



Emerging Trends in NGO Management: A Strategic Action Orientation Perspective

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Abstract

Non-Governmental Organizations (NGOs) are undergoing a major shift from traditional volunteerism to professionalism in their approaches and service delivery. The present paper is concerned with an analysis of the different aspects of strategic action orientation (SAO) of NGOs in India. SAO signifies the diverse issues related to the course of action pursued by NGOs in the light of their environmental perspectives and internal resources and capabilities. Based on a predetermined sample size, a questionnaire survey coupled with follow-up interviews with Heads/Senior Executives of NGOs has been conducted with a view to examine and analyse the different facets of SAO of NGOs in India. On the basis of quantitative analysis involving correlation analysis, cluster analysis and factor analysis, a specific pattern of SAO of NGOs has been observed which is different from that of business organisations. It has also been observed that NGOs with similar SAO have similarity in operational orientation to a moderate extent. Follow-up interviews with the NGOs substantiate the thrust areas that NGOs need to consider for their long-run competitive sustainability.

Key words: non-governmental organisations, strategic action orientation, SAO propinquities

I. Introduction

Non-Governmental Organizations (NGOs) are emerging as important actors in addressing socio-economic issues in a developing country like India. The NGOs address the gaps existing in the civil society, and try to minimise the gaps through effective societal interventions. While the NGOs empower the people through development-oriented projects, they have been criticised for their over-concern for the development of the needy than their concern for their sustainability of operations. NGOs in India have developed quite consistently over the years while addressing the gaps which were neither considered nor paid attention to by the state and the local civic bodies. The changing nature of NGOs necessitates the need to recognise the importance of their strategic action orientation (SAO). In this perspective, SAO has been conceptualised as the framework of the course of action of an NGO which is similar to the strategy of a business organisation. Although, there is a plethora of literature of different aspects of strategic action orientation of business organisations, primarily from the perspective of developed countries, there is dearth of literature on SAO of NGOs. The present paper therefore tries to examine some facets of SAO of select NGOs in India with a view to contribute to the field of strategy research by highlighting the issues relevant to non-business sector. This paper is therefore unique in the sense that it tries to introduce the strategic flavour to the non-business sector.

II. Literature Review

The different aspects of strategic action orientation of business organisations have been observed in various literature (Chandler 1962; Andrews 1971; Whittington, 1993; Mintzberg, et al., 1998; Ghemawat, 2002; Sarkar, 2010). Some of the aspects that are generic in nature appear to be relevant to all types of organisations, business as well as non-business. Insights can be drawn from these literatures in conceptualising organisational strategic action orientation. Bartram, Cavanagh & Hoyer, (2017) have argued that employees of NGOs have deficient skill and ineffective internal management. Furthermore, Aparcana (2017) has explained that NGOs are facing problems like dearth of capacity building, lack of opportunity for employee development and managerial skills development. These are factors affecting NGOs' performance and objective achievement. Soodan, et al, (2017) have indicated the leadership in Indian NGOs is primarily restricted to the founder and the family than participative leadership within the organisation. Hayman & Lewis (2017) have narrated the lack of strategic planning affecting NGO' partnership and policy influence at the international scenario. In a study carried out in the Indian context, Prabhakar (2014) observed that many NGOs in India are not transparent in matters pertaining to their finances and activities. The research of Rothwell and Kazanas (1994) indicated that the strategic orientation is relevant for the development of organisational performance. Researchers like McCracken & Wallace (2000) voiced that the

strategic human resource development practices should help the organisations to align with the strategic orientation of the organisations to pursue the vision, mission and objectives of the organisations in the right perspective. The review of literature has paved a way to comprehend the strategic action orientation of organisations and contextualise the same in the light of NGOs.

2.1. Research Gaps

We have observed considerable gaps in literature which in other justify the rationale for carrying out a research work on the topic under study. Due to obvious reasons, existing literature largely focuses on different aspects of SAO of business organisations. Furthermore, there is paucity of literature on strategic action orientation of NGOs in the generic context, and particularly in the perspective of emerging economies. The increasing relevance of NGOs and their functioning has not been properly addressed in literature as they are supposed to be.

