Chapter 4
Perspectives of Stakeholders
4.0. Introduction

This chapter addresses the second objective of the research project, i.e., to understand the perception of multiple stakeholders (such as donors, beneficiaries, and grassroots staff) on the accountability of the NGOs they are associated with.

4.1. Profile of Participants

4.1.1. Interview Participants

During the first part of the second stage of the study, nine participants were interviewed. The profiles of the participants are as follows:

Table 4.1: Interview Participants Profile

<table>
<thead>
<tr>
<th>Stakeholders Groups</th>
<th>Number of Participants</th>
<th>Names of Participants *</th>
<th>Affiliated Organizations **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors</td>
<td>3</td>
<td>Bagya Sen</td>
<td>Batliwala Foundation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pradeep</td>
<td>CSR Department, SKR Company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anupamma</td>
<td>Individual Donor</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>3</td>
<td>Rose Mary</td>
<td>Community Development Centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ahmed</td>
<td>Mazdoor Support Centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ravi</td>
<td>Healthy Lives Foundation</td>
</tr>
<tr>
<td>Staff</td>
<td>3</td>
<td>Deepan</td>
<td>Prisoners Aid Society</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laxmi</td>
<td>Second Innings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lal Singh</td>
<td>Child Development Agency</td>
</tr>
</tbody>
</table>

*/** The names are changed to protect identity
4.1.2. Survey Respondents

There were 90 respondents in the surveys, which followed the in-depth interviews. There were 30 donors, 30 beneficiaries and 30 staff as respondents in the respective surveys.

4.2. Perception of Donors on Accountability of NGOs

4.2.1. Background Information of Interviewees

- Bagya Sen (Batliwala Foundation)

Sen has been working for the Batliwala Foundation for the past six years. She works as a senior programme officer, holding independent charge of monitoring and evaluation of projects along with recommending suitable NGOs for funding partnership.

Batliwala Foundation was initiated by an industrialist. Although privately funded, the foundation is professionally run with a dedicated team of chartered accountants, social workers and communication experts, who find the right organizations and support them financially for a minimum period of three years depending upon the scope of the respective projects. Sen is a post graduate in social work from one of top institutes in the country and is passionate to support credible and accountable NGOs. She travels extensively in this endeavour and has been the representative of the donor agency in all major fundraising and communication forums organized by different stakeholders.

- Pradeep (SKR Company)

Pradeep works in the CSR Department of the SKR Company for the past seven years. He works as a programme manager (corporate philanthropy). He is authorized to find the right (NGO) partners, disburse grants, and conduct periodic (programmatic and financial) monitoring exercises along with evaluating the funding partnerships. The CSR Department of the SKR Company has professionals from different streams such as commerce/accountancy, social work, management, development administration, and management studies.
• Anupamma (Individual Donor)

Anupamma, 35, is a practising medical doctor. She works in a multi-specialty hospital. She is also an individual donor who supports various NGOs directly. She is interested in the issues of children and women. Anupamma supports NGOs through individual donation.

4.2.2. Information on Survey Participants (Donors)

Almost 50% of the respondents were individual donors, who support different NGOs. Around 23.3% were representatives of foundations and 26.7% respondents were working in corporate philanthropy/ CSR departments. The chart 4.1 reveals the fact.

![Chart 4.1: Donor Type](image)

4.2.3. Funding Support: Duration and Number of NGOs

A look at chart 4.2 reveals that from the donor survey respondents, 10% are funding NGOs for the last three years. Around 63.3% are funding for the past four to 10 years and 26.7% of the respondents are funding NGOs for more than 10 years.
The table 4.2 given below shows that 33.3 % of the donors support more than 10 NGOs in a financial year. While 36.7% donors support five to ten NGOs, 30% of the donors support less than 5 NGOs in a year.

Table 4.2: Donor Support Duration

<table>
<thead>
<tr>
<th>Number of NGOs Supported/ Year</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>5-10</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>More than 10</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.4. Governing Boards and Competencies

Two important characteristics of the governing board are (a) clear separation of board and executive responsibilities and (b) talent diversity (due to the diversity of the members). Competent and diverse members can provide the best results. This can impact the organization. Hence these aspects should be kept in mind while developing the boards.
Sen believes that most NGOs are not able to fully practise accountability at the governance level. She observes:

“In most organizations, there is no clear cut differentiation between the board and the executive. The roles are overlapping. In most cases, the managing trustee is the director of the organization. Some of the trustees are in the regular rolls of the organization. They act like rubber stamp with minimal or no control on the affairs of the NGOs. However, I have also seen some NGOs which are run by professional boards. The latter are more accountable compared to the former. While making funding decisions, we look for such professional governing boards.”

Pradeep observes:

“In some NGOs, professionals from various streams are invited to be on the board. But the major challenge is the lack of quality time and commitment among these professionals to carry over the responsibilities. Hence, the executive director/ chief functionary assumes a larger role in these circumstances. However, NGOs with professional boards are always better. At least there is a separation of roles for board and executive staff.”

Funding agencies and individual donors tend to look at different competencies before making any financial commitments. Sen speaks out:

“We do not just go for annual report while evaluating an NGO’s performance. We look for good financial management systems, beneficiary involvement process and board competencies. Sadly, most of the NGO boards are not competent. We, generally, do not recommend such NGOs.”
Pradeep shares:

“Firstly, we look for a good board. Then, we look for sound financial and programme management systems. Once this is verified, past experience of the NGO in handling projects is taken into consideration. Finally, before making the funding decision, a credibility check is conducted through verification visit in the field.”

Thus, it is clear that donors look for various competencies in the NGOs before making funding decisions. The respondents who participated in the survey also agreed to the stance. From the chart 4.3, one can infer that most (80%) of the donors look at board competencies before proceeding forward. 20% of the donors do not check the competencies.

