

Best Practice Case Study: NGO Effectiveness

Todd R. Walton

University of Maryland University College

DMGT 845 9041

Dr. Mary Jo Anderson & Dr. Marcia Bouchard

June 28, 2017

NGO Effectiveness

Non Governmental Organizations (NGOs), are not-for-profit organizations that seek to assist under served populations in developing nations become more self sustaining. Through monetary aid, training, and infrastructure development, NGOs work to improve the livelihoods' of poor people using the most cost-effective methods possible (Edwards, 1999, p. 364). NGOs have increased exponentially over the last two decades (Mitchell, 2015, p. 41). Multinational, or transnational NGOs have increased at an even higher rate than their local counterparts (p. 41). In parallel to the growth of NGOs, multinational corporations, have also seen an immense increase. NGOs, which are by definition non-profit organizations, have seemingly sprung up to counterbalance the power and profit focus of these giant multinational corporations (Fassin, 2009, p. 503). Of the over 7,000 transnational NGOs, which NGOs are truly effective at accomplishing their missions, and how effective are they?

Running a large organization is at the very least difficult. Running a large organization that spans great distances and cultural boundaries, while relying on volunteers and donations would seem nearly impossible. This Best Practice Case Study will review the extant literature to determine which practices enable the top NGOs to be effective.

NGOs have been on the rise in recent decades for various reasons. They are made up of unique and distinct groups of not-for-profit organizations including charities, religious groups, special interest groups, and activist groups (Fassin, 2009 p. 503). They are organized around a guiding principle or mission that serves to form a collective commitment by which their stakeholders will abide. There is a great deal of literature on the nature of NGOs both within local environments and across national borders.

Methods

Search Strategy

A preliminary search for a “bulls eye” study, or one that closely matched the research goals of this paper, was conducted using the search string, (NGO + management strategies). This search yielded 51 results, including “The attributes of effective NGOs and the leadership values associated with a reputation for organizational effectiveness” (Mitchell, 2015). This study, which delved into interview data of 152 NGO leaders, sought to determine what attributes and practices were most associated with NGO success. The ten attributes identified by this study were then compared with other studies to determine the five most important management practices for assuring NGO success. The remaining studies were manually reviewed to find relevant studies. Studies that were either not related to NGOs or represented such specific cases were removed from the list. The resulting five studies focus on NGO effectiveness and the attributes that enable NGOs to achieve their goals.

Best Practices

Clearly defined and focused mission/strategy geared toward greater good

Organizational missions are the foundation of the work that is the focus of the organization. Having an unclear mission, or one that is complicated, causes employees, the very soldiers of the mission, to get confused and question their actions. Having a “singleness of focus” keeps the organization narrowly focused with a clear path toward success (Mitchell, 2015, p. 46). Furthermore, “mission creep”, or the temptation to expand the mission mid-stream, is a pitfall that hinders many NGOs (p. 51). A splintered mission causes organizations to lose focus and waste resources on efforts that do not support the overall goal. Successful NGOs

define a clear long-term goal and do not deviate from this focus over time (Edwards, 1999, p. 368; Fassin, 2009, p. 514). NGOs that have more than one overall goal (mission) or change their goals over time, tend to fail (p. 368).

A successful NGO mission is one that motivates the entire organization. Of four successful NGOs studied, one common theme was that the organizations had missions that were aligned toward improving the lives of poor people (Edwards, 1999, p. 364). Missions designed to help people also put pressure on corporations to change their behaviors. NGOs with growing influence “pressed U.S. cities and States to divest their public pension funds of companies doing business in South Africa” (Guay, Doh, & Sinclair, 2004, p 129). These actions ultimately created the impetus to pass the 1986 Comprehensive Anti-Apartheid Act (p. 129).

Grassroots/motivated stakeholders and volunteers-Exceptional people

Building support from the base of the population on which the NGO hopes to assist is vital to success. When NGOs fail, it is usually due to a lack of support or understanding from the local population. Michael Oluwabukola Nelson, executive director of the Dreams Project for Africa, notes that NGOs fail when they don’t engage with the local population and build grassroots support (Ojo, 2015, sec. 1).

NGOs attract social activists who devote themselves to specific causes. This population of motivated people is an important resource that must be properly managed (Fassin, 2009, p. 506). Social activists have been pivotal in changing the behaviors of corporate giants such as Exxon as well as huge organizations like the World Health Organization (p. 507). The impact of such motivated individuals can not be overlooked. Stakeholders at the grassroots level not only affect host populations, but have been active in changing how corporations behave. “NGOs

seeking to promote more ethical and socially responsible business practices [are] beginning to cause substantial changes in corporate management, strategy, and governance" (Guay, Doh, & Sinclair, 2004, p. 129).

