

MANAGEMENT OF HUMAN RESOURCES IN NGOS

Dr. Surekha Vaidya*

ABSTRACT

Non – Government Organizations (NGOs) are important in development of country. In India, on account of huge population, initiatives of Government alone are not sufficient for resolving the problems prevailing in country. Therefore, efforts of NGOs play a significant role in development. Efficient and skilled human resources are very important for proper functioning of any organization. This is equally applicable to the NGOs as well. NGOs comprise of paid staff and volunteers. Management of human resources is a challenging task in NGOs. Efficient management of human resources is very important in functioning of NGO, irrespective of its size. Any NGO can be successful if it manages its human resources well.

Keywords: NGO, Human Resources, NGO Performance, Strengths & Weaknesses of NGO.

Introduction

This paper aims to study the co-relation between goal achievement of NGO and maturity in management of human resources. The purpose of this research is to study the maturity in management of human 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 effective management of various resources such as human resource, financial resource and time is of great importance. This research covers study of the management of one important resource: Human resource. A NGO is private institution which is independent of Government and is legally formed. NGOs are active in variety of activities like women empowerment, environment protection, rural development, health, animal welfare, education. A NGO may have a narrow work scope to help a single individual or a family or can have a wider scope to help the larger mass of people. Size of NGO could be small or large, but its intentions are always high in value!

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. The Central Statistical Institute of India announced in 2009 that there were 3.3 million NGOs registered in India, or one NGO for every 400 Indian citizens². NGOs have been playing a significant role in development of India.

Management

Management concept is significant for all types of organizations including NGOs. Though the management concepts are applicable to NGOs, there are specific characteristics of NGOs which make this task difficult.

Meaning of NGO

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 service.

* Assistant Professor, MES Garware College of Commerce, Pune, Maharashtra, India.

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"³

Characteristic features of NGOs

The NGOs are non-profit making organizations. The generated profit is used for working of organization's activities and is not distributed among its members.

- NGOs are independent of government.
- The NGOs are formed on voluntary basis and possess spirit of voluntarism.
- 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.
- All NGOs are formed to serve a common purpose of benefit and / or development of community. They aim towards helping the needy.
- NGOs are dependent on various resources of funding. Funds are raised from various entities like national and international funding organizations, individual donors, government, members of NGO.

Strengths and Weaknesses of NGOs

It is extremely difficult to make generalizations about the sector as a whole. The following, however, are some general strengths and weaknesses commonly associated with the NGO sector at large (Clark, 1991)⁴:

Strengths

- Direct community links and proximity to target populations
- Field-based development expertise
- Flexibility and innovation
- Participatory methodologies and skills
- Emphasis on sustainability
- Cost-effectiveness

Weaknesses

- Limited management and financial skills
- Limited institutional capacity
- Low levels of self-sustainability
- Susceptibility to donor-driven agendas
- Limited coverage and small-scale interventions
- Isolation/lack of coordination

NGOs are dependent on funds by various donors or funding agencies. This dependency brings many limitations and weaknesses to NGOs. The potential strengths of NGOs are many like their grass root linkage, self motivated manpower and high morale.

Performance of NGO

Unlike profit organizations, it is difficult to measure the performance of any NGO. There is dependency on donors/ funding organizations for functioning of NGOs. This makes the management of various resources a very difficult task. Periodic goals achievement of NGOs gives clarity about performance of NGO. To accomplish goals in time, management of various resources with efficiency is must.

Literature Review

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 functioning⁶.

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 rate⁷.

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"⁸.

Objectives

- To study the management of human resources in NGOs.
- To understand the strengths & weaknesses of NGOs.
- To assess whether a relation exists between the performance of NGO and effective Management of human resources.

Statement of the Problem

NGOs play an important role in developmental activities of country. Management of various resources brings efficiency in any organization. Human resource is one of the most important resource in NGOs. This paper studies the co-relation between goal achievement of NGO and maturity in management of human resources. This study aims to understand the management of human resources in NGOs. It will also bring out the strengths and weaknesses of NGOs.

Research Methodology

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

Methods of Data Collection

- **Primary Data:** Questionnaire and Personal interview
- **Secondary Data:** Books, Articles, Journals, Papers, Internet data base

Methodology

Research Design: This research used a descriptive design. One hypothesis is set for this study which is examined using correlation coefficient between maturity in managing human resources and goal achievement. The objectives of study are met through secondary data and primary data study.

