

Managerial practices of nonprofit organizations

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Abstract

The increasing number of non-governmental organizations around the world, their transformation from citizen initiatives into small civic organizations, and then into international organizations in the most powerful countries, created enough room for more contribution to citizen's welfare. This also proves that these NGOs have used their experience driven success manuals and have those incorporated within their management practices to achieve their goals. During the last years, the number of books and studies that have been published on understanding the importance of managerial practices in nonprofit organizations at international level has increased. This research will try to explain the irreplaceable role that management practices have in the development and strengthening of an NGO, and in the implementation of financial and human resource management. Also, we will try to present the most realistic situation of NGOs studied in this research, so that our work could directly affect them to improve their performance.

Keywords: management, organization, management practices, nonprofit organization, voluntary organization, NGO.

Introduction

So far, there aren't any practical or theoretical proofs of any kind, any supposition, or any recommendation that show to an NGO the path towards success. Contemporary challenges have created even more confusion, so the use of management practices in the nonprofit sector, from many authors is seen as a new effort in achieving success. In past decades the use of management has significantly changed, in particular in non-profit organizations operating in all countries of the world, regardless of their policies and economical approaches. These NGOs are constantly trying to improve themselves by adding new management practices that aim to differentiate services they offer. No doubt that by differentiating their activities, non-profit organizations face some limitations that prevent them to handle many other activities, which can often lead to missing their target, or not achieving the intended results.

The concept of NGOs as numerous organizations, with their complexity, requires a multi-dimensional and flexible approach. This approach should not use existing models, transferred from the world of business or public management, with no real adjustment to NGOs functioning. This is not an easy task, it requires to carefully analyze the contradictions between the practical and theoretical world of non-profit management: how to manage organizations that are composed of network units, at the same time are complex at their core, or "NGOs debate about management".

It is still an open door for discussion between the writers within the NGOs sector, where some of them have welcomed the introduction of new expressions about practices and alternative management such as; full empowerment, participation and idealism of NGOs, high expectations and policymakers of the management practices, etc.

Non-profit organizations (NGOs) are important actors in the promotion of universal values related to human rights, environment, the work standards and anti-corruption. Their role have gained particular importance in aligning economic activities with the current world priorities in environmental preservation and social world.

Managerial Practices

Because of the lack of researches about the management of an NGO, there have been rumors that a new "Scientific School of Managing NGOs" will be established. This was firstly noticed in the late 1980s, but in the early 1990s, a number of short articles began to be published in magazines with headlines "Management of NGOs" and later on, in academic newspapers. Management is the process of coordination, security, distribution and utilization of the potentials of human resources and other potentials in the organization with the aim of achieving certain goals. (Wren & Voich 1984).

As we stated above, during the mid-80s, non-profit sector began to be mentioned by the experts of economy. Among them, (Leat, 1995) says "It's modest, but also interesting that the voluntary sector has raised an issue of confidence about management, but when the voluntary sector took over the management, it did not seek knowledge and best practices within the units of its own, but turned into the private sector due to its concepts and practices". Korten has brought development within NGOs, although the development has also been influenced by many things. The work of the author Robert Chambers has materialized a number of developments concepts for "alternative management approaches", designed to address problems that were arising within the hierarchical chain, which added professionalism and approach to management development.

Korten has spoken of an "expertly new development", in which the central control (NGOs) relies on self-esteem and self-improvement, guided by a strong orientation of customer services and determining the best mission. Well-developed management systems are those systems that provide rich information flow to ease self-management processes (Korten 1987: 156). The core challenge in NGO management practices lies in maintaining a good balance between recognition and change, between sufficient integration with its environment and in being more efficient in the distance, so that they can be effective (De Graaf 1987: 297).

The ideal way of managerial practices in an NGO

The best management practices model, according to the principles of management and analysis of the situation on the ground, while keeping the overall organizational culture of NGO and its best managerial performance, would be;

a) Organizational structure organized with an updated organogram with the

appropriate structure;

b) There is a sophisticated, reliable and accessible information system that increases staff efficiency. A comprehensive database management and reporting system is in place. Administrative procedures manual for staff are present whereas the other operating manuals are implemented and monitored;

c) The staff has all required positions; no small replacements exists and there aren't any problems with consistency;

d) Planning with a concrete, realistic and detailed operational plan, including teams to expand expertise, and there is a connection between the strategic plan and trained staff in planning;

e) Projects are connected to their strategy and correspond to the long-term planning objectives of the organization;

f) Timely reporting program, coherent and with impact analysis (Selimi 2016: 104)

This model is used in our research for measuring efficacy and effectiveness of NGOs in Kosovo, i.e. the performance of the management. Each of the above statements had scores from 1 to 4, from less qualitative performance of the management (scored with 1) to highest level of the performance (scored with 4). Though Kosovo numbers over 9,000 NGOs registered since year 1999, it is estimated that approx. of those are operational and constantly active. The sample of the research numbers the most active 20 NGOs, representing the overall picture of active NGO sector in Kosovo.