Chart 4.3: Checking Board Competency

Besides board competency, donors have different priorities while selecting NGOs. Table 4.3 given below reveals that majority (53.3%) of the donors primarily look at sound financial systems. While 16.7% of the donors still rely on the fundraisers’ presentation to take a final call, 6.7% of the donors emphasize on beneficiary involvement process. Another 6.7% of donors look at the commitment of staff to deliver the goals.
Table 4.3: Donors Lookout For

<table>
<thead>
<tr>
<th>Primary Donor Lookout</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial System</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td>Beneficiary Involvement Process</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Committed Staff</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Fundraiser’s Presentation</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The survey also reveals that most (80%) of the NGOs conduct some sort of credibility check before finalising the funding decision. Around 53.3% of the donors conduct self-verification. While 20% donors rely on credibility verification agencies, 6.7% rely on mother (capacity building/training) NGOs for the verification process. Only 20% of the donors do not have such verification processes. A look at table 4.4 reveals the fact.

Table 4.4: Credibility Verification

<table>
<thead>
<tr>
<th>Verification Method</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through mother NGOs</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Through credibility verifying organizations</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>Self-verification through visit</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td>Do not conduct verification</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
4.2.5. Programme Management in NGOs

Programme management is an essential part of NGO administration. According to Anupamma, most of the NGOs do not involve beneficiaries in the project planning process. She feels that it is not possible for NGOs to do so because most of the beneficiaries are illiterate and do not understand the project.

According to Sen, most of the NGOs she visited (in her professional capacity) have been reluctant to involve beneficiaries in the project planning process.

She observes:

“Most NGOs want to maintain secrecy of their project proposal. They do not share and do not believe in collaborative project planning. It becomes problematic when beneficiaries we interview during the surprise visits could not understand the project objectives. They cannot say anything other than the fact that the NGO helped them through a particular activity. Hence, we recommend NGOs to involve beneficiaries in planning, monitoring and evaluation of projects. Only very few NGOs take it seriously.”

Pradeep also shares the similar view. He clarifies:

“The NGOs find it difficult because there is a culture of secrecy in the NGO sector and they avoid sharing their project proposal, budget and the output expected. Hence, bringing the beneficiaries in the decision making and programme planning process is out of the question. Only some community-based organizations are able to do it.”
However, most of the organizations provide updates on the progress of their projects though periodic reports to the funding agencies/donors. The survey results shows 53.3% of the NGOs provide such reports to the donors on time. A look at chart 4.4 reveals the same.

**Chart 4.4: Period Reports**

One of the major concerns raised by Pradeep is in the area of complaint management systems. He shares:

“*The most important aspect of programmatic accountability is having appropriate and formal systems to handle and receive complaints from stakeholders on sensitive issues such as sexual pestering or swindling of money. But hardly have I seen any NGOs having appropriate systems to tackle the issues. It is high time to develop such systems.*”

Sen and Anupamma also feel that it is important for the respective NGOs to develop formal systems in the NGOs to handle such pressing issues.
4.2.6. Resource Management in NGOs

Pradeep claims that many NGOs are not able to employ a full time and qualified human resource manager to strengthen the function. Pradeep says:

“In most NGOs, human resource policy is drafted by the external consultant and there is no input or discussion among staff on the HRM policy. This leads to poor understanding among the staff on the HRM systems.”

Pradeep is also disappointed with the supervisory system of most NGOs. He says:

“In most NGOs, there is no proper staff structure. This leads to poor supervision. Performance management is totally missing in most NGOs. I have only seen very few NGOs conducting performance appraisal of the staff”.

Anupamma finds many NGOs using the hire and fire policy because of the project mode of functioning. She says that accountability can be established only if the staff is attached to the NGOs. This can be achieved only by taking care of them. Sen laments:

“Actually there is no incentive for staff to perform well. There is no performance appraisal, no proper supervisory structure or forums for getting feedback on performance. This reduces the staff to just mechanical workers. So it is necessary to motivate the staff and provide proper supervision. Every year, thousands of rupees are spent on staff training programmes. If the NGOs train the senior workers in proper supervision, a lot more change can happen.”
She continues:

“Another concern in the HRM realm is that in most NGOs, proper social security is not available for the staff. We insist that the NGOs should contribute in the EPF scheme, initiate group health insurance and facility for internal loans. If they take care of the welfare of the staff, the NGOs can build staff accountability.”

According to Sen, there are areas in financial management, where the NGOs need to improve. She bewails:

“When we do management accounting, we realize that there is inconsistency between original planned programmes and what the money is really spent on.”

Sen continues:

“In many small NGOs, the money is diverted to other projects too without permission from the funding agency. I do not demean the work of NGOs. They are doing good work, but they need to know the basis of financial control. They should also know that the consistency between the programme and the accounting trail will help them gain credibility.”

Pradeep feels that there are subterranean problems in the way NGOs understand financial systems. According to Pradeep, the main challenge in most NGOs, including renowned ones is expense management.
He shares:

“Most of the NGOs don’t follow the project proposal while spending the money. This results in lack of link between the programmatic and financial trails. While we do financial review, we come across many such malpractices. In most NGOs internal audit is not conducted. Only external audit is done, so the staff does not have any chance to know the real situation.”

Sen finds it imperative to develop anti-corruption cells in NGOs. She adds:

“I feel that the NGOs may earn a better reputation if they establish a formal anti-corruption cell within the organization. This will boost the morale of the staff and help them to report in confidence about internal fraud and corruption.”

Table 4.5 exposes that 30% of the donor representatives have noticed malpractices in some form or other. 43.3% of the respondents have not noticed corruption at all. Interestingly, 26.7% are not aware because they don’t conduct regular inspection/surprise checks.

Table 4.5: Malpractices Noticed

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>Not Aware</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Pradeep argues that it is important to develop whistleblower protection policy in NGOs to tackle the menace.
He says:

“I recommend NGOs to have a whistleblower protection policy and establish formal financial fraud watch committee within the organization. This will empower the grassroots staff to come forward and report on internal fraud and corruption.”

