CHAPTER 2

REVIEW OF RELATED LITERATURE

About Review of Literature

The HR challenges of development sector are comparatively a less explored. Apart from the basic curiosity of the researcher to explore this area based on professional experiences, some of the related literature has become instrumental in framing this inquiry and also to establish clarity about research design. On the following pages researcher has described the summary of reports, papers and articles including their objectives, methodology, relevant findings and major learning in context of the topic of study undertaken. At the end, researcher has mentioned the summarised learning out of all literature. Researcher has referred literature from libraries of M. S. University of Baroda, Institute of Rural Management, Anand and various databases of online journals.

Thematic categories

Review of literature has been arranged in the following thematic categories:

- HR challenges and needs of DSOs in general in India and abroad
- Specific areas of HR such as Talent acquisition, Marketing and communication for recruitment, Performance management, Employee motivation & rewards, Subjective well-being
- Gender related HR aspects of development sector organizations
- HR aspects of specific categories of employees: Professional social workers and field workers

HR challenges and needs of DSOs in general

How HR is 'different' in development sector

"The human organisation: challenges in NGOs and development programmes" is a concept paper by ***Vijay Padaki*** published in ***February 2007***in Development in Practice, Volume 17 published by Routledge – Taylor & Francis group. This paper is based on author's own experience in research and consulting.

Discussion

Padaki (2007) said that HRD in development sector or NGO context is "different" than HRD in industries, but when it comes to teaching or training; HRD in relation to NGOs or development sector, the content of the course is by and large the same. The author suggests that it is not enough to say that the NGO/development context is "different". We need to examine the differences and find ways to deal with them in innovative ways. The initiatives can only come from within the development sector. We cannot expect them to be handed down from Corporate HR.

The author outlines the basic concepts related to human development within organisations, and organisational development, and sets out the arguments for greater investment in people. As Development sector organisations are the ones which do not generate revenue and are fund dependent, there are some practical issues related to resource availability while thinking about investing in employees. At the same time, there are ethical issues regarding up to what extent the funds should be utilised for employee development in this "service oriented" sector. All said and done, the quality of service delivery of such organisations is ultimately dependent on Human Resource available to them. Thus, investing in them becomes an important priority. All following factors have to be considered to tackle the HR issues of the NGOs in totality.

- The human-resource supply
- The nature of NGO work
- The significance of jobs
- The significance of human resources

- Role stress: Isolation, Burden of emotions and responsibilities, work-life balance
- Induction
- Work structures
- Leadership and Management

There are four mutually supporting streams of work, which needs to be done to tackle HR issues of NGOs:

- Curriculum development for an alternative approach to HRM for NGOs.
- Development of teachers and trainers for dissemination of appropriate curriculum
- HR and Leadership training for NGO managers
- Institutional development to support and further the work in the first three streams.

Comments by researcher

The paper may not be based on empirical research but its rich content shows author's deep understanding of the concepts of Human Resource Management and his experience of closely observing the functioning of NGOs and their HR issues. It also shows author's ability to contextualise the established knowledge of HRM in line with development sector. This paper has helped the researcher to build a strong conceptual base to frame the inquiry. It establishes that after realising that approach towards HR in development sector should be different compared to the corporate, it requires innovative solutions. These solutions cannot be derived directly by the corporate HR practices, but they need to be found within the sector only.

HR challenges in India

"Non-Government organisations: Problems and remedies in India" is a literature review based paper by ***Kakumani Lavanya Latha and Kotte Prabhakar*** published in ***January 2011*** by Serbian Journal of Management, Volume 6.

Discussion

Lathaa and Prabhakar (2009) have described various problems and remedies related to Non-government organizations in India in their paper based on literature review. NGOs are non-profit making organizations that are formed with a vision by a group of like- minded individuals who are committed for the upliftment of the poor, marginalized. They also work closely with these target groups along with providing flexible administration and quick decision making. This leads to timely action and facilitation of the people towards self-reliance through participation in development process. (Lathaa and Prabhakar, 2009). In spite of their achievements in various fields, NGOs are facing various problems and some of the common ones have been discussed in this paper along with some remedies to overcome these problems.

Lack of availability of funds becomes an important issue for many of the NGOs. In some of the projects partial funding needs to be arranged by NGOs themselves which become difficult and they lose the grant. There are also occasions when grant or fund is delayed. There is a crisis of leadership in NGO sector in post-independence era as many of the leaders chose to aspire for political positions rather than leading and managing grass root organizations. There is also a tendency of monopolization of leadership at top level in groups or association of NGOs. There are issues of generation gap when it comes to style of leadership of senior leaders and preference of work of young graduates. The cases of unethical financial practices by some of the NGOs negatively affect the reputation of the sector. Many NGOs have not been able to bring public participation in development process. Due to the absence of minimum comforts in rural areas, qualified human resources are not attracted to work there which leads to the issues of reaching out to the communities who require the most help. There are issues related to lack of coordination between NGOs at local, state and national level which results in to duplication and overlapping of work causing inefficiency in processes.

Authors have suggested various remedies to the problems faced by NGOs in India. They have suggested that Government should liberalize the rules and regulations for granting aid to NGOs especially for the ones which work in rural areas. Government should also reward and recognize NGOs which have done high quality work to

encourage more NGOs to put emphasis on quality. Volunteerism should be promoted in schools and institutes of higher education through seminars, meetings and symposiums to involve more youth in NGOs. There needs to be more collaboration between NGOs and educational institutes. Association of NGOs should be strengthened to work collectively on common problems. NGOs should avoid monopolization of leadership and should give chance to young employees who are competent. NGOs should also make best use of available technologies to increase their efficiency.

Comments by researcher

Paper describes the rise of development sector across the world from late twentieth century onwards. The budget allocation for the sector has been increasing across various countries along with the number of people working in the sector. The paper also describes the evolution of development sector starting from 19th century to late twentieth century in India. In Review of literature, author has included various research papers related to various problems and challenges faced by NGOs in India. After going through the abstract, introduction and literature review, reader gets a feeling that it is a literature review based paper but after that author has mentioned names of eight particular NGOs and the remaining part of the paper is about problems faced by them. Though the problems and remedies faced by NGOs as described in the paper are relevant, the paper doesn't mention about the universe, sampling technique, geographical area, methods of inquiry or analysis. Though it is an informative paper, it lacks clarity about research methodology.