III. Methodological Framework

In the light of the insights drawn from extant literature coupled with the theoretical and conceptual perspective, an effort has been taken in this paper address the research objectives: (1) To examine the nature of relationship between the different identified aspects of strategic action orientation of NGOs in India. (2) To examine how this relationship holds in different control situations like years of operation of NGOs, area of operation etc. (3) To extract the different dimensions of strategic action orientation of NGOs. (4). To examine whether NGOs having similar thrust areas vis-à-vis SAO have similar or different areas of operational orientation.

Using stratified random sampling technique, researcher has selected diverse types of NGOs for the present study. In this exercise, researcher has prepared the list of NGOs on the basis of the information available from the portal administered by the NITI Aayog (<https://ngodarpan.gov.in/index.php/search/>). Accordingly, a list of 300 NGOs has been prepared. Following stratified random sampling approach. With a view to address the identified research objectives, a two-pronged research approach involving a questionnaire survey coupled with interviews with the Heads of select NGOs has been conceived. In this exercise, a 'mixed research approach' involving qualitative and quantitative methods has been preferred. A questionnaire entitled "Strategic Action Orientation Questionnaire of NGOs" (SAOQN) has been developed on the basis of the guidelines available in existing literature. Altogether, 36 aspects have been considered in the questionnaire. Aspects in the SAOQ have been developed as statements and the responses have been obtained on a Likert-type scale. The questionnaires were sent to the directors of NGOs to share information. The data was collected, computed and interpreted.

IV. Presentation and Interpretation of Results

4.1.Introduction

Based on the predetermined sample size, we have received responses from 166 (out of 300) NGOs which signifies a response rate of 55.33%. We have obtained a satisfactory value of reliability using Cronbach's Alpha (0.921) which signifies the overall strength of the research construct. The outcome of the research findings are enumerated with specified objectives.

4.2.Nature of relationship between the different identified aspects of strategic action orientation of NGOs in India.

The nature of relationship between the different identified aspects of strategic action orientation of NGOs is quite interesting and provides important insights on different aspects. There are some strong associations as evident from the significant values of correlation coefficient (r). In the context of the present research work, an aspect has been considered to be strategically significant in the context of SAO of an NGO if it has statistically significant relationship ($r > 0.6$) with a greater number of other aspects. Following this approach, the five strategically significant aspects of SAO have been identified and tabulated in table I. Since these aspects have the highest number of statistically significant relationships, we have preferred to consider them as the 'Big Five' Strategically Significant Aspects of SAO. It is evident from the table that the two most significant aspects of SAO in terms of the highest strength of strategic relationship are (i) project evaluation and review and (ii) self-learning and knowledge acquisition. These are followed by feedback on interpersonal competencies, communication outcomes and investment in resources and capabilities. Thus, we have observed a specific pattern of SAO of NGOs. In this regard, we have observed that since NGOs are project-driven organisations, higher values of r have been obtained between understanding the NGO environment and project planning (0.699) and project evaluation (0.609) on one hand and interpersonal competencies on the other ($r=0.644$).

Aspect	Number of statistically significant relationships
1. Project evaluation and review	8
2. Self-learning and knowledge acquisition	8
3. Feedback on interpersonal competencies	7
4. Communication outcomes	7
5. Investment in resources and capabilities	6

The values signifying the strategically significant aspects have been tabulated in table II in the appendix. Project evaluation and review, self-learning and knowledge acquisition appear to be the two most strategically significant aspects of overall SAO of NGOs. **Project evaluation and review** is an important aspect of SAO of an NGOs. Project evaluation and review has statistically significant relationship with other aspects like understanding environment, outcome result, investment on resources capabilities, feedback on interpersonal competencies development, effective organizational structure, self-learning and acquiring knowledge, communication outcomes and monitoring technical quality. **Self-learning and knowledge acquisition** are found to be significant in nature and influence the course of action of the NGOs. This aspect has statistically significant relationship other aspects like project evaluation and review, investment on resources capabilities, feedback on interpersonal competencies development, effective organizational structure, communication outcomes.