Moreover, individual donors/ agencies should make a resolution to curb corruption. Rightly, a large number (63.3%) of respondents, who participated in the survey, agreed that they will stop funding the NGO. Around 20% of the respondents shared that they will not support the NGO again. However, 16.7% shared that they will only warn the NGO. Table 4.6 given below shows the fact.

Table 4.6: Action on Corruption

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warn the NGO</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Stop the Funding</td>
<td>19</td>
<td>63.3</td>
</tr>
<tr>
<td>Not support again</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

This brings us to an interesting question. How many NGOs are accountable? Sen finds the question very hard to answer. She feels that it’s difficult to quantify and label the NGOs. Pradeep and Anupamma also find it as a difficult to answer such an awkward question. Nevertheless, from the survey results, it is evident that many (83.3%) of the donors believe that only some NGOs are accountable. Only 3.3% of the respondents feel that all the NGOs are accountable. Interestingly, 13.3% feel it is as a difficult question to answer. The table 4.7 highlights the same.
Table 4.7: Opinion on NGO Accountability

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All NGOs are accountable</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Only some NGOs are accountable</td>
<td>25</td>
<td>83.3</td>
</tr>
<tr>
<td>Difficult to answer</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Sen, Pradeep and Anupamma find the NGOs run by professional boards to be competent and accountable to multiple stakeholders. On the other hand, 30% of the respondents, who participated in the survey, feel that one man organizations are less accountable. While 13.3% find movement type organizations to be less accountable, 13.3% of the respondents find professional boards to be less accountable and 43.3% do find any correlation between NGO types and accountability. Table 4.8 given below gives an overview of the perception.

Table 4.8: Type of NGOs and Accountability

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Man Organizations</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>Professional Board</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Movement Type</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>No such difference</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3. Perception of Beneficiaries on Accountability of NGOs

4.3.1. Context of Associating with NGOs

• Rose Mary (Community Development Centre)

Mary is 40 years old and is associated with Community Development Centre, an NGO, for the past eight to nine years. Her husband and daughter died in the Tsunami that took place in 2004. Since then she is living alone and is being supported by the Community Development Centre. She shares:

“It was a Sunday. Pravin (husband) and Kanmani (daughter) were playing the carom game. I had to literally push them to get ready for church. We all went to the church happily that day. We had a peaceful worship too. As usual, Pravin and Kanmani went for a walk on the beach. At about 9am, there was a loud sound. I came out to see. At that moment, a giant wave swept me and I was thrown into the salt pan nearby. I lost my consciousness. When I got up after an hour or so, I could only hear a hue and cry around. I went to search for Pravin and Kanmani. I went to the church where there were a lot of people. Then I went to the bus stop. I went everywhere in our village. But I could not find them. Next day, they pulled out their bodies from the beach. That moment I was overwhelmed by the loss.”

Rose Mary later realized that she had lost her parents and her brothers in the Tsunami. Her entire social security network had crashed. It was at this time, she came across the Community Development Centre. The NGO was involved in relief and rehabilitation activities during the time.

“Community Development Centre gave me food, clothes and even helped me in repairing my home. In 2005, they helped me get some money through government schemes. Two years later, I also joined their Self Help Group. Since then, I have been actively associated with the organization.”
Ahmed is 25 years old and is associated with Mazdoor Support Centre (MSC), an NGO for the past two years. He was born to a family of five children. His father and mother died when he was 18. Being the elder sibling, he was forced to work and help his younger brothers and sisters. Lack of job opportunities and poverty forced him to become a casual labourer. Ahmed shares his experience with the NGO:

“I was picked up from the naka by the Standard Company. They promised to pay me 6,000 rupees as salary (200 rupees per day). I worked for 30 days. On the salary day, I received 4,500 rupees only. I was very much shocked. I went to the contractor to share my grievance. But he chased me away. I was helpless.”

He continues:

“It was at this time MSC came to my rescue. Nagaraj from the NGO visited the naka workers and enquired about the conditions of work. I shared my issue. He promised to help me. A day later, he spoke to the contractor. The contractor was behaving rudely with Nagaraj. I was very afraid. But Nagaraj said that we will approach the labour court to get justice. The contractor was afraid and he agreed to settle the matter out of the court. He paid me 1,500 rupees on the very same day”

With a relief on his face, Ahmed continues:

“Af ter that incident, I regularly went to the MRC. They conduct so many activities there. I was very much impressed by the simplicity of Radha, the head of the NGO. She was very kind to me. Nobody was kind to me since my parents passed away. After many years I was able to hear some kind words. So I decided to support the organization. Now I am part of the peer support group in our community. I educate the workers on their rights. I feel like I am part of this MRC family.”
• Ravi (Healthy Lives Foundation)

Ravi is 40 years old and is a truck driver. He used to drive commercial transport vehicles and travel around the country. In 2009, he became very weak, and after a medical check-up, he was diagnosed with HIV/AIDS.

He pours out:

“Heavens came crumbling down on me when I heard the news. My wife fainted on hearing the news. The children were also petrified. All our relatives were cursing me for what I have done. I could not face my own family. I have never been through a day like this in my entire life.”

He continues:

“There was a point of time when I decided to commit suicide. My guilt was haunting me and I decided to end my life. My wife saved my life and took me to the Healthy Lives Foundation.”

Healthy Lives Foundation is an NGO working for the rights of people infected and affected by HIV. They run a counselling centre and work extensively on community-based care and support to the clients. Ravi shares about his experience with the NGO:

“I was deeply pained and wanted a new lease of life. It was at this time, my wife took me to the foundation. Patsy, the counsellor was very kind. She counselled me and my family. She said that if I followed a good diet and do proper physical exercises, I can live longer. This was the first sign of hope. It almost took six months for us to accept the situation and move on in life. Later, I began to visit their centre regularly. Whenever I go to the hospital to get medicines, I make it a point to visit them. The staff interacts with me without any inhibition and I feel happy to visit them. I also have the chance to meet people who are in the similar situation. Now, I am happy.”
4.3.2. Duration of Support from NGOs

From the table 4.9, we can infer that 60% of the respondents are supported for less than two years. While 30% are supported for around three to five years, only 10% are supported for more than five years.