Not only to motivated grassroots volunteers put pressure on corporations, but coordinated engagement with state and local governments along with the cooperation of the local population has placed pressure on the legal and regulatory frameworks that may stand in the way of equitable and sustainable development. This type of commitment in turn alters donor practices and furthers support for the mission of the NGO (Edwards, 1999, p. 372).

Collaboration

The ability to alter policy, move resources, and support local economies is no small undertaking. Collaboration between NGOs and their host governments as well as local grassroots organizations is imperative in order to bring about sustainable change (Mitchell, 2015, p. 45). One of the most frequently mentioned organizational attributes associated with successful NGOs by the leaders surveyed, was collaboration (p. 45). Leaders cited the need for NGOs to be able to work in collaboration with other NGOs, governmental agencies, host populations, and for profit corporations (p. 45). Edwards (1999) noted that while it may seem obvious, it is often overlooked that an important attribute of a successful NGO is the ability to work collaboratively with resource providers (p. 363). NGOs that fail to balance the need for resources with the demands of donors who may have short term goals will have difficulty in achieving their goals (p. 363). Collaborative NGOs are better able to spread and share resources to greater effect.

Collaboration is not necessarily an easy proposition to enact. There have been examples of NGOs working in countries where governments may not agree with the NGO's mission. Shifting from hostile relationships to cooperative relationships is a delicate negotiation involving "resource commitment, personal relations, political accommodation and organizational credibility" (Zhu, & Purnell, 2006, p. 533).

Exceptional fundraising and resource management

Funding, and fundraising are the enablers of the NGO and its ability to successfully carry out its mission. Since NGOs are nonprofit organizations, they have to rely on fundraising to implement their missions. NGO leaders surveyed saw fundraising as directly linked to a NGOs' ability to achieve their organizational goals (Mitchell, 2015, p. 47). With over 819,000 not-for-profit organizations in the U.S. alone (Guay, Doh, & Sinclair, 2004, p.129) competition for resources is fierce. The ability to successfully raise the funds necessary to carry out the NGO's mission is the single greatest challenge that NGOs face.

Conversely, the very existence of the funds generated by fundraising activities can put NGOs at risk for fraud. Even the most noble of missions can succumb to fraud, waste, and shady bookkeeping. The European Union anti-fraud office has investigated many different European NGOs suspected of fraud (Fassin, 2009, p. 509). Careful attention to resource allocation and bookkeeping must be maintained in order to avoid even the appearance of impropriety.

Sustainable Progress through meta development

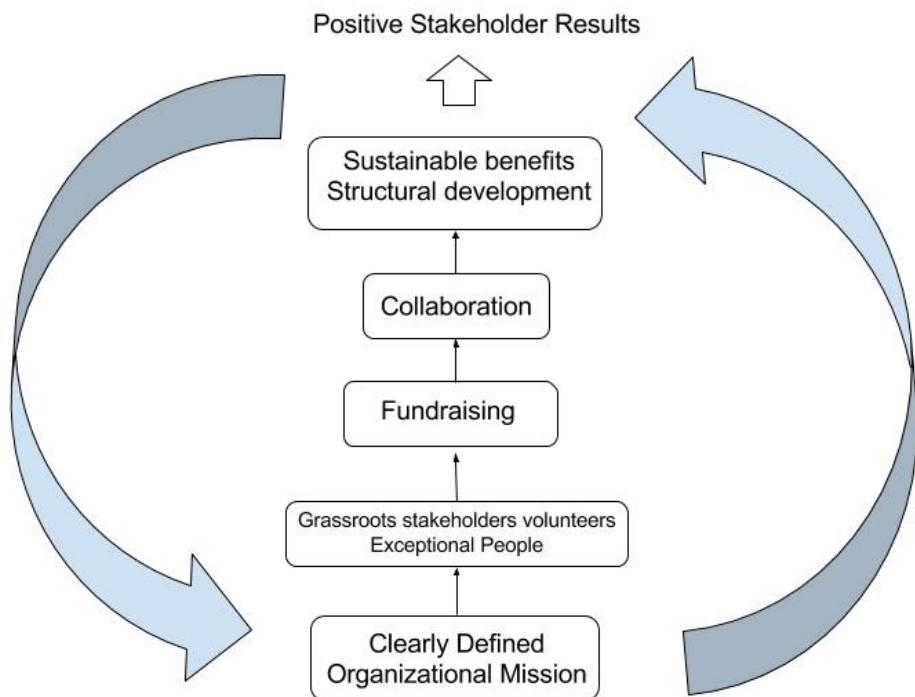
Many NGOs have at their core practices designed to sustain the NGO itself. This is not necessarily a bad design, in that the objective is for the NGO to continue to provide services and training to people who need them. Long-term sustainable progress, however, comes from NGOs

that work to sustain the benefits they create rather than the NGO itself (Edwards, 1999, p. 366).

