

The Effect of Organizational Structure and Ngo-Ngo Relationships on Sustainability in NGOs

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Abstract

This study analyses the statistical relation among Sustainability, Organizational Structure and NGO-NGO relationships within the concept of Non-Governmental Organization (NGOs). Sustainability is the dependent variable of the study whereas independent variables are Organizational Structure and NGO-NGO relationships. Sustainability is conceptualized as the survival of the NGOs within the study. Within organizational structure the emphasis is on having either mechanistic or organic structure and finally NGO-NGO relationships refer to the level of closeness to the other NGOs as participation events of the other NGOs, organizing the events together and becoming members of NGO unions like federations and Confederations. Results indicate that both independent variables (Organizational Structure and NGO-NGO relationships) have positive affect on the sustainability of the NGOs. Linear regression has been utilized in order to determine the effect of the independent variables of the study and the dependent variable. Statistical Package for the Social Sciences (SPSS) has been used for the analysis.

Keywords: Sustainability, NGO, Organizational Structure

Introduction

NGOs

Non-governmental organizations (NGOs) are crucial for the society with respect to their humanitarian, political, social objectives they have and the economic activities that take place within them (Metin & Coskun, 2016). The main characteristics of the NGOs are relying on professional staff, involving volunteers, being formally registered, having tax-free status, and claiming applied expertise in social policy in terms of delivering social services or advocating solutions. (Srinivas, 2010, p.119). NGOs have some additional specific characteristics that make them different from governmental organizations (public sector) and private sector such as not seeking profit, having different sources of revenue from profit seeking organizations, having different kinds of objectives, having multiple stakeholders, and working with volunteers.

NGOs are organized, institutionalized that they have boards, as well as professionals working for them. NGOs have written rules and procedures, and they are responsible for their operations to appropriate authorities. (Metin, 2017) They are in contact with other NGOs (Proulx, Hager & Klein, 2014), with governments, (Ramanath & Ebrahim, 2010) with private sector (Borwankar & Velamuri, 2007) and they create networks (Poole, 2008).

Sustainability

Sustainability for the NGOs is important because as contingency approach is strongly linked with open system approach that sees organizations as open systems that are in need of a survival, It is possible to understand survival as sustainability in the NGO literature.

There are various definitions of sustainability. Researches from, environmental studies, social science and management provided the definitions for sustainability.

Table 1. gathers the definitions of the literature.

Elkington's Triple Bottom Line approach has an influence and conceptualization of sustainability. "Triple Bottom Line" is the most prevalent concept in the literature which considers sustainability at the intersection of economic, social, and environmental goals of a firm" (Taşçıoğlu, 2014, p.32; Wang & Lin, 2007).

Wang and Lin's (TBL) sustainability index system provides an individual index set not only for the three dimensions of sustainability – economic, environmental and social, but also for the intersecting areas of these three main dimensions, namely eco-environmental, eco-social, socio-environmental and eco-socio-environmental (Turan, 2010).

Since the sustainability is evaluated under performance and effectiveness, the studies to be referred in NGOs context is limited.

Weerawardena, McDonald, and Mort (2010) emphasized the sustainability, strategy relation and stated that" building a sustainable organization has impacted on the strategy focus of the nonprofit organizations" (Weerawardena et al., 2010). Prabhakar (2014) focused on analysis of the sustainability of credit non-governmental Organizations (CNGOs). Besel, Williams and Klak (2011) presented a "theoretical framework to analyze financial sustainability by relating it with the foundations of institutional and population ecology theories. Their study "incorporates the main points of these previous studies in defining financial sustainability as the ability of nonprofits to diversify their funding base" (Besel, et al., 2011). Al-Tabbaa, Gadd and Ankrah (2013) found that quantity models are relevant in the NGO context as with respect to effectiveness, performance and strategy.

Meyer, Emerick and Momen, (2003) due to limitation of fiscal or personnel resources presents "concept of continuity planning" that they think should be applied within the nonprofit sector. "An organization's long-term financial capacity is sustainable if its rate of change is sufficient to maintain assets at their replacement cost" (Bowman, 2011). Campell (2010) presented NGO related sustainability research involving concepts "disaster, organizational ecology, and entrepreneurship research" (Campell, 2010).

Organizational Structure

Structure is another huge concept of management. Miles (1980, p.18) defines structure as "Features of organization that serve to control or distinguish its parts".

Mechanistic& Organic forms are other fundamental concept that are to be explained under the organizational structure.

Mechanistic Form: Mechanistic Form is "characterized by precise definition of duties, responsibilities and power, and a well-developed command hierarchy through which information filters up and decisions and instructions flow down" (Miles, 1980, p.22)

Organic Form: Organic Form is more flexible and adaptable where communication is present up and down with less formal job definitions (Miles, 1980, p.22). This study focuses on Mechanistic and Organic forms of the structure.