Table 4.9: Length of Support

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 years</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>3-5 years</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.3. Beneficiaries’ involvement in Governance

Ravi knows about the board meetings. According to him, the board members come for the quarterly and annual board meetings regularly. He shares:

“Beneficiaries are not involved in the board meetings. Even I don’t want to participate in the meeting because I do not have the knowledge or work experience to be part of such meetings.”

Ahmed feels that he is not worthy to attend the board meetings. He says:

“I don’t want to participate in the high level (board) meeting. I just want to participate in the naka meetings. I am happy about it. I really don’t want to participate in the high level meeting because I am not an important person at all.”
Rose Mary questions:

“I am just the beneficiary of the organization. How do you think that I can be involved in such high-level decision making bodies?”

She continues:

“I am very happy that the organization involves me and other beneficiaries in the programmes. That gives satisfaction. Our photographs also appear in their annual reports, so I am happy with the NGO for recognising us. What more do we need?”

From among the survey participants also, 90% agree that they never participated in the board meetings. While 3.3% of the respondents shared that they have been involved sometimes in the board meetings, 6.7% of the respondents say that they have been mostly involved in key board meetings. Table 4.10 gives the detail regarding the same.

Table 4.10: Board participation of Beneficiaries

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never involved</td>
<td>27</td>
<td>90.0</td>
</tr>
<tr>
<td>Sometimes involved in key board meetings</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Mostly involved in key meetings</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Annual reports are an important source of information to the beneficiaries about the achievements of the organization over a period of time. Interestingly, as shown in the chart 4.5 below, 90% of the beneficiaries shared that they never received any annual reports from the NGOs they are associated with and 10% shared that they receive it sometimes.

It is imperative for the NGOs to involve beneficiaries in the performance review of the senior staff and the chief functionary of the respective NGOs. Most of the beneficiaries are not aware that they are core constituents, who have a stake in the exercise. When it was expressed, Ahmed was very positive about it.

“I have not been approached so far. But if they approach me, I will give a good review about the head of the NGO.”
The same is the case with Ravi. He says:

“*I did not know that beneficiaries can review the work of the staff and the head of the organization. Thanks for telling me. If they ask me, I will give my honest opinion.*”

Rose Mary could not buy the advice. She argues:

“*How could I review the performance of the director? He is the person who started everything and helps people, so I don’t think we can do that.*”

From among the survey respondents, 83.3% have never been involved in the appraisal process. While 10% have sometimes been involved, 6.7% did not give any reply. Table 4.11 reveals the fact. Therefore, it is clear that most of the NGOs do not involve beneficiaries in the appraisal of the staff or CEO.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Reply</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Never</td>
<td>25</td>
<td>83.3</td>
</tr>
<tr>
<td>Sometimes</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.3.4. Beneficiaries’ involvement in Programme Management**

According to Ahmed, the programmes of the organization are very much related to the ground reality. He says:

“*I find the programme in tune with the need of the people in the community. The programmes are not only educative, but also empowering. Hence, I wish that the NGO continues to work on these important issues.*”
Ravi also finds the programmes of Health Lives Foundation to be related to the ground reality. He says:

“I find the programme related to the needs of the people. The programmes are properly planned. Every activity in the programme is well thought out. I wish that the NGO continues to work in this manner in the future also.”

According to Rose Mary, the programmes of the organization are well thought out and executed, but she is not able to analyze whether the programmes have linkages to the mission and overall goals of the organization.

An important area of beneficiary involvement in the programme is in the programme planning and implementation stage. Ahmed is not involved in the project planning process, but is involved in the programme implementation stage. He helps the staff in finding the right place, where community meetings could happen. He also arranges the PA system and does not think that he has any point to share in the project planning stage.

Ravi is also not involved in the project planning process, but he thinks that it is not possible for him to contribute anything in the project planning stage. The main handicap for him is his health.

According to Rose Mary, the project planning is done mostly by the head of the organization and his consultants. She shares:

“Even the staff is not involved in it. Some big people (consultants) visit us to get data and then develop the project.”

Once the programme is rolled out, the objectives have to reach the people. Ahmed is extremely happy about the objectives being shared with the community. He says:
“Everybody in the community is informed about the objectives and activities of the programmes conducted. Hence, we all know about it and are, in fact, very happy about participating in the programmes.”

Rose Mary reflects:

“Seldom have we got information on programme objectives and activities. We don’t bother about it. We are very happy participating in the programmes, be it the cultural, social or educational ones.”

From table 4.12, we find that 43.3% of the respondents never knew the objectives of the project. However, 53.3% feel that the NGOs share the objectives with them. Only 3.3% of the respondents feel that the organizations always share the programme objectives.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>Sometimes</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td>Always</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

External complaint management and grievance redressal process gives a lot of credibility to the NGO and its work in the community. But, according to the research participants, there is no external complaint management system in their respective NGOs to deal with sensitive issues such as sexual harassment, fraud or corruption.
Rose Mary admits:

“There is no formal system of complaints management. But we can always approach the director. He is a good person and works for the people. We all got social and monetary benefits from the organization. So we all support him and the organization. Therefore, when the donor agency representative comes for inspection, we tell good things about the organization.”

On being persuaded, Ahmed says:

“MRC is a very open NGO. In the last two years, I have not seen any such bad practices. Nonetheless, I feel that a formal system of management of complaints would be very well appreciated. We never know who will do what, so a formal system will make the staff more responsible.”

From among the survey respondents, 30% share that there is no complaint management system for beneficiaries in their respective NGOs. A large percentage, 66.7%, is not aware whether such systems exist in their NGOs. Only 3.3% of the respondents agreed that there is a complaint management system in the respective organization.

