documents for change report of name of trust (name change of trust from X to Y) were submitted to Charity Commissioner through advocate on 13.12.2011

Section 22(1) of the Bombay Public Trusts Act, 1950 read as under : "22(1) Where any change occurs in any of the entries recorded in the register kept under section 17, the trustee shall, within 90 days from the date of the occurrence of such change, or where any change is desired in such entries in the interest of the administration of such public trust, report such change or proposed change to the Deputy or Assistant Charity Commissioner in charge of the Public Trusts Registration Office where the register is kept. Such report shall be made in the prescribed form."

[http://mahacharity.gov.in/static_pages/pdf/B.P.T.Act,1950.pdf, page 18].

Following documents were submitted (through advocate to Charity Commissioner's office; date of letter- 13.12.11):

1. Original Memorandum of Association (MOA) and Rules and Regulations of the Association.
2. Amended MOA and Rules and Regulations of the Association.
3. Agenda notice dated 20/12/09 of Managing Committee meeting dtd 2nd Jan 2010
4. Attendance of Managing Committee meeting dtd 2nd Jan 2010
5. Minutes of Managing Committee meeting dtd 2nd Jan 2010
6. Agenda notice dtd 02/01/10 of Special General Body meeting dtd 16.01.10
7. Minutes of Special General Body meeting dtd 16.01.10
8. Resolution passed by Special General Body meeting dtd 16/01/10

9. Attendance of Special General Body Meeting dated 16/01/10
10. Agenda notice dtd 02/03/10 of Managing Committee meeting dtd 19.03.10
11. Minutes of Managing Committee meeting dtd 19.03.10
12. Resolution passed by Managing Committee meeting dtd 19.03.10
13. Attendance of Managing Committee Meeting dated 19.03.10
14. Acknowledgement of Agenda notice (of respective meetings) sent to the members of Managing Committee and General Body.

After submission of all required documents with the Charity Commissioner's office, it was time to wait for this case to be taken up on board and documented in register of Charity Commissioner. Trusts kept on making repeated visits to Charity Commissioner's office for the same, but in vain.

Finally, 'X' took self-initiative and took the case to Lok Adalat where it was resolved in September 2012 and got the Certificate of name change.

Interpretation:

1. The trust 'X', followed the procedures in Bombay Public Trust Act 1950, Section 22 for change in name of trust (from 'X' to 'Y').
2. The trust submitted all the necessary documents through lawyer to Charity Commissioner's office.
3. The trust kept the regular follow-up so that their case should be taken up.
4. Finally the trust took this case to Lok Adalat.

Case analysis from trust's perspective:

Trust feels that inspite of going as per rules, their work was not done. Along with their daily work schedule, they devoted lot of time in this process. Should there be some system for 'deemed approval', the things would have been easy. Also there should be some provision for 'time period' so that after submitting all the documents for change;

within stipulated time the changes will be entered in the register of Charity Commissioner's office.

Conclusion:

1. There should be provision for "deemed approval" for changes (as per Section 22 of Bombay Public Trust Act 1950). Also there should be some time limit in which the Charity Commissioner's office will enter such case in respective register.
2. This case throws light on one of the procedures in Bombay Public Trust Act 1950 as a subject of study.

Annexure 16: List of NGOs covered in study

Sr. No.	NGO
1	Swadhar - Institute For Development Of Women And Children - Pune (IDWC)
2	Balkalyan Sanstha
3	Women's Welfare Center
4	Samvedan
5	Nirdhar
6	Investment In Man
7	Bayaja
8	Parisar
9	Indian Maritime Foundation
10	Aalochana – Centre for Documentation And Research on Women (ACDRW)
11	Muktabai Mahila Swayam Vikas Prathishtan Sanstha
12	Anath Hindu Mahilashram
13	Nari Samata Manch
14	Doorstep School
15	Sahyog
16	Foundation For Initiatives in Development and Education For All (IDEA)
17	Apang Sahhyakari Sanstha
18	The Indian National Trust For Art & Cultural Heritage – Pune (INTACH)
19	Ecological Society (ECOSOC)
20	Vanarai
21	Sevadharm
22	Suprabhat Mahila Mandal
23	Vanchit Vikas
24	Ela Foundation
25	Community Aid And Sponsorship Program- Pune (CASP)
26	Annapurna Pariwar -Pune
27	India Sponsorship Committee, Pune
28	Samaj Va Nisarga Seva Sangh (SVNSS)
29	Family Planning Association Of India, Pune (FPAI)
30	Stree Mukti Sanghatana
31	Pratham Pune Education Foundation
32	Jeevan Jyot Mandal
33	Working Together Center
34	'Green Thumb' Environment Protection Group
35	Maher