Mapping research traditions: assessing the effectiveness of non-governmental and non-for-profit organizations

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Abstract

Effectiveness as a measure of organizational success has for decades attracted scholarly attention across many social science disciplines. For non-governmental and not-for-profit organizations (NGOs/NPOs) in the United States, the question of effectiveness has recently gained urgency as a growing number of rating agencies and watchdogs have gained visibility among donors and the general public. In this paper, we offer a comprehensive and interdisciplinary structured review of the literature concerned with NGO/NPO effectiveness using a new methodological approach. Based on this review, we identify a consensus that uni-dimensional measures of effectiveness are of limited use and a subsequent move towards disaggregating ‘effectiveness’ into substantive areas of (1) goal attainment, (2) resource acquisition, and (3) reputation. Additionally, we find that the literature is heavily biased towards theoretical and conceptual contributions and lacks empirical analysis. The literature is fragmented along disciplinary boundaries; this undermines the accumulation of knowledge, because scholars employ different definitions and explore the concept of ‘effectiveness’ at various levels of analysis. In order to remedy these limitations and create interdisciplinary synergies, we propose organizing the study of NGO/NPO effectiveness along four major domains: projects, internal management, external environment, and networks/partnerships. We argue that this framework will help to organize core sites of research on effectiveness questions and allow researchers to complete empirical research based on more circumscribed and well-defined propositions.
1. Motivation

Effectiveness as a measure of organizational success has for decades attracted scholarly attention across the social sciences. Among practitioners in the not-for-profit or non-governmental sector (NPO/NGO), the issue of effectiveness has recently taken on additional urgency because of increasing demands for accountability, transparency and financial responsibility (Unerman and O'Dwyer 2006; Ebrahim and Weisband 2007; Brown 2008). Self-appointed watchdogs, such as Charity Navigator, offer their services to donors and regularly evaluate NPOs/NGOs primarily on financial performance metrics.¹ This trend is complemented by the advent of a new type of donor activism, which views the introduction of business principles into the not-for-profit sector as key to increasing the impact of philanthropy (Bishop and Green 2008; Brest and Harvey 2008).² As the domestic and international visibility of NPOs/NGOs increases, concerns about their impact as a core ingredient of legitimacy are likely to remain a central issue in the future.

While there is general agreement on the centrality of effectiveness to most organizations, there is surprisingly little agreement on how to define and measure what constitutes effectiveness. This issue is particularly pronounced in the non-governmental sector because, unlike for-profit organizations, NPO/NGOs cannot be easily compared along a common metric, such as profitability. In the words of the former CEO of the Ford Foundation, Susan Berresford, translating business practices into strategic philanthropy may not aid in the creation of long-term social and political change. Instead, “if donors are funding people trying to change deep-seated attitudes or individual or institutional behavior, then they need to engage in a dynamic, long-term, and open-ended consultative process with them. […] Relentless bottom-line pressure for immediate results and branding requirements work in some types of philanthropy but can undercut the effectiveness of others.” (Berresford 2009: 17-8).

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¹ Following the emergence of rating agencies primarily concerned with low overhead spending, a growing literature has pointed to the detrimental effects created by a view that reduces NGO effectiveness to a ratio of program spending (Wing and Hager 2004; Lowell et al. 2005; Goggins Gregory and Howard 2009). We discuss the origins of this movement below in the section A Historical Look at Organizational & NPO/NGO Effectiveness.
² Some even question the traditional separation between for-profit and not-for-profit activities (Pallotta 2008), while others warn against the effects of an emerging ‘philantrocapitalism’ (Edwards 2008).
In this paper, we review the academic literature on organizational and NPO/NGO effectiveness. Our aim is to formulate specific lessons to address the current challenges regarding the study and practice of NPO/NGO effectiveness. We employ a new method, which we call a ‘structured literature review.’ This approach overcomes disciplinary boundaries and establishes key research patterns across academic fields. By using a form of network analysis, it enables us to capture work published across scholarly communities and identify common patterns.

The paper is composed of four main sections. The first section provides a historical look at effectiveness studies, summarizing the literature on organizational and NGO/NPO effectiveness since the 1960s. The goal of this section is provide the background for our structured literature review, which focuses specifically on literature from the last decade. The second section provides an overview of our methodology. Given the uniqueness of our approach, we spend a considerable time explaining the process and its potentiality. When then move to summarizing key trends uncovered through our structure literature review.

Here identify a broad consensus calling for a multi-dimensional and disaggregated understanding of effectiveness, as scholars have largely abandoned a uni-dimensional understanding of effectiveness. Overtime, attempts to overcome limitations of parsimonious models of effectiveness have led to three separate (although overlapping) notions of the concept based on (1) goals, (2) resources, and (3) reputation. Most contemporary effectiveness research focuses on one of these aspects of effectiveness. Additionally, our review identifies two major limitations of current research. First, very few studies on NPO/NGO effectiveness advance knowledge accumulation through empirical analysis. The majority of the literature is conceptual and/or theoretical, often advancing new models of analysis rather than testing existing assumptions. Second, a large majority of articles we surveyed fail to adequately define effectiveness and studies evaluate effectiveness at multiple levels of analysis. This makes it more difficult to craft a cumulative research agenda on this topic. A lack of empirical research, shared definitions and sustained interdisciplinary efforts undermine progress in our collective understanding of organizational effectiveness and create obstacles to effectively mobilizing these literatures to answer current pressing questions about the future role of NPO/NGOs.

In the final section, we push the literature on NGO/NPO effectiveness to be more sensitive to the relationships between the various parts of effectiveness. We assert that if one is interested in uncovering causal process, researchers must be more attentive to the fact that
effectiveness is not the sum of the parts – effectiveness is the parts. After illustrating alternative approaches to effectiveness, which have thus far not be explicated, we push scholars emphasize the relationships between the various component of effectiveness rather than depict them as competing paradigms. To facilitate this relational approach, we offer a new framework for thinking about and organizing the literature on NGO and NPO effectiveness. This framework rests on four research domains - organizational management, program design & implementation, responsiveness to the environment, and networks and partnerships - which were indentify during the process of completing our structured literature review This new framework is compatible with the more traditional approach of dividing the literature according to goals, resources, and reputation. However, it seeks to go beyond this division and facilitate a cross-cutting, cumulative research agenda on NPO/NGO effectiveness.

2. A Historical Look at Organizational & NGO and NPO Effectiveness

Our study sample is comprised of works from 1994 onwards; however, the literature on organizational effectiveness and NGO/NPO effectiveness has a long history, particularly in the field of sociology and organizational studies. Therefore, in the following section we briefly summarize the evolution of this literature, which grew dramatically in the 60s and 70s. We begin by focusing on the evolution of thought on organizational effectiveness at large and then move to analysis specifically on NGO effectiveness.

2.1 Organizational Effectiveness

Early research on organizational effectiveness emerged with the goal of determining common metrics for comparing performance of organizations of varying size and activity. The research has been at times ambitious and insightful, but four decades of scholarship has failed to achieve consensus around common definitions and approaches to study of the phenomenon. This lack of consensus has resulted in waning interest in the field and the persistence of a plurality of approaches without clear standards.

The early phases of research attempted to distil important dimensions of effectiveness and standardize language within the field. As an example, Price (1968) reviewed fifty empirical studies on organizational effectiveness in order to establish a common set of research
propositions grouped under four main categories: economic performance, internal political process, management control structures, and population ecology. It was assumed that defining a common set of propositions would lead to a convergent research agenda and better meta-analysis within the field. This convergence never happened, as researchers realized that different definitions of effectiveness led to fundamentally different ways of conceptualizing the research. Instead, three approaches emerged: goal attainment, resource control, and reputational.

Etzioni was one of the first to articulate the goal-attainment approach to effectiveness, writing that “Organizations are deliberately constructed and reconstructed to achieve specific goals (Etzioni 1964: Page missing).” Under this approach, progress towards stated goals defines effectiveness (Campbell 1977; Sheehan Jr 1996; Spar and Dail 2002). However, as subsequent scholarship attempted to generalize about effectiveness based on ideas of goal attainment, two significant challenges emerged; organizations rarely have a single or a coherent set of goals, and it is often difficult to measure goal attainment. In response to these criticisms, scholars established two types of proxies for effectiveness. The first focused on measures of survival and organizational growth (system resource approach) and the second on reputational measures (a social constructivist approach).