Table 4.13: Complaint Management Systems

<table>
<thead>
<tr>
<th>Availability of ECMS</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>I am not aware</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Views on Staff and Resource Management

According to Rose Mary, the staff in Community Development Centre is extremely helpful to the beneficiaries. She shares:

“Radha Akka is very kind. She is the facilitator of the SHG and does a wonderful job of motivating us. I know she only gets a minimal salary, but she is very committed. Because of her, we feel that Community Development Centre is our organization and we participate in all the programmes.”

According to Ahmed, the staff in Mazdoor Support Centre (MSC) is concerned about the plight of labourers - the main beneficiaries. He shares:

“People such as Prameswaran and Ravi are extremely caring about the beneficiaries. They are also very strict in money matters. No money is spent on extra things. So this type of good practice is appreciated by the beneficiaries.”

According to Ravi, the staff in Healthy Lives Foundation is concerned about the beneficiaries. He feels that the staff is cautious about money matters. He elucidates:

“Priti ma’am is in charge of the get together meeting of the beneficiaries. During the time, tea and snacks are given. I sometimes volunteer to help her in arranging the snacks. I have realized that Priti ma’am first gets an advance from the organization. For everything she purchases, she keeps the bills. After the programme gets over, she gives the account details to the coordinator. Everything is very clear here.”
Rose Mary said that the organization is strict in finances. She added that audit is conducted every year and the details are put up in the notice board. She finds this to be a good practice.

Ahmed admits:

“The finance condition of the NGO is put up in the notice board, but we cannot understand the technical accounting language. However, we recognize that they want us to know that the organization is open about how each rupee is spent.”

The survey findings show that 66.7% of the respondents support the NGO due to the financial/welfare benefits they receive from the NGOs. While 16.7% support because of the beneficiary involvement process, 16.7% support because of the financial integrity of the respective NGOs.

A look at the table 4.14 reveals the same.

Table 4.14: Reason for Support

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to financial integrity of the NGO</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Due to financial/ welfare support</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>Due to beneficiary involvement</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.4. Perception of Staff on Accountability of NGOs

4.4.1. Background Information of Interviewees

- Deepan (Prisoners Aid Society)

Prisoners Aid Society, founded in 2002, is located in one of the geographically excluded regions in India. It was founded by a group of friends, who were moved by the plight of prisoners and their families from excluded communities. Currently, there are about 20 staff members in the organization.

The mission of the organization is three-pronged - to reduce the occurrence of crime, prevent further criminalization of prisoners and facilitate reintegration of the prisoners in their family. The organization undertakes programmes such as legal aid, psychosocial counselling and rehabilitative counselling.

Deepan is working as an implementation level staff in Prisoners Aid Society. He is one of the senior most staff members in the organization and has worked in the organization for the past 12 years.

Deepan has completed his Secondary School Leaving Certificate (SSLC) and has done a certificate course in social work. He had earlier worked as a caretaker in a hostel before joining the organization. Deepan lives with his wife and daughter. His wife works in a small establishment in the city and his daughter is studying mechanical engineering in a college nearby. He is extremely close to his family and spends quality time with them.

- Laxmi (Second Innings)

Second Innings is a NGO founded in 1988. It was started Tejas, an engineer who became passionate about the cause of the marginalized. Deeply motivated by the ideology of Mahatma Gandhi and Swami Vivekananda, Tejas started the organization in the semi-urban part of the country. Second Innings, initially, started as a Home for the Orphan and Abandoned Children. In the 1990s, the NGO started a school, an old age home and a medical centre for poor people. It continues to support poor children from disadvantaged backgrounds.
Laxmi is working as a social worker in Second Innings. She is an important person dealing with donor relations and the agency administration. She has been working in the organization for the past two years and has completed her post-graduation in social work.

Laxmi shares:

“I joined Second Innings because of the founder. He left his lucrative job and started the organization. He had come for campus recruitment in the college and I was moved by his presentation. I immediately made up my mind to join the NGO.”

- Lal Singh (Child Development Agency)

Child Development Agency (CDA) works with marginalized and excluded children living in the streets. Currently, the NGO has 45 full-time staff members.

Singh is a project implementation staff in CDA. He has been working in the organization for the past seven years. After Singh completed his ITI course, he worked as a motor mechanic for six months. He did not like the job and it was during this time, he came across the NGO.

Singh started his career in CDA as an office boy. His main job was to clean the office and help the accountant in tasks related to bank relations. During the second year, he was inducted as a project assistant. Currently, Singh is working as a senior project assistant. He is passionate about his work in the organization.

He shares:

“It is true that I joined as office boy. But today, I am one of the project assistant working in the field with children on the verge of dropping out. I feel deeply committed to the task because I know the value of education”.

4.4.2. Work Experience of Staff

Most of the respondents (83.3%), who participated in the survey, had less than five years of experience. While 13.3% had five to 10 years of experience, 3.3% had more than 10 years of experience in their respective NGOs. A look at table 4.15 reveals the same.

Table 4.15: Work Experience in the respective NGOs

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>25</td>
<td>83.3</td>
</tr>
<tr>
<td>5-10 years</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.3. Perception on Governance of NGOs

Deepan shares:

“I have not come across any instance of the board involving beneficiaries or staff while taking decisions. In fact, I have not heard of any NGO boards in the locality involving the staff in the board level decision process. But I should appreciate the fact that the organization makes attempts to give a copy of the annual report to all the staff.”

Laxmi says that the key position in the organization such as that of the correspondent and the coordinator is occupied by people related to the founder. She continues:

“Our beneficiaries are mostly children and the trustees have never involved them in the decision-making processes. However, successful former students of the organization come back and provide inputs.”
She adds:

*I know of an alumnus, one Ramesh, who is now in an IT firm as a senior engineer. He is being co-opted as a member of the board of trustees. Thus, an attempt is made to include former beneficiaries in the organizational set up. However, the managing trustee-cum-director holds enormous powers. Nobody disagrees with him.*

Child Development Agency (CDA) is registered under the Trust act. The managing trustee is also the director of the NGO. Singh knows the organization for seven years now, but he has not come across any instance of the board involving beneficiaries or staff in board meeting.