Feedback on interpersonal competencies is to provide the organization the knowledge view of the employees' development and their involvement in competency management training. The feedback to the employees is significant with the aspects affecting interpersonal competency development and variables attached to the factors like understanding environment, project evaluation and review, investment on resources capabilities, effective organisational structure, self-learning and knowledge acquisition, communication outcomes and monitoring technical quality. **Communication outcomes** are directed to help the organisation to communicate the strategies and their process to the employees to shape their engagement and performance. The senior project managers in NGOs have articulated that communication outcomes are based on communicative effectiveness linked to organisational courses of action. **Investment on resources capabilities** is aimed to bring employees and resources together for the developing the efficiency of the organisation.

4.3. Nature of relationship between the different identified aspects of strategic action orientation of NGOs in different control situations

There have also been variations in the results when we have considered the control situations like years of operation of NGOs, area of operation etc. We have observed that while project evaluation and review has 8 strategic relationships from an overall perspective, the number increases in case of NGOs with more **years of operation (> 10 years)**, while it decreases in case of NGOs with less years of operation (<10 years). This result is quite logical because the years of operations and existence have an influence on project planning and implementation. The years of operations are found to be less in some cases of NGOs and these NGOs don't have the practice of project planning, implementation and evaluation for the long term goal achievement. One interesting generalisation from the discussion is that in case of in case of NGOs with more years of operation, the strategic relationships either increase or remain more or less same with respect to the overall perspective. Thus, we aver that NGOs with more years of operations are having better strategic action orientation. It is also found that in case of NGOs with more years of operation (> 10 years) there are seven strategic relationships, while it is very low in case of NGOs with less years of operation.

There have also been variations in the results when we have considered the control situations like nature of operation with **single and multiple orientations**. We have observed that while project evaluation and review has 8 strategic relationships from an overall perspective, the number increases in case of NGOs having 9 strategic relationships with multiple nature of operation, while it decreases in case of NGOs having 4 strategic relationships with single nature of work. The single nature of work is focused on issues related to a particular concern than having more concerns with multiple strategic action orientation. In the second factor, it has been observed that while feedback on interpersonal competencies has 7 strategic relationships from an overall perspective, the number increases in case of NGOs having 12 strategic relationships with single nature of work, it decreases in case of NGOs having 6 strategic relationships with multiple nature of work. The directors and the employees have voiced that the single nature of NGOs is focused on employee development and performance appraisal to bring the best out of them with an investment on training of employee skills, mind-sets and knowledge with vision alignment.

We have observed that while communication outcomes has 7 strategic relationships from an overall perspective, the number increases in cases of NGOs having 6 strategic relationships with multiple nature of work (Multiple dimensions) , it decreases in cases of NGOs having 4 strategic relationships with single nature of work (single

dimension). The NGOs having multiple natures of works have yielded to be strong in organizational communication outcomes.

4.4. To extract the different dimensions of strategic action orientation of NGOs (Factor Analysis)

Results of factor analysis reveal that the 36 items converged into 9 factors which have been considered as dimensions of SoA. The first factor accounts for 38.5 % of variance explained and comprises 10 items. On the basis of the items that comprise the factor, the factor has been named as **organisational environment factor**. Organisational environment factor is closely related to the internal factors of the organisation such as management style, work culture, evaluation of performance of employees, competency development and feedback and external factors affecting strategic partnership with other NGOs and civil society organizations. It is also dealing with government regulations, NGO competitors, project beneficiaries, donors, and technology. These factors are affecting organizational environment. The second and third factor comprises 7 and 5 items respectively and account for 7.6% and 6.1 % of variance explained. These have been named as **organisational outcome factor** and **strategic thrust factor** respectively. The organisational outcome factor depends on the organizational performance and its indicators.

The organizational outcome is also linked with the social issues dealt with, widespread impact of the organizational interventions, use of resources for capacity building, and past experience. The outcome factor has a definite influence on the performance and organizational goal achievement. It helps also to shape employees behaviour and organizational alignment. Organizational alignment is linked with strategic choice of issues leading to project planning and implementation. **The strategic thrust factor** is another important factor that guides the organization to translate the organizational vision into organizational engagement initiatives to strategize the organizational thrust areas in dealing with leadership and operational skills, organizational and employee relationships, welfare of the beneficiaries and links the strategy of the organization with organizational performance and outcomes. The fourth factor comprises 4 items and it has been named as **Strategic planning factor**. Strategic planning has been built around the variables that would enable the organization to formulate strategies relevant to organizational interventions. Strategic planning in many cases of NGOs is found to emphasize the swot analysis of the external and internal environment of the organization, the direction of the NGOs and their engagement projects and programs along with intended organizational outcomes.