The system resource approach links goal attainment to organizational survival by assuming that organizations that achieve their goals are more likely to receive continued or increased financial support. This approach (Aldrich 1999; Georgopoulos and Tannenbaum 1957; Scott 1998) presumes that organizational activities “take the form of transactions in which scarce and valued resources are exchanged under competitive conditions. The organization’s success over a period of time in this competition for resources – i.e., its bargaining position in a given environment – is regarded as an expression of its overall effectiveness” (Yuchtman and Seashore 1967: 891). By using a system resource approach scholars attempt to circumvent the challenge of empirically identifying actual impact as a measurement of the progress towards any specific goals.3

3 See also fn. 1. This view remains prevalent today in the methodologies of self-appointed rating watchdogs, such as Charity Navigator, which include organizational growth as a key indicator for a successful not-for-profit. In the United States, the availability of financial data based on 990 forms enabled such watchdogs to assess the performance not-for-profits, although they acknowledge that it does not directly measure the impact an organization has.
Reputational research evolved from projects like Georgopolus & Mann’s (1962) five-year study of community hospitals in Michigan where the authors developed a measure of effectiveness from surveys of key experts in the hospital system. In general, this approach relies on aggregating subjective performance measures as reported by key informants or organizational stakeholders. It was adapted and expanded by Price (1971), Jobson & Schneck (1982), and others. Today it plays a role in academic rankings, which are partially based on surveys among peers. This model standardizes survey scales in order to create and compare outcomes across organizations. These surveys offer a proxy to direct effectiveness measures. It allows scholars to take into account multiple stakeholders and solve the conundrum of conflicting goals by simply assigning different weights to each. More importantly, the perception of an organization’s legitimacy is likely to be key to understanding an organization’s effectiveness given that perception determines an organization’s ability to operate in a given community or industry, retain customers, raise capital for growth or during times of crisis, gain protection from political or regulatory figures, and attract dynamic employees (Aldrich, 1999, pp 228-332).

By the 1980s, none of the three perspectives on organizational effectiveness had prevailed and questions regarding their usefulness mounted. The goal-attainment approach was challenged by claims that organizations have many evolving or even contradictory goals (Quinn and Cameron 1983; Cyert and March 1992), as well as questions about whether or not organizational goals exist or can be measured (Herman and Renz 1999). The system resource approach was argued to focus on a narrow and cynical definition of effectiveness that emphasizes survival above performance. Finally, reputation models were complicated by research asserting that the multiple stakeholders of an organization rarely have consistent views of what makes an organization effective (Friedlander and Pickle 1968).

In response to these challenges, the literature moved towards the adoption of more complex models of effectiveness, such as *multi-dimensional models* (Cameron & Whetten, 1983; Connolly, Conlon & Deutsch, 1980; Zammuto, 1982; Foster & Lock, 1990), *competing values models* (Quinn & Rohrbaugh, 1983), *contingency models* (Lewin & Minton, 1986), and a *balanced scorecard approach* (Kaplan & Norton, 1996). These models often incorporate aspects of goals, resources, and reputational dimensions of effectiveness. Similarly, as scholars recognized that organizations regularly deal with many constituencies and may have varied or conflicting reputations, research has developed more complex, multiple-stakeholder approaches
Multi-dimensional and multi-stakeholder models are prevalent in current academic research and in some realms of practice (note the popularity of the balanced scorecard approach in the management literature).4

A general lack of consensus on which measure of effectiveness is best contributed to the emergence of a critical school of effectiveness studies. Cameron & Whetten conclude that “there cannot be one universal model of effectiveness” (Cameron and Whetten 1983: 262), and Goodman, Atkin & Schoorman (1983) pronounce the conceptual demise of effectiveness. Hannan & Freeman (1977) went so far as calling for the abolition of effectiveness studies in the organizational sciences. The problem of measurement has also remained ubiquitous (Steers 1975). Following these pronouncements and a general malaise in the field, research using the label “effectiveness” declined sharply and was replaced with scholarship investigating similar questions under a variety of new rubrics such as organizational ecology, management, and business strategy. These subfields allowed authors to agree upon a specific, narrow research question and explore various factors related to the outcome variable of choice. For example, scholars can study employee productivity (management), organizational death (population ecology), or market share (strategy) without having to present a coherent theory of effectiveness on the mesa-level. Therefore, the literature on effectiveness is composed of more precise subfields but few efforts to synthesize the disparate topics. In the next section, we discuss the effectiveness literature focused on a particular type of organization, not-for-profits and non-governmental organizations.

2.2 NGO and NPO Effectiveness

The study of NGO/NPO effectiveness, as a subset of organizational effectiveness, has more recently emerged. This literature is more difficult to summarize, as it is fragmented and spread across many fields such as, not-for-profit studies, international relations, international development, management, and economics of organizations. Depending on the field and topic of study, NGOs can be labeled not-for-profit organizations (NPOs), civil society organizations (CSOs), interest groups, advocacy networks, or social movements, to name just a few. These

4 Kaplan and Norton have remained top sellers in the applied management literature and have received thousands of citations for their academic work.
different labels signify not only a fragmentation of research on similar types of actors, but also very different assumptions about their role in public policy. Reading scholarship from these various literatures reveals many commonalities and shared interests; however, synergies based on truly interdisciplinary scholarship remain rare.⁵

A preliminary assessment of the literature on NGO/NPO effectiveness revealed that the majority of current research on the topic occurs within three realms – not-for-profit studies, international relations, and international development. Notions of effectiveness are influenced by disciplinary lenses. NGOs in international relations are often studied in the context of transnational advocacy networks (Keck and Sikkink 1998), defining effectiveness as the ability to mobilize resources and public opinion to influence policy at the national or international level. Development studies, on the other hand, grew out of an emphasis on economic growth as the primary inquiry. As the units of analysis in these studies shifted away from country-level variables, such as forms of government and levels of capital, the effectiveness lens has also shifted from country-level to project level indicators. Recently participatory development and rights-based approaches have become popular in the field, again challenging previous notions of what it means to be effective.

Finally, a well-established research agenda on NGO/NPO effectiveness exists within the not-for-profit literature, which mirrors the broader research on organizational effectiveness. This literature typically emphasizes more traditional organizational variables, such as management, boards, fiscal health, and mission. Two good reviews of this literature are Forbes (1998), whose reviews covers 20 years of empirical research in top journals, and Herman and Renz (1999), whose article summarizes major themes in the field. Both emphasize a shift from a goal-attainment focus to multiple-stakeholder and new institutionalism approaches. The latter emphasizes the complex and socially constructed nature of effectiveness.

Our structured literature review brings together these disparate literatures in order to share insights and provide a cumulative, interdisciplinary look at the state of the literature on NGO effectiveness. By analyzing them as a collective endeavor, we identify common themes and relevant similarities, as well as differences across disparate literatures.

⁵ For an exception, see the TNGO project.
3. Study Methodology

Our study employs a new method of systematic review of a literature developed by the one of the authors (Jesse Lecy). We call this method a ‘structured literature review.’ This method has four main steps. First, academic databases are searched and experts are queried to find a set of seminal articles on the research topic. Second, a citation network is built around these articles using a snowball sampling method that will be described below. Third, the most central (i.e., highly cited) articles are sorted from this network, and a selection criteria is applied in order to create a sample of articles that represents the emergent discourse of a field. Finally, this sample of articles is coded in order to analyze the content. This novel approach to the task of a literature review has the advantage of capturing a more comprehensive picture of the scholarship across disciplines than reviews that use keywords or titles to identify relevant articles (see the methodology section of Forbes, 1998, for example). Comprehensively capturing the literature is especially important given the nature of research on NGOs and NPOs, as it crosses several disciplines and appears in a wide variety of journals. The structured nature of the review is meant to minimize any bias introduced by a researcher’s discipline or search patterns, and thus, provide a more representative overview of the evolution of scholarship in a particular field. The approach builds on a vast collection of theories and methodologies from the field of bibliometrics – the mathematical study of scientific publications (Garfield & Merton, 1979; Glanzel, 2003) but is unique in the method of data collection.

