#### Evaluation of selected Human Resource Practices in selected Non-Governmental/Non-

#### **Profit Organisations in Cape Town**

By

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In the

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#### Abstract

The study evaluated selected Human Resource (HR) practices in non-governmental organisations (NGOs)/ non-profit organisations (NPOs) in Cape Town. For theoretical framework guiding the study, the Open Systems Model was implemented to analyse the environment of non-governmental organisations. The system analyses the inputs, the transformation, output and feedback of NGO operational areas. The study used an exploratory survey research design, a qualitative method and a structured questionnaire to elicit information from the respondents. There were six participants in the study. Of these, five were employees and one an employer. Two of the employees were male while three were female. The employer was female. Purposive and convenience sampling techniques were used to select research participants and conduct the survey. Eight research questions were stated and analysed thematically under four major themes based on the data collected. The four major themes that were generated from the are as follows: organisational policies and procedures, leadership (Founders, CEO, Directors, Executive Directors, and Board Members), monitoring and evaluation, performance, and training and development of employees (Capacity Building Courses).

The results of the thematic analysis show that organisational policies and practice guide the functionality of the organisation; that leaders in NGOs are solely responsible for handling most of the major responsibilities in their organisations; most NGOs evaluate their projects differently, either internally or externally, and that organisations value the importance of training and development. However, the results of the thematic analysis further show that some NGOs/ NPOs have inadequate HR practices in their organisations, while those with HR practices struggle to implement them properly in their organisations.

Based on the above results, the study concludes that lack of HR practices in NGOs hinder their capability to recruit, retain and select competent employees, its performance management, training and development, leadership and the succession planning of the entire organisation. Lastly, the study recommends that HR practices be fully employed by NGOs/ NPOs to overcome their human resources management related challenges.

**Keywords:** Human Resource Practices; Human Resource Management; Human resource skills or competence; Leadership; Management; Non-Governmental Organisations and Non- Profit-Organisations.

#### DECLARATION

I declare that "Evaluation of selected Human Resource Practices in selected Non-Governmental/Non-Profit Organisations in Cape Town" is my work. All the sources I have used or quoted have been indicated and acknowledged utilising complete references.

Dean Tendai Mazhawidza

January 2022



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# **Chapter One**

# **Research Overview**

### 1.1 Introduction and background of the research

Human Resource Management (HRM) has expanded tremendously over the last decade. HRM is a procedure through which there is a fit among workers, occupation, organisation, and environment so that staff members reach their desired optimal level of performance while the organisation meets its goals (Warnish, Carrel, Elbert, & Hatfield, 2018; Alshalan, 2021). Staff members are the most important resource: without employees, today's commercial activities such as handling money, trading, communications via the media, and associating with consumers would not be possible (Akingbola, Rogers, & Balunch, 2019; Armstrong & Taylor, 2017). Humans are gifted with competencies and the potential to drive an organisation towards the attainment of its goals and survival in a competitive environment. Every day companies and institutions, whether in the private or public sector, are on a continuous change. The changing of companies and institutions affects both the organisation and employees. To capitalise on organisational innovation, human ability, in the form of people's skills, time, and competencies, must be nurtured and managed. HRM objectives seek to ensure that all employees and management meet the goals, vision and mission of the organisation (Batti, 2016; Gazzola and Amelio, 2021). WESTERN CAPE

According to Warnish et al. (2018), human resource personnel are responsible for managing and organising humans and capital within the organisation. Furthermore, they are accountable for recruiting staff into the company, assisting them to perform their duties, paying for their work, and problem-solving. HRM is a business state that processes and controls people to accomplish the objectives of the firm. It is a very important contributor to the success of the organisation, and it enables the firm to sustain its economic benefit in fierce global competition. To achieve a competitive edge, the organisation should adapt its structure to the environment in which it exists. The firm should also adapt its management process towards favourable growth. The purpose of HRM is to ensure that the business can gain a competitive advantage and increase its success through its staff members. Human Resources Management structures, policies and procedures are the drivers of an organisation to perform well and seize new opportunities (Deshkar, 2020). There are several HR functions that organisations can apply in their organisations to improve their administrative systems, namely recruitment and selection,

performance evaluations, training and development, compensation benefits, labour relations, health and safety, HR research, motivation, and planning and growth (Batti, 2017).

Although the significance of HRM in all scopes of employee engagement has been emphasised by several researchers such as Armstrong and Taylor (2017), Deshkar (2020) and Alshalan (2021), the reality of non-governmental /non-profit organisation HRM differs significantly from that of organisations in private, educational and public areas. Essentially, HRM was not a concern to most NGOs until recently (Akingbola et al., 2019; Gyambrah et al., 2017; Njeri, 2016). Thus, the current study focuses on evaluating HR practices in selected small nongovernmental organisations in Cape Town. Human Resource practices such as policies, motivation, succession planning, staffing and selection, training and developing employees, leadership and monitoring, and evaluation are explored in the research to show how NPOs use these practices in their respective organisations to achieve their mission and vision.

For this research, NGOs are viewed as organisations which are involved in welfare and socioeconomic development, responsible to their stakeholders, non-political, benefit the public, nonprofit/non-governmental (Sarker & Rahman, 2018). NGOs exist in different sizes and operate in different ways. They operate based on their origins, size, and source of funding. Most authors have differentiated NGOs based on their global excess access, their impact on society, the money they spend, the number of employees they have, and how long they have existed. Some see their different sizes based on branches, beneficiary numbers, success, and trustworthiness as a sign of public beneficiary in their areas of work, which are all different (Gyambrah et al., 2017; Word & Sowa, 2017). Although there are no universal ways of differentiating the sizes of NGOs, for this research, a small NGO has a narrow impact, has fewer than 15 employees, is not recognised internationally, and has existed for less than 20 years.

Nowadays, the majority of NGOs contest for donor funding, which is increasingly becoming scarce. Funders and sponsors are now demanding that NGOs be responsible with finances, and be transparent and show evidence of the benefit of the programme to the beneficiaries or community (Akingbola et al., 2019; Njeri, 2016). Emerging and small self-governing NGOs are finding it hard to compete with larger, accountable and more efficient NGOs that gain advantages on economies of scale in the industry, procedures, and funding services. The high increase of innovation, competition in the world has resulted in a change in the NGO industry. For NGOs to be successful they need to have motivated staff members who share the same vision and objectives of the organisation, which will determine the drive of the NGO's

effectiveness (Word & Sowa, 2017). However, in this saturated competitive NGO sector, the idea is not all about good intentions and concrete values. According to Bartram et al. (2017), NGO leaders and board members who do not change to new innovative ways of impacting the community in a more responsible, effective and efficient manner will run risks of bankruptcy and unimportance. Until now, NGOs are sceptical that too much attention to market dynamics and private and public sector techniques will destroy their value-based organisational culture.

However, based on the evidence above there is no longer any need to argue about the importance of the management of, and the need to manage, human resources in non-profit organisations in the current period of global changes (Kivoca, 2019). The management must be linked with the vision, mission and strategic direction of the organisation. Just like other organisations or systems, a non-profit organisation prepares its plans, strategises, takes decisions, hires employees, evaluates, motivates and controls them. A non-profit organisation is not driven by profit but by dedication to a given cause that is the target of all income beyond what it takes to run the organisation (Gazzola & Amelio, 2021). Thus, this study evaluated HRM in selected NGOs/NPOs in Cape Town and assessed how they are implemented in their organisations.

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#### 1.2 Statement of the problem N CAPE

Countless research articles and case studies have been conducted on the importance of HRM principles in organisations, but only a few of have focused on the importance of HRM principles in NGOs (Akingbola et al., 2019; Bhatti, 2017; Deshkar, 2020; Njeri, 2016). Most research studies about NGOs are mainly focused on strategic planning, the governing of NGOs, management, and the challenges NGOs are faced with, which is positively correlated with HRM (Gyambrah et al. 2017; Volmink & Van der Elst, 2017; Walk et al., 2019). As indicated by Gazzola and Amelio (2021), religious non-profit organisations in Italy are formed to produce goods or services while abiding by certain moral, intellectual, aesthetic or religious principles. Thus, organisational goals of non-profit are often best achieved by intrinsically motivated employees and by employees who identify very closely with the goals of the organisation. Keeping employees motivated and engaged is the key to every organisation's success, especially in the non-profit organisations sector. When people work at a non-profit organisation they are surrounded by people driven by a sense of mission and vision. It goes

beyond job satisfaction and it is not simply motivation. Engagement is something the employee has to offer as it cannot be required as part of the employment contract.

Thus, organisations can achieve a great impact if they use human resource management principles to obtain their desired objectives. There is a great bond between these two aspects, but the organisational structure cannot exist without HRM practices. Without the organisation, there is no HRM role. These two are interconnected and therefore cannot exist without each other. In simpler words, organisations can achieve their mission and vision with the help of those principles/ or practices that are formulated by the HRM (Akingbola, 2019; Gazzola and Amelio, 2021). The main aim of HRM is to help the organisation to accomplish its goals through the different policies applied. In response to this, NGOs are now obliged to comply with strategic HRM practices to survive in this ever-changing and competitive world for them to achieve their goals effectively and to attract more donors.

As asserted by Alshalan (2021), studies for NGOs to succeed need to be effective by measuring performance, promoting organisational performance, and assessing the progress of the organization. Stakeholders are now looking for more accountability and indicators of overall organisational performance which assist the mission and vision of the NGOs (Gazzola and Amelio, 2021). However, the current study evaluated HRM practices in selected NGOs in Cape Town, focusing on smaller NGOs. The research touches on issues of efficiency and effectiveness of applying HRM principles in NGOs/ NPOs. It also highlights how NGOs can be accountable and transparent to their donors when they apply HRM principles in their organisations.

# 1.3 Research aim and objectives

The aim of the study was to empirically evaluate HR practices in selected small NGOs in Cape Town. Furtherrmore, the objectives of the study were:

- 1. To investigate HR practices in selected small NGOs/NPOs in Cape Town.
- 2. To investigate the existing HR practices in NGOs and their contribution towards organisational performance.
- 3. To investigate who is responsible for handling HRM issues in the NGOs

- 4. To ascertain if NGOs encourage the development of HR practices?
- 5. To examine the employee performance evaluation methods being used by the NGOs?

#### 1.3.1 Main research question

To what extent do Non-Governmental Organisations employ HRM practices in their organisations?

### 1.3.2 Sub-research questions

- i. What are HR practices and how do they benefit an organisation?
- ii. What HRM practices have been employed in the NGO to increase organisational performance?
- iii. Who is responsible for handling HRM issues in the NGO?
- iv. Do NGOs encourage the development of HRM?
- v. What employee performance evaluation methods are employed by the NGO?

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# 1.4 Significance

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Organisations can achieve great impact if they use human resource management principles to achieve their desired objectives. There is a great bond between these two aspects, but the organisational structure cannot exist without HRM practices. HRM is meant to save organisation employees and its objectives. Without the organisation, there is no HRM role. These two are interconnected and therefore cannot exist without each other. In simpler words, organisations can achieve their mission and vision with the help of those principles/ or practices that are formulated by the HRM (Akingbola et al. 2019; Armstrong & Taylor, 2017; Volmink & Van der Elst, 2017). The main objective of Human Resources Management is to help the business to accomplish its goals through the different policies applied. In response to this, NGOs are now obliged to comply with strategic HRM practices to survive in this ever-changing and competitive world and, specifically, for them to achieve their goals effectively and to attract more donors. As asserted by Deshkar (2020) and Sarker and Rahman (2018), for NGOs to succeed, they need to be effective and this they ensure by measuring performance, promoting organisational performance, and assessing the progress of the organisation. Stakeholders are

now looking for more accountability and indicators of overall organisational performance, which assist the mission and vision of the NGOs (Njeri, 2016).

Since 1960, the number of NGOs has grown substantially as a result of innovation and competitive pressures. Currently, a lot of NGOs are contesting for scarce resources from funders and donors. Institutional and private donors and funders are requesting financial responsibility and more programme impact in the communities (Akingbola et al., 2019; Njeri, 2016; Volmink & Van der Elst, 2017). Therefore, this research was beneficial to the following groups:

#### 1.4.1 The management

The outcomes of this research are of potentially significant assistance to board members and leaders of selected NGOs. The findings and recommendations from this study allows them to be more competitive in their niche areas, with the implementation of selected HRM practices in their organisations. Furthermore, the management will become aware of what is essential for their NGOs to achieve their missions and visions.

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# 1.4.2 The public

The main priority of NGOs is serving society or the general public because they receive aid from donors or funders. Thus, the outcomes of the study highlight the impact of NGOs and how HRM practices help in obtaining organisational objectives.

## 1.4.3 Employees

The findings of this study will enable employees in the NGOs to gain insight into the importance of HRM practices and how these practices help them to be more competitive and to provide good service to the organisation. This helps them to achieve their organisational goals, strategies, missions, and visions.

#### 1.4.4 Donors

Through journal articles that will be published from this study, stakeholders and benefactors will know whether their resources are being exploited and whether the objectives of the organisations are being met.

# 1.5 Scope of the research

# 1.5.1 Delimitation

The research was conducted in Cape Town and its main focus was to evaluate NGOs' missions by looking at the strategic HRM practices these NGOs implemented. The research evaluated HRM practices and the functionality of NGOs to achieve their goals effectively, specifically how HRM practices can assist Non-Governmental Organisations to become more responsible to attract funders and how best they can improve their organisational performance. Three small NGOs will be interviewed and the information that was extracted was analysed using thematic analysis. The first NGO is a sport and education NGO located in one of the Cape Town universities. The second one is a social service NGO that caters for people facing social distress, family issues, domestic violence, and abuse in underprivileged communities in Cape Town. The third one deals with the education of the youth who come from underprivileged backgrounds and drug rehabilitation programmes.

## 1.5.2 Delineation

Human Resource Management, also often referred to as HRM or simply as HR, denotes the agenda of values, measures, and procedures for the administration of the relationship between owner and employee. HRM mainly emphasises the administration of the workers who are working within the organisation, and how to manage, and regulate policies (Walk et al., 2019). The main goal of HRM is to accomplish the objectives and goals of the business for the progression of the company and to maintain authorised and social surroundings within the organisations achieve their objectives effectively and efficiently.

Organisational culture represents the beliefs, values, ethics, and protocol of the organisation. These factors influence the working conditions of the working, for example, how they interact

with each other (Langer & LeRoux, 2017; Luthans, 2017; Schreuder & Coetzee, 2016). There is great responsibility in the management of HRM. As mentioned by many authors, HRM has the responsibility to formulate policies, organise new strategies, and implement existing policies and strategies. A popular cord in HRM works in the previous ages has aimed to accomplish great heights of flexibility in employees, motivation, and competency. HR procedures and practices are now located in more strategic planning and process of the organisation than the traditional approaches of employee management (Walk & Kennedy, 2017). More and more, adaptability is seen as a catalyst element to increase the functionality and effectiveness of a business, hence increasing the competitive edge of an organisation. A lot of businesses advantageously apply these HR principles to increase organisational effectiveness. Nonetheless, to convey a fruitful change, today's competition encourages excessive planning, intense communication, and employees buying into the change (Marchington et al. 2021).

# **1.6 Preliminary literature review**

#### 1.6.1 Introduction

HRM has been a subject of intense educational research from the beginning. There is a lot of literature that is associated with various definitions (Aktar & Pangil, 2017). The field of HRM has a more diverse position and emphasis not just on employees or employers, but also on the state and the other organisations influencing the occupation bond. This research study focused on the evaluation of HRM practices in selected NGOs in Cape Town and it sought to ascertain the degree to which the organisations use the HRM practices in their businesses to achieve their goals, to be efficient and effective, to measure performance, to be accountable, and to attract new donors.

The twenty-first century has brought changes in organisations that have adversely impacted the way organisations are managed. Organisations are now forced to be more competitive and to change their strategic plans to cope with the fast-moving pace of technology. A large number of competitors are emerging, which is creating pressures in most organisations (Armstrong & Taylor, 2017). This tremendous change has also affected NGOs over the years, as they have had to compete for scarce donors. However, most donors demand greater financial accountability and more solid evidence of the project and its success. With the amount of

competition there is for donors, small Non-Governmental Organisations are struggling to compete and match up with large NGOs because of the benefits of economies of scale in marketing, support service and strategies. Nonetheless, as indicated by many other authors (Hendricke, 2008; Njeri, 2016; Volmink & Van der Elst, 2017), HRM and planning have helped NGOs to be more accountable, effective, and to explore new opportunities.