HR requirements of DSOs in India

"Human Resource needs of the Rural development NGOs in India" is a working paper by **S. N. Biswas and Upasana Aggarwal** in ***March 2005*** published by Institute of Rural Management, Anand.

Biswas and Aggarwal (2005) made an attempt to estimate the present human resource capability and the future requirements of the development NGO sector in general and the respondent NGOs in specific. They explored the growing role of human resources as well as the institutionalisation of the HR mechanisms of 54 NGOs. An estimation

of the future human resource requirements, specifically of professionals, in the development NGO sector, in general, was also an attempt made in this survey. This survey also focused on the human resource management issues particularly the extent and nature of transparency.

Methodology

The investigation was both qualitative as well as quantitative in nature. As the first step in this direction, a questionnaire was mailed to 630 organisations. Completed Questionnaires were received from 54 organisations from 20 different states. The answered forms were then coded and statistical analyses were done. The organisational profile was assessed in terms of its age, nature of legal existence, missions, activities undertaken, governance structure, availability and the nature of human resource development within the organisation; financial issues like annual budget and sources of funding.

Results and Discussion

The results indicated that the age of the NGO was negatively correlated with the transparency of HRD of the organisation. For the documentation purpose and sharing rules and regulations of the organisations to the employees, the old NGOs seem to be using more of an informal approach. As the total number of employees increased, there was no difference in the proportionate increase in the professional staff, but added to the increase in the technical staff. The size of the paid employees was significantly related to the organisation's size of the annual budget. The size of the board also increases with the size of the budget. There is an average of 5% management professionals and 11% of technical staff employed from the total number of full-time workforce.

The number of professionals in the organisation was found to be significantly related to the HR transparency. This may be perhaps because, with the increasing professionalization within the organisation, there is a tendency of valuing the HR mechanisms and also increased the level of documentation. The level of involvement of board members was significantly and positively correlated with the HR transparency, though the involvement of the board had a negative correlation with the size of the budget. Perhaps higher the budget, more confident the board is about the

organisations of the future and they desist from actively participating in organisational activities.

Comments by Researcher

The objective of the study was to generate database of the NGOs, to understand their future manpower requirements by an institute which is training professionals to become managers in Development Sector organizations. The objective of the researcher in present study is more of academic in nature without having any direct institutional objective. Though the most relevant aspects from this paper was the methodology used and the findings related to the current status related to manpower of NGOs, responses related to HRD transparency and relation between different variables.

HR challenges of DSOs in USA

"Human resource management challenges facing local NGOs" is an article by ***Rehema Batti*** published in ***June 2014***in Humanities and Social Sciences, Volume 2, No.4 published by Science publishing group.

Batti (2014) has described HR challenges faced by local NGOs in one of the regions in USA in her research paper. Local NGOs have inadequate HR systems and procedures most of the times. This leads to inefficient use of human resources and it also affects the organizational performance. Due to the small size of the organization, it doesn't become feasible for them to have a separate person to handle HR so this responsibility is given to other person who may not have the adequate qualification or capability to handle these responsibilities. A major challenge is the funding cycles which are short term in nature. Due to this local NGOs face problems in recruiting staff for longer durations. This paper discusses how HRM can work as a strategic process in NGOs which could help sustaining their performance.

Methodology

Researcher conducted focused group discussions and interviews of the staff of selected local NGOs to collect the required data. Paper does not include any other

information regarding methodology, though looking at the location of the researcher and other information; it gives an idea that these NGOs would be based at USA.

Results and Discussion

Following are the major human resource challenges identified in the selected NGOs: Inability to retain staff for longer time due to project based work; Staff attrition before the project gets over leading to difficulty in operations; Inadequate human resource policies and procedures; Inability to manage a workforce having diversity in terms of age, qualifications, different modes of employment; Mismatch of employee qualifications and job requirements; Inadequate HR skills among supervisors; Increased dissatisfaction and stress among employees due to multiple types of employment contracts as per the demands of funding agencies; Inability to provide competitive remuneration and benefits; Inadequate performance management system; Lack of career development opportunities; Difficulty to maintain balance between individual and organizational needs; Lack of orientation and coaching mechanisms for new employees; Lack of leadership abilities; Inadequate structures for rewarding performers.

Comments by researcher

In introduction, author has explained the importance of Human Resource management for local NGOs to achieve and sustain competitive advantage. She has also provided overview of various theories of HRM along with definitions of HRM and Strategic HRM. Though the paper lacks clarity about research methodology used, the discussion of the problems faced by NGOs shows the depth of the inquiry. Recommendations given by the author also gives idea about her understanding of HR systems and acumen for problem solving.

HR challenges of For - profit Social Enterprises

"Understanding Human Resource Challenges in the Indian Social Enterprise Sector" is a researched based paper by **Usha Ganesh and Nisha Kumar Kulkarni** published in **April'2012** published in Intellecap research report by International Finance Corporation, World Bank Group

Ganesh and Kulkarni (2012) took the objective of the research that was to scrutinize the way in which the social enterprises approached the need for setting up various systems and processes for managing the human resources.

Methodology

The sample set consisted of 40 social enterprises that were representative across sectors, employee size and revenue bands. An additional set of 10 impact investors and sector enablers were interviewed for their perspectives on social enterprises' HR challenges and their current practices. The study included FGDs, online survey followed by in-depth interviews. In the second phase, an online survey was conducted using Survey Monkey, where social enterprises from the database were invited to participate and share information. The survey remained open for three weeks and received over 100 responses from founders, CEOs and core members of leadership teams.

Results and Discussion

For joining a social enterprise, the opportunity to take on leadership roles and a belief in the company's mission were the most common motivations. Compensation was one ranked much lower. For the candidates, who focused on salary alone would likely apply to and join the traditional for-profit and mainstream organisations. The most common rather widespread form of employee development is the on-the-job-training. The biggest human resource challenge indicated is recruiting qualified staff (70%), the second and third biggest and significant HR challenges cited by respondent takes in clearly defining roles and responsibilities (39%), and distributing decision making authority beyond the founding team (34%). These challenges point to the social enterprises, possibly struggling to create a strong layer of middle managers. Approximately 40% of respondents' report that they have had to compromise on the candidates" qualifications or experience level in at least one out of five hires, while 17% have compromised on more than 40% of hires. Over 60% of respondents indicate retention to be a challenge at the junior level. The respondents cite a limited pool of qualified candidates and the incapacity to offer a competitive salary as the top two recruitment constraints. These two are the effects by poor branding and stability as compared to the larger and more established organisations.