The current situation in NGO management practice

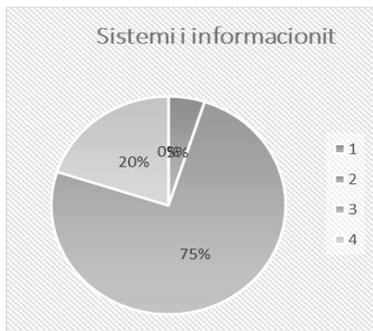
The findings tell us that according to data extracted by the research conducted in the field, 75% of NGOs, or graded with 3.01 out of 4's, have the organizational structure and are capable of following a complete organogram, but have an old organizational structure. The information system is a solid technology for all staff, without any problem; database and management reporting systems exist only when needed. Administrative procedures, most of them, are written and are implemented by staff, with regular monitoring. The staff, almost in all positions, requires replacements and has some problems with consistency. Planning requires skills to develop a concrete, realistic and operational plan; access to expertise and planning on regular basis, linked to the strategic plan. The reporting program in general, is appropriate, with little impact analysis.



Organizational structure of NGOs according to the research takes 74% of the rating, which means, a situation where the organizational structure is complete but old, is historic in structure and not analytical at all.

According to our evaluation with scores 1-4, they've gained 2.95 point average, where only 15% of them are scored with 1, which means that they have no organizational chart. With scored as 2 there are 10% of NGOs, where they have old but

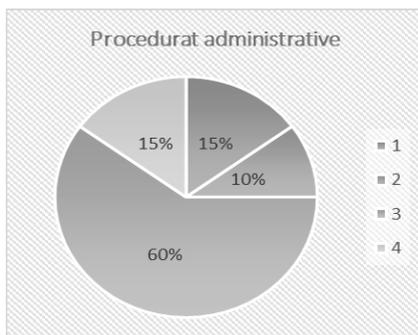
complete organizational chart. In the third level, scored with 3 are 40% of them, which means that they have old but complete organizational chart, and proper organizational structure. 35% of NGOs were scored with 4, meaning they have an updated organizational chart and proper structure.



The information system of NGOs according to the research takes rating up to 79% or 3.15 out of 4 points.

With score 1 there are 0% of NGOs, which means that they have limited means of tel. / fax, limited effectiveness and efficiency of the technology, no website and no financial tracking system. With score 2 there are 5% of NGOs, which means that they have basic technology, accessible to most staff, moderately reliable, that lacks some features and may not be easily accessible to some of the staff. With score 3, there are 75% of NGOs, which means that they have

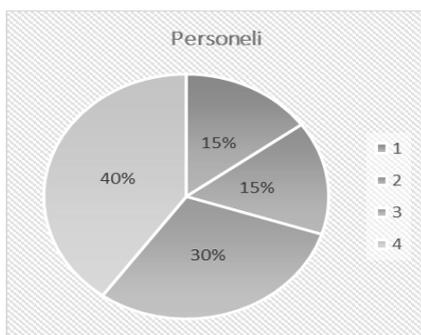
solid technology for all staff, operating without any problems, and with database and management reporting systems in place. 20% of them are scored with 4 and are sophisticated, reliable, accessible by all, with increased efficiency of personnel. The database and comprehensive management reporting system is in place.



Administrative procedures of NGOs according to the research takes rating up to 69% or 2.75 out of 4 points. 15% of NGOs are scored with 1, which means that they don't have formal procedures.

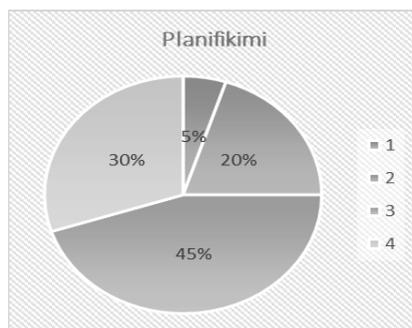
Some procedures are written and not often their implementation is monitored. 10% of NGOs are scored with 2 out of 4 points. 60% of the NGOs were evaluated with score 3, meaning the most of the procedures are written, and are implemented by staff, including regular monitoring. At the highest level, with score 4 there are 15% of NGOs,

which means that the personnel and other operational manuals are in place and are implemented and constantly monitored.



