



toolbox
INDIA

**ORGANISATION DEVELOPMENT
NEEDS AND INSIGHTS:
REPORT 2020**

CONTENTS

FROM THE CEO'S DESK	3
FOREWORD	4
ABOUT THE REPORT	5
METHODOLOGY	6
ETHICAL CONSIDERATIONS	7
LIMITATIONS	7
KEY FINDINGS	8
SAMPLE PROFILE	9
INTRODUCTION	10
REPORT ANALYSIS	11
ABBREVIATIONS	23
ACKNOWLEDGEMENTS	24

FROM THE CEO'S DESK



VIJAYA BALAJI

CEO & MD, toolbox INDIA

The genesis of toolbox INDIA Foundation over 9+ years ago was based on the hypothesis that extending support to Social Impact Organisations (SIOs) that went beyond venture philanthropy would significantly amplify the impact of their programs. Our work till date has addressed this through structured interventions in change management consulting to aid these SIOs that included, among others, the flagship skilled volunteering program.

Our engagements with SIOs in India have led to a deeper understanding of organisational requirements and the areas where support has been solicited on our consulting projects which continues to be one of our primary practice areas at toolbox INDIA. Our Dialogues with our SIO partners and discussions with philanthropic capital providers have led

to supporting the most needed areas of organisation development. These have led the change makers to bring in enhanced efficiency that has cascaded into improved program deliveries.

Our rationale behind undertaking this much needed study was to direct attention and gain a better understanding of those nuanced support areas that the organisations have highlighted. These will allow for more informed Dialogues and direction of capital and resources from intermediary organisations, donors, and CSRs.

toolbox INDIA Foundation will continue to strive towards supporting its network of SIO Partners towards their mission fulfilment with organisation development as the key focus.

FOREWORD

MS. NAGHMA MULLA

COO, EDELGIVE FOUNDATION

“Building capacities dissolves differences. It irons out inequalities.”

Abdul Kalam

It is with great happiness that I write this foreword for toolbox INDIA, our long-standing partner for capacity building and engagement for many years now. Since the inception of EdelGive Foundation in 2008, we have engaged with a diverse set of organisations, working on diverse programmes across diverse geographies. However, what binds them together is their mission to scale their programmes to reach the widest possible audiences. In order for scale to be sustainable, organisations need to grow along-side their programmes. And toolbox INDIA plays a large role in enabling this.

One of the strongest reasons why EdelGive’s partnership with toolbox INDIA has stood the test of time is our mutual focus on the well-being of our partner non-profit organisations. We

see in toolbox INDIA an empathetic and efficient enabler who ensures the long-term growth of these organisations. Their rigour, introspective approach, and willingness to hear from their stakeholders sets them apart as they continue to grow.

We continue to partner and rely on Vijaya and her stellar team to approach capacity building in the areas of Investments in Finance and Sustainability; Human Resources and Communications; Strategy and Leadership; and Processes and Technology. Right solutions in these domains can take organisations much further in their pursuit towards sustainable scale and impact.

We are extremely proud to partner with toolbox INDIA Foundation on all our capacity building initiatives.

METHODOLOGY

This report is based on a representative sample of 100+ Nonprofit Organizations (NPOs) that toolbox INDIA surveyed over four months. The sample size includes organizations from all over India. The sample included an uneven mix of organisations across lifecycle stages of early (0-5 years), evolving (5-10 years and 10-15 years) and mature (15+ years). The survey was conducted by administering a comprehensive online questionnaire that NPOs undertook followed by telephonic conversations and in- person interactions with organisation teams in Mumbai and Delhi.

RESEARCH



DESKTOP RESEARCH

Study of organisation domains and sub- domains to be covered in the assessment tool that included an assessment of toolbox INDIA's assisted areas of project support totalling over 500.

DESIGN



SURVEY TOOL DESIGN

Design of Survey Questionnaire to be administered to participants, basis the desktop research and toolbox INDIA projects.

CONDUCT



ADMINISTER

Online and offline interactions with participants across the country.

CONSOLIDATE



ANALYSE

Collate participant responses, analyse, infer and present.



ETHICAL CONSIDERATIONS:

1. THE DATA HAS BEEN COLLECTED AFTER OBTAINING CONSENT AND PERMISSION FROM THE PARTICIPANTS
2. THE PARTICIPANTS WERE ALLOWED TO WITHDRAW AT ANY POINT IN THE STUDY
3. CONFIDENTIALITY HAS BEEN MAINTAINED BY THE RESEARCHER
4. REFERENCES ARE PROVIDED WHEREVER REQUIRED
5. UNLAWFUL MEANS/ PLAGIARISM ARE NOT REPORTED TO PRESENT DATA.

LIMITATIONS

AS THE SAMPLE IS AN UNEVEN MIX OF ORGANISATIONS ACROSS VINTAGE, SECTOR AND GEOGRAPHICAL REACH, THE ANALYSIS OF THE REPORT MAY NOT BE REPRESENTATIVE OF THE LARGER COMMUNITY OF ORGANISATIONS IN THE SOCIAL IMPACT SECTOR IN INDIA.