**4.3.4. Perception on Programme Management of NGOs**

According to Laxmi, the programmes of the organization have linkages to the mission and overall goals of the organization. Deepan also believes of the same about his organization. He says:

“For example, one of the missions is to reintegrate the prisoners into the family. We achieve this mission by undertaking aftercare social work programmes.”

Singh also gives an example. He says:

“The mission of Child Development Agency is to protect and develop the potentials of the children. This mission is achieved by developing and organizing programmes like night shelter, vocational training, etc.”

However, mission-programme linkage does not guarantee participation of the stakeholders in the programme planning and implementing exercises.
Deepan shares:

“Although there is a mission-programme linkage, the major problem is the lack of participation of grassroots staff in the programme planning process. External consultants are given more importance and project is completely designed by them. We have no control or say in the entire design of the programme. We are just asked to implement the programmes. That is what our role is. There is nobody to give us an orientation on the rationale and objectives behind the programmes. This, sometimes, results in lack of clarity among staff.”

Child Development Agency engages external consultants in the preparation of projects, but they act as facilitators only.

Singh shares:

“The proposal is developed in a consultative process. Hired external consultants are invited to facilitate the meeting, which takes place for three days. At the end of the meeting, a proposal is developed. Thus, the views of the grassroots staff like us are taken in the programme planning process.”

Programme monitoring is an important role of Deepan’s work. But he finds it to be a major problem. The target to be achieved is given at the beginning of the month, but the money is not allocated on time. This results in poor implementation. Sometimes, this (according to Deepan) leads to an embarrassing situation in the field when we cannot help a needy beneficiary due to shortage of money.
Laxmi narrates:

“The activities are implemented by the project staff and the monitoring is done by Sham, the coordinator. There is no practice of evaluation of the programmes. Sometimes, donors are invited to share their feedback about the programmes, but seldom are the suggestions included in the prospective plan.”

Singh shares his experience about the same:

“We (staff) have a larger role in the implementation phase. We meet the children and explain about the programmes to them in details and motivate them to join our programmes. But there is no role of the clients in the implementation phase.”

The lack of participation of beneficiaries is not considered a problem by Singh. He says:

“Most of the beneficiaries are invited for the internal midterm evaluation of the projects. However, in the final evaluation only a select few are identified by the director.”

Singh also feels that the organization should improve on the documentation system. He feels that most of the time, the work of the staff is not properly represented in the annual reports. Hence, according to him, improving the documentation systems are vital. He also feels there is an acute need to measure the long-term impact of programmes.

4.3.5. Perception on Resource Management of NGOs

HRM is an important function. It connect employees with the vision, mission, trustees, programmes, and other visible and invisible cultural artifacts of the organization.
But in most NGOs, it’s not given the due importance. For example, in Prisoners Aid Society, there is no separate human resource manager. The accountant takes additional responsibility of the function.

There is a HRM policy in the organization. But the staff has not received a copy of the same. They know the leave rules and the list of holidays by heart as it is put up on the notice board. Other things are immaterial for them as it is technical and mostly never followed.

Laxmi speaks:

“In Second Innings, there is no separate human resource manager. The director directly takes responsibility of it. There is a HRM policy in the organization, but the staff is not aware of the same.”

According to Singh, there is no proper HR policy and regular human resource manager in Child Development Agency. The director is directly involved in hiring and firing the staff. Singh recollects:

“Even I was directly recruited by the director. When he realized my potential, he also promoted me. We did not have an induction programme either. We learned on the job. I think that’s the way all NGOs work and there is nothing wrong with the practice.”

Interestingly, from among the staff, who participated in the survey, only 6.7% were aware of HRM policies. A large portion of the staff, i.e., 93.3% was not aware of such a policy and the implications of the same. The chart 4.6 given below shows the piece of information.
Induction is an important event. It is supposed to give exposure and equip the staff. The organizational vision, mission, history, objectives, strategies and programmes are discussed during the induction week. But in most NGOs, the induction process is absent. The informality leads to poor orientation towards the goals of the organization. Deepan narrates his experience:

“I was called for an interview because the president of the trust knew me. There was no proper interview as such. The president told a compelling story about the work of the organization and I felt very motivated. He asked me whether I would like to join. I said yes. That’s it. The next day I was given an appointment order. There was no induction programme as such. I was asked to go to the community to conduct a survey on the first day. I learned everything in the field. May be one of the important things, which the organization did was sending us to staff development workshops conducted by other organizations. We learned a lot through these sessions.”
Laxmi narrates:

“There is no induction programme in the organization. Here, everybody learns by doing. Hardly the organization sends staff for capacity building workshops organized by other development organizations.”

Not surprisingly, from among the staff, who participated in the survey, only 6.7% underwent an induction training programme. The chart 4.7 given below gives the fact.

Chart 4.7: Induction Programme

Well thought out organizational structures and strict/ formal supervisory arrangement makes sure that all the activities are conducted as per the proposed plan. But in most NGOs, the formal supervisory structure is absent.

Deepan says:

“It’s really demotivating when you don’t get proper feedback on your actions in the field. I think the organization has to do something about it soon.”
Laxmi sobs:

“The senior staff cannot really direct the lower level staff in the organization because there is no respect for the designation of the senior staff. Here, everybody has only one boss that is the director. The lower level staff will bypass all the hierarchy. It’s frustrating when you don’t have a proper staff structure.”

She adds:

“The main issue is the lack of professional feedback on performance. I, being a professional social worker, have time and again reminded the director about the same. But somehow we are not able to develop such systems.”

Proper accounting and auditing processes are imperative for effectiveness and efficiency of the organizations. Most of the NGOs have an accounting system in place.

Prisoners Aid Society does not have a separate accounts department. The part-time accountant takes care of the function with support from the office assistant. There is a financial policy in the organization. But the staff does not know much about it. The organization conducts an internal audit and an external audit.

