

Chapter-8

Identifying the Gaps and the Need for Reengineering

8.1 Gaps in Strategic Planning

8.1.1 Levels of implementation of strategic plans: The implementation of the strategic plans was generally low (46%). The NGOs studied implemented 'transactional' or 'resource transfer and provision' activities more than 'transformational' activities. Transformational activities would build the capacity of the beneficiaries to hold the local NGOs accountable and build the capacity of the local NGOs to improve the level of implementation of strategic plans among the local NGOs.

Project activities were implemented more (60%) than organizational capacity building activities (40%) because there was less enthusiasm by both donors and organizational leaders to invest in organizational capacity building. There was also generally less knowledge on how to effectively build the capacity of the organizations. Organizations cannot deliver beyond their level of capacity. Inadequate knowledge of effective capacity building undermines the effectiveness of strategic planning and leads to the bias of project implementation over organizational capacity building.

The studied High Performing NGOs had High levels of implementation (60%) as compared to the studied Low Performing NGOs (40%). These NGOs were seen to have a High degree of fit as compared to the Low Performing NGOs. This is because the High Performing NGOs have a more favorable environment as compared to the Low Performing NGOs. These organizations are seen to be more 'sustainable' in terms of accessing resources, more relevant and more legitimate. This shows that sustainability, relevance and legitimacy are important in implementation of strategic plans in the NGOs. All the strategic planning processes however were not consciously aimed at achieving strategic fit or relevance, legitimacy and sustainability.

The NGOs that were proactive in starting their strategic planning processes were relatively more effective than those that were reactive or were told by a donor to go through the strategic planning process. This shows the importance of ownership for strategic planning processes.

8.1.2 Factors affecting the effectiveness of the strategic planning process: In all the NGOs studied, there was a conspicuous lack of 'process consciousness' as the strategic planning process was mostly limited to the formulation stage. The specific factors that hindered the strategic planning processes at preparation stage included: the need to have an agreed and

shared purpose of the strategic planning process among all the key players, ensuring adequate awareness and understanding of the strategic planning process to help clarify expectations; ensuring ownership of the process especially by the studied NGO; not having a task force to manage the process; and not conducting organizational assessments to identify issues to guide the strategic planning process. The studied NGOs generally pay less attention to the preparation stage of the strategic planning process. Less attention at the preparation stage undermines the whole process as preparation forms the foundation stage for the whole process.

Factors at the formulation stage included: the need for competent consultants, the capacity of the participants and adequacy of time given to the formulation stage. Factors at the implementation stage included the organization's knowledge and capacity to implement the strategic plans; and the influence of donors on the organization's priorities. Lastly, at the monitoring and evaluation stage, the factors included: misunderstanding the purpose of monitoring and evaluation or overemphasizing accountability at the expense of learning; the culture of busyness; the culture of not valuing accountability; and the inability to differentiate between the monitoring and evaluation of strategic plans from monitoring and evaluation of projects and activities. There is usually an assumption that studied NGOs are able to formulate, implement; and monitor and evaluate the strategic plans. The foregoing observations show that this assumption is usually not true.

8.1.3 Players in the Strategic Planning Process: Generally, all the players: the board, management, donors, consultants and the communities did not play their roles effectively. The key challenges faced by the board were low commitment, inadequate capacity and failure to provide strategic leadership. For the management the factors included lack of knowledge and capacity to effectively implement the strategic plans. For the donors the factors included stringent, inflexible conditions attached to their money, project rather than organizational based funding; short-termism and failure to establish genuine partnerships with the studied NGOs they supported. The consultants too failed to establish partnership relationships with the studied NGOs they served, they limited the scope of strategic planning by excluding it from a wider OD framework and they promoted a 'service rather than developmental' approach to their work. The communities failed to participate at a 'strategic level' in the strategic planning process and failed to hold the NGOs accountable for the performance of the strategic plans.

There is still low awareness of the roles and responsibilities of the players in the strategic planning process. There is need for more knowledge, capacity and commitment among the players.