#### 1.6.2 Funding and independence

NPOs need funding to execute programmes and maintain their organisations. Without funding, they cannot operate, and their visions and missions will not be achieved. Most of the time NGOs depend on governmental funding, and NGOs that depend on public funding risk themselves to be government subsidiaries by doing activities normally carried out by the government and multidimensional organisations (Deshkar, 2020). However, governmental policies are different from those of NGOs' mission, values and vision, which may result in conflict. Access to substantial governmental funding may tempt NGOs and programme receivers to be involved in programmes that do not exactly align with their missions, visions, values and strategies. Government grants may restrict specific countries, certain social groups, and certain programmes, all which may result in shift in an NGO's mission and vision (Acosta-Prado et al., 2020)

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Although governmental grants may be obtained easily, there are substantial implications for NGOs, such as neglecting or downsizing their usual foundations of private sponsors and traditional relationships with their constituencies. NGO supervision by the government may be a problematic situation for NGOs, as they may struggle to retain their missions and visions, which might cause excessive administration and auditing responsibilities for the NGOs (Kwando et al., 2018). According to Deshkar (2020), NGO managers and chairpersons who are not skilled or trained to analyse financial costs run the risk of losing funding for their key functions.

Finally, financial uncertainty affects planning for NGOs. Financial uncertainty forces NGOs to search for other funding resources and adapt what private industries do, for example downsizing. For instance, lack of financial resources forces many NGOs in South Africa and beyond to diversify income resources for survival (Akingbola et al., 2019; Njeri, 2016; Volmink & Van der Elst, 2017). The NGOs are reviewing their association with the

government and they are coming out with ways and means to be sustainable by accepting governmental contracts, making users pay a subscription fee and providing services private sectors in return for money. Volmink and Van der Elst assert that many NGOs have had to employ workers on short-term contract or seasonal contracts and others have turned to public beneficiaries organisations to be exempted from tax.

NGOs/NPOs need to incorporate HRM practices to help NGOs draft and formulate all the important elements which can convince donor funding on the required project proposal. In the research done by Njeri) 2016), NGOs that have a good strategic plan are mostly going to obtain donor funding because they have an outline of their visions and missions. Thus, the benefit of HRM is to achieve programme goals illustrated by the NGOs, which helps them to have a clear and overall understanding of what they want to achieve and how they will measure their success. Therefore, organisational development and long-term objectives most NGOs are not being met due to lack of funding.

# 1.6.3 Accountability

The concerns for the responsibility of NGOs have been raised in various dimensions over the years. According to the World Bank (2017), the rise and impact of NGOs are inviting greater community scrutiny, demanding that board members and leaders be more responsible. Most sponsors, states, and companies, including worldwide interventions, have questioned the impact, validity and reliability of NGOs. The issue of responsibility is taken as a bureaucratic problem and as a risk in achieving NGO missions and visions. The issue of who should be accountable keeps on popping up. Responsibility comes from the benefactors and not from the beneficiaries being assisted. As mentioned by Volmink and Van der Elst (2017), to increase an NGO's accountability, the implementation of Human Resource Management can help NGOs measure their success and employ the right people who will drive their missions and visions towards the public. It will also help them develop in areas where they lack, thus making sure that they deliver a good and effective service to the public.

# 1.6.4 Monitoring and evaluating the performance

Most Non-Governmental Organisations are struggling to come up with effective ways to demonstrate their programme validity and reliability (Walk et al., 2019). Volmink and Van der

Elst (2017) assert that NGOs are facing challenges to illustrate their monitoring and evaluation systems to check if their programmes are benefiting their beneficiaries. This has resulted in differences at different levels, diluting the goals and objectives of NGOs. This is however caused by lack of communication within the organisation, resulting in poor monitoring and evaluation systems (Keny & Nnamdi, 2019).

As for corporate firms, NGO systems lack bottom lines where feedback for the firm comes from profit, customer's feedback, returns on investments, or through citizens' judgment through communal conflict or votes. In a nutshell, customers and the people are the drivers of performance evaluation for corporate companies and the state, which is not the case with NGOs (Walk et al., 2019).

According to Walk et al. (2019), the trouble in gauging the change performance of Non-Governmental Organisations comes from the straightforward inconsistency among the expectations on which the benefit structure is established and the initial procedure of socioeconomic transformation. Social-economic transformation is generally dependent as diverse from the linear model the aid system presupposes. The increase in the number of NGOs has resulted in competition for donors, and the performance of NGOs has become an important factor to obtain more donor funding. According to Word and Sowa (2017), the use of Human Resourcesin NGOs will help them to measure their success and their impact on society. This is done by implementing certain structures and measuring tools that can help NGOs know if they are achieving their visions and missions.

#### 1.6.5 Leadership

The issue of leadership in NGOs is becoming a concern and it is associated with highly personalised leaders. The industry is saturated with untrustworthy lies around the unfavourable impact of authoritarian forefather leaders, "charming tyrants," or "the pundit syndrome" (Alfes & Langner, 2017). In essence, these leaders demonstrate drive, commitment, and an extraordinary capability to marshal individuals and resources. In contrast, these leaders are condemned for dictating organisations, being irresponsible, and failing to change and accept new innovative ways of running the organisations. As indicated by Smith and Grove (2017), NGO leaders have the capability to achieve more by using their mission, vision and guts, therefore the misuse of power and dominance can endanger the effectiveness of the

organisation. They continue to submit that these charming front-runners are "defenceless to compliance, admiration, obsequiousness, and appeasement" (Hurst et al., 2017). They are not easily contradicted or rectified. As a result, they actively choke fruitful initiatives that may threaten their existence, relations, or position of aid.

Due to the changing business nature in the twenty-first century, NGO leaders are now forced to change the way they think to catch up with the new ever-changing business environments to survive and be effective in achieving their goals. The use of HRM helps leaders to forecast for the future, aiding them in making good and sound business succession plans, and strategies that can help them to expand their markets as the NGOs sector. Thus, NGOs that have adopted the use of HRM have benefited greatly by achieving their mission and vision as they have structures or systems that measure and evaluate their projects. NGO managers must be conscious of new ways of making their organisations adapt and apply the new innovative ways of leadership (Keny & Nnamdi, 2019). Democracy and equality need to prevail in this sector to improve the effectiveness and impact of their organisations (Frey & Gallus, 2018).



### 1.6.6 Scaling up

A lot research has been done on NGOs to successfully increase their impact in the society somewhat than relating fractional efforts to large-scale problems of poverty. Word and Sowa (2017) define schemes for scaling up to encounter this request for more impressions. Roughly, Non-Governmental Organisations are satisfied to concentrate on a solo insignificant communal within which they operate, taking a 'minimal' attitude to their effort (Sarker & Rahman, 2018). Word and Sowa point out three categories of scaling up for Non-Governmental Organisations, namely additive (programme increase in coverage and size); multiplicative (increase leverage by convincing other development performers, by reaching out to people), and diffusive (conveying its tactics outside the group's instant domain of impact). The case study of Grameen Bank in Bangladesh was a success when it comes to the scaling-up process. Sarker and Rahman assert that Greameen Bank changed a lot of underprivileged individuals in the instant communal area, but relatively than developing any greater as a fulfilling organisation, it stimulated the reworking of its imaginative microcredit delivery model around the world. Therefore, for NGOs to scale up, they must have strategies, succession planning techniques, increase their policies, employ more people, maintain the same impact, and train and develop

employees, which are all elements of HRM that can help NGOs to be more effective in their growth or expansion.

#### 1.7 Research design

The research was conducted using a qualitative method. An exploratory case study design was adopted because it was considered appropriate for the research. The design was appropriate because employees and employers were interviewed to give a comprehensive appreciation of the study questions and objectives. In addition, provided the researcher with a thorough appreciation of the substance matter by giving important perceptions that the general community source would not provide (Willing & Station-Rogers, 2017). The interview questions were done in person, which allowed unrestricted questions to get significant information on the topic.

A qualitative data collection approach was used in gathering information from the research participants. The researcher elicited information from the study participants utilising structured interviews. For this purpose, there was manipulation of any procedure of the study and as a result the exploratory survey design suit the research process (Fine & Hancock, 2017).

Interviews were conducted face to face with the participants, involving the researcher taking notes of the responses of the interviewees and recording the discussion. The researcher drafted the questions established on the topic of evaluation of HRM practices in selected NGOs and the research objectives of the research. As indicated by O'Neil and Koekemoer (2016), qualitative researchers aim to discover, comprehend and define, and not to describe, quantify, enumerate, forecast or specify as quantitative studies do.

# 1.7.1 Research population, sample and sample size calculation

The research was mainly focused on the employee and employer segment of the national population. Male and female employees and employers from social welfare, sports, and education and rehabilitation industries within Cape Town in the Western Cape Province of the Republic of South Africa constituted the sample of the study. There were six participants in the

study. Of these, five were employees and one an employer. Two of the employees were male while three were female. The employer was female.

According to Hagaman and Wutich (2017), for qualitative research to be authentic, trustworthy and credible, a researcher must interview 5-35 participants for research to be acceptable. The researcher made sure that the data was not be over-saturated and that the participants selected added value to the research. Dworkin (2012) indicated that qualitative studies can have 5-50 participants for research to be considered relevant using open-ended questions. For this research, the investigator has selected six participants to compose facts of the research.

#### 1.7.2 Sampling technique

The researcher employed a non-probability sampling technique to gather information using the purposive and convenience sampling technique. Non-probability sampling is applied when it is almost difficult to control who the complete population is or when it is problematic to gain access to the whole population (du Plooy-Cilliers et al., 2014). According to O'Neil and Koekemoer (2016), non- probability sampling or verdict sampling is based on individual decisions. Under this method, the anticipated sum of sample components is nominated intentionally or knowingly, provisional on the topic of the inquiry, so that merely the essential items demonstrating the accurate character of the people are encompassed in the sample.

The researcher used the purposive sampling method, which involved picking participants from the populace to encompass a sample because they precisely met the agreed requirements or precise characteristics of concern that focus on the resolution of the study problem under examination (Delamont, 2016). The study participants were drawn from NGOs, no employees will be from the public sector, will be involved (O'Neil & Koekemoer, 2016). The researcher will visit the NGOs personally and meet with the participants to ensure that they are suitable for the study based on the purposive sampling principle.

In addition to the purposive sampling technique, the researcher also employed the convenience sampling technique to arrange for structured interviews with the research participants. The convenience sampling technique allowed the investigator and the research participants to meet at a convenient place and time without interfering with the participant's official work (Delamont, 2016). This technique was implemented because some of the participants already in contact with the researcher.

## 1.7.3 Research instruments

Structured interview questions constituted the instrument that was used in the study to gather information from the study participants. Eight structured questions were included in the interview instruments. Among the eight questions, two were designed with a YES and NO response format. There are the questions that were asked about functionality, development and effectiveness of HRM in the sample organisations. The other six questions were open-ended.

The questions of the interview were developed by looking at the main themes of the title and topic. In addition, other sources or work done on this topic were involved in the formulation of the interview questions to make sure that the questions were open-ended and could start a constructive discussion that is rich in information. The research objectives were also incorporated into the formulation of the questions.

The research questions were trustworthy and credible because some of the questions were used by various authors such as Akingbola et al. (2019), Njeri (2016), Deshkar (2020) and Batti (2017), who researched HRM in non-profit organisations. Furthermore, the researcher recorded the participants during the interviews and the data was transcribed for further analysis. In addition, to establish credibility the researcher shared the information, analyses, and inferences with the participants. This allowed contributors to explain what their intents were, and to do sso accurately, and deliver the extra evidence needed (Dworkin, 2012).

#### 1.7.4 Procedure of data collection

To collect data from participants the researcher obtained authorisation from the University of the Western Cape's Research Ethics Committee. The Ethical Clearance Certificate was issued to the researcher to allow the researcher to go to the field and obtain data from the participants. To collect the data the researcher emailed the information sheet to various NGOs in Cape Town, Western Cape, South Africa to obtain consent to interview employees and employers. The information sheet explained the topic of the research and it contained a summary of the research, the researcher's name, the supervisor's name and the name of the university.

Three NGOs were selected to participate because of size and number of employees. After the email was sent and the organisations agreed to be part of the research, the researcher visited

the organisations and spoke to the employees and employers asking them to participate in the study. The researcher selected six participants that had worked for a long time at the NGOs and who held director, manager, and other senior positions because of their knowledge, experience and understanding of the organisations.

Because of the subtle nature of the subject, the privacy of contributors were firmly guaranteed and supposed names were given to the participants during the investigation and in reporting. Participants' were referred to in numbers and NGO names were replaced with alphabetic letters. Interviews were conducted in a quiet room where participants were separated from other employees and their employers. An appointment was scheduled for each participant in such a way that it did not affect their work responsibilities and procedures. The researcher used a tape recorder during interviews and transcribed the data after the interviews.

The data collected in the study is only be obtainable to the investigator. Consent forms were signed by the participants. Details on participants' gender, position and the time they had worked at an NGO are attached in the appendices. The researcher made sure that the following factors were done to protect the participants:

- The investigator made sure that he has the suitable training and preparation for doing the research; **UNIVERSITY** of the
- The researcher made sure that the constitutional rights and well-being of the participants were protected;
- The researcher safeguarded the personalities and securities of those participating.
- The researcher assure the participants of the privacy of the material given to the researcher.
- The investigator conducted the study following the ethics and professional procedures as per reaseach rules and regulations.

# 1.7.5 Data analysis

A thematic analysis was employed to evaluate the data collected. To test the stated research objectives, the data collected was, first of all, transcribed and written down. The researcher identified common themes that were highlighted by other authors in the literature review and from the participants' answers (du Plooy-Cilliers et al., 2014). The data was analysed

thoroughly by the researcher, and common words, phrases, patterns and sentences emerging from the data were then grouped into themes.

# **1.8 Definition of terms and concepts**

# 1.8.1 Strategic Human Resource Management

HRM is a collaborative connection or link between vision, mission, values, objectives, strategy, business plans and the people of the organisation. Strategic visions of organisations are mainly influenced by top-level management. The human resource adds to the achievement of strategic benefits for the business because of the interaction that is attained during the organization's events (Armstrong & Taylor, 2017).

# 1.8.2 Non-Governmental Organizations

These are organisations that are not involved in political or governmental issues, not-for-profit, are responsible to their shareholders, and focus on wellbeing and social and economic developments (Batti, 2017).

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## 1.8.3 HR policies

According to Armstrong and Taylor (2017), Human Resource guidelines are ongoing procedures on how individuals ought to be assessed in the business. These policies describe the values, beliefs and purpose of the business and how individuals must work together, which results in ethics to be observed by leaders in dealing with human resource issues.

#### 1.8.4 Recruitment and selection

Recruitment is a process that emphasises attracting a great number of applicants that possess the essential know-how, information, talents, capabilities including preferred individualities (KSAO-'s) or proficiencies that are required by the job (Warnich et al., 2018). Selection can be defined as the fittingness of applicants by forecasting the degree to which the applicant will successfully do the job. It includes accepting the personality of the applicant, their talents, educational background, experience in the related field and their training. (Armstrong & Taylor, 2017).

#### 1.8.5 Training & development

Training involves learning new things and activating a change in the person's skills and ability to do the job well. It is a deliberate process that helps to modify and alter the attitude of the person by improving knowledge to be an effective and reliable performer. Then, development is a process through which leaders and managers gain the required attitude, abilities and competencies to be successful leaders in their businesses (Budhwar et al., 2019).

#### 1.8.6 Motivation

There is no universal definition of motivation since people are motivated differently. Therefore, motivation can be classified at a minimum level, doing the bare minimum, a required bar standard, which is doing what is needed, and at an extreme level, doing more than what is expected. It can also be intrinsic or extrinsic (Warnich et al., 2018).

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#### 1.8.7 Employment contracts

Contracts bind the employer and the employee. They define the required behaviour, standards and actions each party is obliged to follow during the period of employment agreement. The include the duties the employees are expected to do and what is expected of the employer (Armstrong & Taylor, 2017).

## 1.8.8 Conflict and resolution

Conflict can be referred to as a physical battle or struggle between employees and employers, between unions and employers or between employers and employees. It can be seen as a disagreement between the different parties mentioned above. Most people negatively view conflict but it can be a result of positive change in the working environment and society. It normally arises when the objectives of the organisation and the people are not the same or when the other party is not meeting their agreement as stated in the employment contract (Baluch et

al., 2017; Brimhall, 2019). Resolution can be defined as a process where two parties come to neutral terms by following the right procedures, which include conciliation and mediation.

# 1.8.9 Vision

Vision represents the goal of the organisation. A vision describes, excitingly and passionately, the direction the company wants to take (Heery & Mike, 2017).

# 1.8.10 Mission

It is the organisational direction or plan by which goals and objectives ought to be achieved. It guides the employees and employers on where they are going, how they will get there and what they need to do to achieve their goals (Marchington et al., 2021).



# 1.9. Conclusion

In conclusion, this chapter provided a summary of the significance of HRM functions, the purposes and goals of the investigation, the research questions, and the scope and importance of the study. It provided a short-lived awareness into the investigation by looking at the research instrument, the thematic analysis, the area of study and how the study can be beneficial to different stakeholders. The goals of the research were defined, including the identification of HRM principles that can be applied to NGOs/NPOs. The rest of this research report arranged in the following way:

- i. Chapter Two Review of the literature
- ii. Chapter Three Research plan and design
- iii. Chapter Four Data analysis and results
- iv. Chapter Five Discussion of findings, recommendations, and conclusion.

