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## Concussion or Contusion: Missing Ingredients in Governance - A case of NGOs in Pakistan

Atif Habib\* and Sobia Rashid\*\*

\*SZABIST, Pakistan

\*\*Faculty of Administrative Sciences, Air University Islamabad, Pakistan

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### Abstract

*Non-Government Organizations (NGOs) play vital role in the process of development. One of the objectives of NGOs is to fill the gap where government sector is either not working or problem persists in the absence of some vital ingredients of governance for instance policy examination, implementation of policy, discussion, decision making, financial transparency, accountability, synchronization, assessment, operation and valuation in that sector. However in general the problem is not solved due to lack of those ingredients of governance. This study argues that there is a need of some restructuring in order to have good governance. This study will analyze the issues of Governance and its impact on project outcomes. The data was collected through a questionnaire and the sample size consists of 100 individuals working in local NGOs. The results of this study showed a positive relationship between variables.*

Keywords: Governance, NGOs, project outcomes

### 1. Introduction

Development is a primary goal to be achieved in modern societies. Development is a complex phenomenon that needs to be viewed in the broad context of its many dimensions including its economic, financial, social, institutional and environmental dimensions. In addition, development is a process that involves relationships among countries that function in different environments. Development advances to different stages with respect to its different dimensions. Thus, countries occupy different stages of development with respect to the economic, financial, social, institutional and environmental dimensions of development. In the long term, the policies of developing countries aim to achieve high levels of development across its multi-dimensions. At the institutional level, countries are led by groups of elected officials and by appointed administrators. This results in power being derived from the electorate, from the competence of administrators and from the strength of state institutions. Credibility and managerial capacity are two attributes that should characterize the leadership of an organization, whether in the private sector or in the public sector. Thus, the managers of a nation and of a private business are comparable in some ways. Both groups need to demonstrate efficiency, reliability and maintenance of formal and informal institutions. In addition, both groups need to show good results at the end of the periods for which they are responsible. Accordingly, the achievement of efficient management as well as internal and external credibility can be defined as the concept of

governance for a country. Governance is a complex variable. It includes various dimensions that allow for a range of measurements with the use of different indicators (i.e. Kaufmann et al., 2005). With respect to the measurement of the character governance in counties (i.e. Kaufmann et al., 2005), the Transparency International indicator of character of governance was broadened (i.e. Kaufmann et al., 1999a, b) by inclusion of multiple components in the construction of a governance index.

## 2. Literature review

### *Governance*

Governance has been explained as the administration of the general public by the people. (Adejumobi, 1991) The implementation of power or control to handle country's issues and reserves. (Biddle & Biddle, 1968) A term Governance has been defined as a multifarious system of interfaces among structures, practices, responsibilities, and procedures exemplified by three major values of responsibility, clearness and involvement. Good governance can also be explained as the pushing for regulation of law, intelligibility, openness, involvement, justice, value and competence, responsibility and planned vision in the implementation of political, financial and managerial power. (UNDP, 2002)

Governance talks about the practices and methodologies through which policy is focused, organized and interpreted. Governance covers a comprehensive series of actions. For instance, (Abegunde, 2009) have explained guiding principle for designing policy through a range of eight different stages that encompasses subject documentation, policy examination, implementation of policy, discussion, synchronization, assessment, operation and valuation. Governance is imperative as it governs who has ability to make decision, the balance of supremacy, in what manner decision making happens and by what means justification is concentrated. (Kulig, 2000)

The meaning of the word governance and non- government is considered from the time when the expressions talk about to diverse possessions. At the base and in simple terms the dissimilarity is grounded on the performers as the government consist of government executives and selected agents including civil servant, ministers and political figures, on the other hand governance encompasses non-government sponsors for instance health specialists, professors, investigators and commercial people.

As summarized in Table 1 there are some factors on the basis of which the governance and government can be distinguished with respect to their objectives, organizations and procedures of devising policy.