The results of the study indicate that donors, more than the studied NGOs themselves determine the priorities. The results also indicate that the studied NGOs have low capacity to effectively undergo strategic planning processes.

Communities and beneficiaries are not empowered enough to hold the local NGOs accountable on the performance of the strategic plans. Strategic planning in the studied NGOs is therefore ineffective because its current practice is built on wrong assumptions. Strategic planning in the studied NGOs would be more effective if the NGOs studied had autonomy and ability to raise their own or 'unrestricted funds'.

Strategic planning would also be more effective if the studied NGOs built their organizational and the key players' capacity to enable them effectively play their roles and responsibilities. Lastly, strategic planning would be more effective if communities and beneficiaries had the capacity to participate in the strategic planning process and to hold the local NGOs accountable on the relevance and performance of their strategic plans.

8.2 Gaps in Accountability: Accountability in NGOs is a growing concern as the sector is expanding in size and scope. In order to acquire more space in the development arena, NGOs need to enhance their capacity and improve their accountability systems and governance matters.

8.3 Gaps in Human Resources Development: Human resources play a critical role in the success of any organization, including NGOs. It can be said that having and retaining trained, professional, committed and dedicated staff is a challenge for NGO led service delivery. Investing in capacity development of staff i.e., human resource development will help and strengthen the NGO sector to play a more proactive role in the development arena.

8.4 Gaps in Funding for NGOs: Funding of NGOs is another constraint in service delivery. Resources are one of the most important factors that shape the dynamics of sustainable service delivery. There is no institutional mechanism for studied NGOs and other NGOs in the state where they can get their funding other than from donors. The non-availability of local resources hampers the performance of NGOs seriously and they are unable to concentrate on their capacity development. The study could establish that the funding gap is not only affecting the NGOs but also a wide range of people, the employees, suppliers and the public since resources are diverted from service delivery to

advocacy, which only benefits the elite who can make good proposal and convince the donors on good paper work.

8.5 Gaps in Identifying Beneficiaries: The study revealed that studied NGOs do not select beneficiaries in forum. Most of the time without consultation with the stakeholders they select beneficiaries. This could lead the wastage of resources and genuine beneficiaries will not be benefited from NGO services. Responses from multiple stakeholders too highlight the importance of relying on multiple sources rather than selecting beneficiaries on a single source, which might lead into comparatively greater bias.

8.6 Gaps in participative planning: The study has found out that projects implemented by NGOs are a replica of the donors' policy objectives and programs. More often than not, these projects do not involve the primary beneficiaries in their design but tend to seek the involvement of the primary target including the local leadership at the time of implementing the project. The participation in NGO-led service is a constraint at some stages in the service delivery chain especially at decision-making level. If the beneficiaries are not involved at the stage of decision making then policies passed may not be in their (beneficiaries) favour and therefore, the poor shun participating in NGO activities if decision making is left to representatives only without hearing the voice of the majority beneficiaries.

8.7 Gaps in identifying the kinds of services provided: The study revealed that studied NGOs addressed non-critical issues rather than important issues. These types of interventions would not address the communities' most important needs. It is imperative that Studied NGOs should identify genuine needs of the communities.

8.8 Gaps in Managing Relations: The NGO sector involves a number of stakeholders with the government having a central role in it. Managing relationships is a key challenge for NGO leaders. At a given time NGO leaders have to manage diverse issues among diverse actors. However, an over emphasis on managing these relations distracts the NGO leaders and they cannot focus on the important issue of leadership development.

8.9 Gaps in Performance

8.9.1 Beneficiary Perception: The beneficiary perspective of service delivery performance is analyzed with the help of ARCHSECRET model. Most of the respondents were satisfied with overall services of High Performing NGOs. Beneficiary Satisfaction is normally taken as a measure of experience with specific episodes of service delivery and so is primarily outcome driven and may fluctuate over a given period. In the case of Low

performing NGOs respondents displayed a level of dissatisfaction; this demonstrates the underperformance of services received in relation to their expectations.