In other words, NGOs that work to build infrastructure and policy that enable poor people to help themselves, are more likely to yield lasting sustainable results than NGOs that help themselves in order to help those in need. Meta development, or the development of other organizations and structures that sustain benefits, last beyond the lives of the NGOs that help to create them. This paradigm must be explicit in the mission of the NGO so that focus on the sustainable benefits is the primary objective (Mitchell, 2015, p. 43).

Conceptual Model

Figure 1. NGO Effectiveness



Concept Narrative

As seen in *figure 1.* above, organizational missions guide all stakeholders within the organization. Having a clearly stated, uncomplicated mission that focuses on a greater good that can motivate the workforce both paid and volunteer is paramount to the success of the organization. In turn, an inspiring mission attracts a greater number of individuals seeking to partake in the mission. A greater pool of talent enables an NGO to select the best possible

individuals to carry out the mission. This also works both ways in that quality individuals help grow the mission and likewise attract more quality individuals. Exceptional talent within the organization helps fundraising efforts, which in turn support the overall mission and help to attract both grassroots volunteers and quality candidates. Grassroots volunteers and stakeholders are necessary to bridge the space between the organization and the population the organization seeks to serve. Collaboration at every level of management and within all constituencies is key to keeping the organization focused on the overall mission.

Creating lasting change requires structural development, which in turn creates sustainable benefits. Building infrastructure, supporting local financial institutions, developing clean water, supplies, and training people within the host country, all lead to sustainable benefits that will last beyond the life of the NGO. All five of these NGO best practices work in coordination to bring about positive stakeholder results. This conceptual model is cyclical. The clearly defined mission helps to attract quality people who are committed to the mission. Those people increase the fundraising potential. Collaboration within the organization as well as with external organizations and host populations furthers the mission and supports sustainable benefits, which in turn helps support the mission and attract quality people. All of these attributes lead to positive stakeholder results.

Conclusion

The success of non-governmental organizations is complicated. On one hand, these organizations have at their very core the desire to help people in need. On the other hand, local governments and religious groups have criticized the existence of NGOs as cover for religious or external groups hoping to influence local populations (Edwards, 1999, p. 368). In either case,

NGOs have provided millions of people with training and support that has, in some cases, resulted in lasting positive change. Several factors have come to light in the debate over NGO success. Whether an NGO is designed to continue to provide support indefinitely, or to help create infrastructural changes that empower the local population, a clearly defined mission is the foundation of the organization. Beyond a solid, clearly stated mission, fund-raising, quality grassroots oriented people, and a collaborative spirit, all seem to be practices that enable NGOs to help the people who need them the most.

References

Edwards, M. (1999). NGO Performance – What Breeds Success? New Evidence from South Asia. *World Development*, 27361-374. doi:10.1016/S0305-750X(98)00125-9

Fassin, Y. (2009). Inconsistencies in activists' behaviours and the ethics of NGOs. *Journal Of Business Ethics*, 90(4), 503-521. doi:10.1007/s10551-009-0056-6

Guay, T., Doh, J. P., & Sinclair, G. (2004). Non-Governmental Organizations, Shareholder Activism, and Socially Responsible Investments: Ethical, Strategic, and Governance Implications. *Journal of Business Ethics*, (1). 125.

Mitchell, G. E. (2015). The attributes of effective NGOs and the leadership values associated with a reputation for organizational effectiveness. *Nonprofit Management And Leadership*, 26(1), 39-57. doi:10.1002/nml.21143

Ojo, P. B. (2015, June 23). 'Why NGOs fail' Retrieved June 10, 2017, from
<http://thenationonlineng.net/why-ngos-fail/>

Zhu, Y., & Purnell, D. (2006). Multinational NGOs and expatriation: A case study of a NGO in Vietnam. *Asia Pacific Business Review*, 12(4), 529-546.
doi:10.1080/13602380600571294