The next factor has been named as **organizational evaluative factor**. The organizational evaluative factor gives a road map of employee's growth and development along with organizational performance. Organizational evaluation is to understand the role of employee efficiency, organizational effectiveness, and donor supported programs, human resource audit, roles and responsibilities, decision-making process and stakeholder benefit. **Strategic competency development** emerges as another factor. Strategic competency factor has a set of skills, knowledge and attitudes that govern employees' growth through training.

The Strategic competency factor allows the directors and HR managers of NGOs to help the employees to grasp the vision, mission and the goals and align competency development of employees with performance and outcomes. The last two factors have named as **strategic prominence factor** and **strategic intent**. It has been found that strategic prominence factor affects the organization in a special way namely organizational perception involving the organization to project better image by communicating its mission and strategic choice of projects and programs. The strategic prominence factor is also affecting employees' branding. The employees of NGOs have indicated that the organizational branding had a definite influence on the employees to increase employees' branding and value. **The Strategic intent** is the driving force for the organization to achieve the vision of the organization with a unified goal. The Strategic intent is guiding the organizational purpose, its strategic interventions and the outcomes. This helps the employees to align their engagement initiatives, formulation of organizational strategies and evaluation of strategic action. The Strategic intent links organizational vision, mission and goals and shapes the direction of the organization and its action orientation.

4.5.SAO Proximities vis-à-vis Operational Orientation Commonalities.

Cluster Number of Case	1	14
	2	12
	3	11
	4	88
	5	13
	6	11
	7	4
	8	13
Total		166

On the basis of cluster analysis as explicated in section 4, we have developed a proximity matrix of SAO of NGOs and the major clusters of NGOs having strategic similarities have been identified. We have then tried to establish the relationship of the identified cluster with different areas operational orientation on the significant values of Pearson Chi-Square (at 5% level of significance). On the basis of the hierarchical cluster analysis and on close examination of dendrogram, we have observed that the 166 cases converged into 8 clusters. The number of cases corresponding to the eight identified clusters have been exhibited in table below. Subsequently, we have been able to identify cluster membership from K-Means Cluster.

It has been observed that in case of NGOs with similar SAO signifying strategic proximities, there is no commonality of operational areas.

Thus, the relationship between SAO propinquities and operational area commonalities has not been found to be valid. Consequently, we conclude that similarity of SAO doesn't signify commonality of operational areas. Thus, we observe a specific pattern of SAO of NGOs in the sense that NGOs with common thrust areas do not emphasise on common operational areas. In this perspective, contingency factors possibly play a primary role in explaining this result. Since, NGOs operate with different situational factors guided by different internal and external factors, we observe that each NGO as a unique strategic action orientation and hence actions are guided based on aspects that are superlative and unique to an NGO. In this perspective, the "resource-based perspective of strategy" comes into sharper in focus wherein, the significance of accruing organisational "effects" by uniquely extracting advantages from resources and competencies in the light of the factors prevailing within a particular NGO comes into sharper focus (Mahoney and Pandian, 1992).

V. Conclusion

An effort has been taken in this paper to disentangle the issues associated in understanding the strategic action orientation of NGOs in India. A unique aspect of this research work is that it tries to address and add the strategic flavour to non-business organisations from different perspectives. It has been observed that NGOs in India have a specific pattern of SAO which is somewhat different from that of business organisations. We have identified that project evaluation and review as the most strategically significant aspect of SAO of NGOs and this aspect may not be relevant to a business organisation. Secondly, the results of factor analysis and cluster analysis tend to match in the sense that the first factor that has been named as 'organisational environment factor' pinpoints on the relevance of factors within an organisation and the result of cluster analysis reveal that NGOs have unique way of strategic action orientation.

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