As seen in the analysis BRO is rated highest among the studied NGOs in most of the attributes. It has to be mentioned that beneficiaries' ratings for most of the High performing NGOs are good, but responses for Low performing NGOs are generally neutral or dissatisfied. This reflects the inherent flaws in their service delivery processes.

8.9.2 Organizational Performance: This study utilized the concept of Intellectual Capital (IC) as the method to evaluate the impact of Knowledge Management (KM) on Organizational Performance (OP) in the context of NGOs due to the close link between KM and IC. While KM is concerned with managing the KM processes of creation, storing, sharing and application and the organizational KM infrastructure to support these processes, IC measures the knowledge stocks in different ontological levels: at the individual level (human capital), at the group level (relational capital) and at the organizational level (structural capital). A stronger IT support in this study was characterized by databases with high accessibility, was easy to use, and with content in accordance to usefulness and relevance of the information and knowledge stored in the databases.

It has been revealed that participants of High Performing NGOs (Hierarchy culture and centralized structure) were more confident to have the information and knowledge needed to fulfill their job always available and accessible than participants of Low Performing NGOs (Adhocracy culture and decentralized structure). Furthermore, in respect to usefulness and relevance of the information and knowledge stored in the databases, the results of the study revealed that participants of High Performing NGOs seem to be more confident with the content of the databases and demonstrate a High usage rate as well as using their own databases more often for creating new knowledge than participants of Low Performing NGOs.

We have discussed gaps on strategic planning, management, human resource management, organizational dynamics, using IT and performance in terms of service delivery and usability of knowledge management and Intellectual Capital. Mostly the study focused on the practices of the studied NGOs and its impact on service delivery.

Since it becomes clear from the above that both type of organizations (High Performing NGOs and Low Performing NGOs studied) experience some inherent challenges like, Funding, Donor imposition of Ideas, Stubborn Leadership styles, high employee attrition, not fulfilling beneficiary needs properly, lack of participatory planning etc. Even though,

High Performing NGOs are appreciated by the stakeholders for their good practices but the study could expose some of their lacunas that are very serious from the sustainability point of view. So there is a need for radical change initiatives in the whole structure of the NGOs for proper functioning and result oriented service delivery for better outcome.

In the next part of the chapter the need for Reengineering is analyzed.

8.10 Need for Reengineering: Successful organizations are envisioned to be networked across functional boundaries and processes rather than functional hierarchies. However, it is pointed out in literature that simply using the latest technology on existing processes, and procedures, is no valid solution to the problem. The solution is found in taking a step further and rethinks and questions the activities being a fundamental for processes. Effective redesign of processes by removing unnecessary activities and replacing archaic, functional processes with cross-functional activities, in combination with using information technology as an enabler for this type of change will, according to the advocates of Reengineering lead to significant gains in speed, productivity, service, quality and innovation. Reengineering normally includes a fundamental analysis of the organization and a redesign of:

- a) Organizational strategy and structure
- b) Job definitions
- c) Service work flows
- d) Control processes and, in some NGOs
- e) Reevaluation of the organizational culture and philosophy.

In this study, we have analyzed above factors and gaps are diagnosed. On the basis of the gaps as explained, table 8.1 describes the need and degree of reengineering. As per Reengineering methodology of PRLC (Process Reengineering Life Cycle), this stage is known as Diagnosing Processes.