Step 1 – Seed articles

Seven seed articles were used to create the citation network (See Table 1). Articles were chosen based upon the criteria that they pertain specifically to the study of NGO/NPO effectiveness. To create an extensive but manageable universe of literature to sample from, we chose to collect 100% of the articles within a distance of three linkages (or levels) from the seed articles. Experience has shown that extending the search past three levels generates a large proportion of articles in the sample that do not pertain to the topic, but three levels are sufficient
for capturing the most relevant citations. Even with articles at three levels distance the sample will still need to be filtered for relevance.

Table 1: Seed Articles

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bebbington &amp; Mitlin</td>
<td>1996</td>
<td>NGO Capacity and Effectiveness: A Review of Themes in NGO-Related Research Recently Funded by ESCOR</td>
</tr>
<tr>
<td>Edwards &amp; Hulme</td>
<td>1996</td>
<td>Beyond the Magic Bullet: Ngo Performance and Accountability in the Post-Cold War World</td>
</tr>
<tr>
<td>Fowler</td>
<td>2002</td>
<td>Assessing NGO Performance: Difficulties, Dilemmas and a Way Ahead</td>
</tr>
<tr>
<td>Herman</td>
<td>1990</td>
<td>Methodological Issues in Studying the Effectiveness of Nongovernmental and Nonprofit Organizations</td>
</tr>
<tr>
<td>Najam</td>
<td>1998</td>
<td>Searching for NGO Effectiveness.</td>
</tr>
<tr>
<td>Williams &amp; Kindle</td>
<td>1992</td>
<td>Effectiveness of Nongovernmental and Nonprofit Organizations: Some Methodological Caveats.</td>
</tr>
</tbody>
</table>

Step 2 – Generating the Network

A citation network approach to literature reviews uses the relationships inherent in paper citations to systematically explore a body of knowledge. The technique uses seed articles as a starting point to build a snowball sampling of the research, i.e. all of the articles that cite the seed article, articles that cite the articles that cite the seed, and so forth (see Figure 1).7

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6 For additional information, see the expansive literature on small world properties of networks to understand why this is the case, e.g. Milgram, 1967; Watts & Strogatz, 1998, 2006.
7 It is possible to generate a constrained sample by only selecting a certain percentage of the articles at each sampling stage, and it can be shown that by utilizing search rank information in scholar to select the sample exponential reductions in sample size can be achieved while still retaining the important structural features of the citation network. See Lecy, Mergel & Schmitz, forthcoming.
In network terms, a paper represents a node and a citation represents a link between two nodes. Enumerating the network in this way allows the researcher to generate a large collection of publications on a topic and then use characteristics of the network to select a compact representative sample of the most salient publications within the set. Using the seed articles identified in step 1, we generated a citation network of 4,879 publications using this technique. The Google Scholar database was used to collect citation information, because it is one of the most exhaustive scholarly databases available (Noruzi, 2005), is free and easy to access, and most importantly it makes citation information easily available (Meho, 2006 [rise and rise of citation analysis]). However, note that Scholar citations only move forward in time (publications have data on “cited by” instead of “cites”). As a result, it is important to choose seed articles from the near-distant past in order to get a good historical snapshot of the topic. This requires a slightly different mindset from other bibliometric literature that starts with a scientific discovery and move backwards in time (Garfield, 2001 [from computational linguistics to algorithmic historiography]). These studies trace the key articles or citation chains that were instrumental in the discovery, whereas the proposed method attempts to capture the prominent features of an academic field. Most seed articles for this review were taken from the late 1990s and, consequently, our literature review primarily captures the evolution of the discourse on NGO/NPO effectiveness over the past decade.
Step 3 – Selecting a Representative Set

Citation networks can summarizing the evolution of research consensus by identifying the set of publications that are highly central within a field. Following Zipf’s and Bradford’s laws (Zipf, 1935; Price, 1965; Garfield, 1980), we know that the core of a research field is represented by a few seminal articles. While more than 90 per cent of all academic publications are never cited (Meho 2006), a few are cited thousands of times and can be used to map a research field. Consequently, most research fields are characterized by a few seminal articles that can be easily identified by tracing citation patterns. As a result, we can use citation networks to identify seminal publications within our research domain. Unlike statistical samples, randomness is not desirable in forming a representative sample. Rather, we select the publications that are most highly-cited, because they are the canonical pieces that where referenced by other scholars and thus shape the content and future directions of a field. Such a set of articles is a good indicator of the current discourse in a field (Estabrooks, Winther & Derksen, 2004 [mapping the field – nursing]; McCain, 1991 [mapping economics through journal literature]).

Due to the diversity of research on NGO/NPO effectiveness we elected to review a relatively large set of articles. Our sample was sorted by the number of times each publication
was cited and then the selection criterion was applied. We only reviewed articles that were cited at least 20 times and discussed NGO/NPO effectiveness. In addition to the articles that discuss effectiveness explicitly (reviews of theory pieces), we also included in the sample articles that discussed effectiveness implicitly (case studies, method pieces, or empirical program evaluations). We did not include articles on corporate social responsibility or NGO accountability. Accountability is admittedly linked to effectiveness, but there is an expansive literature on this topic that left the subject outside of the scope of this literature review. This left us with a sample of 105 articles which we further narrowed by eliminating articles in the reading stage. The final review consists of 64 articles.

Step 4 – Review of the Articles

Lastly, we reviewed all of the articles in the sample and coded each article based on a set of inquiries such as whether the articles used empirical data, the units of analysis, research design and notions of effectiveness. The coding scheme is reprinted in Appendix 1. Additionally, a complete list of the article in our sample can be found in Appendix 2 and a description of our sample in Appendix 3.

4. Trends in Research on NGO and NPO Effectiveness

While the sixty-four articles in our sample varied dramatically in substance, collectively they suggest three key trends. First, there is a general consensus that uni-dimensional measures of effectiveness are not particularly useful. Second, the scholarship on NGO and NPO effectiveness lacks empirical analysis. And third, the term “effectiveness” is currently used in too many ways within the literature to be a useful research construct. A more precise operationalization of the term is needed for effectiveness research to be meaningful. We review the coverage of these three themes within the sample of effectiveness literature and in the concluding section we offer a framework that separates effectiveness research into four distinct domains to clarify scholarship in this arena.

8 This was determined by examining the titles and abstracts.
4.1 Beyond Single Dimensions of Effectiveness

As noted by Herman and Renz (1999), an organization can be effective in one realm of operations, but that does not necessarily make it an effective organization overall. One NGO may have strong management on the ground and high project impact but poor leadership and financial management in the head office. Another agency might have high-profile board members and very effective fundraising but little impact in the field. Depending on the kind of evaluation used, either of these organizations can be said to be effective. Multiple and not necessarily overlapping notions of effectiveness emerging from the NGO/NPO research include:  

- project impact (Eisenger, 2002);  
- financial efficiency (see Charity Navigator);  
- managerial effectiveness (Lewis, 2001);  
- board effectiveness (Herman & Renz, 1999); and  
- effective use of partnerships and networks (Bacon, 2005, Globs et al, 1999). Authors in the sample also emphasize the idea that effectiveness is dependent upon context. As Edwards states, “…there is no such thing as a universally appropriate strategy among NGOs across such different contexts. Equally, some responses are more effective than others in the same or similar context…NGOs can increase the opportunities for effective work … by using the right strategies in the right combinations (1999, p. 371).”

There is no consensus on which measurement is best employed in what circumstance, but the organizational literature and the not-for-profit literature is in agreement that singular measures of organizational effectiveness are not useful.\(^9\) Recall that scholars of organizational effectiveness arrived at the same conclusion and arrived at three different dimensions of effectiveness – goals, resources and reputation – as well as multi-dimensional models that incorporate aspects of two or more of these. Similarly, two dominant approaches to assessing non-profit effectiveness emerge from the study sample – reputation approaches and hybrid multi-dimensional approaches.\(^10\) We provide brief summaries of each approach below.