Social enterprises indicate that they have lost capable and competent employees for the reason of their inability to meet the compensation expectations. They find it a tough task to convince staff and management to relocate or reposition from cities and towns to rural areas. In spite of the social enterprises serving the urban poor, they face different locational challenges. Undoubtedly, cities are more expensive to live in; they have competing firms that are also willing to compensate employees better. Along with the attrition levels to be higher in the cities than that in smaller towns, the costs of hiring and retaining talent in cities is also high.

Comments by Researcher

Traditionally, non-profit organizations have been dependent on funds by external agencies which also put restrictions on the budget allocated for employee salaries and development. Thus 'Social Enterprises' are the new forms of organizations that work on the same development issues but they have a revenue generating model. Thus they are not always dependent on donation. At the same time the revenue generated by them is not large enough to compete with industries in terms of salaries and perks. Thus their approach for HR needs to be unique. Researcher is going to consider only non-profit organizations but this report stands relevant as many of the HR challenges faced by the non-profit Development Sector Organizations are also of similar nature.

Specific areas of HR

Talent acquisition and retention

"Talent Acquisition and Retention in Social Enterprises: Innovations in HR Strategies" by **Mathew J Manimala and Abhishek Bhati** is a literature review based working paper published in **2011** at IIM Bangalore

Manimala and Bhati (2011) discussed specific aspects of Human Resource Management such as retention and talent Acquisition in Social Enterprises. These organisations face problems such as, difficulty of employing people at low rates of compensation, opening a horizon for growth opportunities to the employees within the organisation, resorting and/or retaining talent more in the middle management, providing distinctly defined roles and duties which would lead to excessive wearing away and increasing the cost of obtaining and training the employees, thus making it vital and necessitate to think upon various ways to overcome these problems. Following strategies can help social enterprises to attract and retain talent: building vision and value congruence; the brand building of the organisation; to develop a sense of ownership among the employees by making them participate in equity as well as decision-making; providing learning and development opportunities to the employee so that they get better equipped for their service-tasks and creating entrepreneurial opportunities for the employees within the organisation.

In an analysis of the people-management practices of for-profit organisations, it was observed by Manimala (2010), that the philosophical assumptions underlying these practices can be explained or described as the "Outsider Paradigm", wherein the employer treats the employee as an outsider to the system. Under this concept, the ultimate responsibility for the achievement of the organisational objectives rests with the employer, who as a result has to motivate and induce his "uninterested" and "uninvolved" outsider-employee through various ways like giving financial compensation, perks and incentives. Hence, in for profit organisations the dominant basis of HR strategies is monetary compensation. The social enterprises, on the other side, seem to function on the basis of a "Partnership Paradigm" (Manimala, 2010) of the human resource management.

It seems that this is a matter of necessity rather than a matter of choice, in-spite of the fact that an ideology of inclusiveness is fundamental to the formation of the social development organisations. The fact that social enterprises are mostly service providers, where it is extremely uneasy to separate the service from the service provider is one reason, why an employee of a social enterprise has to be a partner. Consequently, the employee has to be fully integrated with the organisation and thus imbibe its service ideology to be effective in the work he/she does. The second reason for the partnership paradigm to be more suitable for social enterprise is that there will be a sharing of responsibilities and risks, because of which the work is perceived to be more important than the monetary rewards, which are associated with it.

Comments by Researcher

This paper talks about specific aspects of Human Resource Management such as Talent Acquisition and Retention. In current study researcher is studying HR challenges of development sector organizations. The nature of the study is broad in nature. It will also encompass Talent Acquisition and Retention which are the most important areas of HR. Authors have very well described the organizational spectrum and the way Social enterprises are placed in between purely philanthropic and purely commercial organizations. The key learning from the paper is importance of using 'Partnership Paradigm' of Human Resource Management while dealing with Development sector organizations rather than 'Outsider Paradigm'. The paper also gives idea about framing appropriate HR strategies after considering all the environmental factors.

Marketing for recruitment and motivation

"The internal market for non-profit organizations: considerations for marketing, recruitment and motivation of non-profit executive employees" is a literature review based paper by **O'Loughlin, Jennifer** published in **2012** in Third Sector Review, Volume 12, No. 1.

O'Loughlin (2006) has discussed about importance of marketing in recruitment and motivation of executives of Non-profit organizations. As per the author, Non-profit organisations (NPOs) have undergone tremendous change in recent years and they have moved to more of professional orientation as they are involving larger number of paid human resources.

Methodology

This paper is primarily based on the available literature. Along with this it also contains some data which is taken from an exploratory qualitative study conducted by the same author. It is based on Non- profit organizations operating in UK and Australia and discusses about employment of executive staff.

Discussion

Author have reviewed and presented existing literature and also incorporated data using exploratory qualitative study. The paper is based on social and community based NPOs operating in Australia and UK. It discusses about various themes related to marketing for recruitment, internal marketing for motivation and retention of executive employees in Non- profit sector. It also reviews and discusses about different types of motivations for working in Non Profit sector and highlights the importance of understanding these motivations. There is a discussion on specific issues faced by non- profit employees along with the effect of Self efficacy on motivation. *"Self-efficacy is described as the conviction, based on past experience, that one has the competence and ability to achieve desired outcomes"* (Bandura 1986).

Author identifies organizations' communication and efforts for recruitment and internal marketing and relationship management as some of the important challenges faced by non-profit sector and suggests ways to overcome these challenges. Based on the literature review following are some of the motivations people can have for working in non-profit sector: To work for a cause, to give back to society, to find an outlet for passion, and opportunity to be challenged, to make a difference in the lives

of people and to be valued by society. Mentioned below are some other important points which have been derived based on literature review:

- More than the shortage of potential candidates, insufficient effort in communication and marketing from NPOs is responsible for failures in recruitment.
- The way industries offer attractive pay packages to attract potential employees; NPOs haven't been able to effectively sell the benefits and opportunities to them to have a rewarding career
- In attracting employees, mission of the organization plays an important role but it is not sufficient to retain the employees, thus role of internal marketing becomes important.
- In recent years, salary levels have improved in larger NPOs and in senior positions but people at large still do not perceive NPO jobs as well paying.
- In order to develop and maintain a public profile of being a viable and challenging career option non-profit sector has to work on effective marketing communications, recruitment processes and interactions with community. They need to focus on building their brand from marketing perspective.
- NPOs need to make greater efforts in recruitment to identify the most suitable candidates.
- They need to expand their perspective about potential labour market and have to communicate to them effectively. Candidates with higher self-efficacy are likely to be more confident about job security and career advancement thus they can be more suitable for working in Non-profit sector.