Sampling

Non- random sampling is used to select the samples. The population is NGOs (working on women, children and environment) in Pune metropolitan area i.e. 208. Total 35 NGOs were covered under study. Questionnaire including human resource management aspects was designed and responses were collected.

Data Collection and Analysis

Secondary data from various resources was studied. The primary data was collected through a structured questionnaire and personal interview. 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.

For this study, important factors of management of human resources were finalized and were used for considering the maturity in managing human resources by NGOs. These are: organization chart, written goals for 3 -5 years, HRM budget & plan, staff for HRM activities, recruitment process, job

descriptions, minimum qualification norms for selection of staff, orientation programme for staff, training records, training plans, reward/ recognition system for motivation of staff and volunteer, performance measurement for staff, staff and volunteer turnover, trend (increasing/ decreasing/ constant) in number of volunteers and staff, feedback from beneficiary. Total weightage was 19. Weightage for each factor was assigned. Goal achievement level in percentage was taken by respondent. All factors were discussed in detail by the researcher with the respondent 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 by calculating total score of each NGO against the total weightage.

[For example a NGO scores total of 16, the HR maturity (in %) = $16/19 \times 100 = 84.2\%$]

This is referred as "HR maturity" which is maturity in managing human resources.

Then, Average HR maturity is calculated by calculating average of HR maturities of all NGOs.

Using the formula for correlation coefficient in Microsoft Excel Software, correlation is calculated between HR maturity and goal achievement (Refer Table 1)

Table 1: % HR Maturity and % Goal Achievement of NGOs

No.	% HR Maturity	% Goal Achievement	No.	% HR Maturity	% Goal Achievement	No.	% HR Maturity	% Goal Achievement
1	55	80	13	47	70	25	82	70
2	66	90	14	74	70	26	100	75
3	47	35	15	26	20	27	95	95
4	53	60	16	95	100	28	79	95
5	71	100	17	61	70	29	84	100
6	68	100	18	63	70	30	84	85
7	84	75	19	74	80	31	74	75
8	92	100	20	97	80	32	89	90
9	63	70	21	84	100	33	68	75
10	89	100	22	95	90	34	68	75
11	68	80	23	89	100	35	82	90
12	66	65	24	95	75			

Findings

- According to this study only 7 NGOs are efficiently managing their human resources. The findings are: 7 NGOs are having 90% and above maturity level in managing human resources and 28 NGOs are having less than 90% of maturity level in managing human resources.

Strengths and Weaknesses of NGO

Based on the secondary and primary data the Strengths of NGOs are: motivation, staff and volunteer satisfaction, efficient, qualified and committed manpower, beneficiary satisfaction. Weaknesses of NGOs are: Lack of funds, Lack of suitable human Resource, Insufficient human resource, Lack of planning, Lack of long term plans for fund raising

Hypothesis

There is a positive co-relation between goal achievement of NGO and maturity in management of human resources.

Average HR maturity = 75.1 %

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

= Correlation coefficient

Hypothesis is Tested Positive and Accepted Since

There is positive correlation between HR Maturity and goal achievement. Correlation coefficient between HR Maturity and Goal Achievement is 0.71(Correlation coefficient of 0.71 denotes positive high relationship between HR Maturity and Goal Achievement.

Conclusion

- According to this study only 20% NGOs are efficiently managing their human resources. The findings are: 20% NGOs are having 90% and above maturity level in managing human resources.

- **Strengths and weaknesses of NGO**

The major strengths of NGOs are: motivation, staff and volunteer satisfaction, efficient, qualified and committed manpower, beneficiary satisfaction. Major weaknesses of NGOs are: Lack of funds, Lack of suitable human Resource, Insufficient human resource, Lack of planning, Lack of long term plans for fund raising

- It is proved that there is a positive co-relation between goal achievement of NGO and maturity in management of human resources. NGOs, who manage their human resources effectively achieve their targets in time

Limitations of the Research

- NGOs in the study region exhibit heterogeneity. They differ in working styles, size, structures and ideologies. This makes the comparative analysis a bit difficult.
- Since this study does not cover maximum of the population, the results are derived from representative samples.

Significance of Research

This research will help in understanding the importance of management of human resources in NGOs. It will act as an informative source to NGOs, management consultants, researchers, students of NGO management, students involved in social work studies.

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