Reputation approaches (our terminology for what Herman and Renz refer to as ‘social constructivism’ or what Forbes (1998) calls an ‘emergent’ approach to effectiveness), places emphasis on the dialectic process between stakeholders and the structures in which these actors

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\(^9\) This is not to say that they are not used in practice. However, often this is for a lack of tractable alternatives.  
\(^10\) Goal-oriented models have been heavily criticized within the effectiveness literature (see Herman and Renz, 1999), which explains why these models are not popular within the study sample. Also note that resource models, although not prominent in the literature, are used by organizations like Charity Navigator because financial data is readily available, whereas program data or reputation data is not.
reside. This perspective argues that although effectiveness is a social construct, it has real implications for the funding and opportunities of NGO/NPOs. As Herman and Renz note:

Some parts of reality do not exist independent of the beliefs and actions of people. Many aspects of the social world are real only because people have believed and acted in ways that are consistent with the creation of that reality...if one accepts that NPO effectiveness is a social construction, then the distinction between actual organizational effectiveness and evaluation of organizational effectiveness disappears (1999: 118).

Reputational approaches view suggests a dynamic and multifaceted approach to the analysis of effectiveness that “places an emphasis on understanding the interactions within and among organizations that lead to the development of criteria for evaluating organizational effectiveness as well as the roles that information and communication play in shaping judgments of effectiveness (Forbes 1998: 195).” Reputation measures assert strong assumptions about the malleability of effectiveness and the importance of taking into account how effective an organization is perceived to be by its multiple stakeholders.

We found this approach employed (implicitly and explicitly) in studies of NGO and nonprofit effectiveness (Forbes 1998; Herman and Renz 2004a; 2004b). Although it is not ubiquitous in the effectiveness literature, there is growing support for a social constructivist perspective (Edwards 1999). The challenge to such models is adequately incorporating a multi-stakeholder approach that captures the diversity of interests and views within the NGO environment.¹¹

One way to deal with the complexity of effectiveness is to integrate several dimensions of performance into one model. This was a trend in the organizational literature in the 1970s and continues in the not-for-profit literature. For example, Sowa et al (2004) put forth what they label a ‘multidimensional and integrated model of nonprofit organizational effectiveness’ or ‘MIMNOE’ based on two dimensions of organizational effectiveness, program outcome and management effectiveness. Kaplan (2001a) presents another approach drawing on the work of the “Balanced Scorecard” approach to strategic management (Kaplan & Norton, 1992; Kaplan 2001b). This approach moves beyond the exclusive reliance on financial measures and incorporates measures of customer relations, operating performance of critical internal processes,

¹¹ For example, Herman and Renz (2004) identify the following constituents: clients, employees, funders, licensing and accrediting bodies, boards of directors, and vendors.
and organizational learning and growth. Both MIMNOE and the Balanced Scorecard approach incorporate goals, resources and reputation into their models (they do not use this terminology).

The shift towards a multidimensional approach is also notable in Charity Navigator’s ongoing efforts to revise their ratings system. Rather than measure organizational impact based on overhead ratios and fundraising, Charity Navigator is now exploring in what ways impact or reputational data could be used to supplement narrow financial metrics.\(^\text{12}\) The challenge with multidimensional model is to establish “systems of evaluation that are simpler and more accessible, not more complex (Ebrahim 2005: 70),” while simultaneously including all important features of effectiveness. Multidimensional models will be useful if they accessible and user-friendly, but in practice they can necessitate aggregation assumptions (Kaplan & Elliot, 1997) and measurement challenges that make them difficult to employ.\(^\text{13}\)

### 4.2 NGO Effectiveness Scholarship Lacks Empirical Analysis

Additionally, our research finds that the majority of articles on NGO/NPO effectiveness lack empirical analysis. We classified forty of the sixty-four articles sampled as being primarily ‘theory or framing articles.’ By comparison the next largest categories, ‘program evaluation’ and ‘case studies,’ included only nine and seven articles respectively.\(^\text{14}\) This suggests that the majority of academic work on effectiveness focuses on advancing theory or framing the research agenda, rather than using empirical evidence.

In addition, only 43% of the articles in our sample were classified as having a qualitative (seventeen articles) or quantitative methodology (ten articles). Instead, the overwhelming majority of the articles were primarily argumentative in nature. That there were more qualitative than quantitative articles was not necessarily surprising given the complexity in capturing effectiveness, as well as the difficulty is identifying appropriate indicators. However, what was

\(^{12}\) President and CEO Ken Berger outlined a new rating system based on three major components (financial health, accountability and transparency, and outcomes) during an Interaction Forum in July 2009 (Heiberg and Bruno-van Vijkeijken 2009).

\(^{13}\) For example, Sowa et al (2004) recommends applying the MIMNOE using structural equation models (SEM) to account for imperfect construct measurement and hierarchical linear models (HLM) to ensure unbiased estimation, as a result necessitating simultaneous assessment of effectiveness of several organizations within a single industry.

\(^{14}\) Additionally, we classified four articles as primarily ‘literature reviews’ and four as ‘other.’ (Other includes: methodology, how-to, and large-N).
surprising is that many of the articles using a ‘qualitative’ methodology relied on underdeveloped case studies and anecdotal evidence rather than rigorous analytical work.

This trend correlates with analyses on the number and quality of program evaluations conducted by nonprofits and NGOs on their own programs.\(^{15}\) In a survey of nonprofit human services organizations in Dallas, TX, Richard Hoefer asked whether a program evaluation of their largest program had take place in the past two years.\(^{16}\) 24% indicated that no such evaluation had taken place. Of those that conducted program evaluations, only 17% used a design that rigorously controlled for threats to internal validity.\(^{17}\) Even more extreme, Charity Navigator discovered that only 10% of surveyed NGOs regularly used program evaluation (Heiberg and Bruno-van Vijfeijken 2009). According to Hoefer’s research, the main reasons for a lack of program evaluations were costs and the preferences of donors – either because there was not enough money to conduct an evaluation (48%) or hire a consultant (29%) or that their funders did not require an evaluation (43%).\(^{18}\) Only 14% of respondents felt there was no need for an evaluation.

The lack of empirical analysis (in both the academic and practitioner communities) has thus far limited the usefulness of the literature on NGO/NPO effectiveness. Many of the theory and framing articles we reviewed are quite interesting and potentially very valuable. However, in order to move forward, as well as be practically useful, the academic literature on effectiveness should contain more empirical analysis.

4.3 Definitions of Effectiveness

Lastly, we find that the term ‘effectiveness’ is often not defined or the definition provided is incomplete. The majority of articles in our sample (43 of 64) did not provide a definition of ‘effectiveness.’ Only eighteen articles in our sample offered a definition of effectiveness, with an additional three arguing that multiple definitions of effectiveness should be considered. Since

\(^{15}\) It is important to note that, to our knowledge, no large scale survey of NPOs or NGOs regarding program evaluation has yet to be conducted. Therefore, these numbers are very preliminary.
\(^{16}\) This survey had ninety-one respondents, for a return rate of 57%.
\(^{17}\) The author did not even ask about the use of experimental designs that included a random assignment of clients to either treatment or a control group, because previous communications had indicated that there would not be any program evaluations with this type of design in the Dallas area.
\(^{18}\) Additionally, 48% indicated that there was not enough staff time available and 33% indicated that they did not have the proper knowledge to conduct an evaluation.
many articles did not provide definitions of ‘effectiveness’ or related concepts, it is not surprising that there is a lack of awareness of other relevant NGO/NPO research domains, as well as little consensus on the level of analysis.