# **Chapter Two**

# Theoretical background of the study and review of literature

# 2.1. Introduction

This chapter discusses the underpinning theoretical framework of the research. The open system model was implemented for this research to comprehend how NGOs function in our environment and how their mission and vision impact society. The chapter also reports the conceptual explanation and philosophical assumptions concerning the variables involved. Some of the variables are leadership, governance, training, recruitment and compensation, and these are discoursed in this chapter. The chapter further reports the findings of related investigations previously done in countries such as Canada, Ghana, Italy, Bangladesh, Morroco and Kenya. Lastly, the chapter provides a logical insight into the gaps identified in the reviewed literature.

# 2.2 Theoretical framework

# 2.2.1 Open Systems Model.RN CAPE

A business is a combination of different people working towards a mutual vision, goal or objectives through producing various outcomes. The organisation uses different people's abilities, skills, talents and competencies within the business to obtain a common aim. The organisation uses people's gifts in a society or group to achieve more as compared to working individually (Cumming, Worley & Donovan, 2019). Corporates are established to deliver services and goods to customers or clients in a way that they recognise profit after transactions. NGOs are formed to deliver goods and services to their beneficiaries or the public in such a manner that they accomplish their objectives and goals, which are not for profit.

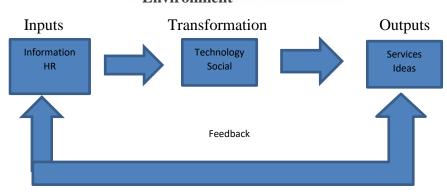
According to Akingbola et al. (2019), for many years, organisational experts, economists, and educational studies have published numerous philosophies that try to enlighten the underlying forces of business and NGOs, as well as how they create assumptions, allocate authority and govern conflict resolution, and encourage or fight new organisational consciousness. As indicated by Cummings et al. (2019), the term "open systems model" highlights the new

consciousness of organisations and how unique they are in their operative environment. It indicates the way organisations must accommodate different problems and opportunities in their field or industry.

Other authors define an open system model as a scheme that frequently relates responses with the outside atmosphere. The schemes are associated with responses, procedures, productions, objectives, valuation, appraisal, and education (Cummings et al). Features that are very significant to open systems are margins, outside environment and equifinality. Effective open system models endlessly interchange responses with their surroundings, analyse those responses, adjust inside structures as desired to accomplish the system's objectives, and then communicate the necessary evidence back to its outside environment.

As indicated by Cummings et al. systems are seen as specific wholes created by parts or subsystems elements; the systems serve to assimilate the whole parties into a synchronising purposeful unit. For illustration, businesses are created by departments like HR, marketing and logistics. The business will strive to synchronise these divisions to work together to achieve goals and strategies. The diagram below shows how the open system theory is integrated.

# Figure 2.1: The organisation as an open system



Cummings et al. (2019)

According to Cummings and Worley (2013), the open system is created from environment, information, innovation and change, services, boundaries, feedback, equifinality, and alignment, and these are discussed below.

#### 2.2.2 Environment

Business surroundings are the main contributors to the open systems model and they can affect the organisation outcomes and performance directly or indirectly. Businesses and individuals in the open systems model interchange resources and information within the atmosphere in which they operate (Cumming & Worley, 2013). Organisations entirely regulate their behaviour and they are subject in part to outside forces. For instance, organisations, including NGOs, are influenced by environmental circumstances such as the accessibility of labour and human capital, raw materials, funding, beneficiaries, competition, and governmental procedures. Thus, knowing how these outside forces affect the business can assist in explaining some of its inside behaviour, which may include accountability, performance, motivation, and recruitment of employees (Akingbola et al., 2019).

## 2.2.3 Inputs, transformations, and outputs

Any business structure is created by three elements, namely transformations, outputs and inputs. HR resources of any sort result in input, data, drive, supplies and ideas being injected into the system. These inputs are gained from outside the organisational environment, which in an NGO context could be beneficiaries, donors or funders (Brunt & Akingbola, 2019).

Once the inputs are inside the organisation they begin to be transformed and processed into outputs. In businesses, transformations are composed of technology, production, operations and social welfare (Cumming & Worley, 2013). Individuals and their work interactions can be classified as social welfare, whereas systems, apparatuses, approaches of service delivery and production are technological. Businesses have adopted a functional system of converting input resources into services and goods (Cumming et al., 2019). For instance, banks convert payments into advance credits and interest salaries. Schools and universities attempt to convert learners into more accomplished and knowledgeable people. NGOs attempt to transform their beneficiaries to be better in their health, education, and sports, to mention a few, depending on an NGO's niche.

Once inputs are transformed they produce outputs. These are the results that are sent into the environment. The input that has been converted will leave the system as output. For example, insurance companies in health collect medical aid, sick and healthy people, and medical payments, and they convert them through doctors and nurses' appointments and record-

keeping, and transfer clients and expenses to clinics, nurses and doctors. NGOs receive donor funding from the government, companies, and individuals to assist their target market, then transform them through selected employees such as counsellors, teachers, coaches, and social workers, to name a few, who then develop the lifestyle of the beneficiaries and the environment they will be working in.

### 2.2.4 Boundaries

Boundaries assist to differentiate between environments and systems. Systems that are closed normally have inflexible and thick boundaries, whereas open systems tend to have more flexible and penetrable boundaries (Cumming et al., 2019). Systems that have border limits have been seen as natural and automatic systems. Hence, systems are considered to either close or open, and the penetration of the borders differs from flexible to inflexible. According to the literature, it can be argued that NGOs have closed systems as oppossed to open systems.



## 2.2.5 Feedback

Figure 2.1 above showed that feedback is data collected from the system which indicates the performance and outcome of the process. The data and evidence used to predict the future of the system is regarded as feedback. Feedback plays a big role in helping the system to be stable or to prepare the organisation for changes or innovations (Cumming & Worley, 2013). For example, a vendor in the industry may inform the managers that sales are going down and this may result in management coming up with different ways to increase the sales. NGOs might have a problem with accountability, poor performance, and lack of monitoring and evaluation systems of the organisation function to its optimal efficiency.

# 2.2.6 Equifinality

This term equifinality indicates that outcomes are achieved in various circumstances and various ways. For instance, a director can apply various inputs in the business and can convert them in different ways to achieve acceptable outputs (Cumming et al., 2019). Therefore, the purpose of the leaders is to seek various ways and solutions to create different acceptable

choices. According to the philosophy, there is no universal way to run organisations but management must find various options to use to make their organisations functional.

#### 2.2.7 Alignment

According to Cumming et al. (2019), for a system to function at its optimal there has to be alignment with all the subsystems. The alignment is composed of the interaction between inputs, transformation, outputs and the subsystems of the converting process. Therefore, NGOs have to make sure that their environment, strategies, goals, inputs, transformation systems, and output are aligned to achieve their intended mission and vision.

For accountability and transparency to be achieved, NGOs have to create a system that helps them evaluate their organisational effectiveness. Feedback must be taken seriously and used to develop and adapt to changes in the environment to be more effective and efficient (Akingbola et al., 2019). Leaders of the NGOs need to apply HRM principles to promote the change by recruiting the right employees, managing the employees as they are the drivers of change in organisations, which will result in better services. Creating a healthy system or open system, as illustrated by Cummings and Worley (2013), will help NGOs to be aware of their environment and how well they are doing by identifying their strengths and weaknesses.

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#### 2.3. Conceptual literature

#### 2.3.1 Governance of NGOs/ NPOs

The functioning and development of an organisation depend on the people. Today, managing human resources effectively is more important than ever. To manage HR effectively, one has to understand most of the HR practices, policies and procedures that build up to HRM systems, including the synchronisation of the whole system (Aktar & Pangil, 2017; Brimhall, 2019). People are not easy to manage, and it requires all the HR professionals, line managers, and other employees to work together. NGO workers who are referred to as professionals, and permanent employees have an important task in the organisation as they are required to accomplish a challenging task (Brunt & Akingbola, 2019). These employees are usually evaluated by the president/ chairperson/ and the chief executive who are concerned with employing competitive people to ensure organisational effectiveness.

The Lump Sum Grant (LSG) Manual (2017) is a manual that was written by various professionals to help NGOs and NPOs to manage their administration and management. The manual covers issues such as HR, governing, donor funding and financial issues. It is a very important manual for starting NGOs and existing NGOs who are struggling with the above problems. According to the LSG Manual (2017), members and leaders of Non-Governmental Organisations are accountable for the running of the organisation. These members are directed and bonded to take the responsibility of running the day to day operations of the organisation. Subjected to their individual specified guidelines, principles and procedures, they are accountable for the achievement and performance of the organisation. According to the LSG Manual (2017), NGO leaders, founders and management are bound to:

- Determine programme impact that supports the ever-changing needs of their society;
- Set objectives, mission and vision for the NGO;
- Establish a community network and support system;
- Make sure funding money is used well and is directed to its purpose and the monitoring and evaluation system meets its target as per Funding and Service Agreements (FSA);
- Be accountable for making sure that financial issues, budgets, planning of the programs and the HR component is taken care of;
- Revisit and change the organisational structure of the NGO;
- Change and transform service deliveries and manpower redeployment;
- Keep up with revised and updated salaries and remuneration surveys;
- Train employees, develop and motivate them, and
- Establish policies that govern the NGO.

Governance in NGOs is becoming a concern in today's world. The effectiveness and liability of organisations apply to both private and public industries. Due to the rise of the high demand of donors and funders in the public sector, most donors have recognised governance as a contributing factor towards the performance of the NGOs. Baluch et al. (2017) assert that governance has become a significant element in the development process of most organisations. The term governance is associated with different connotations and various authors define the concept differently. According to Marias (2018), " the term governance relates to control of processes which include both the private and public industries, principals and procedures that regulate the private and public organisations, it also involves responsibility,

performance and economies of scale, and rules and laws in companies, collaborations and businesses."

Marias (2018) and Irene (2019) refer to governance as an affiliation among shareholders in an organisation and the engagements arrived at to make the necessary conclusions. It includes the engagements of structures between the stakeholders and the community, beneficiaries and the government. The most popular definition of governance is explained by the World Bank and the United Nations where governance is defined as "how authority is applied when ruling or making decisions on socio-economic development of the country".

According to Brimhall (2019), the Department of Social Development (2018) and Smith and Grove (2017), governance leadership is an important factor and it is constantly reinforced by the World Bank and the United Nations. Furthermore, governance emphasises equal distribution of power for community supervision of public and non-state organisations. Lastly, the concept of governance is practical to all human organisations, such as military, social, economic or NPOs.

From the definitions above, it becomes obvious that the concept of governance is associated with guiding and directing. These elements are associated with the planning and organising of an organisation, which is linked with human resources practices. Furthermore, governance has been associated with leadership, which also correlates with HRM; therefore, sound governance is related to participation, transparency, good communication, effectiveness, and efficiency as eluded to by Akingbola et al. (2019).

According to Alshalan (2021), due to the small size and scope of the organisation, many NGOs do not have a human resources (HR) unit or a human resource manager. Therefore, this affects human resources capacity. The Alshalan report highlights the following challenges faced by NGOs:

- Financial Management: NGOs use less likely good wage systems, an incentive to motivate workers and promotion;
- Hiring the best employees;
- Maintaining employee productivity;
- ➢ Fostering an environment of continuity, and

Managing diversity: diversity of experiences, ideas, and perspectives and diversity of cultures.

Furthermore, the report indicated that HRM in NGOs is not different from HR in other firms as described by Gazzola and Amelio (2021) and Kivoc (2019, but the problems that HR managers face within the NGO industry are different from those of profit organisations. As illustrated by the report there are three different dimensions of the importance of HRM in NGOs. To begin with, the personnel services is out of the context of taking the employees for physical capital. The employees of profit organisations are usually considered as physical capital, whereas NGOs see them as the most important values of the organisation and consider them the backbone of the organisation. In addition, the employees of NGOs are affected by intrinsic values and they are motivated by these values. The mission of organisations, the democratic nature of the organisational culture, and the significance to individuals can be counted as intrinsic values. Furthermore, employees are the most critical stakeholders regarding the strategic plans of NGOs. As it can be inferred from these three dimensions, the human factor underlines the sustainability of NGOs. For this reason, human resources management is considered the primary element in such organisations. As part of that, HRM for NGOs ensures a sustainable growth. It is the essential strength upon which employees' strategies, processes and operations are based.

According to Kicova (2019), there is no longer any need to argue about the importance of management and the need to manage human resources in NPOs in the current period of global changes. The management must be connected with the mission, vision and strategic direction. It can be stated that NPOs are currently addressing the necessity of financing their activities and human issues. Nowadays, people are one of the most important sources of success for a company and play a significant role in achieving its targets. The correct setting of the strategy of managing human resources, motivating and communication are the basis for effective utilisation of human capital and achieving organisational goals.

# 2.3.2 Good governance

The word governance, whether poor or good, has been applied and used in pubic literature and it is growing regularly. Organisations with bad governance have resulted in poor development of most organisations, including NGOs and other public institutions. Therefore, for donors and financial companies to fund NGOs they are now evaluating NGOs based on their governance, which can be good or bad (Shava & Thakhathi, 2016; Marias, 2018). According to Marias (2018) and Jaskyte (2018), good governance has several major characteristics, namely effectiveness and efficiency, accountability, predictability, transparency, consensus orientation, and participation.

### 2.3.2.1 Effectiveness and efficiency

For an organisation to have good governance it requires producing results that correspond with the needs of the community or society without exploiting available resources (Langer & LeRoux, 2017). Efficiency, in terms of good governance, is associated with sustainability, which relates to useful resources which are natural and as well as safeguarding the surroundings.

## 2.3.2.2 Accountability

This is critical for an organisation to be recognised as exercising transparent governance. It applies to all industries, be they public, private, educational, or governmental, and they affect the society as a whole. Companies should be responsible for their communities and their service providers (Volmink & Van der Elst, 2017). Thus, companies should be responsible to everyone affected by their decisions and actions. For responsibility to be imposed, there must be clear rules and regulations to follow (European Commission, 2018).

#### 2.3.2.3 Predictability

Predictability speaks of having current and working guidelines, rules, dogmas, and standards that control the community in an equal dependable manner (World Bank, 2017). Short of predictability, organisations and people will not be living in harmony and peace. The constitution is composed of rules, laws and duties that are well defined, which are made of processes to enforce it and resolve conflicts. This can be incorporated into public, private and NGO organisations, as organisations need to have policies and regulations that govern how the organisations function (Marias, 2018). Predictability is also used in the application of HR

practices as organisations need to be more predictable, in their vision and mission, to the public, staff and donors.

#### 2.3.2.4 Transparency

The term means judgments or choices are being implemented in a way that allows following the right path and channels using laws, regulations and the constitution. Transparency supports and reinforces predictability (European Commission, 2018). It also involves information being openly available for people to easily access in social media or any other form (Irene, 2019). Transparency involves open communication between the public and the state. Applied in an HR context, it involves an open and honest relationship between the staff and the employees.

# 2.3.2.5 Consensus oriented

The society is made up of different people from various backgrounds, nations, ethnic groups and races. For good governance to prevail, there must be freedom of consensus to all individuals to come up with the best decision that benefits the society as a whole. It involves people thinking about what elements or activities are required for development and finding ways to obtain the objectives for that development (Jaskyte, 2018).

## 2.3.2.6 Participation

Humans are drivers of development. They do this by forming congregations, organisations, unions, movements, NPOs, political movements, schools and as persons who have the right to vote and write newsletters to the broadcasters or journalists. Therefore, people must be granted admission to democracy, which drives human development (The World Bank, 2017; Marias, 2018; Irene, 2019).

### 2.3.9 Corporate governance

The term was introduced in the 1990s and it is widely used around the world in finance and business discussions. According to Hendrickse (2008), the term corporate governance is associated with various explanations and it is used in various industries with a range of

meanings. As indicated by Maria (2018), the analysis of corporate governance looks at striking a balance between societal and economic objectives and people and social objectives. Irene (2019) describes corporate governance as a scheme in which businesses and organisations are engaged and measured. Furthermore, Shava and Thakhathi (2016) describe corporate governance as a process that involves power, leadership, procedures and policies, making decisions in businesses. The main components of corporate governance include responsibility, management, strategies and plans of the business concerns.

In a fast-paced environment that is ever-changing, competitive and rapid, bad governance is considered by financial removals on the part of donors (Marias, 2018), queries from the state and stakeholders on responsibility, reliability, honesty, programme impact, validity and general trustworthiness of the organisation. The emergence of good governance is not a result of the need to improve professionalism but to assist in making NGOs' activities valid, making a difference, impactful, changing lives to all necessary stakeholders such as funders, sponsors, community and the state. According to Irene (2019), the trustworthiness of the NGO legitimacy can be enhanced by applying the ethics, values and morals of good corporate governance.