Comments by Researcher

This paper is written by an author working in the field of marketing. It indicates the importance of non-HR disciplines which could contribute to solve HR related challenges of DSOs. The paper helps in gaining knowledge about labour market for Non-profit in developed countries such as Australia and UK. Recommendations given by the author are quite relevant in Indian context also and it demonstrates her ability to use multidisciplinary approach for better HR practices in Non-profit sector.

Performance management

"A study in to performance management of International NGOs" is a research paper by **Elian Rogaar, Riet Nigtenand Johan Lammers** published in **May 2005** by Red R-IHE and People In Aid.

Rogaar, Nigten and Lammers (2005) have described the performance management practices of a diverse set of NGOs operating in countries such as Spain, U.K., France, Ireland, The Netherlands, Europe, US, Congo, Nepal and Sri Lanka.

Methodology

Data has been collected through telephonic interviews of HR managers, Line managers and field staff of selected NGOs from the above mentioned countries. Data has been presented through detailed case studies.

Results & Discussion

In the beginning authors have established the importance of performance management as an important part of Human Resource Management. They have also described the implications of performance management practices on employee satisfaction and productivity. Report includes various elements of performance management system and their organization in NGOs under study and also the process of developing these systems. Report also includes cases of NGOs with good practices in performance management and authors' opinion and suggestions for the same.

Rogaar, Nigten and Lammers (2005) have given following suggestions regarding various aspects of performance management systems:

- Job descriptions are required to be kept updated when there is a major rearrangement in work responsibilities and job descriptions should not be mixed up with annual work plans. Annual work plans become more important in competency based HR systems.
- Methods used in assessment centres should be involved in recruitment and selection process.

- Though standardised formats are important for performance evaluation, there needs to be a scope of adaptation of the formats as per the local needs. Review meetings should kept separate from appraisal meeting to ensure effective and open communication between employee and supervisor. Along with formal methods of appraisal, there should be periodical meetings for coaching.
- Personal development goals should be set together by employee and supervisor in relation to the job description.
- Non-monetary rewards such as gifts, party, verbal appreciation should be used for encouraging good performers.
- Instrument like 360 degree performance appraisal can be used but considering its suitability with the culture of the organization.
- Rather than anonymous feedback, open feedback should be given as it gives a scope for clarification and discussion.
- Managers should also ask for the feedback from employees about his own performance and also about the working conditions as these are very important factors affecting employee performance.
- Managers need to be trained in handling performance review meetings effectively as it requires special skills.

Comments by Researcher

The idea for this study was emerged in a seminar organized in Spain in 2004. One of the important outcomes of the seminar was to identify the importance of having a rigorous and a fair performance appraisal system to provide growth and development opportunities to employees. The study is largely based on document review and telephonic interviews with managers of International NGOs of ten different countries including developing and developed countries. Description of performance management systems of various organizations is quite informative and gives many ideas for practitioners for implementation in their own organizations. The study also indicates the possibility of similar discussion forums and research studies in Indian context where performance management practices of Indian DSOs can be studied in detail.

"Performance appraisal practices in a developing county: Case study of a NGO in Bangladesh" is a Case study by **Ayesha Tabassum** published in **April2012** in Journal of Arts, Science & Commerce, Volume 3, Issue 2(2).

Tabassum (2012) has presented performance appraisal practices of PIACT - an NGO in Bangladesh through a case study. Author has described various aspects of NGO sector in Bangladesh through literature review in order to give background to the case study.

Methodology

This s a case study based article. Primary data has been collected through face to face interviews with Director and administrative officer. Secondary data has been taken from relevant literature review, organization brochures, documents and website.

Discussion

Literature review has indicated that there is high level of employee turnover in NGOs in Bangladesh. Less than 20% of NGOs in Bangladesh carries out performance appraisal process on regular basis and less than 10% of NGOs link HR decisions based on result of performance appraisal. In most of the NGOs, there are many errors performance appraisal practices which result in to employee satisfaction

PIACT is a non-profit, non-government organization working in the areas of reproductive health, mother and child nutrition, literacy and gender equality. In PIACT, frequency of performance evaluation of core employees is once in a year while for project based employees it is once on a quarter. Employees are evaluated by multiple appraisers which become a complex and time consuming process but it helps in order to avoid biases. Information derived from performance appraisal is used for placement, career development, job design and improvement of performance, though employee compensation is not related to performance appraisal at PIACT.

To evaluate performance at individual and team level PIACT uses different methods. Among those graphic rating scale ranking method are the most widely used. Apart

from this essay method and field review methods are also used to review the performance of projects and project based employees. Author has noted that though many contemporary methods with higher degree of content validity and flexibility are available for performance appraisal, this NGO still uses conventional methods.

In appraisal interviews, PIACT uses mainly three types of approaches. First is Tell and Sell in which motivational incentives are skillfully offered in ordered to achieve desirable behaviour from employees. Second is Tell and Listen in which employees are given opportunity to share their feelings about appraisal which helps in reducing their feeling of dissatisfaction and frustration. Third is problem solving approach in which supervisor discusses about the needs and problems of employees in order to identify factors which are becoming hindrance to his development.

According to Tabassum (2012) performance appraisal system at PIACT Bangladesh is not very structured but measures and instruments used by them are valid. In terms of involvement in appraisal process, it is limited to top management and project directors only. There is a lack of training among persons concerned with appraisal process. At times performance targets are not clearly communicated to the employees. Employees are not given opportunity to give inputs to improve the evaluation process. In order to get an overall idea of performance, different assessors and sources of information are used by the organization. Employees are given timely feedback about their performance and they are also provided with guidance for improvement.

Comments by Researcher

This case study includes some information about performance management practices in DSOs in Bangladesh in introduction and literature review part. It is important to understand as Bangladesh being a neighboring country and having similar development challenges to India up to some extent. Case study provides some information about performance appraisal system in the chosen organization but the methodology significantly lacks rigour and depth. There could have been a better effort in terms of choosing right organization for the study and also in terms of inquiring from respondents at various levels to make the outcome more useful to the readers.