Our analysis shows that some articles discussed NGO/NPO effectiveness in the context of influencing other actors, while others defined effectiveness as employing management techniques to minimize costs and still others spoke of effective boards that provide fundraising support. It is not surprising that definitions vary by discipline – different literatures have developed different research agendas and primary interests with regard to NGOs/NPOs. For example, international relations scholars will likely always have a tendency to evaluate the relative power of transnational NGOs compared to other players in global affairs. This particular understanding of effectiveness does not have to be shared by scholars in the management or not-for-profit literature. These divisions are a natural and healthy part of the research process, and do not prove problematic for effectiveness studies.

What we do find lacking is conceptual clarity within each literature, as well as comprehensive efforts to integrate insights across disciplines. Becoming more aware of questions regarding effectiveness asked elsewhere will strengthen cumulative knowledge production, but this requires some convergence of language and self-awareness regarding the levels and units of analysis employed in performance or effectiveness studies. Currently, such a convergence is not taking place. Therefore, in the following section, we propose a framework meant to help scholars partition a vast cross-disciplinary literature.

5. Advancing Future Research: Four Domains of NGO/NPO Effectiveness

In the following section, we offer a new way of organizing and thinking about the literature on effectiveness. This framework stems from our structure literature review and is built around four interrelated domains of effectiveness: organizational management, program design & implementation, responsiveness to the environment, and networks and partnerships. The goal of this new framework is to enable more cross-cutting research. Overtime, scholars have come to agree that effectiveness has multiple dimensions and that there are three main ways to conceptualize the problem: goal attainment, resources acquisition, or the quest for legitimacy (i.e. reputation). However, these conceptualizations were developed as competing paradigms not
complimentary approaches. Therefore, each domain lends itself to a slightly different way of conceptualizing and measuring effectiveness and makes the development of cumulative research agenda on NGO/NPO effectiveness difficult.

As an alternative, we offer a new framework for thinking about and assessing NGO/NPO effectiveness. This framework builds off the more traditional divisions of goal-attainment, resources, and reputation; however, it is design to facilitate relational analysis. That is, rather than viewing alternative components of effectiveness as competing paradigms; this framework emphasizes the relational aspects of NGO/NPO effectiveness. In order to introduce this model, in section 5.1 we first discuss alternative ways of studying effectiveness. Here we assert that scholars interested in causal processes would benefit from a relational approach to effectiveness. Then in section 5.2 we introduce our framework and the four domains. Using our sample, we provide a summary of each of these domains. Finally, in section 5.3 we illustrate the overlaps between our new framework and the more traditional tripartite division of goal-attainment, resources, and reputation.

5.1 Alternatives Ways of Studying Effectiveness

While some research on NGO/NPO effectiveness has the goal of assessing organizational performance in order to rank or rate organizations, other research has the goal of discerning causal process. Although both forms of research analyze the effectiveness of NGOs and NPOS, they do so in very different ways. This difference in quite fundamental but has not yet been clarified by the literature on NGO/NPO effectiveness nor by the broader literature on organizational effectiveness. In this section, we first model these alternative approaches in order to illustrate how they differ. We then offer a new way of thinking about effectiveness for those interested in causal process. This approach pushes researcher to see effectiveness not as a sum of parts but rather as a relationship between its various parts. This new model serves as the jumping off point for the remainder of section 5.

Consider an example with three generic dimensions of organizational capacity: $D_1$, $D_2$, and $D_3$. These can represent things like internal political process, management control structure, and responsiveness to the environment (Price, 1968), fiscal health, internal business process, and customer relations (Kaplan & Norton, 1996), management capacity, fiscal health, and program outcomes (Sowa et al, 2004), or operating ratios, fundraising efficiency, and liquidity (see
Charity Navigator. Each scholar justifies the use of a particular set of dimensions in a variety of ways—overall correlation to performance, organizational context, or even data availability.

Some scholars treat effectiveness as a latent construct which cannot be directly observed. Instead they postulate weights for each dimension and use these to generate an effectiveness score. This can be modeled as:

\[
\text{Effectiveness} = \alpha_1 D_1 + \alpha_2 D_2 + \alpha_3 D_3
\]  

(1)

Here the \(\alpha\)'s refer to weights that are entirely determined by the researcher or rating agency and are thus not estimated from data. This approach assumes that effectiveness can be represented as a single score and is the methodology of Charity Navigator for rating nonprofits, as well as US News methodology for ranking universities.

Alternatively, some scholars focus on instances when there is an observed measure of performance that is assumed to be determined by the study variables. The weights are then commonly estimated from data using the following model:

\[
\text{Outcome} = \gamma_1 D_1 + \gamma_2 D_2 + \gamma_3 D_3 + \epsilon
\]  

(2)

For example, Cameron (1986) uses increase in enrollments as a performance measure to examine university effectiveness; she correlates university resources, professional development of the faculty, and quality of educational services with enrollment changes. And, Eisinger (2002) uses the ability to meet community need as a performance measure for food assistance programs. He regresses a binary variable indicating whether community need was met onto measure of staff capacity, technological capacity, and several management practices. In contrast to those using model (1), scholars using model (2) are more concerned with causal process. In other words, the researcher is concerned with what explains the variation in scores rather than which organization has the highest performance score. This difference has been overlooked by effectiveness scholars despite the fact that it produces radically different research.

We would like to encourage scholars interested in causal process to reexamine the reasoning in equation (2). The kind of estimation represented by this equation is problematic because some of the independent variables are simultaneously influencing the dependent variable and influenced by the dependent variable (a problem called simultaneity bias in econometrics).
For example, high management capacity leads to good fiscal health in the form of budget surplus, and good fiscal health also enables an organization to increase its management capacity through training or hiring. The estimation of models with this problem will thus lead to biased results.

Alternatively, we agree with Sowa et al (2004) that, “the analytical method used to assess nonprofit organizational effectiveness should…model interrelationships between the dimensions of organizational effectiveness.” (p. 721). In other words, scholars interested in causal process should think of effectives in the following way:

\[ D_1 = \mu_1 D_2 + \beta X + \varepsilon \]  
\[ D_2 = \mu_2 D_1 + \beta X + \varepsilon \]

In this approach, the first dimension of effectiveness, \( D_1 \), is treated as the dependent variable in equation (3-a) but is an independent variable in equation (3-b). The second dimension, \( D_2 \), also appears as both an independent variable in (3-a) and as a dependent variable in (3-b). In the example above, increases in enrollment will lead to more university resources and failing to meet community needs will lower staff morale. In other words, causality moves in both directions. The \( X \) matrix represents exogenous control variables pertinent to the research question. Given the appropriate data the \( \mu \) and \( \beta \) coefficients of this model can be estimated using simultaneous or structural equation models. Including this kind of feedback structure in the model allows for reinforcing or balancing dynamics to be made explicit and can diminish the bias in the estimation procedures. But most importantly, those interested in causal process recognize that effectiveness is not the sum of the parts – effectiveness is the parts. More precisely, a single effectiveness construct cannot be defined and measured in a meaningful way that is independent of feedback process. Effectiveness in one area of the organization has implications for other areas since these areas are strongly correlated. Attention to causal process means becoming sensitive to these issues and searching for research methods that address these relationships.

We assert that effectiveness scholars interested in the machinery of organizational performance, the majority of effectiveness scholars, need think about effectiveness as a collection of separate but inter-related domains of routines and procedures. Most domains function simultaneously as dependent and independent factors in the causal process – any
organizational process chosen as an independent variable to explain a performance outcome is itself a dependent variable explained by other organizational processes. This insight is liberating to the scholar concerned with the circular reasoning of any effectiveness research question – instead of searching for dependent variables that represent an ostensible measure of effectiveness (the goal of rating agencies), the researcher can and should strive to simultaneously model organizational sub-processes in order to better understand the causal story behind performance. In the next section, we provide a way of thinking about NGO/NPO effectiveness that is more suited for relational studies.