As indicated by Jaskyte (2018), the framework of good corporate governance for NGOs is to guide the strategic plan of the NGO, to monitor and evaluate the organisation by the leaders or board members. It also includes creating a responsible or accountable relationship with funders, donors, beneficiaries, clients and society.

Each NGO is different, the preparations and principles it applies to create good corporate governance are usually subjective to the nature of the operation. Regardless of the differences and operations of NGOs, an NGO's records, like rules and regulations, policies, procedures, the constitution can create a foundation to apply good governance by incorporating the required law below:

- Naming the bodies and the people responsible for it;
- Identifying the chief leading bodies, and their interaction with other organisational units;
- Role descriptions and leading authorities ;
- Requirements and responsibilities for board members and keeping confidentiality and loyal to the NGO;
- Appointing the exact number of competent board members;
- Guidelines for each member (together with worthiness, postponement, and dismissal);

- Define the length of appointment (the years, re-election policy);
- Allowed and required meetings for the board in a year;
- Meeting style and processes;
- Policies when making decisions (minimum number required, defining how the voting system works), and
- Providing conflict of interest solutions.

According to the Republic of South Africa's perspective, as indicated by the Department of Social Development Directorate Non-profit Organisations (2017), the NGO body must:

- Ensure effective organisational planning;
- Identify and appoint a Managing Director or Executive Director;
- Ensure that an effective NGO has adequate means;
- Manage the organisation's resources effectively;
- Outline the mission and purpose of the organisation;
- Back the appointed MD and evaluate their progress;
- Monitor and outline the organisation's service programmes;
- Improve the public outlook of the organisation;
- Assist in court for appeal, and
- Evaluate its performance. UNIVERSITY of the

Good governance has been applied in most NGOs and NPOs in South Africa. When appointing board members, they thoroughly evaluate them to create a sustainable corporate governance system. For instance, accountability and transparency in the private sector and corporate industries is now a mandate; NPOs must ensure that their board members are competent in the following areas: reviewing, accounting, monitoring, evaluation, monetary governance and working with a variety of resources (International Centre of Not-for-Profit Law, 2016a).

#### 2.3.10 Leadership accountability

The term leadership describes organisational strategic planning and management driven by the committee and board members in conjunction with the CEO of the business. It is a phase or procedure of implementing the direction and persuading people to follow a certain path. The body decides or strategises (plans) the direction that organisations must follow, and the day to day functioning of the business and its programmes. For an organisation to have good leadership, leaders must outline the mission and vision of the business and establish processes

and procedures to achieve the set objectives. NGOs, for example, can decide to venture into autocratic, democratic, participatory, or *liaise fair*. To be a successful leader one needs to have a good vision and should be dedicated to carrying out the responsibilities of the NGOs. According to Alfes and Langner (2017) and Smith and Grove (2017), to ensure institutional sustainability, power in the organisation and governance must not rest on one person.

NGOs are now paying more attention to accountability in their organisations. Recipients of NGO services are becoming aware of the results and outcomes that NGOs must offer. Donors and grant providers are being more informed about accountability (Brimhall, 2019). This awareness has pushed NGO management to implement procedures, guidelines, and regulations for services in such a way that donors and beneficiaries can understand. This has resulted in good monitoring and evaluation systems for the organisations (Jaskyte, 2018).

For an organisation to be successful there has to be accountability and those that fail to demonstrate accountability. In conjunction with the managing director or CEO, board members have the final say to orchestrate and drive accountability (Smith & Grove, 2017; Shier et al., 2019; Jaskyte, 2018).

Furthermore, accountability can be defined as a relationship between two parties when a duty is delegated from one person to the other. The feedback can be explicit or implicit. Accountability comes from using the resources in the right way and not exploiting the resources at hand. It requires pursuing the vision and mission of the organisation to benefit the public. According to Frey and Gallus (2018), for NGOs to be accountable they have to open their financial accounts and registers to the community and allow all the donors, grant providers and shareholders to see. Marias (2018) indicates that good leadership is a result of good cooperative governance. Without responsibility and transparency managers and board members will not be trusted as it results in organisational failure and death of the nation's economy.

Self-centred power in an organisation can cause problems, resulting in stifling the NGO's vision and mission. For example, the Director or the founder of the NGO can be one person and most of the organisational choices are done by one person. In the absence of that person, the operation of the NGO will slow down or stop (Jaskyte, 2018; Shier et al., 2019; Smith & Grove, 2017). To ensure accountability leadership, the director, CEO, or founder must take accountability for directing the organisational procedures and actions and suggest to the management to:

- Know the organisational external and internal activities;
- Ensure the board is aware of the rules and regulations, employee policies and constitutional rights for employers, workers, interns and helpers;
- Determine and manage programme services, administration and the day to day operations of the organisation;
- Stand firm and follow organisational policies and procedures;
- Establish effective internal communication systems;
- Formulate yearly budgets in conjunction with the employees, the accountant, treasurer and finance representatives;
- Recruit, select, promote and lay off employees;
- Establish effective ways of evaluating performance for staff members, measuring their competencies, job evaluations and development needs;
- Promote interns and volunteers to be part of the organisation;
- Keep all documents, records, files and data profiles updated and up to date;
- Stand for the organisation and others, in public and in the media;
- Keep all minutes for meetings, agendas employee documents, registers and all related important issues to both internal and external stakeholders, and
- Ensure confidentiality is maintained at all costs.

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#### 2.3.11 Transparency

Transparency is a process through which the public can do a thorough analysis of the organisation's activities, its financial records, economic and all social aspects concerning the business. It is an indication of how management is good at maintaining and keeping financial data, records and being able to release them to the public and media. It indicates whether funders or donors attain an overview image of the organisational's internal affairs (Marias, 2018).

All over the world, NGOs perform a very important role in human development and in the public sector, which are very vital for human growth. Inversely, proof is available that NGOs have misused finances and have been involved in criminal offences and other kinds of crimes (European Commission, 2017a). However, to defend donor integrity and confidence, NGOs have to be transparent and accountable to the state, companies, academic institutes and other organisations (European Commission, 2018b).

Unlike other businesses and organisations, NGOs do not have the right, defined clear backgrounds to be accountable for their operations. NGOs are tested to apply and implement the principles and procedures of transparency that they campaign for to others (Irene, 2019). Several NGOs willingly publish their records, data and performance to the public. Board members and senior management are rarely asked to account by donors, grant providers, recipients or other outside stakeholders except when fraud has been identified or dictated (Shava & Thakhathi, 2016). For example, Ukrainian NGOs are obliged to be accountable and transparent to their stakeholders and systems and procedures must be put in place to promote activities that promote transparency. These activities could range from internal monitoring and evaluation to reporting systems and management of resources.

In the Republic of South Africa, NPOs are encouraged to adhere to the Codes of Good Practice for South African NPOs, which evaluate the leadership, management, governance, transparency and accountability standards (Department of Social Development, 2016; Liao and Huang, 2016; Marias, 2018; International Centre of Not-for-Profit Law, 2016b) by:

- Defining the purpose and mission of the organisation and its agenda;
- Selecting trusted and competent board members, staff and human resources who drive the organisational vision;
- Establishing and implementing a strategic plan that operates and governs the organisation's performance and supports the monitoring and evaluation of the programme and the people. External shareholders and beneficiaries must be allowed to contribute to creating programmes and giving feedback;
- Applying rules and regulations to monitor the use of resources and to make sure they are used accordingly;
- Implementing excellent financial systems and procedures to handle monetary issues and resources, and
- Allowing the public to question and ask about the organisational progress and information.

# 2.4. Empirical literature

# 2.4.1 Human Resources in NGOs

The idea of NGO/NPOs became popular in 1945 as a result of the setting up of the United Nations Organizations (UNO), which recognised the need for organisations that are classified

as neither governmental nor profit organisations (European Commission, 2018). The set-up of NGOs initiated a way for the public to work together voluntarily in supporting communal beliefs and public objectives relevant to the growth of the society (Gyambrah et al., 2017). They endorse local creativity and solve problems in various communities through, sports, education, health, safety, art, music, and literature. Furthermore, they play a big role in creating employment, developing the economy, in skills development, reducing poverty, and in human rights and peace programmes.

According to Akingbola et al. (2019), NGOs function in various subdivisions and districts, and they give their services to society, the disadvantaged and the public in general. They are different in their mission, goals, philosophies, financial capabilities, management, resources, policies, and size (Brunt & Akingbola, 2019; Gyambrah et al., 2017). Contemporary organisations are now realising the importance of HR, as the main driver to achieve their goals, and to remain competitive in the industry. Despite the growing of HRM practices in the world many NGOs have not yet applied the principles of HRM in their organisations (Batti, 2017).

NPOs / NGOs are independent organisations but they are not affiliated to the state, they are charitable, not-for-profit and helpful, which encourage development-oriented activities for disadvantaged people in the community (Walk, Zhang, & Littlepage, 2019). As organisations, NPOs / NGOs rely on the HR competencies, skills and knowledge for their objectives, mission, and goals. Therefore, there is need for NGOs to develop and apply HR principles to enhance the wellbeing, competencies, and motivation of their employees (Akingbola et al., 2019; Batti 2017; Gyambrah et al., 2017). Since NGOs are not for profit, for NGOs to work towards their objectives, it is important to employ human resource practices to manage the employees who are drivers of these goals or missions assigned by NGOs. Heery and Mike (2017), Deshkar (2020) and Warnish et al. (2018) research asserts that HR is associated with education, training, recruitment, selection, performance management, and the motivation of the employees. HR practices are appropriate as they help in improving the creation and employment of the workers (Gyambrah et al).

Gyambrah et al. (2017) assert that the role of organisations is to create an environment where people are productive, competent and confident to do their job. This results in the success or failure of NGOs since success depends on the organisation's capability to recruit, attract talent and keep driven employees. Gyambrah et al. (2017) study in Ghana's Health Departments

found that Human Resource Development Practices of NGOs in Ghana's Health Sector mostly depend on voluntary workers to drive programmes and objectives. These volunteers contribute to the success of the NGOs, and without proper human resource standards and policies, the organisation might experience failure since it does not have control over the volunteers.

Based on the study, it was found that some of the employees who do day-to-day operations of the NGO are not competent and trained to do what they do (Gyambrah et al., 2017). Gyambrah et al (2017) suggest that the shortage of competent and skilled workers affects NGOs' daily operations, which will affect their goals, implementing strategies, monitoring and evaluating programmes. However, Bartram et al. (2017) discovered that most employees who work for NGOs are usually volunteers. Some employees are paid lower salaries as compared to the private sector or the market value in some industries. This is supported by Walk et al. (2019) who submit that experienced, competent and skilled volunteers do not help NGOs to their best ability because of the limited time and resources they have.

According to Batti (2017), NGOs that are successful value the importance of humans as they are the drivers of programmes and the mission of the organisation. These organisations focus on satisfying their employees, developing them, training them and investing their time in making sure they are highly motivated to do their work. This will keep them motivated, which will result in the success of the NGO. Most NGOs rarely believe in the importance of HRM and its impact on their organisation as it results in good working environments that are positive and well structured. However, that is why most NGO leaders and management invest in these principles to build an organisation that is united and driven by one goal (Batti).

In addition to the above, it is recorded that there is a high employee turnover in NGOs due to lack of quality training, which contributes to the organisation's inability to raise funds. Baluch (2017) claims that indigenous fundraising obliges employees possessing the skill and enthusiasm to do it. Due to lack of HR Specialists in NGO set ups it is challenging for non-profits to formulate stretegies they help them to obtain funding due to lack of skills. However, lack of HR specialists and training have a bigger influence in helping the NGO to retain and attract top-quality workers. Seeing how important HR principles are in any sector, industry or business, it is evident that the significant elements of NGOs are volunteers and employees (Saksida et al., 2016). Without HRM practices, an NGO cannot achieve its mission. The work of NGOs is associated with working towards a common goal, and it can result in employees working for long hours, travelling a lot, researching, and with average or low salaries. This has

resulted in NGOs struggling to recruit, retain, and attract best performing employees to drive their vision and mission (Batti, 2017; Deshkar, 2020).

According to Gyambrah et al. (2017), having HR principles in the organisation helps the organisation to produce employees that are committed, competent, and skilled to work on a common goal. In this competitive world, HR will help the organisation to minimise issues such as demotivation, employee turnover, conflicts and absenteeism. The Lump Sum Grant (LSG) Manual (2017) provides standards and procedures for NGOs to maintain responsibility, competence, and cost-effectiveness on financial public and welfare services. The importance of HR practices can therefore not be underestimated.

A study was done by Akingbola et al. (2019) in Canada about Strategy and HRM in non-profit organisations, which asserts that HR principles are important to NGOs from three angles. First, the services granted by NGOs are not for profit and they cannot replace people for investments in physical capital. In most instances, people are the drivers of the organisations and they are the most important assets for NGOs (Rehema, 2016; Deshkar, 2020). Secondly, staff members in NGOs are driven and inspired by internal issues such as the values, morals, vision, mission, and goals of the organisation. Then in other organisations, employees of non-profit organisation's mission, vision, and objectives (Saksida et al., 2016). All these elements are vital during the recruitment process, talent management and motivation of NGO staff members. Lastly, for programmes to be driven in a professional manner NGO staff members play a big role in making sure they are accountable, responsible, transparent, and honest to attract new donors. It can be argued that staff members are the most important stakeholders in the implementation of not-for-profit agendas.

In summary, these are some of the highlighted factors that NGOs are facing regards the implementation of HRM in their organisations (Akingbola et al., 2019). It can be debated that non-profit staff are likely to face or experience job dissatisfaction if, for example:

- They feel that the organisation is not meeting their organisational goals and objectives that made them to go to the NGO in the first place;
- The organisation's vision, values and mission are not being met or are going off track, and
- The values of the organisation are becoming vague and blurry for the public and employees.

Gile et al. (2018) assert that employees job dissatisfaction results in staff members being sidelined in the functionality and operations of the organisation. This includes employees not being allowed to make decisions towards the growth and development of the organisation. Hence for HRM to be useful, employees must also participate in its process. For non-profit, there is an aspiration to achieve more on their programmes. In contrast, there is an obligation to meet their vision, mission and objectives. HR is the anchor and pillar for NGOs to achieve their objectives. As asserted by Bartram, Cavanagh, and Hoye (2017), the pressure to be innovative and move with the trends is related to human resources. Designing and implementing strategy in NGOs via HR processes is very critical. In this dynamic and everchanging environment, NGOs must implement procedures and policies that recruit, develop, train, retain, manage talent, attract highly- qualified employees and pay them according to market-related salaries. NGOs need to evaluate these policies, plans and objectives regularly to keep their employees motivated and enthusiastic with their work (Akingbola, Rogers & Balunch 2019; Keny & Nnamdi 2019).

Furthermore, Gazzola and Amelio (2021) study on Italian religious non-profit indicated that NGOs rely on human capital who share the same vision, goals and objectives. Due to the high dependency of non-profit organisations in Italy on health services and welfare these organisations play a very important role in Italy. Non-profit organisations provide important opportunities for people to combine their energy, talents and values for communities for public benefit. However, Gazzola and Amelio (2021) found that non-profit organisations frequently depend on the labour of employees and on the service and commitment of volunteers. Thus, the skills and talents of both types of workers allow non-profit organisations to achieve their mission. Their research indicated the importance of human resources: employees and volunteers. Non-profit organisations are a steady source of employment. Gazzola and Amelio (2021) found that non-profit companies in that they both rely on specialised employees such as computer programmers, accountants, graphic designers, HR consultants and other specialised workers to ensure smooth operations.

Gazzola and Amelio's (2021 study concluded that NPOs' human resources are important, and these include recruit scientists, nurses, Web developers, computer engineers, teachers, lawyers, executives, and tireless direct service workers who deliver aid to the neediest among the community. They also attract a large number of volunteers with nearly 5 715 746 people working in 301 191 organisations. NPOs are a dynamic, vibrant and meaningful place of work. Whether in the fields of social services, health care, community housing, the environment,

sports, recreation, arts or culture, there are countless career paths for people who share the sector's common visions to make a difference (Keny & Nnamdi, 2019).

Brunt and Akingbola (2019) correspond with the LSG Manual (2017), which provides information on how to manage NGOs effectively by implementing HRM practices such as performance appraisals, pays and rewards structures, manpower planning, recruitment and selection training and development, manpower planning, and recruitment. As indicated by the Manual (2017), Akingbola et al. (2019) and Batti (2017) below are some of the selected reviewed HRM principles.

#### 2.4.2 Recruitment

For any organisation to be successful it needs to recruit the right people to do the job. NGOs highly depend on having the right employees to drive their programmes. Before implementing their programmes, non-profit organisations should make a decision on the number of employees to be recruited as well as their salary and grade. The management must also consider the employee's contract and their duties laid out. This includes knowing what is required, what is to be performed and the number of employees to be appointed (LSG Manual, 2017). The recruitment and selection processes must be transparent to employees and candidates, and those who meet the requirements must be granted an opportunity to express themselves based on their education and experience (LSG Manual, 2017).