Motivation of staff and volunteers

"Motivating staff and volunteers working in NGO in the south" is a research based report by **FRONTERA** – An International development and management consulting organization published in **January2007** by People in Aid - A global network of development and humanitarian assistance agencies.

FRONTERA – An International development and management consulting organization was commissioned by People in Aid - A global network of development and humanitarian assistance agencies in 2006 to conduct a research related to motivation of staff and volunteers in NGOs in four countries: India, Pakistan, Kenya and Honduras. Research was aimed at identifying non-financial incentives used by NGOs in these countries.

Methodology

Researchers collected primary data through interviews of senior managers and HR managers from 28 NGOs from following countries: Honduras, India, Kenya, and Pakistan. Secondary data was taken by relevant literature, reports, websites and HR database. Case studies were prepared by researchers after collecting data.

Discussion

Both local NGOs and international NGOs face problems in motivating staff and volunteers. This leads to unsatisfactory performance and high attrition. Multi-cultural environment and financial constraints faced by NGOs make the problems more complex. Paper includes number of case studies, tips and recommendations which could be useful to managers/administrators working in NGOs in these areas. Along with the non-financial incentives for motivation, report provides Do's and Don'ts for employers. NGOs selected for the research were diverse in terms of mission, affiliation, size of operations, though all of them faced problems related to low motivation and low morale among staff and volunteers in varying degrees. Researchers found that factors such as Vision and mission, leadership, structure, management processes and organization culture have a direct impact on employee

motivation. Along with this there are also other factors such as community support, policy climate at national and global level. As there are different spheres of influence, employees and organizations have to learn how to deal with the interplay of these influences.

Researchers found following factors responsible for high turnover and low employee motivation: insufficient salary, lack of job security, better job opportunities outside the organization, personal safety and security issues, lack of appreciation, lack of development opportunities, problems with work culture and lack of alignment between individual and organizational values. NGOs in different countries under study use different remedies to handle these issues. Some of them are planning incentives and activities which are culturally applicable, engaging staff and volunteers in to dialogues, using a mix of incentives; by and large all of them are aimed at satisfying professional and personal needs of employees. Based on findings of the research authors have recommended the following for managers/administrators of NGOs in developing countries for dealing with motivation of employees:

- Maintaining such environment in the organization where employees feel valued, and receive necessary support to realise their potential
- Developing appropriate HR policies and procedures that focus on aligning employee objectives and organisational goals
- Planning activities which are culturally relevant, providing a good mix of financial and non-financial incentives to motivate employees
- Engaging employees in dialogues proactively to be aware of and manage their expectations keeping the organisational objectives in view

Comments by Researcher

This report includes various theories of motivation including Maslow's hierarchy of needs, McGregor's Theory X and Theory Y, Herzberg's Hygiene-motivation theory etc. It also gives idea about the cultural implications of motivation theories. As the study includes organizations from different countries having different cultural these implications are important to be considered. Authors have presented To Dos and Not to Dos for employee motivation as per the country and they have also presented

combined analysis for developing a broad approach for employee motivation in Non-profits. Along with this they have also given corporate examples of Non-financial incentives for motivating employees. Some of these incentives can also be implemented in Non-profit sector.

Employee motivation & rewards

"Employee rewards and motivation in Non Profit Organizations: Case study from Australia" is a Case study by **John Tippet and Ron Kluvers** published in **March 2009** in Journal of Business & Management, Volume 4, No. 3

Tippet and Kluvers (2009) have prepared a case study describing relationship between employee rewards and motivation in a Non-profit organization working on people with disability based at Australia. The aim of the study was to understand what motivates employees to work in non-profit organization in context of intrinsic and extrinsic motivation.

Methodology

Research inquiry included six questions in order to identify importance of intrinsic rewards in employee motivation. The questions were about satisfaction with pay; effect of bonus schemes on performance; preference for individual or group rewards; motivation through achievement of clients; work/life balance; fun at work. There were 52 usable responses. Following was the null hypothesis: Ho: Employees are not motivated by intrinsic rewards. Data was gathered through a survey featuring a number of statements about intrinsic and extrinsic rewards. The small-sample *t*-test was used to determine the significance of responses, and hence test the hypothesis that employees are motivated by intrinsic rewards.

Discussion

According to Ryan and Deci (2000) the term 'extrinsic motivation' is the attainment of a separable outcome from the performance of an activity; whereas 'intrinsic motivation' is the performance of an activity for the inherent satisfaction of the

activity itself. This study examines intrinsic and extrinsic rewards of an organization having two units; one offering performance bonus and the other which is not.

Authors make an argument that relationship between human motivation and reward cannot be studied without considering the organizational context. The nature of work and type of organization is a very important factor.

Authors have carried out exhaustive literature review of the papers related to employee motivation and rewards. Mentioned below are some of the important findings from the review:

- Agency theory suggests that people are motivated by extrinsic rewards and that employees will only perform tasks for which they are rewarded (Jensen and Meckling, 1976; Eisenhardt, 1989; Baiman, 1990).
- There are other researches which indicate that Intrinsic motivation becomes more important when income of employee rises above subsistence level
- Though extrinsic rewards cannot be ignored, values and mission of a Non-profit organization are an important source of motivation

The results indicated rejection of the null hypothesis. Employees of the organization did appear to be motivated by intrinsic rewards. Employees gave mixed responses about their satisfaction with pay thus pay cannot be a prime source for motivation. Employees believe that extrinsic rewards like bonus schemes have the ability to improve performance, though it does not reduce the importance of intrinsic rewards. So the actual importance of bonus as an extrinsic reward is it reinforces the intrinsic reward of being associated with something meaningful. Mission of the organization also came out as a significant factor for motivation as most of the employees were found to get motivated by the achievements of their clients. From the results it can concluded that motivation of staff in Non-profit sector cannot be explained only through Classical Agency Theory. Human motivation is complex so in order to understand it intrinsic motivators and organizational context have to be considered.

Comments by researcher

This paper gives direction to the motivational aspects of Non-profit employees. Academically motivation is discussed under the area of Organizational Behaviour which is a very important subject for HR practitioners. Knowledge of Organizational Behaviour plays an important role in developing effective HR processes. The paper indicates the possibility of in depth research inquiries in motivation and other relevant aspects related to behaviour of employees in Non-profit organizations.