KEY FINDINGS

1



Most young organizations primarily face challenges in fundraising and systems and processes

2



Mature organizations largely see concerns around data reporting due to lack of resources and technology systems. However, data collection seems to be a strength among older nonprofits

3



Across lifecycles and sectors, standardized systems and processes, uniform HR policies & guidelines and data literacy and fundraising are potential areas of development

4



Organizations within the Education, Health and Livelihoods have pointed out the lack of proper contacts to be the topmost challenge in effective fundraising

5



Within the domains of Data and Technology, knowledge on data tools, platforms and strong Monitoring and Evaluation (M&E) systems are areas of support for most organizations across vintage, sector and scale

6



Human Resource Management remains a huge concern for most organizations, particularly in terms of uniform policies and guidelines, rewards & recognition systems and competency mapping. Mature stage organizations require equal support with HR Processes

7



Learning & Development forms a strong function within most mature stage organizations

8



Communication also appears to be a relatively strong function area across organizations and is handled by dedicated internal resources

SAMPLE PROFILE

SECTOR REPRESENTATION

SECTOR	COUNT OF NPOS
CHILD RIGHTS & PROTECTION	4
EDUCATION	46
ENVIRONMENT	3
HEALTH	15
LIVELIHOOD	15
POLICY & ADVOCACY	3
SKILLING	10
WOMEN EMPOWERMENT	17

VINTAGE REPRESENTATION



(COUNT OF NPOS)

- 25 0-5 YEARS
- 31 5-10 YEARS
- 17 10-15 YEARS
- 40 15 ABOVE

GEOGRAPHY REPRESENTATION



(COUNT OF NPOS)

- 58 BOTH
- 33 RURAL CENTERS
- 22 URBAN CENTERS

INTRODUCTION

As toolbox INDIA Foundation steps into its ninth year of Organisation Development (OD) consulting and engages in strategic partnerships with non-profit organisations across the country, what continues to dominate and define the social impact space is the potential of non-profits and social enterprises to deliver on programs, showcase maximized outcomes, and drive impact

The ever changing definition of “impact” brings with it constant learnings and unlearning of what goes into demonstrating program outcomes and what transcends into change across multiple stakeholders.

Through toolbox INDIA’s experiences over the years, major learnings have come through in-depth interactions with our valued non-profit partners leading us to a path of constant internal and external reflections on our work. At toolbox INDIA, the objective has been the holistic development and growth of social impact organisations by extending customised professional support at the management and program implementation levels.

It is our belief that there is a need to delve deeper into the understanding of specific roadblocks that NPOs across sectors and stage of lifecycles face, that continue to dominate the OD function. This study draws heavily on deep engagements that toolbox INDIA has had with organisations over the last few years and discussions over the past few months.

The report provides toolbox INDIA and other intermediaries and philanthropic capital providers, information on where to direct resources in niche areas of specific OD domains.

Lastly, this report aims to present an analysis of insights emerging from patterns of organisations profiled on the basis of sector focus and stage of lifecycle.

What therefore remains critical is access to NPOs, of sustainable and scalable solutions for organisational efficiency enhancement, aimed at strengthening ecosystems through improved systems and processes.

“ *A particular challenge comes to us in the form of individual donations in kind. Donors are sceptical about how their funds are being utilized and therefore prefer to donate in kind. However, many a times we require funds in cash for operational and administration activities, which remain unaddressed.* ”

NPO (unnamed)