Baluch (2017) asserts that recruited employees must share the same vision and mission of the organisation, which will help the employees to be internally driven. As much as experience and skills matter in recruitment, the vision and the mission of the organisation are as important when selecting the employees. By including the mission and vision of the organisation the organisation will have the advantage to attract and retain employees that are committed to the values, culture and objectives of the non-profit. Therefore, recruitment can be seen as an important aspect of HRM for NGOs. According to Akingbola et al. (2019), a study in Canada asserts that non-profit organisations employ people with different characteristics, the requirements needed to satisfy a job position are tailor-made for their unique industry. Board members and management teams in non-profit organisations have to focus on other issues such as working with volunteer committees, activism communities and other stakeholders. Unlike

in other industries, management has to focus on elements like planning, making decisions, leadership, budget planning which all part are of functions NGOs.

Word and Sowa's (2017) study reviewed non-profit organisations' need to employ the following competencies in their organisations: programme development, partnerships and collaboration, creating and developing new programmes, management, including employees and beneficiaries' suggestions, establishing communication lines with the state members, recognising staff members, creating good communications with board members and applying for accreditation.

#### 2.4.3 Training and development

In preparing the organisation to overcome upcoming challenges and obstacles, NGOs are encouraged to develop and implement their development and training strategies. These strategies help employees obtain competencies, skills, knowledge and traits that enhance performance (LSG Manual, 2017). Current employees or employees with the capability to be appointed managers must be picked early and trained to become leaders and understand the business functionalities in finance management and human resources. Good purpose training has a direct influence on organisational performance (Armstrong & Taylor, 2017). For most non-profits, training employees helps the organisation to achieve its values, mission and vision. For NGOs to raise awareness they need to train their staff and beneficiaries. However, training has a direct impact for any organisation to achieve its goals and mission (Akingbola et al., 2019)

As indicated by Akingbola et al. (2019), successful NGOs mostly use training to get their programmes heard. Mission-based training is the only formal training in NGOs. Outside the standard training in NGOs, other trainings have been highlighted as significant. Another standard that is highlighted is that NGOs need to be more strategic, innovative and adaptive in the ever-changing environments (Walk et al., 2019). Related to corporate businesses, it is this adaptability that makes NGOs compete for donors and grants; hence, it is important for non-profit organisations to continuously develop and learn to be competitive. To be innovative includes a change that introduces new competencies or shifts the mindset to continuously introduce new ways of doing effective things. This results in developing new consciousness, learning and training culture (Meyer & Leitner, 2018).

The encounter of teaching for NGOs remains relentless. As indicated by Akingbola et al. (2019), the issues below are being experienced by the NGO sector concerning Human Resource Development HRD (training):

- Very fluid and dynamic environment in the NGO sector;
- Changes in human behaviour in communities and their requirements;
- The variety and uniqueness of the non-profit organisations industry;
- The emergence of cultural contract and professional managers, and
- The rise of equality for all citizens and policies that support fairness practices.

Therefore, development and training are critical for NGOs to be successful and drive their programmes.

#### 2.4.4 Compensation

Frey and Gallus (2018) identify three elements of rewarding employees, namely psychological, social and economic elements. They submit that psychological and social elements are important motivators for non-profit organisations and organisations should find ways to use them to gain an advantage in this competitive sector. Internal rewards are the fundamentals of socio-psychological motivation and drive for employees in an organisation. Research has identified the significance of internal rewards in rewarding employees in the non-profit organisations (Henderson & Sowa, 2017).

According to Liao and Huan (2016), non-profit staff members see their work as a chance to give back to the society or community, being part of something meaningful to help solve problems and be part of something that seeks to eradicate a problem. These employees are value-oriented and they are drawn by the organisational values, mission and vision. Therefore, they are driven and interested by internal rewards that are given by the non-profits, as compensation is low in non-profit organisations.

Frey and Gallus (2018) state that salary increases in the NGO sector is different from the private sectors. However, low salaries in non-profit organisations are a problem concerning HRM. Frey and Gallus suggest that in non-profit organisations compensation is low as compared to other industries although they have managers who are committed to the mission. Therefore, this influences the staff turnover in NGOs because staff members are not satisfied with their rewards psychologically, socially and economically.

### 2.4.5 Staff/ Labour relations

According to Aktar and Pangil (2017), studying employee affairs includes good communication channels among board members, leadership and effective cooperation, dedication and motivation from employees. They need of be well informed of innovations and support employees. Non-profit organisations can apply the following initiatives, as mentioned in the LSG Manual (2017) research manual;

- Establish and maintain regular communication channels that foster good relationships with board members, employees and other stakeholders ;
- Create ways to capture and apply staff opinions and answer their needs, and
- Establish communication systems within the department that talk about new changes and ideas in the NGO.

Some employees will be covered by a collective agreement, under a union as labour relations is part of HR strategy in both non-profit and profit organisations. Considering that NGOs are driven by a common cause they tend to attract employees with the same values (Deshkar, 2020); therefore, being in the collective agreement can be good and bad at the same time. Regrettably, there is little evidence or research in labour relations in NGOs. The existing research focuses on educational institutions and governmental departments. However, there is proof that unionisation may be growing in the NPOs. According to the Statistics Canada 1999 Workplace and Employee Survey (WES), 40% of employees in NPOs were covered by collective agreement.

#### 2.4.6 Manpower planning

Having the right manpower is important for any organisation to carry out and implement its programmes. It helps the organisation to plan the number of employees needed to carry out a long or short term project. According to NGOs' plans and strategies, it can determine the number of resources and manpower needed in these fluid and ever-changing environments. Manpower planning involves planning for the future, organisational turnover, resignation, retirement and layoffs (LSG Manual, 2017). Planning for the future, sometimess called succession planning requires innovation, picking the right candidates with the required competencies and skills to fill the job vacant. It also involves knowing the replacement candidates who are prepared for succession planning (Liao and Huang, 2016). According to

Gile et al. (2018), NPOs are required to articulate, analyse and review their succession planning, which must highlight the following factors;

- The critical positions and future successors
- What are the causes of turnover in the organisation?
- What competencies are required for the successors and what training and development are required?
- List of vacant positions and ways and means to replace that position.
- Is the organisation going to do internal or external recruitment to fill the position?
- A draft or policy for succession planning and identifying if the NGO has staff to fill the positions and if services are delivered more effectively and efficiently.

According to various research and literature by Akingbola et al. (2019), Gile et al. (2018), Gyambrah et al. (2017) and Njeri (2016), NGOs face challenges in HR practices such as recruitment, remuneration, training, staffing, retaining employees, labour relations due to the changes of human needs and environmental expectations. However, HRM is very important for NGOs to motivate and attract talented employees who are competent to do the job. For NGOs to compete and attract donors or funders they need to start using HR principles to make sure that they have sound systems that are supported by their employees, management and board members.

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#### 2.4.7 Performance appraisal

According to Gile et al. (2018), the purpose of developing employees, is to help them grow as people and highlight areas of development, which should be the NGO's objective to create monitoring and evaluation systems that assess the individual's personnel development plan. The employee should be evaluated based on their previous stated job description, outcomes and work goals. The performance appraisal procedure must be a collective activity that is agreed upon by the management and the employee (Armstrong & Taylor, 2017).

#### 2.5 Critique of the reviewed literature

Even though literature has indicated that some HR principles are important in helping staff members to achieve the skills and self-confidence they need to do their work, not as much information is known on how HR policies can impact and change NGOs. Most empirical studies were conducted outside South Africa, which reveals a gap in the importance of HRM in NGOs in South Africa. Researchers who did the studies used qualitative research methodology to understand the deeper meaning of the problem in their respective countries. It would be beneficial to use a quantitative study to gather information on how many NGOs are not implementing HRM practices in a certain region of the country. Surveys will help a lot of future researchers to understand the number of NGOs that are malfunctioning due to the lack of HRM systems in their organisations. Different studies have highlighted different aspects about NGOs, and all the terms, concepts and issues discussed have resulted in the misuse of funds, and bad governance, the latter which has resulted in poor leadership. All these aspects lead to poor implementation of HRM practices for organisations to run smoothly. The extant literature does not involve a model which NGOs can use to have a functional organisation that can be implemented by the organisation.

#### 2.6 Chapter Summary

There is lack of awareness in non-profit organisations about the importance of human resources in their sectors. Due to scarcity of resources and competition for donor funding, non-profit organisations are now forced to implement new systems that improve their operations, performance and accountability. Studies on non-profit organisations are increasing and NGOs are becoming more aware of the importance of human resources, but they are reluctant to implement them in their organisations due to lack of knowledge and education on the topic. For non-profit organisations to be successful they need good leaders who understand their environments by introducing new ways of running businesses in this dynamic world. As the non-profit organisations industry changes, so do employees and beneficiaries' requirements. Hence, NGOs must evaluate and understand their markets to provide the best services to their stakeholders. In conclusion, NGO leaders need to research their industry and they must be updated on the new trends and methods of running their organisations as non-profit organisations are being operated as profit organisations.

# **Chapter Three**

# **Research methods**

### 3.1 Introduction

In this chapter, the study methods utilised in the research on evaluating HRM practices in selected NGOs in Cape Town is presented. In addition, the chapter defines the data collection techniques, study procedure, selection sample, the trustworthiness and legitimacy of the measuring instruments, and the methods used to gather and analyse the data accumulated for the research. In addition, this chapter focuses on how the problem of the study was researched by discussing the method of sampling, how participants were selected and how and why interviews were used to gather data.

# 3.2 Research design

The study employed a qualitative research approach. An exploratory survey design was adopted because it is considered appropriate for the research. The design was appropriate because employees and employers were interviewed to give comprehensive thoughtful of the study questions and objectives. It is worth noting that exploratory research makes use of mostly qualitative approaches. Furthermore, it was most suitable for this study because it is more flexible, permits gathering data from open-ended questions (as seen in the interview schedule) and from a sample with diverse academic backgrounds, experiences, and professions (as is evident from the participants) in this study. The purpose was to evaluate selected human resources practices in selected Non-Governmental/ Non-profit Organisations in Cape Town.

In addition, the researcher highlighted a detailed and comprehensive understanding of the subject matter by giving significant understandings that the universal communal data will not be able (Willing & Station-Rogers, 2017). The interview questions were done in person, which allowed flexible questions to get important information about the topic.

A qualitative data collection approach was used in gathering information from the research participants. In other words, the researcher elicited information from the study participants employing structured interviews. For this purpose, there was no manipulation of any procedure of the study; hence, the exploratory survey design suited the research process (Fine & Hancock, 2017).

The interviews were face-to-face conversations with the participants, and they involved the researcher taking notes of the responses of the interviewees and recording the discussion. The investigator drafted the questions centred on the topic of evaluation of HRM practices in these selected NGOs and the research objectives of the research. As indicated by O'Neil and Koekemoer (2016), qualitative researchers aim to search, recognise and define, and not to describe, quantify, calculate, forecast or simplify as quantitative scholars do.

#### 3.3 Research integrity of qualitative research

#### 3.3.1 Trustworthiness in qualitative studies

Since qualitative researchers do not use numbers as evidence, they use different criteria to determine the trustworthiness, or credibility, of research findings. In addition, the main aim of qualitative research is to promote understanding of a particular phenomenon within a specific context, and not to generalise results to a broader population (du Plooy-Cilliers et al., 2014). It is easier to measure reliability and validity in quantitative research because the research is often based on causal (cause and effect) relationships or aspects about a relationship that can be measured. However, some qualitative researchers still use the terms 'reliability' and 'validity'. How they determine reliability and validity differs from how this is done in quantitative studies (Fine & Hancock, 2017). There is a move towards the use of different terminology to indicate validity and reliability in qualitative studies. The overarching term that is used for validity and reliability, transferability, dependability, and conformability (O'Neil & Koekemoer, 2016).

#### 3.3.2 Credibility

According to du Plooy-Cilliers et al. (2014), credibility refers to the accuracy with which the researcher interpreted the data that was provided by the participants. Credibility is increased when the researcher spends long periods with the participants to understand them better and gain insight into their lives. It is also increased by making use of triangulation, where more than one research method is used, for example, in-depth interviews combined with focus groups

in a study (O'Neil & Koekemoer 2016). In addition, credibility is increased when the findings are believable from the participants' perspective. To maintain credibility of the research the researcher visted the participants organisation and interviwed partakers face to face.

#### 3.3.3 Transferability

According to Delamont (2016), transferability is the ability of the findings to be applied to a similar situation and deliver similar results. In other words, it is the degree to which the results and analysis can be applied beyond a specific research project. To maintain transferability the resarcher findinds could be applied in profit organisations and it was also found by other researchers in who researched about non-profits.

# 3.3.4 Dependability

It refers to the quality of the process of integration that takes place between the data collection method, data analysis, and the theory generated from the data. To maitain dependability the researchers method of data collection were applicable to the context as it required participatants to engage with the reasercher. Themes were appropriate for the research because participants used similar words when answering the interview questions.

## 3.3.5 Conformability

It refers to how well the data collected supports the findings and interpretation of the researcher. It indicates how well the findings flow from the data. It requires the researcher to have described the research process fully to assist others in scrutinising the research design (Delamont, 2016). Moreover, others who look at the data must come to similar conclusions as the researcher did. To maintain conformability the researcher questions were formulated by the researcher to achieve the objectives of the research. The data findings matched with other researchers concerns and research on non-profits and their challenges.

# 3.4 Research population, sample and sample size calculation

The study mainly focused on the employee and employer segment of the national population. Male and female employees and employers from social welfare, sports, and education and rehabilitation industries within Cape Town in the Western Cape province of the Republic of South Africa constituted the sample of the study. There were six participants in the study. Of these, five were employees and one an employer. Two of the employees were male while three were female. The employer was female.

According to Hagaman and Wutich (2017), for qualitative research to be authentic, trustworthy and credible, a researcher must interview 5-35 participants. The researcher made sure that the data is over-saturated and that the participants selected will add value to the research. Dworkin (2012) indicates that qualitative studies can have 5-50 participants for research to be considered relevant using open-ended questions. For this research, the investigator has carefully chosen 6 participants to cover the information of the research.

# 3.5 Sampling technique

The researcher used a non-probability sampling method to collect data using the purposive and convenience sample technique. The sampling method is applied when the researcher cannot include the entire population or when it is approximately difficult to define the population (du Plooy-Cilliers et al., 2014). According to O'Neil and Koekemoer (2016), the technique is centred on the researcher personally judging and selecting their population group. For this technique, the required number of participants are selected on purpose. This helps the researcher to gather important data focused on the requirements of the research.

The researcher used a purposive sampling method which involved identifying and picking the right population to represent the research because the group met the requirements or purpose of the study. This helped the researcher to gather relevant information based on the sample's knowledge and experience in the topic (Delamont, 2016).

The study participants were all from NGOs.. The researcher visited the NGOs personally and met with the participants to ensure that they are suitable for the research as illustrated by the sampling technique.

In addition to the purposive sampling technique, the researcher also employed the convenience sampling technique to arrange for structured interviews with the research participants. The convenience sampling technique was considered appropriate in this research for the reason that it permitted the investigator and the research participants to meet at a convenient place and time without interfering with the participants' official work (Delamont, 2016). This technique was implemented because some of the participants were in contact with the researcher.

#### 3.6 Research instruments

Structured interview questions constituted the instrument used in the research to gather information from the study participants. Eight structured questions were included in the interview instruments. Among the eight questions, two questions were designed with the YES and NO response format. These were questions asked about the functionality, development and effectiveness of HRM in their organisations. The other six questions were open-ended.

The questions of the interview were developed by looking at the main themes of the study. In addition, other sources or work done on this topic were involved in the formulation of the interview questions to make sure that the questions are open-ended and can start a constructive discussion that is rich in information. The research objectives were also incorporated into the formulation of the questions.

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The research questions are trustworthy and credible because some of the questions were used by various authors such as Akingbola et al. (2019), Njeri (2016), Deshkar (2020) and Bhatti (2017), who have researched on HRM in non-profit organisations. Furthermore, the researcher recorded the participants during the interviews and the data were transcribed for further analysis. In addition, to establish credibility the researcher shared the information, analyses, and assumptions with the contributors. This allowed participants to explain what their purposes were, correct them, and offer further evidence when needed (Dworkin, 2012).

#### 3.7 Procedure of data collection

To collect the data from participants the researcher obtained authorisation from the University of of the Western Cape's Research Ethics Committee on the 17<sup>th</sup> of December 2019. The Ethical Clearance Certificate was issued to the researcher, allowing the researcher to go into the field and obtain data from the participants. The Ethical Clearance is attached in the appendices.