Employee motivation and 'higher purpose'

"Employ motivation through higher purpose: A double edged sword" is a research paper by **Petra Erkkilä & Thekla Welp** published in **May2016** by Lund University, School of Economics and Management

Erkkila and Welp (2016) have described the effect of higher purpose on employee motivation in a paper based on the research carried out in one of the NGOs working in the field of education in Germany.

Methodology

Authors developed a qualitative study using an interpretative approach. Empirical material was collected by conducting and analysing 11 interviews with different employees in a non-profit organisation.

Discussion

Authors have described various researches done in the area of intrinsic and extrinsic motivation in Non-profit organizations. Some of the researchers have consensus about the notion that people interested to work in Non-profits are ready to settle for lower wages mainly due to intrinsic motivation. Thus this paper tries to throw some light on the complexity related to higher purpose as a motivator.

Researchers have described about the trend or fashion of working Non-profits sector among a segment of society and for which getting external recognition is one of the

important motivator. They have also mentioned about the increasing importance of being 'Social Responsible' among corporate and the preference of new age job seekers to work for the organizations which are socially responsible. Organizations need to adapt themselves in order to fulfil such expectations from employees who are driven by ideology or higher purpose. It is challenging to motivate them through higher purpose as the organizational purpose needs to align with their personal values. Apart from this source of motivation also changes from time to time.

Through literature review and data analysis researchers have derived that extrinsic recognition becomes a trigger at subconscious level which leads to accept the trade-offs such as accepting lower wages in Non- profit sector. Apart from this people also have need to get socially recognized for working in Non- profit sector. Non- profit experience in their CVs also helps them to get considered for future jobs. Thus authors have stated that intrinsic motivation plays an important role while choosing to work with an organization with a higher purpose but along with those extrinsic rewards as mentioned above also play an important role to keep the motivation alive. Thus it is very important to keep balance between the both.

Comments by Researcher

Erkkila and Welp (2016) describe higher purpose as a double edged sword. On one side it works as a motivation and helps to sacrifice on the wages and perks on the other side it creates vision and peer pressures. When an employee is surrounded by peers who are driven by higher purpose and work for longer hours, it creates pressure for them to live up to these social norms within organization and it can become energy consuming for them. Apart from the higher purpose self-development, recognition by others and belongingness to a group of highly educated colleagues also work as important motivators to work in Non- profit sector.

Subjective well-being

"Organizations and social worker well - being: the intra-organizational context of practice and its impact on a practitioner's subjective well-being" is a qualitative research based paper *by* **Michael l. Shier and John R. Graham** published in **2013 in** Journal of Health and Human Services Administration by SPAEF.

Shier and John (2013) aimed to understand the varied factors that contribute to the social worker subjective well-being (SWB) (the social science concept of happiness) in a better way. SWB is understood to be composed of experiences and mental processes and decisions along with overall life and job satisfaction.

Methodology

The research analyses one-to-one interviews (n=19) conducted in 2010 based on an initial quantitative study reporting on the satisfaction and wellbeing of social workers practicing in the Northwest Territories and north-western Ontario, Canada. Interview participants were selected by purposive sampling from the 91 respondents who completed the social worker satisfaction scale that had scored mid to low on overall subjective well-being. The overall score of subjective well-being comprised of scores for life satisfaction, professional satisfaction, and job satisfaction.

Results & Discussion

This research of (Shier and John, 2013) provides a comprehensive investigation of the dynamics at play within the organisations and its subsequent impact on practitioner SWB. To improve the social worker subjective well-being, negative workplace environments can be transformed slightly. For example, simple mechanisms can be instituted that structure supervisory relationships, create an environment of shared collaboration among the workers, which promote interaction and involvement with the external organisations and the community groups. Supervision can also be associated with decision making. For instance, the decisions can be undertaken in a collaborative manner between all those that were invested in a particular case. Decision-making should also be more structured and apt in the sense that the evidence should be provided as to why a particular decision is better than the other reason. To

address the manner of communication within the organisations would also seem to be quite necessary.

More directive methods of sharing information between the management and the supervisors and direct social work practitioners might help in creating a workplace environment in which the social workers can have more of ownership in the decision making process, while at the same time the division of labour between the management and direct workers and between the different occupational groups become less structured. To sum up, these findings have a practical application within the organisations of structured policies and unstructured practices that will improve social worker's subjective well-being.

Comments by Researcher

The research paper emphasizes on the concept of subjective well-being (SWB). It refers to the ways in which individual people evaluate their lives from their own perspective. It shows the possibility to extract a thematic category from the data analysis of a broad based research topic and how to formulate a specific research topic out of it. Interpersonal workplace relationships, decision-making processes, management/supervisory dynamics, workload and workplace expectations, access to resources and infrastructure support, and inter-organizational relationships, all these intra-organizational factors are very important in context of the present study. Some of these factors have been considered by researcher while framing an inquiry for the middle and entry level respondents.

Gender related HR aspects of development sector organizations

Working conditions for female employees

"NGOs as Employers: Need for Accountability" **is a** review article based on a few registered cases, media articles and author's own views by **Sudha Vasan** published in **June 2004** in Economic and Political Weekly

Vasan (2004) discussed the working conditions of unorganised employees of NGOs in India. A significant number of people who work at the field level in NGOs come from poor and low income family backgrounds. The job profile, working conditions and timings are often open-ended in this sector. They are required to travel and work with flexible hours. All of these have special implications for the women workers, since most of the workers are labelled as contract staff, volunteers, part-time workers, consultants and their payments are also labelled as "honorarium" instead of wages and salary.

The questions like/of minimum wages, insurance and health benefits, safe and dignified working conditions are the ones that are rarely raised in NGO sector. Vasan (2004) found that the women face additional hurdles at the workplace due to the patriarchal nature of the society. These issues are also taken into consideration while framing the laws and policies. Provisions of maternity benefits, toilets, crèches, separate toilets, protection against sexual harassment are considered to be important to ensure a conducive working environment especially for the women. Though we could find only a few NGOs that provides all these rights to its women workers. Such issues that are critical are ignored under two basic arguments:

1. Criticising NGOs and for "minor" matters such as working conditions of employees would hinder all the "good work" done by them
2. NGOs are "helpless" as they are dependent on funding agencies and projects for their survival. Thus the standard of working conditions similar to government or private business organisations cannot be expected of NGOs.