REPORT ANALYSIS

The report findings of this survey are categorized under six broad themes-

1  FUNDRAISING & DONOR MANAGEMENT

2  PROCESSES, DATA & TECHNOLOGY

3  HUMAN RESOURCE MANAGEMENT,
ORGANIZATION BEHAVIOR & PERSONNEL
DEPLOYMENT

4  LEARNING & DEVELOPMENT

5  COMMUNICATION

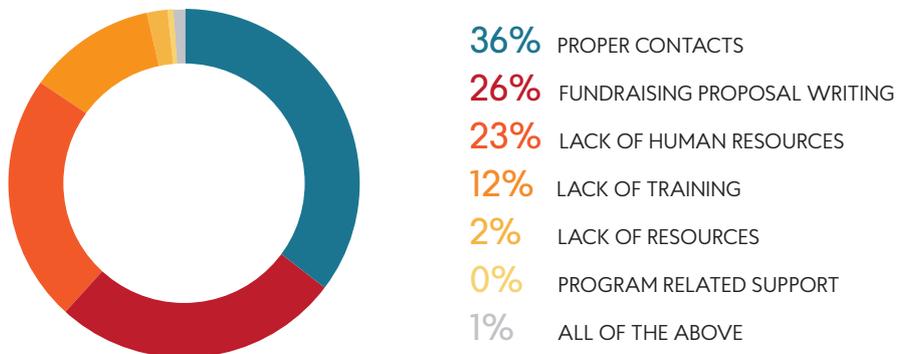
6  COMPLIANCE

FUNDRAISING AND DONOR MANAGEMENT

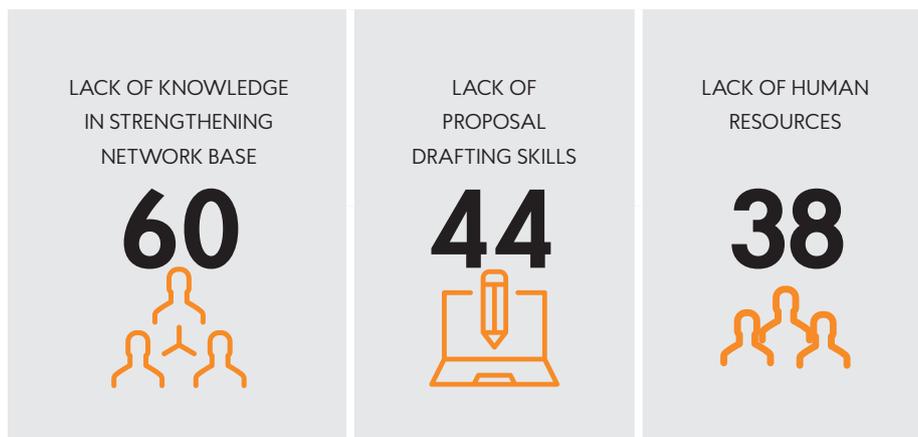
a. Fundraising

One of the key concerns among non-profits that has emerged across the sample is fundraising. Out of the total 113 respondents, most indicated a **lack of strong network base** as their main challenge in fundraising. Skills gap in communication and no dedicated resource for Fundraising were highlighted as other challenges.

Table 1a. **MAIN CHALLENGES IN FUNDRAISING**

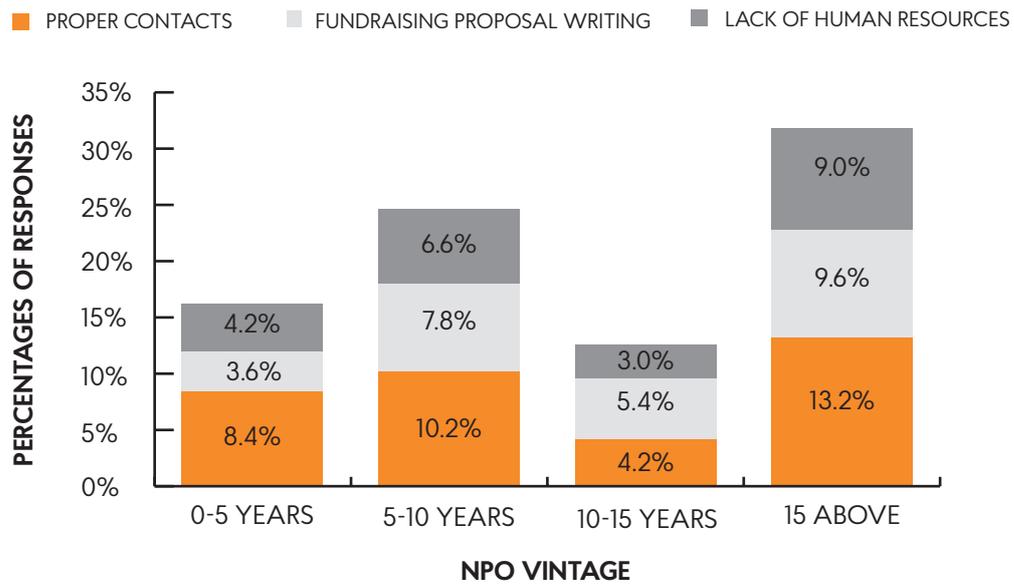


THE TOP THREE CHALLENGES HIGHLIGHTED BY RESPONDENTS WITHIN FUNDRAISING WERE:



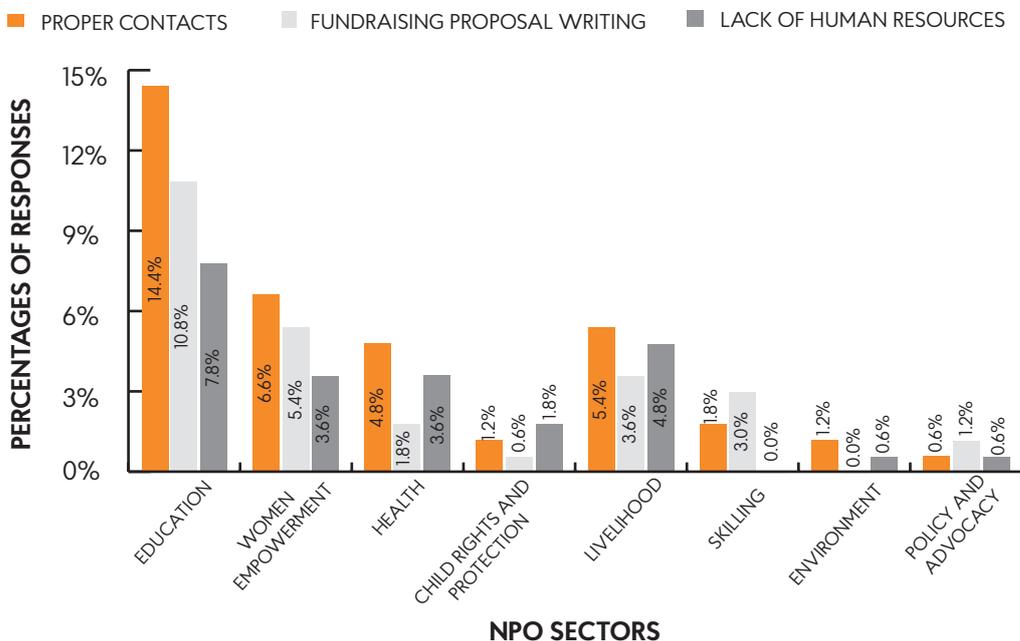
For mature stage organizations, lack of proposal writing skills and dedicated resources appears to pose equal challenges.

Table 1b. **TOP THREE CHALLENGES IN FUNDRAISING ACROSS VINTAGE**



In terms of sector comparison, **certain sectors have highlighted lack of proper contacts to be a bigger challenge than the lack of a dedicated Fundraising resource**, while organizations with a thematic focus of Child Rights & Protection, Skilling and Environment indicate otherwise.

Table 1c. **TOP THREE CHALLENGES IN FUNDRAISING ACROSS SECTORS**

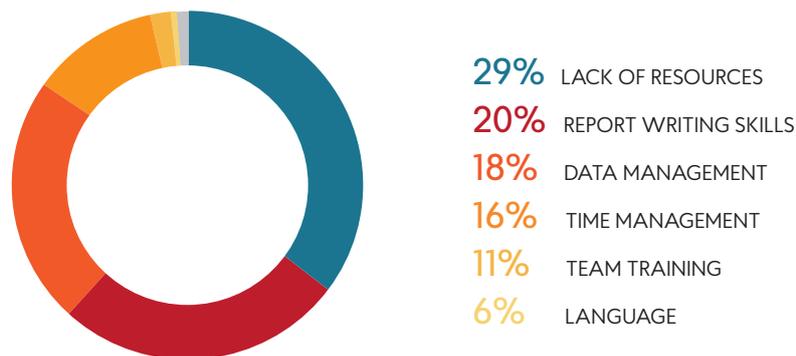


b. Donor Management

A significant factor driving fundraising is an organisation's relationship with its donors, which constitutes various aspects like transparency and reporting.

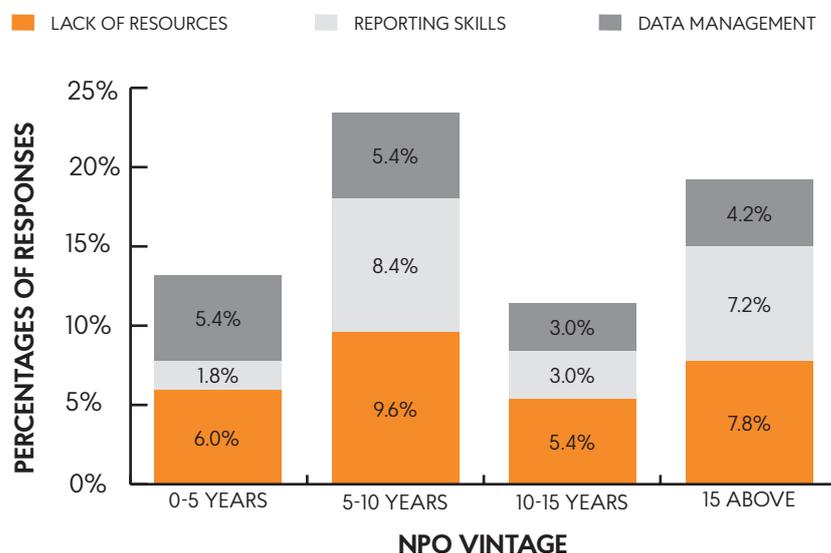
The survey conducted also throws light on how, across sectors, timely reporting to donors also surfaces as a major challenge among non-profit organisations. Most respondents indicated a lack of resources as the primary challenge in best reporting practices. Other key challenges that emerged were the significant skills gap in writing reports and mismanagement of donor data that deter donor reporting.

Table 1d. **MAIN CHALLENGES IN TIMELY REPORTING TO DONORS**



Lack of dedicated resources for reporting was the key challenge observed mostly among evolving stage respondents aged between 5-10 years.