Second Innings has an accountant, who takes care of the accounting and auditing function. There is a financial policy in the organization. But the staff does not know much about it.

The organization conducts an internal audit and an external audit. Laxmi, however, feels that the entire financial system is geared towards showing accountability only to the donors.
There is an accounts department in Child Development Agency. The head accountant takes care of the function with support from the assistant accountant and the office boy. The organization has a financial manual and does internal and external audits regularly.

Laxmi, Deepan and Singh shared that their salaries do not come on time and they are not aware of the original salary scale (as per the proposal) as they have no access to the project proposal.

Around 36.7% of the respondents, who participated in the survey, shared that they are not paid as per the proposal. Another large number, i.e., 56.7% are not aware whether they are paid according to the proposal or not. Only 6.7% agreed that they are paid as per the proposal.

The table 4.16 reveals the issue.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>I am not aware</td>
<td>17</td>
<td>56.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Internal Complaint Management System builds the confidence and trust of the employees towards the NGOs. It is also an important quality requirement. But most organizations are still not able to set up one.

According to Deepan, there is no formal process in Prisoners Aid Society to register complaints on sensitive issues such as sexual harassment, fraud or corruption.
Deepan shares:

“Once there was an instance of a female staff being verbally abused by a male staff, but she could not go anywhere and report.”

Laxmi feels:

“Being a women employee, I feel the need for a sexual harassment committee. Although, informally, we are able to discuss something, a formal system is warranted and would be much appreciated by the female staff.”

Singh shares:

“I think that there is a need for an anti-harassment cell because some of the staff members are not able to share their complaint publicly. I know of some staff members who are afraid to give a complaint because there is no protection for them.”

Deepan is very angry when asked about the procedure to report financial fraud or corruption. He shrieks:

“You have to understand that we don’t have voice in the system. How do you expect us to report about internal fraud and corruption, if there are no formal procedures? Even if there was one, I doubt whether people will go and report.”

An interesting finding emerges from the survey data. A whopping 43.3% of the respondents share that there is no internal complaint management system in their respective NGOs. Another 33.3% respondents were not aware about the existence of such system.
Only a small portion (23.3%) of the respondents shared that they have an internal complaint management system in their respective NGOs. A look at table 4.17 reveals the shocking fact.

Table 4.17: Internal Complaint Management System

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>I am not aware</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Deepan is heartbroken. He says:

“Most of the time, donors are not aware of the issues in the NGO. They are only concerned about their money. If the audited statements are clear, they are happy. They mostly release the money on time and come once a year for inspection. If things have to improve, the donors have to do a thorough analysis of the work of the agency and involve staff in discussion more frequently. This will bring in some kind of accountability.”

The survey data reveals that 63.3% of the staff feels that their respective NGOs are not accountable to them. A look at chart 4.8 reveals it.

Chart 4.8: NGOs Accountable to Staff
On the other hand, as showed in chart 4.9, most of the staff feels responsible to the NGO due to the emotional attachment to the issue/cause. Around 46.7% of the respondents revealed that they are accountable due to the financial benefits they receive from their respective organizations.

Chart 4.9: Staff’s Accountability to NGOs - Reasons

4.5. Summary

4.5.1. Perception of Donors on Accountability of NGOs

- Governance

Sen observes that in most of the organizations, there is overlap between the board and the senior executive staff. She prefers professional boards over such family/traditional/non-professional boards. Pradeep highlights that even some professional boards are not capable of delivering results as the trustees (mostly busy professionals) do not have much time for the respective NGOs. However, he supports professional boards over the family/traditional/non-professional ones. Thus, it is clear from the arguments that professional boards are recommended by the donors. On the other hand, the truth is that most boards are not so.
- Competencies and Funding Decisions

Around 53.3% of the NGOs submit the annual reports to the donor agencies. But while taking funding decisions, most of the donors go beyond the annual reports to scrutinise the competency of the NGOs in the relevant areas. Sen says that she would go for NGOs, which have competent board members, good financial management systems, and beneficiary involvement process.

Around 80% of the donors, who participated in the survey, agreed that they will go for competent boards. While 53.3% of the respondents agreed that they look at sound financial systems, 6.7% said that they look at the beneficiary involvement process.

Pradeep also added that the past experience of the NGOs in handling similar projects will be given due credit.

Around 80% of the respondents, who participated in the survey, said that they conduct credibility check-up through self-verification or through other verification agencies before making final funding decisions.

- Beneficiary Participation in Project Planning

The participants in the study agreed that the NGOs do not involve beneficiaries in project planning/development processes. Sen observes that a ‘culture of secrecy’ is creeping into the NGOs (while developing and handling projects). Pradeep also agrees and says that project objectives and outputs expected are not shared with beneficiaries. This is a key loophole in the project management process.

- External Complaint Management Systems

All the research participants shared that most NGOs do not have external complaints management system to handle sensitive issues such as sexual harassment and financial corruption.
• **Performance Management, Supervision and Staff Welfare**

The participants in the study agreed that most of the NGOs do not have a full time human resource manager. This results in poor appraisal and performance management process. Sen laments that NGOs seldom have a good supervisory structure. As a result, the staff does not get proper feedback on their actions.

Along with these issues, Sen also finds most NGOs are least interested in the welfare of the staff. She argues that most of the NGOs do not contribute towards important social welfare instrument such as provident fund, group health insurance, etc. This could result in low motivation, insecurity and poor performance.

• **Financial Management**

According to Sen, most of the NGOs do not do management accounting, so they don’t realise the inconsistencies between the programmes conducted and the money spent. She adds that some NGOs also divert money to other projects without getting the approval of the funding agency. She insists that the consistency between the programme and accounting trail should be maintained.

Pradeep agrees with Sen and insists that a positive culture of involvement of programme staff in the internal audit process should be promoted and established. This can prevent corruption.

Not surprisingly, 30% of the respondents have noticed corruption in some form or other in the NGOs. Another 26.7% is not aware as they don’t conduct inspection or visits. Thus, it’s clear that NGOs are not immune to corruption. Hence, it is important to develop systems to prevent corruption.