Table: 8.1: Degree of Need for Reengineering

Degree of Reengineering Components	Low	Moderate	High
	BRO, RGVN	NEADS, DBC, SKD, CRD	SSA, SDCCC, TDMS
1. Strategic Planning	Need to implement transformational activities	Need to implement transformational activities	Need to implement transformational activities
		Need to implement organizational capacity building activities more	Need to implement organizational capacity building activities
			Need to be proactive in implementation of strategic plan
			Need build capacity of the players of strategic plans, like board, management, staff and community
	Need to evaluate the strategic plans properly	Need to implement, monitor and evaluate the strategic plans properly	Need to formulate, implement and evaluate the strategic plans properly
	Need to lessen donor dependence for capacity building	Need to lessen donor dependence for capacity building	Need to lessen donor dependence for capacity building
		Need to create space for community and beneficiary input more	Need to create space for staff, community and beneficiary input more
2. Management		Need to restructure “family board”. These NGOs, except SKD should exclude their family members from the board.	Need to restructure “family board” and “invisible board”. They should exclude family members and should not use board only for maintaining formalities.
	Need to change the Iconic or Founder Leaders and should be open to accept feedback	Need to change the Iconic or Founder Leaders and should be open to accept feedback	Need to change the Iconic or Founder Leaders and should be open to accept feedback.
3. Leadership Development		Need to minimize excessive dominance of founding leaders	Need to minimize excessive dominance of founding leaders
		Mid-level managers should be given leadership development training	Mid-level managers should be given leadership development training

Degree of Reengineering	Low	Moderate	High
Components	BRO, RGVN	NEADS, DBC, SKD, CRD	SSA, SDCCC, TDMS
	Need to pay attention to enhancing motivation, encouraging voluntarism spirit and promoting community service values in the NGO staff	Need to pay attention to enhancing motivation, encouraging voluntarism spirit and promoting community service values in the NGO staff	Need to pay attention to enhancing motivation, encouraging voluntarism spirit and promoting community service values in the NGO staff
	Need to Invest more in capacity development of staff	Need to Invest in capacity development of staff	Need to Invest in capacity development of staff
4. Funding		Need to look for private corporate funding	Need to look for private corporate funding
		Dependence mentality has to be reduced.	Dependence mentality has to be reduced.
	Need to start more income generating programmes for sustenance	Need to start more income generating programmes for sustenance	Need to start more income generating programmes for sustenance
	Sustaining the present funding sources	Sustaining the present funding sources	Sustaining the present funding sources
	Look for new sources of funding to fund new projects	Look for new sources of funding to fund new projects	Look for new sources of funding to fund new projects
5. Identifying Beneficiaries	Need to select beneficiaries in a forum which represented by local government servants, Panchayati Raj Institutions (local Self- Government Institution) Members and communities.	Need to select beneficiaries in a forum which represented by local government servants, Panchayati Raj Institutions (local Self- Government Institution) Members and communities.	Need to select beneficiaries in a forum which represented by local government servants, Panchayati Raj Institutions (local Self-Government Institution) Members and communities.
6. Participative Planning	Need to keep space to allow participation of the beneficiaries in the chain of service delivery	Need to keep space to allow participation of the beneficiaries in the chain of service delivery	Need to keep space to allow participation of the beneficiaries in the chain of service delivery
7. HR competitiveness		Need to analyze strengths and comparative advantages in terms of staff, space and capacity to delivery of services	Need to analyze strengths and comparative advantages in terms of staff, space and capacity to delivery of services
8. Identifying the kinds of services provided		Need to carry out the right projects in the right area rather than carrying out any project in any area.	Need to carry out the right projects in the right area rather than carrying out any project in any area.
			Need to assess the priority of the works

Degree of Reengineering	Low	Moderate	High
Components	BRO, RGVN	NEADS, DBC, SKD, CRD	SSA, SDCCC, TDMS
		Staff competency must be ensured	Staff competency must be ensured
		Equitable services for all beneficiaries	Equitable services for all beneficiaries
9. Knowledge Management			Need to disseminate information and knowledge needed to fulfill their job among all the stakeholders.
10. Intellectual Capital			Need to ensure High Usage rate of Database for all stakeholders
11. Installing IT			Must use IT and should be made available for all stakeholders.

Present Chapter elucidated the gaps that hinder service delivery processes of the studied NGOs. Likewise, the study classified the studied NGOs into three groups. The groups were so designed to offer required changes in their service delivery processes design. Here major focus was centered on how to develop a result oriented service delivery process.