Table 1e. **TOP THREE CHALLENGES IN TIMELY DONOR REPORTING ACROSS VINTAGE**



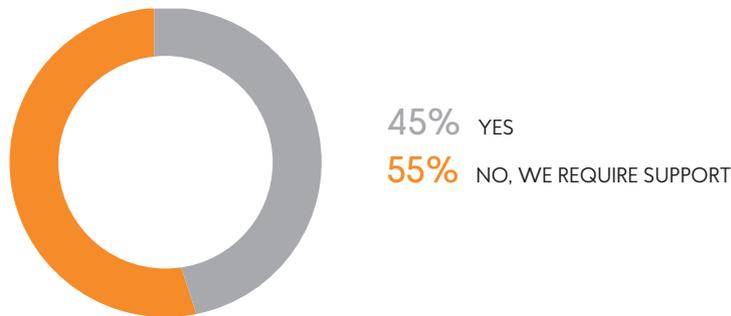
PROCESSES, DATA & TECHNOLOGY

As one of the three most critical areas of development, data management and technology support emerged as a common concern among nonprofit organizations.

a. Data Literacy

Most respondents indicated a lack of adequate knowledge in data management systems and platforms within their teams.

Table 2a. DATA LITERACY ACROSS THE SURVEY SAMPLE



b. Standard Systems & Processes

Over 50% of the organisations surveyed indicated the lack of standardized systems and processes in place and this was expressed across geographies and lifecycle stages.

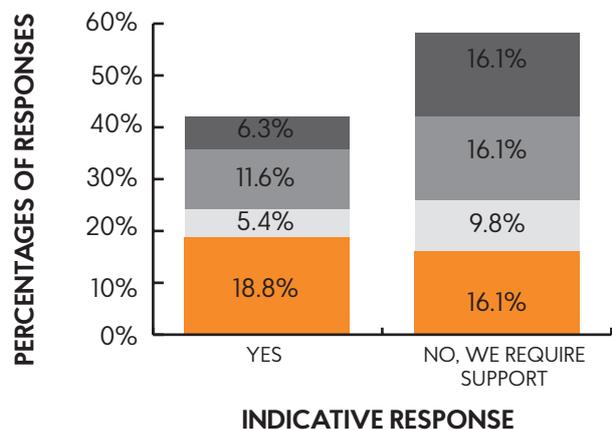
Table 2b. DOCUMENTED STANDARD SYSTEMS & PROCESSES

42% YES
58% NO, WE REQUIRE SUPPORT



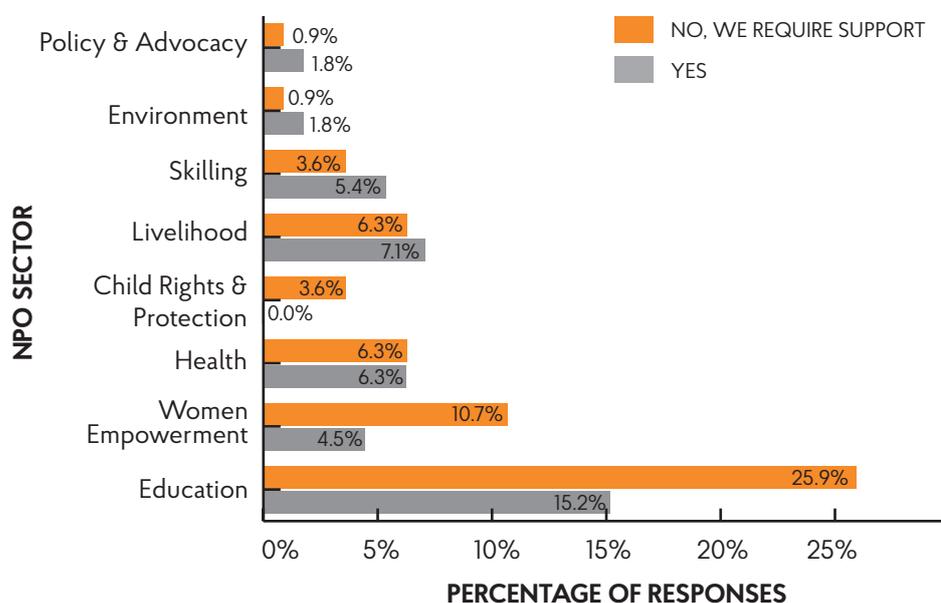
Table 2c. STANDARD SYSTEMS & PROCESSES ACROSS NPO VINTAGE

15 ABOVE 5-10 YEARS 10-15 YEARS 0-5 YEARS



Out of the total responses received from each sector, most education and women empowerment based organizations lacked standardized systems and processes while a majority of the responses from NPOs within the livelihood, skilling, environment and policy & advocacy sectors indicated otherwise.