As a consequence of such a culture of irresponsibility and lack of accountability, we could also see some cases of sexual harassment of women in the NGOs. Such kinds of problems and troubles in NGOs are further exaggerated as women employed at the

lowest level have very little social, political and economic capital to fight against their NGO employers. Supreme Court, after Vishakha Vs. State of Rajasthan (1997) case, established or laid down Vishakha guidelines after giving the judgment which was about sexual harassment of women at work place. The guidelines made it clear that every employer is required to set up a complaint committee that includes at least one woman and a representative from outside the organisation. Still, it is not easy to find any NGO which has a proper process to deal with this issue. As employers, NGOs in many ways come out to be worse than the state or many private sector organisations. It is now time to demand at least the same level of accountability, transparency and fair practices from all NGOs that people demand of the state and for-profit sector.

Comments by Researcher

Author mentions about the importance of NGOs' accountability as employers especially about the working conditions of unorganized employees of NGOs. Though the title of the paper is 'NGOs as employers: Need for accountability', here major emphasis is given on the gender aspect. Some cases have been mentioned by the author where female employees of various NGOs became victims of sexual harassment. This paper gives a strong argument against hypocrisy and showing irresponsibility by accepting the 'helplessness' of NGOs and considering workplace condition issues as 'minor' issues. It also talks about focusing on group of employees working at a specific level such as field level workers in DSOs. Article talks about difference in situation of NGO workers in Urban, semi urban and rural areas. Researcher has also considered the aspect of geographical area of working of DSOs as it is very closely related to HR challenges such as attracting and retaining talent.

Why women work in DSOs

"***Women and NGO professionalization: a case study of Jordan"*** is a research based article on advocacy NGOs in Jordan by **Janine A. Clark and Wacheke M. Michuki** in **May 2009** published in Development in Practice by Routledge-Taylor & Francis group.

Clark and Michukiin (2009) examined how the NGOs professionalization impacts on the recruitment of NGO staff. Based on an in-depth survey of employees in 20

advocacy NGOs in Jordan, it demonstrates the gendered impact of professionalisation. The article defines professionalisation as the "*process whereby problems are increasingly dealt with by persons with relevant subject-specific knowledge, experience and training, rather than by staff members solely recruited for their previous political activism or engagement in the organisation* (Martens, 2006)". Thus, it involves the acquisition or recruitment of necessary expertise in terms of staff, academic training, and subject knowledge.

Methodology

The survey data for this article were gathered during 2006. An open-ended survey was administered to 20 NGOs, selected according to two main criteria. All the NGOs are advocacy NGOs, working on issues such as human rights and women's rights, and are large enough to employ paid staff. The open-ended survey was conducted with full-time, mid-level employees or managers. The survey furthermore controlled for the distribution of NGOs concerned with human rights, women's rights, environmental issues, and development, according to their number in the country. The selection of NGOs also controlled for a representative balance of NGOs, semi-governmental NGOs, and royal NGOs. In total, 41 employees were interviewed. The number of interviews in each NGO varied according to the NGO's relative size. Independent interviews also were conducted with the NGOs' heads. All interviews were conducted in the NGOs' main headquarters, all of which were based in the capital city, Amman.

Discussion

Consequently, professionalization more often than not involves greater specialisation of NGOs and may involve or engage in the creation of a stronger hierarchical structure. Highly educated women are the majority of NGO employees, often western-educated, who work in NGOs primarily or mainly for career opportunities and also because they are attracted by the goals of the NGOs. In contrast to the existing literature, this article argues that the gender considerations, like the job flexibility to accommodate household duties, play fewer roles in determining the reasons as to why women seek work in the NGOs and their degree of job satisfaction.

While gender considerations that mirror the women's household and child-rearing responsibilities play a role in the woman's decision to work in an NGO, these kinds of

employees are overwhelmingly drawn to advocacy NGOs by two motives, and these are, their career aspirations and the organisational goals themselves. With their focus on the democracy promotion, including the encouragement of involving women on a greater level, women in governance and in other central functions of development (on one side) and their demand for soundly written proposals, budgets, and reports written in English (on the other side), the international donors have created a work environment that particularly attracts the professional women. One particular thing that greats a highly rewarding and satisfying work environment is the combination of a challenging and dynamic professional environment with women's support of (if not a passion for) the NGO‟s goals, despite, though in some instances, relatively low pay compared with the rates in the private or the public sector.

Comments by Researcher

While the earlier studies have noted the gendered impact of the professionalization of NGOs, these references have been based largely only on observation. This study is one of the few to take an in-depth look at the nature of the NGO sector's labour force in the Middle East and, most importantly, to ask why the women seek employment in the NGOs. This is another example of choosing NGOs working in a particular sector for HR related study. In the present study, researcher will be considering NGOs working in various sectors. It is important to note that NGOs may have sector specific challenges related HR.

HR aspects of specific categories of employees

Problems faced by Field workers

"Who Cares? The Personal and Professional Problems of NGO Fieldworkers in Bangladesh" is a research article based on the study undertaken with field workers at Bangladesh by **Mokbul Morshed Ahmad** published in **May, 2002 in** *Development in Practice* by Taylor & Francis, Ltd. Oxfam GB

Ahmad (2002) highlighted the professional as well as personal problems of NGO fieldworkers in Bangladesh. Ahmad (2002) draws on field research with the front-line workers of the NGOs, their clients, their immediate superiors, and senior management.

Methodology

This research was conducted with the fieldworkers of NGOs of four sizes in Bangladesh, all in one locality: an international NGO, MCC (Mennonite Central Committee); a large national NGO, PROSHIKA; a regional NGO, RDRS (Rangpur-Dinajpur Rural Service); and three small NGOs or grassroots organisations, which are 'partners' of Save the Children (SCF-UK). The fieldwork for this article was conducted between September 1997 and May 1998. Participant observation, semi-structured interviews, and informal discussions with the fieldworkers of NGOs, clients, and mid-level and senior managers were organised for the research. In addition, 109 fieldworkers were interviewed through a questionnaire.

Results & Discussion

The fieldworkers face personal problems such as financial hardships, job insecurity, difficulties with accommodation, and family dislocation. These problems differ according to 3 aspects, namely, gender, marital status and age. The professional problems faced by NGO fieldworkers are: dissatisfaction with promotion, lack of training and frequent transfers. Along with that, they also face some problems such as suspicion by community members, resistance by local leaders of religious leaders, the constraint of time and resources, competition with other NGOs, etc.