To collect the data, the researcher emailed the information sheet to various NGOs in Cape Town to obtain consent to interview employees and employers. The information sheet (attacched in the appendices) explained the topic of the research, gave a summary of the study, the investigator's name, supervisor's name and the name of the university. Three NGOs were selected to be part of the research because of their size and number of employees. After the email was sent and the organisations had agreed to be part of the research, the researcher visited the organisations and talked to the employees and employers who wanted to be part of the research. The research topic was sensitive, and some employees and employers were hesitant to participate in the study. Upon meeting them and explaining the research topic to the organisations and how it can be beneficial to their organisations some participants started to feel at ease and agrees to be part of the study.

The researcher selected six participants that had worked for a long time at the NGOs and who held director, manager, and other senior positions because of their knowledge, experience and understanding of the organisations. Some participants were afraid to express themselves due to the sensitivity of the topic and the researcher had to emphasise the importance of confidentiality. The researcher had to probe, explain more to participants to answer and understand the questions. Other participants were not familiar with HRM.

Because of the subtle nature of the subject, the privacy of contributors were firmly guaranteed and supposed names were given to the participants during the investigation and in reporting. Participants' were referred to in numbers and NGO names were replaced with alphabetic letters. Interviews were conducted in a quiet room where participants were separated from other employees and their employers. An appointment was scheduled for each participant in such a way that it did not affect their work responsibilities and procedures. The researcher used a tape recorder during interviews and transcribed the data after the interviews.

The data collected in the study is only be obtainable to the investigator. Consent forms were signed by the participants. Details on participants' gender, position and the time they had worked at an NGO are attached in the appendices. The researcher made sure that the following factors were done to protect the participants:

The researcher made sure that the following factors were done to protect the participants:

- The investigator made sure that he has the suitable training and preparation for doing the research;
- The researcher made sure that the constitutional rights and well-being of the participants were protected;
- The researcher safeguarded the personalities and securities of those participating.
- The researcher assure the participants of the privacy of the material given to the researcher.

The investigator conducted the study following the ethics and professional procedures as identified in my study field.

#### 3.8 Data Analysis

A thematic analysis was employed to evaluate the data collected. To test the stated research objectives, the data collected was, first of all, transcribed and written down. The researcher identified common themes that were highlighted by other authors in the literature review and from the participants' answers (du Plooy-Cilliers et al., 2014). The data was analysed thoroughly by the researcher, and common words, phrases, patterns and sentences emerging from the data were then grouped into themes. Some of the themes were mentioned by others such as Akingbola et al. (2019), Njeri (2016), Deshkar (2020) and Batti (2017) who highlight some of the challenges and problems NGOs are facing in their organisation. After data collection and reviewing the literature the following patterns, words and sentences were constructed to form themes:

## 3.8.1 Organisational policies and procedures

For organisations to be successful and have a unified culture they need to have policies and procedures in place to govern the behaviour of the employees (Alshalan, 2021). Non-profit and profit organisations require these structures for their business to be functional. Participants identified the importance of policies and procedures in their organisation and how they can improve their working environments and organisational performance. This has been highlighted by other authors who have researched NPOs and their implementation of policies and procedures in their organisations.

## 3.8.2 Leadership

For every organisation to be successful it requires a good leader. For NPOs to achieve their vision and mission they need a leader who will direct and marshal resources in the right areas. Leadership is a very important element in NPOs because most NPOs are led by board members, managing directors, directors, managers and chief executive officers who make decisions for the organisation (Keny & Nnamdi, 2019). These leaders need to have good leadership qualities which incorporate every employee in the organisation to move in the direction and culture of the organisation to achieve its objective. As indicated by the participants in this research and other authors it is very critical to appoint leaders that put the organisation and its employees first.

### 3.8.2 Monitoring and evaluation

Organisations that achieve their goals and objectives have managed to implement successful monitoring and evaluation systems to measure their organisational and employee performance. Monitoring and Evaluation systems are mainly implemented in profit organisations because of their drive for profits, whereas in non-profit organisations monitoring and evaluation are important to keep the employees motivated, driven towards the vision as they are motivated by intrinsic rewards and organisational goals (Shier et al., 2019). Monitoring and evaluation systems help employees to be aware of their work, surroundings and their performance. As indicated by participants there is a lack of monitoring and evaluation of employees and it has been a big setback in non-profit organisations as indicated by various authors.

#### 3.8.2 Training and development of employees

Employees who do well in their organisations are trained and developed properly to tackle daily work activities which improve the performance of the organisation. Trained employees show a better understanding of their work, which results in self-satisfaction and executing duties thoroughly. In non-profit sectors, it is very important to train employees since their work is mainly driven by providing a service to the public (Akingbola et al., 2019). Workers such as teachers, social workers, sports coaches, doctors and psychologists to name a few need to demonstrate a high level of skills and competence to produce good results for the beneficiaries

and donors. Thus, training and development are universal in public, private, non-profit organisations, profit organisations and educational institutions. Leaders must be able to upskill their employees and help them to have the right knowledge, skills and competencies to do their work efficiently and effectively. Participants in the research indicated that their organisations value training and development, called capacity building in some organisations. They appreciated how their leaders emphasised the importance of having the right skills and competencies to do their work. A more detailed analysis of the themes is presented and interpreted in Chapter 4.

### 3.9 Conclusion

The chapter explained how the researcher collected and analysed the data. The researcher used a qualitative approach to collect data. To collect the data, in-depth interviews were applied. Four themes have been formulated, which cover the broader perspective of the topic. The researcher used a thematic analysis to evaluate the data by extracting themes from the interviews and writing what the interviewees had in common concerning the research questions. The chapter also highlighted the ethical considerations which kept the information confidential.

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# **Chapter Four**

# **Presentation and Interpretation of Results**

#### 4.1 Introduction

A thematic analysis was used to extract themes from the data gathered by the researcher. The following themes eemerged from the data that was analysed: Organisational policies and procedures, training and development, monitoring and evaluating performance, and leadership. These guide the presentation of results below.

## 4.2 Organisational policies and procedures

For an organisation to have culture and good behaviour the organisation needs to design and implement organisational policies and procedures. According to Armstrong and Taylor (2017) and Warnish et al. (2018), policies can be seen as facilitating the organisational plan and vision in the following ways:

- i. The implementation of policies and procedures helps the organisation to have employees with the same behaviour, which is consistency;
- ii. Policies and procedures help organisations to maintain the level of consistency in setups that are isolated by geographical areas and in different locations, and
- iii. The organisational culture is built and facilitated by policies and procedures which govern the employees to behave and work in a certain manner.

Jaskyte (2018), Smith and Grove (2017); Marias (2018) indicated that NGO/NPOs must implement certain policies that clarify the responsibilities of the board members and management of the organisation. These policies help to create efficient in-house governance. According to the participants interviewed, the policies are important in NGO/NPOs because they guide them in their daily activities in the organisation. The following system will be used to label organisations and participants:

A, B, C as organisations and P1, P2,P3, P4, P5, P6 as participants.

Organisation B, P1 stated that:

We have everything listed in the Labour Law ranging from maternity leave, disciplinary issues, smoking policy, child policy and HIV policy. The Child Policy is important

because we deal with a lot of children who come from different backgrounds and who have diseases, have been raped, abused and assaulted so we try to keep our information very confidential when it comes to that.

As indicated by Jaskyte (2018), Smith and Grove (2017) and Marias (2018), policies reflect, for instance, the spirit and morals of the organisation. Then, some policies are related to housing control management of communication and systems, strategic planning, risk management and identification, development of addressing disputes and following the constitution. These policies help the management, employees and board members to identify their duties and responsibilities within the NGO.

Organisation C, P2 indicated:

We have a policy procedure manual which speaks to the HR practices. Anything from interviewing a prospective employee to identify skill sets, advertising for a position, the actual interviewing process to the induction process of a new staff member. The rights of clients and the staff member and how the two intermarry into one another.

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Armstrong and Taylor (2017) speak of how policies and procedures assist management to guide and govern employees. The main objective is to make sure employees are being governed with reliable and valid principles that apply to all members of the NGO. Organisation C, P1 submitted:

We have a Finance policy, HR policy, Occupation and Health Policy. Under the HR policy, we have a file for every employee with all his/her documents from education qualifications and all the necessary documents that the organisation what to know about the employee. We have all the employees' contacts, job descriptions and other confidential documents in these files. Sick certificates, in our policy file we have our organisational structure everything that is required by the Labour Department we have it in our files.

Armstrong and Taylor (2017) further indicate the importance of formalised HR policies and how recruitment, selection, settling disputes, orientation, training for leaders and new employees assist employees to grasp the fundamentals of the NGO and its purpose. Human resource policies define the relationship between employer and employee as well as the psychological agreement.

Batti's (2017) study on Human Resource Management found that some local NPOs that were interviewed indicated that they did not have HRM policies and procedures governing and defining behaviour for their management, board and employees. In NGOs where these policies exist, it has been found that they are not used as a way to attract funding from donors and sponsors. Most of the employee issues, responsibilities and decision making are carried out in a way that employees are left confused as to what the proper guidelines to follow are. P1 from Organisation A stated that:

I think we need to have policies in our organisation. Policies guide the employees, the rules and the regulations, basically what the organisations are and what it stands for. If policies are there the employees will know the consequences of doing certain behaviours. The disciplinary aspect.

Batti (2017) indicates that most NGOs in his study did not have employment contracts and role descriptions. Batti (2017) further explains that it is challenging for the NGO to gather information for personnel employed, their duties, how long they will work, their benefits and rights and obligations.

P1 from Organisation A submitted:

*Just simple policies, a proper job description I think that is needed because it will clear a lot of things with the employees.* 

For other organisations, due to lack of contracts, employees worked without pay for some months, they were not entitled to leave days, and some money was being deducted from their salaries without any explanation from the management (Batti, 2017). P2 from Organisation A responded thus:

Now the organisation has introduced contracts for employees. In the past, the core staff had contacts, especially the Head Coach role. They will have a set contract with the

time, salary and other issues that are related to the contract. There were key performance indicators (KPIs) required for the head coach. But recently everyone is getting contracts because of the organisational growth with the staff increasing and the beneficiaries. That stands out for me as compared to other years.

According to Armstrong and Taylor 2017), people are guided by structure, and HRM policies are the catalyst to providing detailed and defined guidelines for employees. People want to know where they stand in the organisation and how they are contributing to the organisation. Furthermore, P2 from Organisation A indicated that:

With the number of staff increasing different requirements and people coming to the organisation with a different mentality, beliefs, cultures, behaviours and personality we now have to change the way we do things on the management side. We now need to implement structure because more staff are likely to come on board, but I think we need a person who will take the HR role although it might not be a department.

According to Batti's (2017) study, NGOs use HR guidelines and policies to obtain donor funding.

P1 from Organisation B told the researcher that:

Most of the policies and HR guidelines we have in our organisations do not use them. Of them, I am not familiar with them since I am not competent in HR. I have to Google and read about HR for me to conduct a disciplinary procedure, performance evaluation and other policies we have as an organisation.

Then, P2 from Organisation A said:

I am not too good with policies. Our Executive Director is not good with policies. I think we need to have certain things with the growth that we are having recently.

Thus, NGOs must create clear HR policies that govern the internal organisational atmosphere which will help employees to behave and form a culture. Owners, directors and executive directors of NGOs must employ HR experts to help them develop these policies and help them with other HR practices in their organisations so that they can be more effective and efficient.

# 4.3 Leadership (Founders, CEOs, Directors, Executive Directors and Board Members)

As asserted by Jaskyte (2018), the LSG Manual (2017) and Alfes and Langner (2017), management and board members of non-profit organisations are accountable for the daily operations of the organisation. These members are bound by the rules and laws of their association and they are obliged to accomplish the activities of the organisation. Subjected to specified guidelines and principles, they are accountable for the success of the organisation. According to the above authors, overall, leaders of non-profit organisations are asked to:

- Determine the course of the organisational programmes that satisfy the society and the beneficiaries;
- Define and set the organisational objectives and vision;
- Establish a community network and support system;
- Make sure that the donor funding money is used as per donor agreement and the public benefits from it as per Funding and Service Agreements (FSAs);
- Take accountability for the financial budget, human resources and managing of the performance of the NGO;
- Keep up with the times and changes of the industry by updating structures;
- Re-engineer and justify programmes, and the subsequent manpower redeployment;
- Pay employees market-related salaries and change working conditions;
- Train employees and motivate them, and
- Establish policies that govern the NGO.

P1 from Organisation B said:

As I have mentioned early I am the one who is responsible for everything in this NGO. I do all the HRM which include disciplinary, paying employees, formulating a job description, the performance review itself for the employees, training and recruiting. Most of the people that work for me know them somewhere and I do not advertise for my post.

Jaskyte (2018) also indicates that directors are solely responsible for the activities that take place within their organisation, and that they make the major decisions.

P2 from Organisation B said:

The CEO is responsible for handling all HRM issues. The CEO is in charge of training and supervising the employees. She insures that we apply the policies in the working environment. She is also responsible for staff development and training. She is also the person to report for duties marking the register. She is the one who processes our pay and our leave days and sick leave.

According to Smith and Grove (2017), most of the decisions in NGO sectors are controlled by one person, which can be a danger for the organisation. Directors or founders of the NGO can be one person and most of the organisational judgements are engaged by this one person. If that person is not available the daily operations of the NGO can be at a standstill.

According to Jaskyte (2018), some board members, directors and founders who direct and make decisions for NGOs might not have leadership qualities or competencies in finance and human resources.

P2 in Organisation C stated that:

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I do a lot of bookkeeping for the organisation which includes paying staff salaries, UIF and dealing with SARS. I also handle other small disputes in the organisation and if the dispute is above my knowledge I will handle it with the Operations Manager and the Director. These two are the people who deal with all HR issues in the organisation.

As indicated by Brunt (2016), to manage HR effectively, one has to understand all the HR practices and policies that build up to HRM systems as well as the sub-units that connect the parts of that structure. People are not easy to manage, and it requires all the HR professionals, line managers and other employees to work together to have a very effective HR administration.

P2 from Organisation A submitted:

Looking at the growth of the organisation it will be wise if we could have somebody who will be in charge of HR staff. At the moment the Executive Director is the one who is in charge of taking that role with his consultant. It will be better if the Executive Director plays a different role than focusing on HR stuff as it is time-consuming to develop and implement systems in the organisation.

Furthermore, P1 from Organisation A said:

We now need to implement structure because more staff are likely to come on board, but l think we need a person who will take the HR role although it might not be a department. I think it will open up space for the Executive Director to focus on his duties and roles for the company. If he has to deal with all the stuff he might not be able to give the proper attention to certain issues that are required of him because of time constraints.

According to Batti (2017), a lot of small NPOs are local. Many of them do not have an HR department or manager that oversees all the human resources aspects of the employees. This is caused by the lack of funds and the costs the HR manager requires. Thus, the HR responsibilities will be handled by the program manager, secretary, the founder, one of the board members or an experienced employee in the NGO. These employees are not skilled or trained to do those roles, which ends up creating conflicts, ambiguity and favouritism in the organisation.

P1 from Organisation C indicated thus: VERSITY of the

WESTERN CAPE Myself and the Operations Manager we work together to cover the HR aspect of the organisation. It's an ongoing opportunity for me as well to do HR duties because I did not do HR courses in depth. We also get assistance from the labour department if we want to know anything about HR functionality.

As indicated by Batti (2017), the creation of ambiguity and conflict in the organisation due to lack of HR skills results in management and employees not knowing what to do and being unsure of who should do certain activities.

The functioning and development of an organisation depends on the people. Today, managing human resources effectively is more important than ever. NGO workers who are referred to as professionals and permanent employees have important tasks to accomplish in the organisation for the organisation to be effective and efficient (Akingbola et al. (2019). These employees are usually evaluated by the president, chaiperson, and chief executive, who are concerned with employing competitive people to ensure organisational effectiveness. However, directors and

founders need to have competent professionals in their organisation who can deal with HR, finance and other expertise to improve their organisational effectiveness and performance.

#### 4.4 Monitoring and evaluating performance

The responsibilities of board members, management and employees are to outline role descriptions, objectives and goals for each person in the NGO. According to Armstrong and Taylor (2017), every member in the organisation must be given responsibilities that add up to the organisation's performance by assigning key performance areas for teams and individuals. This is the only way an organisation can achieve good results by setting agreed objectives, guidelines, requirements from each individual and evaluating every process based on competencies (Warnish et al., 2018).

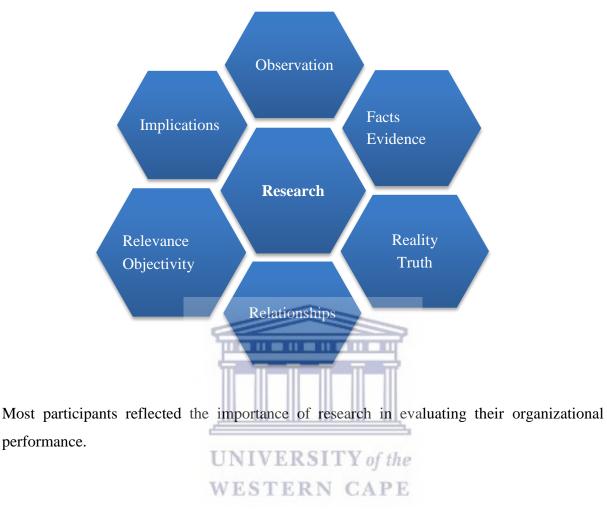
Most non-profit organisations are trying so hard to show donors and beneficiaries how they are performing, but many are struggling to develop a sound system that is cost-effective to show their programme outcomes and their organisational effectiveness (Batti, 2017).