Table 2d. **STANDARD SYSTEMS & PROCESSES ACROSS SECTORS**

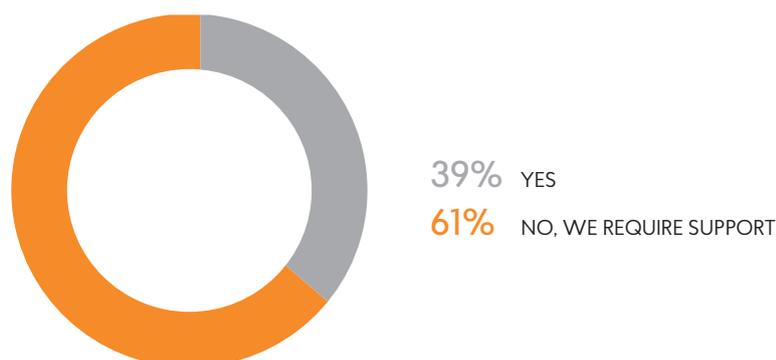


c. Program Monitoring & Data Reporting

Program tracking and reporting, emerged as the two main challenges in data management across respondents.

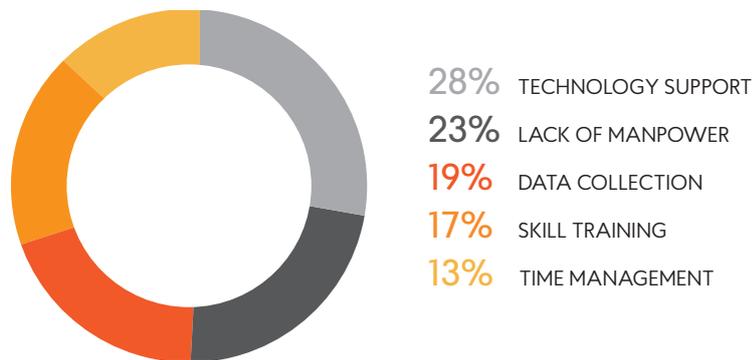
61% of the total respondents pointed out that they lack satisfactory M&E Systems for their programs.

Table 2e. **M&E SYSTEMS FOR PROGRAM TRACKING**



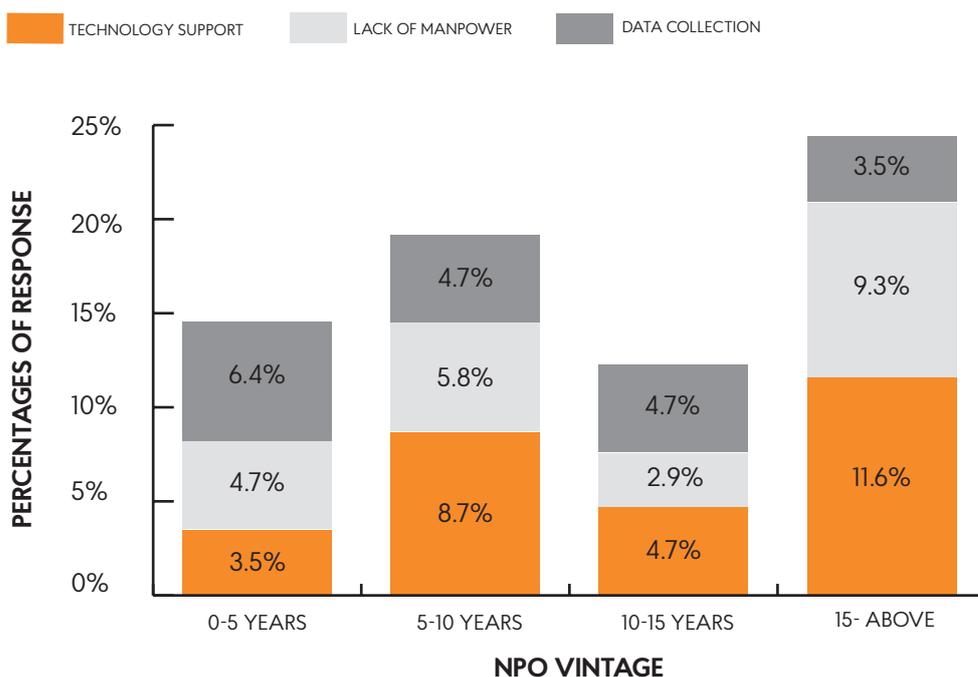
As has been observed above, lack of technology support forms a challenge overall at the organization level and categorically for program reporting. Other challenges for reporting emerge in terms of manpower and data collection issues.

Table 2f. **KEY CHALLENGES FOR REPORTING DATA**



NPOs aged 15 years and above demonstrated greater data reporting challenges as compared to other lifecycle stages.