Methodology

The researcher succeeded in contacting 139 Balkans related hometown associations, foundations, federations and confederations in Turkey through his personal network. Data gathering process was dependent on the personal relations. It would be very hard for an outsider to establish the personal relationships with the mentioned opinion leaders of the community and succeed in reaching 139 filled out questionnaires. 16 of the questionnaires were not properly filled out, that is why net properly filled out number of questionnaires is 123. The sample of the research is about 30 percent of the population given the whole population is around 400.

Linear regression has been utilized in order to determine the effect of the independent variables of the study (Organizational Structure more specifically having organic structure and NGO-NGO relationships) the dependent variable (sustainability). Statistical Package for the Social Sciences (SPSS) has been used for the analysis. The hypotheses of the study are as follows:

Hypothesis 1: NGO-NGO relationships has a positive effect on sustainability of the NGOs

Hypothesis 2: Having an organic structure has a positive effect on sustainability of the NGOs

Below are tables derived from the SPSS

Table-1 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.374	.140	.125		.68369	1.793

Table 1 indicates that the adjusted R square is 0.125 meaning that the independent variables explain the 12,5 percent of the total effect on quality. Durbin Watson figure will be mentioned below when analyzing the assumptions of regression.

Table2-ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.030	2	4.515	9.659	.000 ^b
	Residual	55.624	119	.467		
	Total	64.654	121			

Table 2 indicates that the significance of the model in general is .000 which is acceptable at the 99 percent confidence level.

Table3-Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Correlations			Collinearity Statistics		
		B	Std. Error				Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	2.832	.304		9.313	.000						
	ICT	.126	.058	.187	2.175	.032	.236	.196	.185	.973	1.028	
	Performance	.206	.060	.294	3.411	.001	.325	.298	.290	.973	1.028	

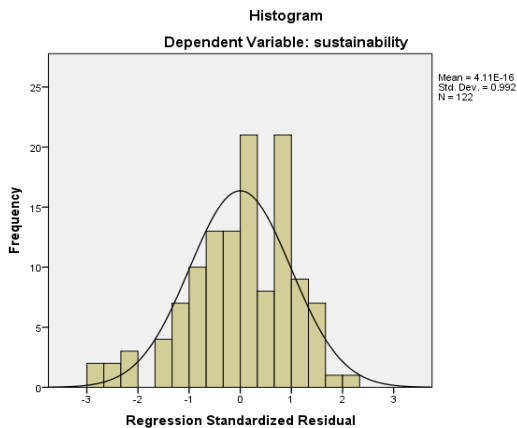
Table 3 indicates that both usage of ICT and Performance have acceptable significant levels at the 95 percent confidence level.

So the regression function is

$$\text{Quality} = 2.832 + 0.126 \text{ NGO} + 0.206 \text{ Organic Structure}$$

The assumptions of Regression model should be checked as well. The first assumption is normality assumption of the residuals

Normality



Given the figures above it can be concluded that the residuals are normally distributed.

Autocorrelation

The last assumption to be focused on is autocorrelation assumption. If Durbin Watson test is applied the results below are obtained.

0	dl	du	2	4-du	4-dl	4	d
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dl= 1.59 (from Durbin Watson table)

du= 1.65 (from Durbin Watson table)

4-du =2.41

4-dl= 2.35

Here, our d value of 1.79 is between du (1.59) and 4-dl (2.35) so we don't reject the H_0 which means there is no autocorrelation problem.

Multicollinearity

Multicollinearity does not seem to be a problem because the VIF figures are 1,028 (less than 10)

Conclusions

Discussion

This study tries to comprehend the linear relationship among Sustainability, Organizational Structure and NGO-NGO relationships within the concept of Non-Governmental Organization (NGOs). The regression equation formulates the linear relationship among the dependent and independent variables. The choices of the participants indicate that one unit change towards becoming more organic in structure (1 unit increase refers to 1 level shift of the opinion of the participants with respect to their agreement on the subject matter) will increase the likelihood of sustainability (Sustainability is conceptualized as the survival of the NGOs within the study) by 0.206 units. By the same token 1-unit increase in NGO-NGO relationships (NGO-NGO relationships refer to the level of closeness to the other NGOs as participation events of the other NGOs, organizing the events together and becoming members of NGO unions like federations and Confederations) will increase the likelihood of sustainability by 0.126 units.

In general, the study concludes that both NGO-NGO relationships and having an organic structure have effects on the likelihood of the sustainability of the non-governmental organizations.

Future Research Recommendations

The probable future researchers might focus on different aspects sustainability in the civil society sector and might focus on areas such as environmental dynamism, environmental competitiveness, transparency and strategy in the context of civil society and Non-governmental organizations.

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