P1 from Organisation A said:

Recently we brought in a new researcher who is researching about our organisation as to what we have achieved over the years and other stuff. The success rate of the graduates and professional players. I think that is the reason why she was brought because she is going through our files and stuff. It is the first time we have done this over 18 years and she has to go through 17 years of documentation of people who graduated and played professional cricket.

Researchers have been used in most organisations to evaluate organisations in both profit and non-profit environments. As highlighted by Du Plooy-Cilliers et al. (2014), research is an activity and procedure that follows certain logical steps, such as the ones shown in Fig. 4.1 below. These steps help organisations, whether public or private, to evaluate themselves with scientific facts that affect their environment, as illustrated by the open systems theory discussed in Chapter 2.

#### Figure 4.1: Concepts related to research



In this regard, P2 from Organisation C said:

The big report like I said you cannot play soccer and you become the referee. It comes from the Department of Social Monitoring and Evaluation and what the Medical Research Council says. Because nothing will highlight the impact of your report than an academic report.

P1 from Organisation B stated that:

We also do 360 surveys and the last survey was done by British Students from Oxford and I was happy with the feedback I was given. The last survey was done 3 years ago, and I want them to come back and do it after 3-4 years just to see where we are since we are growing.

From the above data, it is evident that most NGOs use researchers and educational institutions to evaluate their organisation's performance. Researchers help NGOs to align them with their

mission, objectives and help them with relevant information that can make them more useful in their niche areas or communities that they are operating in (Gile et al., 2018; Batti, 2017).

In line with Batti (2017), P2 from Organisation B said:

So you can only have an effective NPO when you have the latest developing trends and who is ahead of the latest developing trends, Academics. So, you have to marry the two so that you have the best effective NGO/NPO.

However, Walk and Kennedy (2017), highlight issues of evaluation, performance and monitoring in NGOs as a result of high hopes from board members and management, lack of unified goals from different departments and power issues. Most NGOs have unclear goals, ineffective yardsticks, a lack of starting point materials, and inadequate evaluation procedures. Compared to profit businesses, NPOs lack feedback from the market, profits, returns on monetary investments and they not gather feedback from citizens via votes or social unrest. In short, customers and supporters are the baseline of performance benchmark for-profit businesses but not for non-profit organisations (Gile et al., 2018).

According to Gile et al. (2018), the challenge of evaluating the performance of non-profit organisations is centred around what the purpose of NGO was and whether it the outlined purpose and objectives set by the management and board members to its community or beneficiaries were achieved. Therefore, an NGO needs to make sure it achieves what it intends to achieve by making sure the public benefits from their programmes. Thus, due to the rising number of NGOs and competition for donors, the performance of NGOs has become an important factor to obtain more donor funding.

In line with the assertion by Gile et al. (2018) and Langer and LeRoux (2017), P2 from Organisation A said:

Because we are expanding, we might need to improve our funding base because at the moment we have one main donor. So, evaluating the organisation is important because it helps us to present ourselves to the donors as to where we are and what we are doing right or wrong. So, we have to set our house in order by implementing the necessary tools in our organisation to be able to attract more donors as we have more beneficiaries in the programme than the previous years.

Thus, the use of human resources in NGOs, as mentioned by Pynes (2014) and Svensson et al. (2019), will help NGOs to measure their success and their impact on society. This is done by

implementing certain structures and measuring tools that can help NGOs to know if they are achieving their visions and mission. Some NGOs have certain measurement tools that they have implemented in their organisation to evaluate their performance. HR professionals have to make sure that they assist NGOs to align them to their objectives and help them to achieve their mission.

## 4.5 Training and development of employees (Capacity building courses)

As illustrated by Armstrong and Taylor (2017), for an individual to do better in their job they have to go through training, which relatively changes the person to improve her/his abilities. The process of training can be seen as a deliberately planned procedure that changes the individual's skills, knowledge and attitude to achieve performance in a specific area or activity. The aim is to grow the motives and skills of the employee so that they can carry out organisational duties currently or in the future (Budhar et al., 2019). In the NGO sector training is regarded as a process that helps employees to know the purpose, values, objectives and culture of the organisation. It introduces the individual to the mission and vision of the organisation. Its purpose is to raise awareness to the individual about the goals of the organisation. However, training is the connection between employees and the desires of non-profits organisations (Akingbola et al., 2019).

P1 from Organisation A indicated that:

The NGO helps in developing the individual in whatever role they are associated in. The NGO helps the employees to do courses and other certificates that are aligned with their line of work. The certificates and courses are paid for by the NGO and we choose whatever courses that we want to do.

According to Akingbola et al. (2019), training in NGOs is the most important HR function because it helps the employees to gain the necessary skills to drive the organisation's objectives and goals. As indicated by most studies, NGOs are mission-based organisations and without trained personnel, their mission will not be achieved.

P2 from Organisation A supports the view by Akingbola et al. (2019) by saying:

There is an opportunity available for staff development; I think the staff are given opportunities to do courses that are in line with their type of work. It is significant for the organisation and individual personal development. Our motto is always about individual growth for the beneficiaries and staff.

To support P2 from Organization A, P1 from Organisation B stated thus:

We do a lot of training for our employees because to be a Social Worker you have to be trained how to work understand people and work with them.

According to Armstrong and Taylor (2017), training impacts the performance of organisations. Training enhances behaviour change in the organisation by helping employees to be equipped to achieve the objectives of the organisation. Thus, it plays a significant role in organisational performance and effectiveness.

According to Meyer and Leitner (2018) non-profit organisations have introduced capacity building training courses, which have become a major topic in the industry among donors, assessment centres and facilitators. There is no universal definition of capacity building training; however, for this research capacity building is defined as a process that enhances non-profit organisations' success and effectiveness. Other definitions are associated with activities that assist the NGO to achieve its mission, purpose and vision.

P2 from Organisation C said: WESTERN CAPE

Yes because they are always encouraging staff to do capacity building courses to empower themselves. As for me, the organisation is looking to help me with a course in HR because I am not very clued up in terms of HR.

In concurring with P2 from Organisation C, P1 from Organisation A said:

Courses available such as the umpiring course that has been going for a long time, which encourages the staff to join and upskill themselves. There is always funding available for these capacity-building courses and it's a big thing to develop staff because they will encourage the beneficiaries to grow and develop as well.

The following are activities or approaches that can be associated with capacity building programmes: funding for development or growth, giving personal development workshops or certified development programs, coaching and collaborating with other consultants, businesses and NGOs (Meyer & Leitner 2018).

#### P1 from Organisation A:

I think just in general up-skilling employees help employees to be more confident and l am sure the return benefits will go to the NGO itself.

The concept of capacity building in NGOs is associated with organisational development, effectiveness and performance management. Organisational change, performance management, cultural change and learning are linked to capacity building training for employees. The main development is to equip upcoming leaders and managers to gain the necessary capacity to lead and manage non-profit organisations. It is entirely directed at upskilling managerial employees and supervisors for their next leadership roles. It is a transaction of managers gathering the required experience, knowledge, abilities and skills to remain or become effective successful leaders of non-profit organisations.

P2 from Organisation C said:

Identifying further training needs, to the point of developing, continuing to engage to foster the relationship to ensure that the staff member engages with the organisation versus moving into the private sector.

As indicated by literature and the participants of this research, NGOs direct a lot of effort in upskilling their employees by sending them to various capacity building courses to help them to be better at their jobs. However, NGO leaders need to make sure that they implement proper management structures to lead and direct their skilled employees to do the right job that would achieve their mission and objectives.

#### 4.6 Conclusion

This chapter presented an exploration of the research findings. The main results displayed all themes that relate to what NGOs face in evaluating HRM in their organisations. The chapter presented how participants and various organisations deal with HRM in their respective organisations. Most of the themes that were extracted from the data align with literature on issues that NGOs face in their organisations in relation to HRM. The next chapter focuses on the discussion, recommendations and conclusion of the research.

# Chapter 5: Discussion of findings, recommendations, and conclusion

### 5.1 Introduction

The research outcomes and findings are discussed in this chapter. Research questions, existing literature and previous empirical studies form part of the study discussion. The literature is compared with the research findings and conclusions are drawn based on the discussions. Lastly, this chapter highlights the recommendations based on the conclusions. The chapter presents the recommendations in two parts. The primary recommendations present the improvement of questions used in the research study and the secondary recommendations highlight suggestions for further study in non-profits.

## 5.2Aim and objectives of the study

The aim of the research was to evaluate selected HRM practices in selected NGOs. The research questions are highlighted below:

- i. What are HR practices and how do they benefit an organisation?
- ii. What HRM practices have been employed in the NGO to increase organisational performance?
- iii. Who is responsible for handling HRM issues in the NGO?
- iv. Do NGOs encourage the development of HRM?
- v. What employee performance evaluation methods are employed by the NGO?

A qualitative research methodology was applied for this study using in-depth interview questions. Three organisations were involved in this research and two participants were selected from each organisation. Six participants were selected from those who had been involved with the NGOs for a long time. These participants have vast experience working for NGOs and some of them are managers, coordinators, administrators, and directors. Data analysis was done using thematic analysis by identifying common themes from participants' answers. The major themes that emerged are:

Organisational policies and procedures

- > Leadership (Founders, CEO, Directors, Executive Directors, and Board Members)
- Monitoring and evaluation performance
- Training and development of employees (Capacity Building Courses)

#### **5.3 Discussion of findings**

#### 5.3.1 Organisational policies and procedures

HR policies and procedures are set guidelines, rules and laws that are established to guide organisational objectives and mission. They govern and control all the decisions and activities within an organisation's internal and external affairs. Therefore, policies must be set to improve working conditions and focus on driving the organisation to achieve its purpose. Thus, the research explained how policies and procedures affect NGOs' decisions because they create the values and morals of the organisations. The research findings and literature showed that policies and procedures affect the functionality of the HRM system. It is the duty of directors, management and HR professionals to make sure that all HR policies are in place and are implemented properly within non-profit organisations.

According to the data collected, two out of three NGOs had HR policies in their organisations. Those organisations that have policies sometimes do not know how to implement them in their organisations effectively. Some of the policies are not updated regularly or evaluated annually. Four participants specified that most HR policies and producers in their respective organisations are around capacity building training, performance, evaluation, selection and recruitment, role descriptions and appraisals.

However, NGO leaders and management need to make sure that policies are implemented and are being followed to achieve their mission. They can do this if they consult with HR professionals who are competent in designing and implementing HR policies. Furthermore, organisational policies and procedures impact the accomplishment of the strategic goals of the organisation and it is important to have updated policies that are understood by the employees and the management.

A policy can have a constructive or destructive effect on activities in an organisation. This concurs with Smith and Grove (2017) who assert that commercial principles require in-house assimilation to encourage uniformity in behaviour, all which regulate the daily operation and communication of the business in a suitable norm and authority distributions in the structures

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of the organisation. However, if commercial structures were to be implemented in non-profit organisations it could help non-profit organisations to be successful or it can cause serious consequences in the organisation.

Likewise, accepting outside ways of dealing with the external environment will be handy if the organisation is trying to come up with a new strategic plan, as various outside factors such as the state, economy, other competitors and the community can distract the goals and mission of NPOs. Furthermore, Armstrong and Taylor (2017) allude that the organisational environment is correlated with how the culture is applied. Batti (2017) found that for a business culture to be effective people have to share the same values, morals, and vision, which aligns with the organisational objectives. These beliefs will drive the daily organisational commitment and communication, which results in togetherness, shared power and status.

#### 5.3.2 Leadership

As indicated by most authors on leadership, these are some of the qualities that management must implement in an organisation or business:

Y of the

- Organisational strategy;
- Implementing policies and procedures;
- Exert or exercise control in the organisation, and
- > Controlling the operations of the organisation.

In larger corporates with numerous operations, the above qualities will be done by different people in teams who are in top management (Brimhall, 2017). Differentiation of these qualities remains valid as each board must operate these functions in their respective functions or departments. Therefore, in NGOs, these functions are undertaken by one individual who might be the owner or founder of the organisation with assistance from a few board members. As indicated by the research, all participants agreed that the directors, owners, founders, executive directors, and CEOs are the people who handle most of the management issues. They even handle HR issues, although they are not competent in this particular profession.

The most common mistake NGO leaders do is to handle all the four functions of leadership without allowing other employees or staff members with leadership qualities to take over other functions. Leadership and management in the NGO sector are mainly constricted to programme management principles (Batti, 2014). Training and capacity building courses in NGOs are not

related to leadership, as leadership development is not highly promoted in this industry. This aspect is lacking in non-profit organisations. Managers who are part of the leadership or management in NGOs must be trained to do HR functions. Managers and leaders must be counsellors, trainers, and a manager of people. Thus, it is important for an NGO's leaders to share responsibilities and have a proper succession plan to keep the project going when they are not there.

According to Jaskyte (2018) and Marias (2018), without responsibility and honesty in the organisation's leadership, there is no sustainability, resulting in a decline of management. Management or governance centred on one person will cause problems in non-profit organisations. Thus, it is important to identify potential leaders and include them in the succession planning of the organisation by taking them through leadership training and capacity building courses. NGO leaders need to empower some of their employees to become leaders to keep the NGO going and access donors and funders. NGOs play a critical part in communities in improving individuals' lives in various communities.

#### 5.3.3 Monitoring and evaluation performance

The effectiveness of monitoring and evaluation (M&E) rest on outlining the policies and procedures of the organisation, defining the duties and outcomes for all the members that are associated with the organisation. The competency level of M & E rests on the people that are executing activities in an information collection that will be analysed. The training of these individuals and their skills play a very important role in collecting the right data (Batti, 2017). The ability level to implement and collect the data has a direct link with the outcome of the data collected.

For M & E to be successful there must be enough resources to drive the process. Meaning there should be competent employees who are motivated, who communicate effectively, and the environment must be receptive to the process as well (Gile et al., 2018; Batti, 2017). Furthermore, there must be a clear guideline or procedure to follow during the process. The M & E experts must understand the reason for doing the process, the goals that are expected to come out with the right information. The fundamentals of a successful M & E is to train, plan and monitor employees. According to Langer and LeRoux (2017), the process of M&E must look to analyse the programme outcome in contrast to the outlined goals.



According to all participants in this research, they have a unanimous decision saying they use researchers in the evaluation of their organisations. Two organisations mentioned that they use academic institutions to monitor and evaluate their performance. However, NGOs need to have the right people when doing M&E because this process is important to the employees, donors, the public and the management, including the board members of the organisation. All organisations mentioned that they write reports during an AGM or annual report on their projects. To conclude, all organisations mentioned that they do both external and internal evaluation so that they can have a better understanding of the organisational progress.

#### 5.3.4 Training and development (Capacity building)

Training and development form a significant part of the growth and learning of humans. Employee training is becoming the most important aspect of people's actions. These are some of the positives that are found when people go through training: they enhance their abilities, motives, and they become confident, critical thinkers and responsive to organisational activities and programmes. In addition, it helps employees to be more flexible to the environment that is constantly changing. For any organisation to be successful and be able to implement its services to anyone, its employees must be trained to do the job in a more effective manner

For NGOs to be successful in their missions or objectives, like any other organisation, they depend on the knowledge, skill, and ability of the employees. As indicated by the results obtained, NGOs do certainly invest a lot in their employees. All organisations emphasise the importance of training and development and how they always want to develop and upskill their employees. All organisations mentioned training and development as part of their policies, which shows how these organisations invest in their employees. All participants mentioned capacity building courses, which is a new term that is used nowadays in organisations to train and develop employees. Each organisation mentioned different capacity building courses that are offered by their organisations and which align with the organisational line of work to the community and the public. There is enough evidence from the study that NGOs, like any other institution, invest in their employees to make sure that they are skilled to do the right job.

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## 5.3 Limitations

Due to the condition of non-probability sampling, the participants and the organisations may not illustrate the broad South African NGO population. Thus, the outcome may not be generalised to all NGOs and have to be analysed with attentiveness. Moreover, not all participants were exposed to HRM terms such as policies, practices, procedures, evaluation and performance systems, which could have impacted the outcome of the research. The lack of understanding of HRM terms by the participants was a potential limitation that impacted the information gathered.