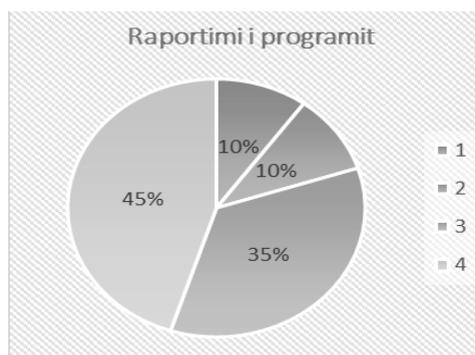
NGOs staff according to the research is rated 74% of total 100%, or 2.95 out of 4 points. 15% of NGOs are scored with 1, which means that there are empty positions and irregular attendance at work. Also, 15% of NGOs are scored with 2 points, which means that there are a few replacements and problems with attendance. 30% of NGOs have almost all the positions covered, with a few problems with substitutions and attendance. Most NGOs received score 4, or 40% of them, which

means that they received the highest rating, whereas small replacements don't exist and there are no problems with consistency.



Planning in Kosovo by NGOs, according to our research, gets 75% out of 100%, or 3 out of 4 points. 5% of NGOs were scored with 1, which means that action is taken on daily basis with no long-term or short-term planning, and with no experience in operational planning as well. 20% of NGOs have received score 2, which means that they have some skills and a tendency to develop an operational plan, with assistance from inside and outside, but that operational plan is not related to the strategic

plan. Higher rated than the previous one, are 45% of NGOs or were scored with 3. In this phase, NGOs have skills and tend to develop a realistic, concrete, operational plan, they have access to expertise, and the planning is done on regular basis and is connected with the strategic plan. The highest possible rating takes 30% of the NGOs, with the score 4, which means that there are realistic, detailed and concrete operational plan. They involve teams to expand expertise, have connection with the strategic plan, and unlike other levels, the personnel involved in planning is trained.



NGO development program in Kosovo according to the research takes 79% rating out of 100% in total, or 3.15 out of 4 points.

20% of NGOs have been scored with 1, which means that their projects are ad hoc designed, with a very little prior planning. 15% of NGOs have been scored with 2, that means that they have highly reactive developed projects with little medium-term planning. 25% of NGOs have received score 3, which means that they have projects developed in a coherent

manner, with little long-term planning and linked the strategy. The highest estimated section scored with 4 took 50% of NGOs, which means that they have projects related to the strategy and its objectives, and they correspond with the long-term planning of the organization.

The reporting program across NGOs, according to the research is estimated with 79% out of 100%, or 3.15 out of 4 points. 10% of them have received score 1, which means that the reporting procedures are very weak and have little analysis. 10% of them have received score 2, which gives us understanding that reports tend to change, and have little impact or risk analysis. 35% of NGOs in Kosovo have received score 3, which means that the general level of reporting is appropriate, and there is little impact analysis. The highest percentage of all was scored with 4, or 45% of all NGOs, which means that they have conducted reporting on time, are coherent, and do have

impact analysis. (Selimi, 2016: 108)

Conclusions

The structure of the organization must be presented clearly through the organizational chart or organogram, so that graphic representation defines the correct position of each member of the staff. As a result of a clearly structured organizational chart, accountability and reporting are ensured, which leads towards ensuring the quality of work, and naturally, in increasing the overall performance of the organization. The organogram of the organization should be updated if any kind of change is made in its structure, or in the implemented projects, regardless whether they are just starting or are at the end. Each member of the personnel should be kept informed at all times about the current structure of the organizational chart and for any eventual change in the future.

The information system within the organization should be structured in such manner that the relevant information gets received at the right time from all staff. Appropriate information at the right time is critically important for the performance and quality management of the entire organization. Therefore a correct system of internal and external information flow should be established. The information system built within the organization allows the right decisions to be made, and creates advantage in the NGOs market.

Administrative procedures of the organization should be stipulated and be an integral part of its daily operation. The organization's management should develop a system of documenting and archiving every administrative procedure. The organization that builds sufficient administration will be strengthened not only in terms of sustainability, but also empowered sufficiently to exercise influence on the environment in which it operates. Volunteering is one of the key elements of the organization's growth. Its management should ensure that in any of its activities volunteers should be involved as many as possible. This will not only create the spirit of volunteerism in the environment in which it operates, but it will build capacities and skills in a greater number of people that seek to be involved in achieving positive change in society. Planning is a process where the organization defines its orientation and direction of its path in achieving social change. To have a clearer picture, the information must be relevant and plentiful. During the planning process the management should involve as many different members as possible: volunteers, employees or representatives of groups in need, for whom that project, program or strategy, is planned to be implemented. Comprehensiveness is a fundamental principle which must be exercised by the management of the organization so it can be more effective in its work.

Reports are the main element of accountability, but also the arguments of the organizations' achievements, including its visibility. Management should ensure to create or strengthen adequate human resources, so that reports, whether internal or external, are appropriate, relevant and qualitative.

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