5.2 Four Domains of NGO/NPO Effectiveness

Once we have a framework in place for understanding the relationship between dependent and independent variables in effectiveness research, it then makes sense to discuss the salient domains of interest that emerge from past research. Through our literature review, we identified four dominant domains of research: organizational management, program design & implementation, responsiveness to the environment, and networks and partnerships. Figure 3 depicts these four domains and their proposed relationship with one another. By ‘domain’ we mean a collection of variables around a particular topic or subject important to researchers.
It is common for studies to include variables from several of these research domains. It is especially common to have the independent variable of a study in one domain and the dependent variable in another. Eisinger (2002), for example, discusses how organizational capacity (a management variable – domain 1) impacts the ability of food programs to meet community need (a program outcome variable – domain 2). We organized our sample according to the study variable, or the variable being manipulated, as outcome variables are primarily a means of assessing whether the study variable is more or less relevant. Additionally, variables with each domain can serve both as outcome and explanation, as indicated by the two-way arrows in the diagram. Below we categorize articles in our sample only to advance a more comprehensive and interdisciplinary understanding of current research on NGO/NPO effectiveness.

**Domain 1: Organizational Management**

Research in this domain focuses on the things NGO/NPOs do to improve their own governance or management. Prevalent in the field of public administration, this research draws
heavily from organizational theory and for-profit management. Two clusters, NGO/NPO management and board effectiveness, make up the bulk of this research.

Lewis’s 2001 book on NGO management argues for continuing analysis of NGO management, identifying three models of management and suggesting a fourth. Lewis argues that NGOs have both an ‘instrumental purpose’ and an ‘expressive quality’ and one cannot lose sight of either property. He does not argue for a ‘one size fits all’ model but does think that basic management questions are important for NGOs to keep in mind. Two years later, Speckbacher (2003) explores when and where performance management theory on firms is applicable to NGOs, identifying ‘the balanced scorecard’ as most appropriate. This is seconded by Kaplan (2003) who rejects reliance on financial metrics.

A second cluster focuses on board effectiveness. Herman and Renz argue that effective organizations have boards that use the recommended ‘best practices.’ They find that NPOs that use prescribed board practices are also more likely to use other procedures increasing effectiveness (2000). Similarly, Brown (2005) finds that ‘higher performing’ organizations reported high-performing boards across all dimensions. Brown uses three theoretical perspectives (agency theory, resource dependency theory, and group/decision process theory) to test the relationship between board performance and organizational performance. While he finds support for all three perspectives, his research emphasizes the importance of the strategic performance of the board (resource dependency theory). He argues that strategic boards, or boards that “develop plans to enact priorities and consistently monitor the implementation of priorities into action,” were linked with “better financial performance, the tendency of an organization to operate at a net surplus, and perceptions of optimal organizational performance (333-334).” Likewise, Callen et al (2003) find that the presence of major donors on the board has a positive significant relationship with financial efficiency ratios.

In addition to these two main clusters, articles in our sample also emphasized additional aspects internal to NGOs/NPOs as being important to effectiveness. For example, Edwards’ 1997 piece on organizational learning in NGOs organizes NGOs’ learning experiences, styles, themes and priorities (248). Edwards concludes that “what matters most is that NGOs do learn, that they always try to learn more effectively, and that they do not stop learning…(248, author’s 19 In subsequent work, Herman and Renz point out that ‘best practices’ must always be evaluated critically and may vary across different organizations (2004a). <ARTICLE 77>
emphasis). In an introductory piece to a special issue of *Development as Practice*, Roper and Pettit further examine the potential of the NGO as a ‘learning organization’ (2002). And, Poole *et al* (2001) examine five organizational characteristics that they argue affect not-for-profits’ ability to perform meaningful impact analysis: culture, technology, staff participation in planning, management practice, and funder practice/policy; the concept of organizational culture is explored in great detail in Lewis *et al* (2003).

**Domain 2: Program Design and Implementation**

Research in this domain focuses on the impact that NGOs have through programs. Since programs are generally funded with a specific, narrow object in mind, this domain most closely pertains to the effectiveness literature on goal attainment. Program evaluation, for example, measures the degree to which a project achieved its objectives, usually including a cost-benefit calculation to ensure that goals were achieved efficiently. This cluster of literature has a heavy international emphasis with the topic often being economic development. Articles often discuss which activities should be included in program design, or how programs should be implemented to ensure impact. There are two major sub-groups in this research domain; those that favor modifications to program design in order to improve performance, and those that challenge the narrow scope of program design and the increasing global reliance on NGOs.

The first group of scholars focuses on evaluating the impact of NGOs and suggests ways that NGOs and nonprofits can improve delivery of aid. For example, Edwards (1999) suggests, “Making a difference to livelihoods and capacities among poor people depends on NGO successes in fostering autonomous grassroots institutions and linking them with markets and political structures at higher levels (361).” And, Fowler’s (2000) work explores the potential of ‘social enterprise’ and ‘civil innovation’ to encourage non-exploitive and co-opted NGO practices. Perhaps the biggest focus of this literature is improving development aid’s ability to assist those that need it most. Here many suggest the need to curtail elite (both international and community elite) power and encourage autonomy amongst the world’s poor. In order to limit ‘elite-capture’ in community-driven development projects, Platteau recommends the ‘sequential and conditional release of aid fund” (2004: 242).

In addition, articles in our sample focused on other program design topics, such as improving participatory development and capacity building programs and ‘scaling-up.’ Potter
and Brough (2004) argue for a systematic approach to capacity building; they create a ‘hierarchy of capacity building needs’ to assist in developing this systematic approach.\(^{20}\) Two articles focus on participatory development. While both appear sympathetic to recent critiques of participatory development, they both attempt to salvage the concept by providing ways to ‘re-politicise participation’ (Hickey and Mohan 2005; William 2005).\(^{21}\) And, Uvin and Jain (2000) identify a new means of ‘scaling up’ or “the expansion of NGO impact beyond the local level (1409).” Rather than scaling up by expanding in size, becoming more professionally managed, and/or more efficient, this new means of scaling up focuses on “spinning off organizations, letting go of innovations, creating alternative knowledge, and influencing other social actors (1417).”

Alternatively, there is a group of scholars that focus on the adverse impact of NGO projects within the host communities. This group tends to emphasize the tensions which arise when internationals arrive on the scene, highlighting patterns of dependency and the undermining of local actors. Based on the literature, there is clear evidence that these patterns are not only globally widespread but affect many types of development interventions. Mohan’s work on NGOs in northern Ghana finds evidence of tensions between northern NGOs and its partners, the creation of fiefdoms by local NGOs, and the use of NGOs by officers for their own personal gain. His research leads him to conclude that “strengthening civil society can create political tensions which ultimately undermine development (126).” Pfeiffer’s work on international health NGOs and in Mozambique finds that, “the deluge of NGOs and their expatriate workers over the last decade has fragmented the local health system, undermined local control of health programs, and contributed to growing local social inequality (2003: 725).”\(^{22}\) While Pfeiffer stops sort of completely rejecting the role of NGOs in primary healthcare, he argues that a new model of collaboration is ‘urgently needed.’ In a program evaluation of a social capital building program in western Kenya, Gugerty and Kremer find that outside funding may have adverse effects on locally created organizations. And, in Asia, Godfrey et al (2002) concludes that the external technical assistance for capacity development in Cambodia has largely been disappointing. They argue that incentives have been largely donor-driven to the detriment of capacity development.

\(^{20}\) This hierarchy is as following: (1) structures, systems and roles, (2) staff and facilities, (3) skills, and (4) tools.

\(^{21}\) Hickey and Mohan refer to this as the ‘relocation of participation within a radical politics of development.’

\(^{22}\) This piece contradicts another article in our sample by Loevinsohn and Harding (2005).
Program failure and symptoms of dependency have prompted some scholars to criticize the growing global reliance on NGOs. Edwards and Hulme (1996) argue that NGOs are often less effective than their ‘popular image’ suggests, while Zaidi argues that “the halo of saintliness around NGOs has almost disappeared (259).” Such criticisms have led some to question the growing role of NGOs in development in particular. Fowler (2000) argues that development NGOs can contribute to social change, but not as substantially and with a lower degree of quality that many would like. And, Baccaro (2001) argues that development should return to emphasizing reforming the state, as there is sees no systematic evidence that NGOs perform better than states.