Sen moots the idea of having an anti-corruption cell in all NGOs. She admits that such a cell does not exist in most NGOs. Pradeep endorses the idea and urges the NGOs to develop a whistle-blower protection policy.

The striking verdict is that most of the respondents (63.3%) agreed to immediately stop the funding if they notice corruption. This is a very good move towards establishing accountability of NGOs.
4.5.2. Perception of Beneficiaries on Accountability of NGOs

- **Beneficiary Involvement in Decision Making**

Involving beneficiaries in decision making process builds credibility for the NGOs. However, the data reveals that 90% of the beneficiaries are never involved in the decision making process.

Ravi, a beneficiary, confesses that he does not have the skill and knowledge to be part of decision making. Ahmed feels that he is not worthy to attend the board meetings and Rose Mary finds the question of beneficiary participation in decision-making as absurd. This shows that the beneficiaries are disempowered.

Around 90% of the respondents admitted that they have never received an annual report from their respective NGOs. So it is obvious that these boards do not consider the beneficiaries as primary stakeholders.

- **Beneficiary Involvement in Review of Staff Performance**

As beneficiaries are the key stakeholders in the NGOs, they are supposed to contribute to the evaluation/review of the performance of the staff and chief functionary of the organizations. However, 83.3% admitted that they have never been involved in such processes in their respective NGOs.

Conversely, two of the beneficiaries, who participated in the interview, namely Ravi and Ahmed, were optimistic about any such call for review of the staff’s performance. Thus, it is evident that there is an urgent need for promoting the role of beneficiaries in these key processes.

- **Programme Planning and Beneficiaries**

The beneficiaries, namely Ahmed, Ravi and Rose Mary said that they were never involved in the programme planning process. But they tried to involve themselves in the implementation stage. For example, Ahmed supported by arranging the venue for community meetings.
So it is clear that the NGOs are not making an effort to bring the beneficiaries on board while planning the programmes. In the long run, this will result in lack of beneficiary ownership of the programmes.

- **Systems to Register Complaints**

Around 66.7% of the respondents are not aware of any complaint registration and management systems in the NGOs. Meanwhile, 30% said that there is no external complaint management system in their respective NGOs. So the point emerging is that most NGOs have failed to develop such systems. Although the beneficiaries feel that their organizations are open, they also feel the need to have formal systems to manage the same.

- **Staff**

From the data, it is evident that the beneficiaries consider the staff as key people/ agents in their lives. It is also clear that the ethical, professional and caring behaviour of the staff is very important for the NGOs to gain legitimacy in the community and among the beneficiaries.

- **Key Reason for Support**

Interestingly, the key reason why the beneficiaries support the NGOs is for the financial/ welfare support they receive from the NGOs. Around 66.7% of the respondents admitted the same. Only 33.4% support the respective NGOs for the integrity and the beneficiary involvement process.

4.5.3. **Perception of Staff on Accountability of NGOs**

- **Staff Participation in Programme Planning**

Grassroots staff is directly involved with the beneficiaries and are also aware of the ground realities. But while developing proposals, they are not considered. In most cases, external consultants are involved in developing the proposal. This leads to a lack of awareness among the grassroots staff about the project goals, objectives and strategy. Involvement of the staff in this process in a participatory manner will yield high results.
• **Issues in Programme Implementation, Monitoring and Evaluation**

In programme implementation, problem arises due to the non-allocation of money on time. In the monitoring process, beneficiaries could be involved to achieve good results; but there is no such practice in the NGOs. In many NGOs, proper evaluation of the project is not conducted. This hinders the learning process. The critical learnings from the field are not fed into prospective plans. Thus, it is clear that the key value of every stage in the project management cycle is not completely understood by most of the NGOs.

• **HR Processes**

In most of the NGOs, there is no separate HR manager. So the chief executive officer or the senior staff, who takes lead in another key area like programme monitoring, takes care of the HR function additionally. This results in lack of proper leadership in HR arena. Secondly, a large number of staff is not aware of the HR policies and its importance in the corporate life of the institution. From the survey, it is evident that 93.3% are not aware of the same.

Thirdly, induction programmes are not taken seriously by many NGOs. From the survey data, it is evident that only 6.7% of the respondents have undergone an induction training programme. This results in lack of proper orientation towards the work and role of the agency in society, thereby, affecting future organizational performance.

Fourthly, the lack of proper supervisory structure hurts the organization, as nobody listens to the other. There is a tendency to bypass the existing hierarchy. This leads to lack of programmatic responsibility and accountability. Finally, the non-availability of a gender equity/ anti-harassment cell is a major problem in most of the NGOs. Around 43% of the respondents said that there is no such cell in their organization. Most of the female staff feels uncomfortable without a proper system in place.
Financial Processes

In most NGOs, the accounts department is not lead by a full-time professional accountant. The department does not have other professional accountants to handle different projects. This leads to lack of financial control. There are also gross irregularities in terms of payment of salaries and other benefits. It’s interesting to note that 56.7% of the respondents were not aware about the original pay scale proposed for the particular position in the project as compared to the pay received by them. Adding to this, the lack of internal finance-related complaint management systems hurts the credibility of the organizations.

4.5.4. Observations

Most of the stakeholders perceive that NGOs are not accountable in various aspects, namely governance, programme management and resource management. In the sphere of governance, there is no clarity among many NGOs on the difference between the board and the executive staff. Many of the trustees are also executive staff. Lack of beneficiary participation in decision making and performance appraisal is also an indicator of poor governance of NGOs. In the sphere of programme management, lack of participation of beneficiaries in the project-planning process and the lack of external complaints management system are highlighted by the stakeholders. In the sphere of resource management, lack of induction programmes, lack of proper performance appraisal and proper supervisory structure, weak staff welfare and financial control systems and lack of internal complaints management system were highlighted as key bottlenecks by the stakeholders.