Ahmad (2002) gives an idea of how these market forces affect the Human Resource especially when you are interested to know the reasons behind people choosing to work in the development sector. The author gives some description of how these forces have an effect on the lives of field level workers in Bangladesh. The author also cites and mentions about "moral imperative for donors and NGOs to reduce poverty as cheaply as possible." Such an attitude induces the chances to hinder the development of strong HR systems in the NGOs. To recruit good people into any low-status, low-paid occupation is a difficult task and the difficulty level is bound to rise when it comes to retaining them once recruited. But if the change agents are themselves powerless, the goal of empowering their clients is also undermined. NGOs must engage themselves in pursuing activities and policies that promote and raise the staff welfare. But whether the donors that support the NGOs also have an inclination and demand to improve and uplift the management of Human Resources is a question to ponder over.

Comments by Researcher

This paper gives an idea about how Economic and labour market forces have to be considered when studying the Human Resource aspects especially when you are interested to know the reasons behind people choosing to work in development sector. Here author has given some description about how these forces affect the lives of field level workers in Bangladesh. Author also mentions about "*Moral imperative for donors and NGOs to reduce poverty as cheaply as possible*". Such attitude could hamper the development of strong HR systems in NGOs.

Role of 'Social workers'

"Presence of Social workers in Non-Government Organizations" is a Research paper based on the data collected by 20 NGOs having headquarters in US by **Nancy Claiborne** published in **April 2004 in** *Social Work* by Oxford University Press

Methodology

60 NGOs were randomly selected from a list of those registered with the UN. 57 of them had headquarters in US and one each in Canada, Africa and Great Britain. Respondents were the Human Resource Directors or people at similar positions in

these NGOs. All of them were mailed a questionnaire and Twenty-two (37 percent) of them responded. Two indicated they were unable to complete the survey because their organizational structure consisted of multiple autonomous agencies keeping separate financial and personnel records. The remaining 20 were international NGOs operating across Africa, Asia, Australia, Eastern Europe, Europe, the Middle East, North America, and South America

Results & Discussion

Claiborne (2004) investigated about the job categories occupied by the full-time social workers in 20 International NGOs. The social workers who hold a BSW or higher degrees are the ones that occupied 95% of the program director and coordinator positions. It points towards the importance of people with such degrees, though the Social workers with similar or alike degrees had a smaller representation in the administration and development. People without social work qualifications filled the 83% of the direct service positions. Claiborne (2004) said that the social workers are specifically suited to the needs of the NGOs because they have skills in collaboration and networking and also the ability to understand the policy context of various services. They have the ability or the knack of working effectively with the diverse groups.

He advocates for the rights of the vulnerable and oppressed communities. Though there are a certain reason due to which it becomes challenging for Social workers to attain prominent positions in NGOs for instance, limited educational exposure to international social work practice, lesser number of social work students preparing for management positions and the increasing number of people from non-traditional disciplines who enter into the management of the non-profit organisations. Because of such kind of reasons it becomes difficult for the social workers to attain leadership positions in the international organisations. Thus, people with Social work qualifications are extensive and/or widely used in program coordination, but under used in leadership and services. When the programs and resources of the organisations are linked to well-built annual budgets, the NGOs become extra able to allocate staff with social work expertise to give specialised direct services.

Comments by Researcher

It can be said that social workers are specifically suited to the needs of the NGOs as they have skills in collaboration and networking and ability to understand the policy context of services, the ability to effectively work with diverse groups and advocating for the rights of the vulnerable and oppressed communities. Though there are certain reasons because of which Social workers find it challenging to attain prominent positions in NGOs such as limited educational exposure to international social work practice, fewer number of social work students preparing for management positions and increasing number of people from non-traditional disciplines entering in to the management of non-profit organizations. Similar studies could be done in Indian DSOs to find out relationship between educational qualifications of the employees and position acquired in the organization.

Summary of Review

The above mentioned literature has helped researcher to build deep understanding of various aspects related to the topic "HR challenges of Development Sector Organizations in selected districts of Gujarat".

Relating theoretical aspects

Review of papers has helped in strengthening the understanding of some of the basic HR concepts and understanding them in context of Development Sector. Mentioned below are some of them:

1. Human Resource Management
2. Human Resource Development
3. Organizational Development
4. 'Outsider Paradigm' and 'Partnership Paradigm' of Human Resource Management

Fine tuning research methodology

Different types of research designs used by various authors have helped researcher to plan methods of inquiry, data collection tools and sampling design. Review of literature has been of great help in fine tuning research methodology.

<u>Learning to go from broad based to specific</u>

Within broad area of HRM, different authors have identified specific sub-areas of study and have explored them in depth. Mentioned below are those areas:

1. Talent acquisition and retention
2. Self-efficacy
3. Intrinsic and extrinsic motivation
4. Classical agency theory
5. Subjective Well being
6. HRD Transparency
7. Importance of Marketing communication and brand building for HR

Identifying particular target group for study

Some of the authors have focused their research on particular category of employees based on their role in the organization, place in hierarchy, education background or gender such as Field workers, Female employees, Professional social workers etc. Similarly, there is also a possibility to select target groups such as program directors, program coordinators, project officers etc.

Building perspective

Review of papers indicated that HR challenges can be observed from different perspectives such as:

- From an outsiders' perspective
- From the top management's perspective
- From the HR department's perspective
- From employees' perspective (Employees at different level)
    - At employees' level, understanding problems at personal level and professional level

As there are various researches done on the similar topics by established academicians and professionals, it can be said that there is a need for DSOs to get more professionalised in terms of their HR systems in order to be accountable to various stakeholders and also to actualize the values of empowerment and fairness in case of their own employees. The researches further strengthened the argument to take up study related to HR challenges of DSOs. There are similar studies which are done at national level with for profit and non-profit social enterprises, studies on rural development NGOs, studies related to particular level of employees, studies related to a single aspect related to HR. Though there have not been in depth studies focusing on HR challenges of development sector organizations in a particular geographical region covering DSOs of different sectors and respondents from various levels. The perspective build through review of literature has further helped in effectively analyze and interpret data, connecting variables and coming out with valuable suggestions. The next chapter describes the Research methodology adopted for the study.