The sample was restricted to Cape Town, thus making the research context-specific. Moreover, the study was only conducted in one region. Upcoming researchers could consider getting a higher sample to involve organisations and participants from multiple NGOs across South Africa. Furthermore, the NGOs that were selected were small to medium organisations in Cape Town and the study did not include big NGOs that are international. In addition, the participants of this research were only limited to managerial positions or people who had worked for a long time in the NGO sector. For future research, participants could be mixed, ranging from top managerial positions to lower-level employees to gain a better understanding of HRM principles in the non-profit sector. This would help to get an overview of the HR practices from the non-profit organisations. However, the major strength of this study lies on the relevent information that many non-profit are facing across the globe and in South Africa to be specific. The study indicated a few concering areas that fundors, donors, leaders and boardmembers should consider when driving their vision and mission. The syudy could be used by stakeholders to imporve their non-profit systems and create more responsibility with the organisation. The research enchances the provision of social justice to its employees, beneficiries and relevant stakeholders, which ultimately improves business imperatives in nonprofit and profit organisations.

## **5.4 Conclusions**

## 5.4.1. Organisational policies and practices

It can be concluded that organisational policies and practices guide the functionality of the organisation. This has been revealed by the study that policies and practices can help NGOs to know their values, vision, and objectives. Policies help to clear all grey areas in the organisation, which may include monitoring and evaluation, disciplinary procedures,

performance and other issues the NGO might experience. If policies are absent or are poorly implemented, it might create an unfriendly environment for employees and programme delivery.

#### 5.4.2 Leadership

Leadership in all organisations is important because most of the organisational decisions and policies are passed by the management. The study revealed that leaders in NGOs are solely responsible for handling most of the major responsibilities in their organisations. Leaders in the NGO sector need to share responsibilities by grooming leaders and assigning other responsibilities to professionals who are competent to handle other issues. The research further revealed that leadership that is centred on one individual is problematic for the success of the organisation.

## 5.4.3 Monitoring and evaluating performance

NGOs are evaluated and monitored based on their mission, vision and how they are impacting the communities they work in. Unlike profit organisations that are measured by profits, most NGOs evaluate their projects differently, either internally or externally. The study revealed the importance of external evaluation, which is done by researchers who are from academic institutions. However, NGOs need to evaluate their performance as it indicates to the stakeholders, funders and beneficiaries how well the organisation is doing in executing its mission. Without M&E, it might be difficult for an organisation to see how successful they are in their communities, which might lead to the withdrawal of funders.

# 5.4.4 Training and development (Capacity building courses)

NGOs depend on people to drive their mission and vision to the public. Without skilled, knowledgeable and educated people, the organisation's mission might be difficult to execute. The study reflected the significance of the training and development of employees in the NGO sector. The research revealed that organisations value the importance of training and

development, and without skilled workers to do the job, it might be difficult for the NGO to make an impact on society.

#### 5.5 Recommendations

The main objective of the following segment is to highlight a variety of recommendations for consideration by non-profit organisations, governing bodies, leaders and managers. These suggestions are projected to change and increase non-profit organisational development, management and activities which benefit the communities.

## 5.5.1 Recommendation 1: Formulating the vision, mission, and strategic objectives

The responsibility of the leaders of non-profit organisations is to direct the organisation to a successful future. To obtain this successful future, the leaders, board members and management must create and implement the purpose of the NGO backed by the vision, goals, mission, policies and procedures of the organisation. Policies and procedures must be implemented to create a culture that is transparent and fair. It is suggested that non-profit leaders must share leadership responsibilities with those that have shown the leadership qualities and not to micromanage employees due to a sense of entitlement.

## 5.5.2 Recommendation 2: Hybrid skills for NGO leaders

It is suggested that leaders of non-profit organisations must be selected according to the competencies they have and these skills must be aligned with the purpose of the NGO. However, it is suggested that board members, managers and leaders must have a mixture of capabilities, including public engagement, managerial, financial, fundraising, budgeting, legal and monitoring and evaluation skills.

# 5.5.3 Recommendation 3: Develop relevant HR guidelines or policies

As indicated in the study, several organisations did not have a policy and procedure manual to govern the employees. If the NGO had the manual the manual was mostly outdated or not aligned with the organisational objectives or goals. Furthermore, where a manual existed, it could have been outdated or the management and the employees were not aware of it. It is recommended therefore that non-profit organisations must develop and update their policies and share them with their employees so that they know the right behaviour and manner to communicate in the organisation.

# 5.5.4 Recommendation 4: Developing strategic HR planning

Without human resources planning, non-profit organisations will not achieve their goals and objectives more satisfyingly. The process of HR planning helps non-profit organisations to direct employees to do the right things or activities to achieve the mission of the organisation. As indicated by most researchers, a lot of non-profit organisations have strategic and financial plans to steer them in managing funds and their goals. Therefore, the implementation of HR planning is not common in these organisations.

HR planning will help non-profit organisations to allocate and appoint employees to the right positions, which drive the programmes and services of the NGO. This streams from recruiting the right people, training upcoming leaders and implementing succession planning. Lack of HR planning has resulted in poor selection of leaders and employees, and to conflicts as there are no guidelines for executing duties and replacing employees. Although non-profit organisations have few employees, it is important for management to do HR planning that is fixed on the organisation's purpose.

### 5.5.5 Recommendation 5: Providing basic HR skills

Board members and management of non-profit organisations must be skilled in HR-related issues. Numerous leaders and managers of non-profit organisations do not possess human resources skills. Lack of HR skills has resulted in conflicts, demotivation and lack of performance from employees. Non-profit organisations have to budget money to train or do capacity building courses to help their managers to obtain standard skills to do human resources work. Board members must be aware of the importance of HR skills and they must have standard skills to help employees to have a functional HR system. Small non-profit organisations do not have an HR unit; therefore, board members must ensure that HR skills are introduced early in the organisation or they must assign one of the board members to do the duties while the organisation is growing.

#### 5.5.6 Recommendation 6: Outsourcing HR functions

Smaller non-profit organisations that do not have enough money to create an HR function must improvise to install HR systems in their organisation while their NGO is growing. They can do this by outsourcing consultants who will come in for some time to help them with HR issues. The consultant will help them with job descriptions, contracts, formulation of policies, career development, appraisals, and monitoring and evaluation. This has proven to work for a lot of non-profit organisations that cannot afford to have an HR department in their organisation.

# 5.5.7 Recommendation 7: Develop management / leadership succession plans

The succession planning of non-profit organisations is very important, especially planning for leadership roles and management positions. This activity can be connected with strategic planning, which focuses on the future of the organisation. It is critical to be able to pick and train future leaders who can carry out the objectives and purpose of the organisation in the future. Current leaders in non-profit planning must invest in young leaders by making them go through leadership, strategic, management and programme training. Future leaders must be developed and go through various career assessments to identify their strengths and developing areas. Non-profit organisaations that focus on management succession planning are much diversified and are capable of adapting to any situation due to their versatility. This helps non-profit organisaations to have a lasting vision that continues to impact the community in the long term.

# 5.5.8 Recommendation 8: Undertake organizational knowledge matrix exercise

The documentation of important aptitudes for occupations is important as it helps employees to develop their behavioural indicators to perform the job. This activity helps non-profit organisations to see and allocate the existing competencies that are within the organisation or without. This helps the organisation to create a learning culture by allowing employees to learn from each other depending on one individual with all the required skills. This activity is vital to non-profit organisaations, as it helps to strategise in this diversified and ever-changing environment. This process helps with accomplishing organisational goals as employees are aware of each other's competencies.

# 5.5.9 Recommendation 9: Develop and implement a staff performance management system

The success of an organisation comes from the commitment of the employees towards the organisation's purpose, vision and objectives. The leaders and the management are accountable for making sure that employees are committed. Most non-profit organisations are struggling to motivate their employees who end up disturbing the performance and development of the organisation. Introducing performance-based incentives, be they intrinsic or extrinsic, will assist non-profit organisations to have motivated employees.

#### 5.6 Recommendation for future research

For organisations to fully operate, successful human resources must be the driving force to achieve the organisation's goals. HR is a procedure that assists businesses and organisations to select, recruit and train employees (Batti, 2014). The relationship between people and their responsibilities is associated with human resource management. HRM is responsible for making sure that every individual in the organisation is competent, performs well, and is motivated to do their work satisfactorily. The ethos of HRM is to grow the organisation with the right people at the right position, and who are capable of working together in harmony (Armstrong & Taylor, 2017). The objective of HR is to direct businesses to attain their goals.

NGOs can assume better responsibility in business community accountability; the problem is who plays a better part in connecting business with the society. The problem is solved by the

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HR department of the business (Akingbola et al., 2019). Leaders and management in HR must be the ones to drive the connection between society and the sector. To develop and maintain better communication with people, HR experts must utilise their Strategic Relationship Management skills (Akingbola et al., 2019; Batti, 2014; Njeri 2016). They should communicate with society by implementing sound connections with NGOs within their working environments. HR experts and managers do group discussions with the beneficiaries within the community by educating their leaders. In the last two decades, non-profit organisations have played a significant role in implementing policies. The growing association amongst non-profit organisations, the government and funders is crucial to the global growth of policy discussions (Marias, 2018). Non-profit organisations are different in their operations, service delivery, programmes, communications with the public, donors and funding, and purpose and visions. They are the frontrunners of the communities. They are the drivers of various upcoming policies and programmes of socio-economic and political means. They encourage and help upcoming organisations, drive social change, and empower people politically and in future growth (Akingbola et al. 2019).

Developing countries allowed non-profit organisations to work with their communities under contracts and to stimulate the development and training of individuals. The responsibilities and functions of non-profit organisations were illustrated in this research, as well as their difficulties in leadership and management (Batti, 2014), governance and sustainability (Marias, 2018), challenges faced by NGOs in implementing strategic management (Njeri, 2016), and challenges non-profit organisations face in public involvement and making policies. Recruitment and selection is an important process that non-profits organisations need to make. As corporates and any other organisation depend on their employees to drive and achieve their objectives, non-profit organisations need to depend on the same principle. Nevertheless, non-profit organisations need to adopt the same principles that are used by profit organisations to create and sustain good working conditions. Those interested in NGOs should write more about HRM practices in non-profit organisations to assist them in achieving their goals and mission as they are the new public drivers in the socio-political and economic world.

#### 5.7 Conclusion

It can be concluded that the continuous pressure for NGOs to change affect their external environment and their performance for survival in this competitive world. Non-profit organisations must be informed that skilled staff, connected with good HR principles, are fundamentals to help the organisation to have a competitive advantage in their industries. This encourages non-profit organisations to keep on updating and keeping up with trends towards their HR principles. Embracing organisational development procedures will assist non-profit organisations to create and implement strategies that are scheduled and backed with HR principles.

The organisational culture is composed of the organisation policies and procedures, services and systems. The role of leaders and management of non-profit organisations is to make sure the organisational culture is connected with the HR principles to ensure staff is identified and trained for the growth of the organisation and the individual. Sponsors, funders and grant offers play a crucial role in processes of non-profit organisations, as they receive help to implement programmes in communities. Sponsors and funding agencies have to now understand the importance of HR principles as these functions help the non-profit organisations to achieve their goals and objectives. These agencies must provide financial support to help the employees to be trained so that they possess the right competencies to drive the objectives of non-profit organisations.

Organisational systems, processes, and activities are integrated and synergised through a strong organisational culture. A crucial task for NGO leadership and board members is to evaluate the extent to which organisational culture ensures the strategic integration and adoption of human resource practices to make sure an employee's potential is harnessed and developed for the benefit of both the individual and the organisation. Donor agencies and governments are an important part of the lifecycle of NGO, as many organisations receive support from the two institutions to undertake development at the community level. There is need for donor and government agencies to become more sensitive and proactive in understanding the importance of human resource practices of partner implementing organisations and offer more support to build capacity in HR management, in addition to providing funds and facilitating the registration of the organisations.

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### **APPENDICES**

### **APPENDIX** A

UNIVERSITY OF THE WESTERN CAPE

**Department of Industrial Psychology** 



**Information sheet** 

**Dear participant** 

My name is Dean Tendai Mazhawidza, student number: 3260499 and I am a registered Masters student in the Faculty of Economic and Management Sciences at the University of the Western Cape.

#### The title of my thesis is Evaluation of selected Human Resource Practices in selected Non-Governmental/ Non Profit Organizations in Cape Town.

The study aims to evaluate HRM practices in selected small NGOs in Cape Town. It seeks to evaluate how strategic HRM practices are implemented in small-medium NGOs to achieve their goals and how best they can be competitive and effective in their organizational performance and development. Furthermore, the research will evaluate the extent of the implementation of HRM practices in NGOs and how important HRM practices can be useful in exploring new opportunities, attracting donor funding, being accountable and planning strategically to survive in an ever-changing environment.

As a participant who gives consent to your participation, you will be required to complete a Consent Form and answer an unstructured interview. Your involvement is voluntary and your

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responses will be treated as confidential. Please direct any questions or problems to my Co-Supervisor Dr John Aderibigbe at jaderibigbe@uwc.ac.za.

Cordially,

Dean Tendai Mazhawidza, BA degree, BA Industrial Psychology

Industrial Psychology Masters





Please initial box

#### Consent Form for interview

#### Title: Evaluation of selected HR practices in selected NGOs/NPOs in Cape Town

#### Researcher: Dean Tendai Mazhawidza

| 1. | I confirm that I have read and understood the information sheet explaining the            |
|----|---|
|    | above research project and I have had the opportunity to ask questions about the project. |

- I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason and without there being any negative consequences. In addition, should I not wish to answer any particular question or questions, I am free to decline. (If I wish to withdraw I may contact the lead researcher at any time)
- 3. I understand my responses and personal data will be kept strictly confidential. I give permission for members of the research team to have access to my anonymized responses. I understand that my name will not be linked with the research materials, and I will not be identified or identifiable in the reports or publications that result from the research.
- 4. I agree for the data collected from me to be used in future research.
- 5. I agree to take part in the above research project.
- 6. I agree to take part in the above research project and the interview will be voice recorded

| Name of Participant<br>(or legal representative)                      | Date                       | Signature |
|---|----------------------------|-----------|
| Name of person taking consent (If different from the lead researcher) | Date                       | Signature |
| Lead Researcher<br>( <i>To be signed and dated in presence</i> c      | Date<br>f the participant) | Signature |

Copies: All participants will receive a copy of the signed and dated version of the consent form and information sheet for themselves. A copy of this will be filed and kept in a secure location for research purposes only.

#### **Researcher:**

Dean Tendai Mazhawidza Department of industrial Psych EMS Faculty University of the Western Cape Bellville, Cape Town Cell: 076 433 2594 Email: 3260499@myuwc.ac.za

#### Co-Supervisor:

Dr John Aderibigbe Department of industrial Psych EMS Faculty University of the Western Cape Bellville, Cape Town <u>Tel:021-</u> 959 3182 Email: aderibigbe@uwc.ac.za HOD:

Professor Bright Mahembe Department of industrial Psych EMS Faculty University of the Western Cape Bellville, Cape Town <u>Tel:021-</u> 959 2212 Email: bmahembe@uwc.ac.za

#### Interview Guide

- i. What is HR practices and how do they benefit an organisation?
- ii. What HRM practices have been employed in the NGO to increase organisational performance?

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- iii. Who is responsible for handling HRM issues in the NGO?
- iv. Do NGOs encourage the development of HRM?
- v. What employee performance evaluation methods are employed by the NGO?

## **APPENDIX D**

#### Demographics

#### Summary Table of Participants: Demographics

| Organization | Participant | Gender                  | Position                            | Time at NGO/NPO |
|--------------|-------------|-------------------------|-------------------------------------|-----------------|
| NGO (A)      | 1           | Female                  | Administrator/<br>Coach             | 8 years         |
|              | 2           | Male                    | Coach/ Project<br>Manager           | 10 years        |
| NPO (B)      | 1           | Female                  | Director/<br>Founder                | 5 years         |
|              | 2           | Male                    | Social Auxiliary<br>Worker/ Teacher | 3 years         |
| NGO (C)      | 1 4         | Male                    | Coordinator                         | 12 years        |
|              | 2 U         | Female KSII<br>ESTERN ( | Clerk/HR<br>Assistance              | 12 years        |



#### OFFICE OF THE DIRECTOR: RESEARCH RESEARCH AND INNOVATION DIVISION

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18 December 2019

Mr DT Mazhawidza Industrial Psychology Faculty of Economic and Management Sciences

Ethics Reference Number: HS19/9/21

**Project Title:** 

Evaluation of selected Human Resource practices in selected NGO/NPOs in Cape Town.

Approval Period:

17 December 2019 - 17 December 2020

I hereby certify that the Humanities and Social Science Research Ethics Committee of the University of the Western Cape approved the methodology and ethics of the above mentioned research project.

Any amendments, extension or other modifications to the protocol must be submitted to the Ethics Committee for approval.

Please remember to submit a progress report in good time for annual renewal.

The Committee must be informed of any serious adverse event and/or termination of the study.

pres

Ms Patricia Josias Research Ethics Committee Officer University of the Western Cape

NHREC REGISTRATION NUMBER - 130416-049

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