Domain 3: Responsiveness to the Environment

NGOs and NPOs function in funding environments that are politically-charged and highly competitive, as well as operating environments that require strong collaboration between organizations (as is the case with human services) and can be extremely volatile (such as humanitarian relief). As a result, in order to react to external opportunities and threats an organization must be responsive to its environment. This domain most closely reflects the systems resource perspective in the organizational literature that frames effectiveness as the ability to secure resources, anticipate change, and build social networks to protect against threats. In addition to resource mobilization, effectiveness also entails resisting co-option from forces in the environment or avoiding policy fads that derail the mission. Two themes emerged from the sample of literature – the first focuses on global norms and policy agendas, while the latter focuses on donor structure.

Policy trends and political norms within development and humanitarian assistance influence NGOs and not-for-profits. For example, Edwards and Hulme (1996a; 199b) identify what they call the ‘new policy agenda’ in development. While this new agenda has increased available funds for NGOs, they argue that it has simultaneously created opportunities for NGO cooption (1996b [Too Close for Comfort]). Several scholars also note a ‘managerial norm,’ highlighting the norms’ tendency to produce a particular type of policy (of which many are critical). Using ethnographic tools, anthropologist Mosse argues that “most agencies are bound to a managerial view of policy which makes them resolutely simplistic about (or ignorant of) the
social and political life of their ideas (667).” Townsend et al. argue that a ‘managerial revolution’ has been extended from states to NGDOs. Through examining NDGOs in Ghana, India, Mexico, and Europe, they find that “new managerialism and its audit culture impose demands on NGDOs that tend to work against ‘listening’ to southern NGDOs or their clients (2002: 829). In a later piece, Townsend and Townsend explore the ethical issues of a managerial revolution, highlighting “negative outcomes of the audit culture, transparency and legitimation (2004: 271).”

Some of the research focuses on globalization (broadly defined). Edwards et al (1999) argues that global trends have created ‘unprecedented opportunities’ for solidarity between citizens and authority. According to Edwards, these new relationships provide a framework for NGO interventions, but also require changes in NGO roles, relationships, capacities and accountabilities. Bebbington’s work focuses on the economic aspects of globalization, analyzing what he calls ‘NGO geographies’ and “how they relate to the uneven geographies of poverty and livelihood produced under contemporary processes of capitalist expansion and contraction (2004: 725).” And, Brinkerhoff and Brinkerhoff’s overview article for a symposium on government-NGO relations notes that “…nonprofits’ contributions of values, social capital and civil engagement may become increasingly important in a globalizing and technological world (2002: 16).”

The second cluster in this research domain focuses on the influence of the donor system. Hudock’s explains that “the way in which financial resources are channeled to NGOs, and the nature of relationships forged in the process, determine NGOs’ capacity (2001: 2).” Lewis (1998) notes two processes affecting what he calls northern NGOs (NNGOs). First, official development donors are increasingly directly funding southern NGOs (SNGOs) instead of going through NNGOs. Second, governments are increasingly contracting NNGOs to undertake relief and emergency work. Lewis argues that these changes are “contributing to an uncertain future for NNGOs, which arguably face an ‘identity crisis,’ and they will need to adapt carefully to the emergence of new global social policy agendas if they are to continue to be effective (501).”

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23 Mosse’s argument is quite complex; thus, this brief summary does not explain the intricacies of his work.
24 Edwards et al (1999) argue that the ‘chief’ change is a move to a development-as-leverage model from a development-as delivery model.
Much of the literature that focuses on funding is more critical than Lewis’s work. Ebrahim’s 2003 book argues that donors support organizational learning by sharing practices and diffusing innovation but also hinder progress by imposing short project time-frames. Hudock warns that NGOs receiving donor resources can create dependency and undermine empowerment. Fowler argues that because of “deep-rooted pathologies…the aid system will continue to hinder mobilization by the larger civil society with NGSOs to bring about genuine development in the Third World (2000: 1).” And, Bebbington (2005) suggests that trends within the aid chain make it difficult to understand livelihood dynamics or new organizational possibilities in rural communities.

It is important to note that NGOs and nonprofits are not passive recipients of these ‘external influences’ but sometimes challenge and reshape them (Ebrahim 2003). However, as the summary above suggests, the current literature usually focuses on how external influences affect NPOs and NGOs rather than the other way around. This stands in stark contrast to the transnational advocacy literature, which almost exclusively explores how NGOs shape their external environment.25

Domain 4: Partnerships and Networks

Much of NGO/NPO work is conducted within networks and partnerships, whether delivering complex human services such as mental health through a web of state agencies and not-for-profits (Milward & Provan, 2001) or international campaigns designed to ban land mines or end global poverty (Keck & Sikkink, 1998). In many instances, the network will include a diverse range of organizations with distinct cultures, values, and expectations. Thus, it is imperative for members of such networks to be able to mobilize the support of other civil society organizations and work efficiently with others whose expectations and cultural background may be different. For this reason, knowledge about effective practice in networks and partnerships is an important domain of NGO/NPO effectiveness.

Our review uncovered several publications that contribute research on this topic. Globs et al (1999) examine the factors that lead to successful World Bank and NGO collaborations. They review ten years of World Bank projects to generate a list of thirty-six entailing collaborations.

25 For exceptions, see Cooley/Ron, etc.
After coding each collaboration as effective or not, they explored what explained success or failure. Lewis et al (2003) present an institutional framework for understanding how the culture of collaboration evolves during a project, recognizing that this culture can have beneficial or adverse effects on project success. They develop a framework for approaching project collaborations that accounts for initial organizational differences between actors. Brinkerhoff & Brinkerhoff (2002) present an overview of research on government-nonprofit relations in which they emphasize that government-not-for-profit partnerships will intensify in the 21st century. Governance of these relationships is of key interest to scholars in the field. Lewis (1998) discusses the challenges of north-south NGO partnerships. Bitsill & Bulkeley (2004) examine the reasons for 550 separate city groups to join a network on global climate change. They find that the organizations are more motivated both by access to resources and reputation as well as interest in the issue and a desire to learn more about it.

5.3 Integrating Activity Domains with Effectiveness Research

The following section relates our framework to earlier work on effectiveness that emphasizes three main facets of effectiveness: goal attainment, resources acquisition, or the quest for legitimacy (i.e. reputation). The three approaches can be matched to the four domains identified in our research in order to clarify the design of research pertaining to NGOs and NPOs. This matching is represented in Figure 4.
In the early days of effectiveness research scholars argued that organizations pursue goals, but further research demonstrated that organizations have a large collection of proximal and distal objectives, many of them contradictory due to diverse interests and cognitive limitations of constituents within the organization. As a result, organizational goals cannot be explicitly ascertained or measured and should not be used to evaluate performance. We argue here, however, that goal-attainment is a natural measure for programs since these are more coherent sub-units of an organization, and because programs that do not have explicit goals are not going to be effective. Goal-attainment is *not*, however, a good metric for the organizational task domain that responds to opportunities and threats within the environment. This set of organizational processes seeks to obtain resources, strive for autonomy, and ensure survival of the organization. Resources and autonomy are essential for pursue mission, but most organizations would not claim that growth and survival *is* their mission. As a result, the system resource perspective most adequately captures the tasks within the responsiveness to environment domain and a goal-attainment framework is poorly suited for evaluating these activities.
Core management activities and participation in networks or partnerships both have elements of goal-attainment and resource-acquisition. Studies that examine motivations for organizations to collaborate with other organizations show that partnerships are important for increasing program impact (Lecy, Mitchell & Schmitz, 2009? – can we cite George’s dissertation here?), and for securing resources (Bitsill & Bulkeley, 2004; Sowa, 2009). Managers must ensure the financial health of the organization by creating control structures and accounting practices to manage spending in and seeking additional resources from the environment. Simultaneously they allocate resources towards furthering the mission of the organization. Board best practices, for example, can be linked both to improved fund-raising and increased adherence to mission (Herman & Renz, 2000). One can imagine myriad other research designs that relate management to either mission or sustainability; both goals and resources are viable performance variables in these domains.

Reputation measures are the most flexible and can be applied to any of the research domains. Building a reputation measure entails identifying relevant stakeholders and creating a survey instrument that pertains to the domain of interest.