Table 2g. **TOP THREE DATA REPORTING CHALLENGES ACROSS NPO VINTAGE**



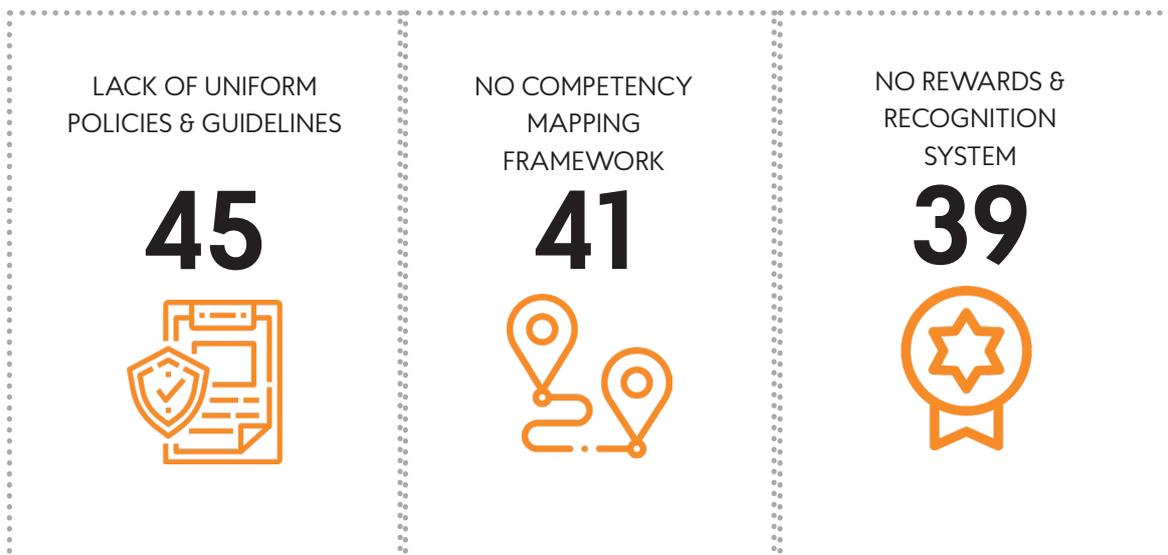
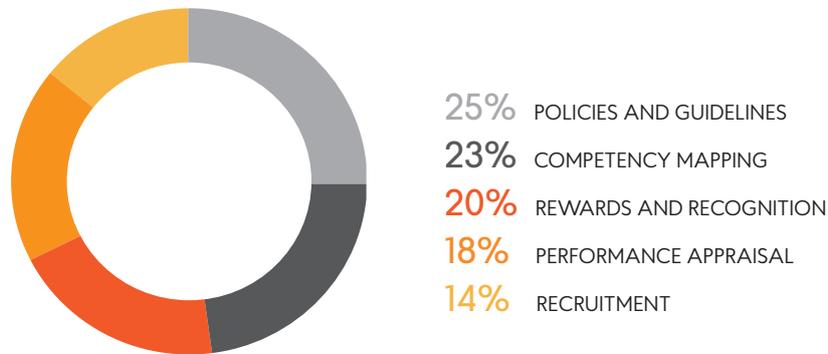
HUMAN RESOURCE MANAGEMENT, ORGANISATION BEHAVIOUR AND PERSONNEL DEPLOYMENT

a. Areas of support within Human Resource Management

This survey largely points towards HR functions within most organizations requiring structuring and strengthening.

The top three concerns as expressed by the respondents point towards support with designing uniform **HR policies and guidelines, rewards & recognition systems and competency mapping.**

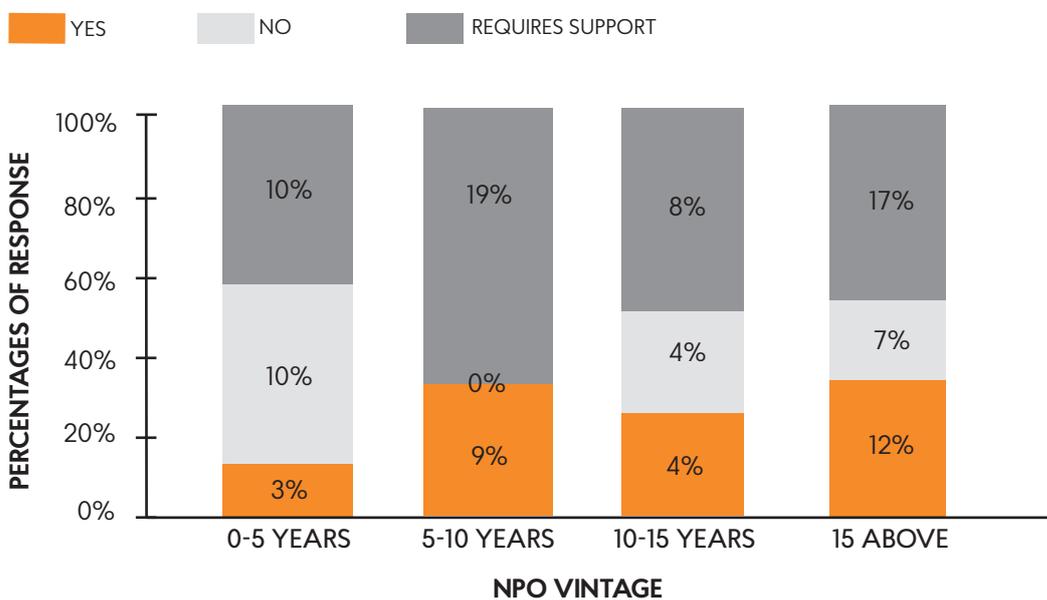
Table 3a. AREAS WITHIN HRM REQUIRING SUPPORT



While early stage organizations pointed towards a complete lack of HR Policies and Systems, organizations aged 5-10 years indicated need for support on their existing policies.