Table 2.1: Features differentiating Government & Governance

Scope	Government	Governance
Performers	<ul style="list-style-type: none"> <li>Limited participants</li> <li>Generally state organizations</li> </ul>	<ul style="list-style-type: none"> <li>Excessive participants</li> <li>Public &amp; private performers</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>Restricted consultation</li> </ul>	<ul style="list-style-type: none"> <li>Open consultation</li> </ul>
Configuration	<ul style="list-style-type: none"> <li>Barred boundaries</li> <li>Territorially defined</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerable boundaries</li> <li>Functionally defined</li> </ul>
Treaties of collaboration	<ul style="list-style-type: none"> <li>Vertical authority</li> <li>Confrontational</li> <li>Classified</li> </ul>	<ul style="list-style-type: none"> <li>Flat authority</li> <li>Consensus -oriented</li> <li>Exposed</li> </ul>

(Schwab & Kübler, 2001)

*Project Outcomes*

Project outcomes can be defined as a shared vision as it addresses the components of clarity means the goals are defined in simple and related terms, strengthened by activities, continuity refers to the broad course remains the same in spite of workforces or other modifications and consistency means all employees share and understand the vision of project (Bartlett & Ghoshal, 1990). There is an improved idea and prospect that interested party satisfaction can be attained only if the vision is clearly and successfully transferred and implicit by the team members of project. For instance a contemporary project management research case study by Canadian IT claimed that if vision of project is shared among all then it will contribute to achieve and deliver the projects intended goals effectively regardless of poor practices of project management (Christensen & Walker, 2004)

Project outcomes can be categorized as intangible and tangible. Intangible outcomes can be explained as competent and trained workforce who can work efficiently. Tangible outcomes are referred to physical things for instance roads, buildings, land and etc. (PMI, 2000, p. 47).

In accordance with the explanation provided by PMBOK it is clear those outcomes can be intangible or tangible as compared to objectives which are just quantifiable and the outcomes which are only tangible. On the other hand, the practicalities of project outcomes are not explained in PMBOK. In literature of quality management the project outcomes are explained in terms of tangible and intangible. According to that literature the intangible outcomes for instance performance, satisfaction are those which can be measured through operationalization by setting a specific scale ranging from high degree to low degree. On the other hand tangible outcomes are those which can be quantify and even operationalized, monitored and controlled. In this paper intangible outcomes are operationalized through a scale refers to degree of success or failure. Usually, intangibles comprises of skills, satisfaction, performance, culture, leadership, processes, trust, values, relationships, competencies and knowledge.

Some intangible outcomes act as a leading role rather than as a lagging signs for example commitment ,relationship and trust is set by the members of the project team. On the Other hand outcomes like enough understanding and knowledge about organization and its projects will add vale and contribute to the capacity building of investors involved in projects ahead(Kersti, 2005).

In past the research done on the project outcomes revealed that Intangible project outcomes are essential tool of competitive advantages and it is necessary to acknowledge, measure and control them with a view to have an efficient management. In terms of relationship and association between intangible investments and earnings it has observed that they have consistent association and value creation potential in businesses of corporations Garcia-Ayuso (2003, p. 599)

### **3. Hypotheses**

The conceptual framework derived above gives rise to the following two hypotheses.

**H1** There is significant relationship between Role of Strategic Plan and Project Outcomes

**H2** There is significant relationship between competing Political Support and Project Outcomes

**H3** There is significant relationship between Treatment, Care & Support /prevention and Project Outcomes.

**H4** There is significant relationship between Transparency & Accountability and Project Outcomes.

**H5** There is significant relationship between Monitoring & Evaluation: Horizontal & Vertical Integration and Project Outcom

**4. Methodology**

The basic purpose of the study is to check the relationship between Role of Governance and Project Outcomes in development sector of Pakistan specifically NGOs therefore the research study is co relational. It is cross sectional as it is conducted in single frame of time. The unit of analysis in this study is employees from different departments of local non-government organizations working in big cities of Pakistan. A non-probability convenience sampling technique was adopted to draw the samples from the part of the population as it is cross sectional study due to time constraint this method has used.

Data has been collected using questionnaire. Questionnaires were distributed and have been mailed to different departments of six local NGOs working in different cities of Pakistan.

**5. Results**

Cronbach alpha coefficient used to evaluate the inter item reliability and consistency among responses which has been concluded from a survey questionnaire. For this study total items were 5 exclusive of personal information whose consistency has to be determined. Cronbach’s alpha for all items was 0. 988. The reliability of the adapted scale for project outcomes is 0.888 which is again between the acceptable ranges which is according to the accepted range all around the world.