6. Concluding Remarks

This structured literature review offers important lessons regarding the study of NPO/NGO effectiveness. We find that a lack of empirical studies, as well as interdisciplinary efforts, undermines the cumulative research progress on NGO/NPO effectiveness. We also find significant gaps between the ambitions regularly espoused in scholarly works and the actual research carried out. The most significant consensus emerging in this literature is a rejection of uni-dimensional measures of effectiveness, but this call for the application of complex models is rarely translated into empirical research or applied evaluations. While we know today that organizations have many goals and that NPOs and NGOs regularly face demands from a multitude of stakeholders, scholars and practitioners continue to use uni-dimensional measures because of a lack of alternatives and/or difficulties of applying and operationalizing more complex models.

To assist in the generation of cumulative knowledge on NGO/NPO effectiveness, we propose breaking down organizational effectiveness into four research domains. We argue that
those domains can help organize core sites of research on effectiveness questions and will allow researchers to complete empirical research based on more circumscribed and well-defined propositions. **WHY EXACTLY?** At the same time, the domains are open to integrating interdisciplinary perspectives since they are not defined along academic disciples.

Additionally, the introduction of domains provides additional focus to goal attainment, resource acquisition, and reputation as the three core dimensions of organizational effectiveness. Pursuing goals in the context of project implementation creates a different research agenda than within the context of internal management or a networking relationship. Reputation in the context of partnerships and networks primarily focuses on how an organization is viewed by its peers, while reputation in the context of the larger external environment takes on a broader meaning within the context of multiple stakeholders.

Restructuring research on NPO/NGO effectiveness along domains increases long-term prospects of finding better answers to broader questions of organizational effectiveness. The cyclical rise and fall of the effectiveness paradigm is being replaced by different research programs which can be combined to provide answers to organizational effectiveness overall, for example by comparing the performance of individual organizations across the domains. In the context of current debates on ‘strategic philanthropy’ and increasing pressures to show measureable results, not-for-profits should be more proactive in shaping the agenda. Organizations have to take the lead in challenging a short-term focus and uni-dimensional measurements that only create incentives to underreport overhead spending instead of actually improving outcomes and impact. Breaking down effectiveness into four separate domains can help both researchers and practitioners to create a more compelling composite of organizational effectiveness which avoids some of the trappings of the earlier debates and their potentially negative consequences for the nonprofit sector.
References


Appendix 1: Coding Scheme

Title:
Author:
Journal, Year:
Sample ID:
Coder, Date:
If book, which chapters were reviewed?:

I. What kind of piece is it?
   a. Case study
   b. Program Evaluation
   c. Theoretical / Framing article
   d. Methods piece
   e. Literature review
   f. Other:

II. What is the academic field of the study? (mutually exclusive responses)
   a. Political Science (IR)
   b. Economics
   c. Development studies
   d. Not-for-profit (public administration)
   e. Interdisciplinary

III. What is the topic area of the study (health, education, etc)?

IV. What is the author’s major argument/point?

V. Effectiveness discussions
   a. Does the author talk explicitly about effectiveness?
   b. Does the piece contain an explicit definition of effectiveness?

VI. What is the level of analysis:
   a. Program Level
   b. Organizational Level
   c. Campaign Level
   d. Sector / Network Level

VII. If you were to conduct a study based on the author’s work what would be the variables?
    IVs:_______________________________________________
    DVs:______________________________________________

VIII. What form of outcome is discussed?: (choose all that apply?)
    i. Mission-related
       1. Program outcome (e.g., delivery of service)
       2. Institutional outcome (change of law and/or government or firm practice)
       3. Normative outcome (change of public opinion)
       4. Participatory outcome (more active or representative civil society)
       5. Capacity building of external organization (government, etc)
ii. Organization-related
   1. Organizational outcome: i.e. improving management, survival, growth
      list: ____________________________________________

iii. TNGO Sector-related
   1. Change in goals / definitions / standards of the sector
   2. Networking, collaboration and capacity-building among civil society orgs

iv. Other:

IX. What type of methodology does the article use? (mutually exclusive)
   a. Argumentative – making a logical case for something
   b. Quantitative – correlational or causal analysis of large-N data
   c. Qualitative – causal analysis based on case study, process tracing
   d. Interpretative – rejects conventional social science methods of cause and effect analysis
   e. Other (explain):

X. Does the article assume or argue for a rights-based/transformative approach to development? Yes/No

XI. Does the author explicitly mention the North/South NGO divide? Yes/No
Appendix 2: Sample

Articles, Book Chapters, & Reports:

Transnational Politics: Contention and Institutions in International Politics / Tarrow (2001)
Strategic Performance Measurement and Management in Non-Profit Organizations / Kaplan (2001)
Theses on Non-Profit Organizational Effectiveness / Herman & Renz (1999)
NGDOs as a Moment in History: Beyond Aid to Social Entrepreneurship or Civic Innovation? / Fowler (2000)
Civil Society, NGOs, and Decent Work Policies: Sorting out the Issues / Bacarro (2001)
Four Criteria of Development NGO Legitimacy / Atack (1999)
From 'Structural Adjustment' to 'Comprehensive Development Framework': Conditionality Transformed? /Pender (2001)
‘Europeanizing’ Civil Society: NGOs as Agents of Political Socialization / Warleigh (2001)
Board Practices of Especially Effective and Less Effective Local Nonprofit Organizations / Herman & Renz (2000)
Monitoring Elite Capture in Community-Driven Development / Platteau (2004)
Buying Results? Contracting for Health Service Delivery in Developing Countries / Loevinsohn & Harding (2005)
Evaluating Participatory Development: Tyranny, Power and (Re)Politicisation / Williams (2004)
International NGOs and primary health care in Mozambique: the need for a new model of collaboration / Pfeiffer (2003)
Biting the Bullet: Civil Society, Social Learning and the Transformation of Local Governance / Johnson & Wilson (2000)
Relocating Participation Within a Radical Politics of Development / Hickey & Mohan (2005)
A Comparative Look at NGO Influence in International Environmental Negotiations / Corell & Betsill (2001)
Board Composition, Committees, and Organizational Efficiency: The Case of Non-Profits / Callen et al (2003)
The Economics of Performance Management in Nonprofit Organizations / Speckbacher (2003)
NGO Failure and the Need to Bring Bank the State / Zaidi (1999)
Organizational Learning in NGOs: What have we learned? / Edwards (1997)
Development NGOs and the Challenge of Partnership: Changing Relations between North and South / Lewis (1998)
Organizational Capacity and Effectiveness of Street-Level Food Programs / Eisinger (2002)
The Role of the Transnational Community of Non-Governmental Organizations: Governance or Poverty Reduction? / Townsend et al (2002)
NGOs and Uneven Development: Geographies of Development Intervention / Bebbington (2004)
Civil Society, NGOs, and Decent Work Policies: Sorting Out the Issues / Baccaro (2001)
Outside Funding of Community Organizations: Benefiting or Displacing the Poor? / Gugerty & Kremer (2000)
Accountability, Motivation and Practice: NGOs North and South / Townsend & Townsend (2004)
Exploring the association between board and organizational performance in nonprofit organizations / Brown (2005)
Improving the Quality of Outcome Evaluation Plans / Poole et al. (2001)

Books:

NGOs and Civil Society: Democracy by Proxy? / Hudock (1999)
The Management of Non-governmental Development Organizations / Lewis (2001)
Funding Virtue: Civil Society Aid and Democracy Promotion / Ottaway & Carothers, eds. (2000)
Measuring Performance in Public and Nonprofit Organizations / Poister (2003)
NGOs and Organizational Change: Discourse, Reporting and Learning / Ebrahim (2003)
Appendix 2: Description of Sample

Publication Years of Articles in the Sample

Publication Years of Articles Reviewed
Number of articles per journal in the sample

<table>
<thead>
<tr>
<th>Journal</th>
<th>Articles</th>
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<td>Books</td>
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<td>World Development</td>
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<tr>
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<td>Global Environmental Politics</td>
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Disciplinary Boundaries