**CORRELATION MATRIX**

Correlation was used to find the association and impact of independent variable Role of Governance on dependent variable Project outcomes.

**Table 5.1**

		RSP	PS	TCS	TA	ME	PO
RSP	Pearson Correlation	1					
PS	Pearson Correlation	.217*	1				
TCS	Pearson Correlation	.488**	.377**	1			
TA	Pearson Correlation	.891**	.294**	.651**	1		
ME	Pearson Correlation	.647**	.760**	.556**	.681**	1	
PO	Pearson Correlation	.330**	.753*	.663**	.383	.487**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). \* . Correlation is significant at the 0.05 level (2-tailed).

Above Table presents inter-correlations of the products of independent variable Role of Governance and dependent variable Project outcomes used in the model. Results confirm that the independent variable, correlate with the dependent variables in the positive direction. The correlations were significant for all the independent variables at  $p < 0.01$ .

*REGRESSION ANALYSIS*

The Regression Analysis was used to find the impact of role of Governance and also which methodology of good governance is more dominant predictor of the Project outcomes. Multiple regressions had been used because of multiple predictors and the results are presented in below Table.

**Regression Equation**

$$PO = \beta_0 + \beta_1 * RSP + \beta_2 * PS + \beta_3 * TCS + \beta_4 * TA + \beta_5 * ME$$

**Table 5.2**

<b>Regression Coefficients</b>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
RSP	.328	.183	0.307	4.373	.001
PS	.980	.075	1.080	18.815	.009
TCS	.587	.052	0.479	9.954	.005
T&A	.460	.059	0.040	0.494	.000
M&E	.860	.093	0.782	10.615	.000

a. Dependent Variable: Project Outcomes

**Table 5.3**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930 <sup>a</sup>	.865	.8597	.20835

a. Predictors: (Constant), Role Of Strategic Planning, Political Support, Treatment, Care & Support, Transparency & Accountability, Monitoring & Evaluation

b. Dependent Variable: Project Outcomes

$$PO = 0.312 + .0328 * RSP + .980 * PS + .587 * TCS + .046 * TA + .860 * ME$$

In model-I the regression analysis used to find the impact of Role of Governance on Project outcomes. In the above table results of regression estimation show that all the variables taken in the analysis are significantly explaining the project outcomes. However, every variable has its relative importance over other variables which can be measured through the value of parameter associated with it. Since each component is ranked on the likert scale of 1 to 5 and then average is taken for each component. Thus higher the value of parameter implies higher impact on the dependent variable. Accordingly, political support has maximum role in governance structure on the project outcomes followed by monitoring and evaluation, treatment, care and support, transparency and accountability and in the end role of strategic planning.

Since, correlation matrix shows high and significant correlation among the explanatory variables thus there is a strong chance of multicollinearity among the variables. Whereas, severity of multicollinearity problem exists when the problem makes variables insignificant due to higher standard errors while the regression results show that all the variables are significant at 1 percent level of significance thus we do not consider multicollinearity as a big problem in our regression. R-square shows that 85.6 percent of the results are explained by the explanatory variables, which is very high in the cross section regression. The significance of R-square is checked through F-stat whose value shows that it is significant at one percent level of significance.

## 6. Conclusion

The results of this study shows that among the five methodologies, that are role of strategic plan, political support, treatment, care & support, Transparency & Accountability and finally Monitoring & Evaluation. Moreover all the methodologies are positively related to the project outcomes and are significant showing the P-Value of 0.000. In accordance to the results political support, treatment, care and support, monitoring & evaluation has more impact on Project outcomes then the role of transparency & accountability is also very important.

The relationship of variables has been significant in this study. Previous studies done on governance are survey based and lot of literary material has been explained by researchers in terms of governance, which are quantitatively analyzed in this study. Even though the previous literature focused on real options that are valuing the harm involved in injecting drug. This study focuses on the managerial aspect of governance.

It is evident that our research questions have been addressed and it can be said without a shadow of doubt that role of governance as a whole have a significant impact on project Outcomes and can reveal better results in the presence of practicing good governance methodologies.

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