It may also be interesting to note that **mature stage organizations also did not have HR policies & guidelines.**

Table 3b. FORMULATED HR POLICIES & GUIDELINES ACROSS NPO VINTAGE



b. HR Personnel & External Resources

As recruitment continues to remain one of the challenges in the development sector, as observed previously, it can be attributed to the lack of dedicated HRM resources in organizations across the pool of survey respondents.

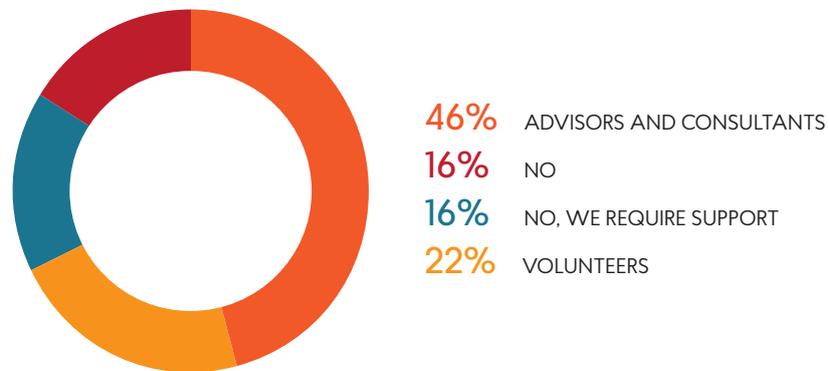
68% of non-profits revealed that they do not have a dedicated resource for HR activities

Table 3c. DEDICATED HR RESOURCE IN ORGANISATION



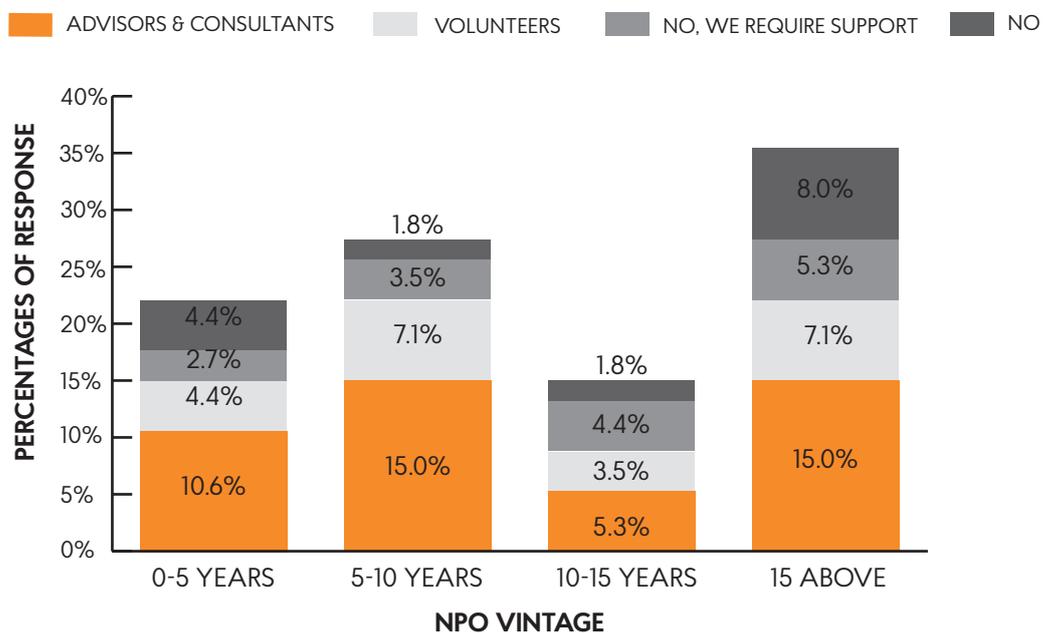
Many organizations therefore appear to seek support in program development and organization strategy design from external advisors and consultants. Through the survey it was observed that out the total 100+ organizations, more than half sought external advisory and consulting services while 25 indicated their dependence on volunteer support. Only 18 organizations expressed that they do not solicit external assistance.

Table 3d. **EXTERNAL RESOURCES FOR PROGRAM DEVELOPMENT**



Across NPO vintage, it was observed that of the total respondents seeking external advisory and consultancy support for program development, a largely even trend emerges across organization lifecycles that require external resources for OD functions.

Table 3e. **EXTERNAL RESOURCES DEPLOYMENT ACROSS NPO VINTAGE**



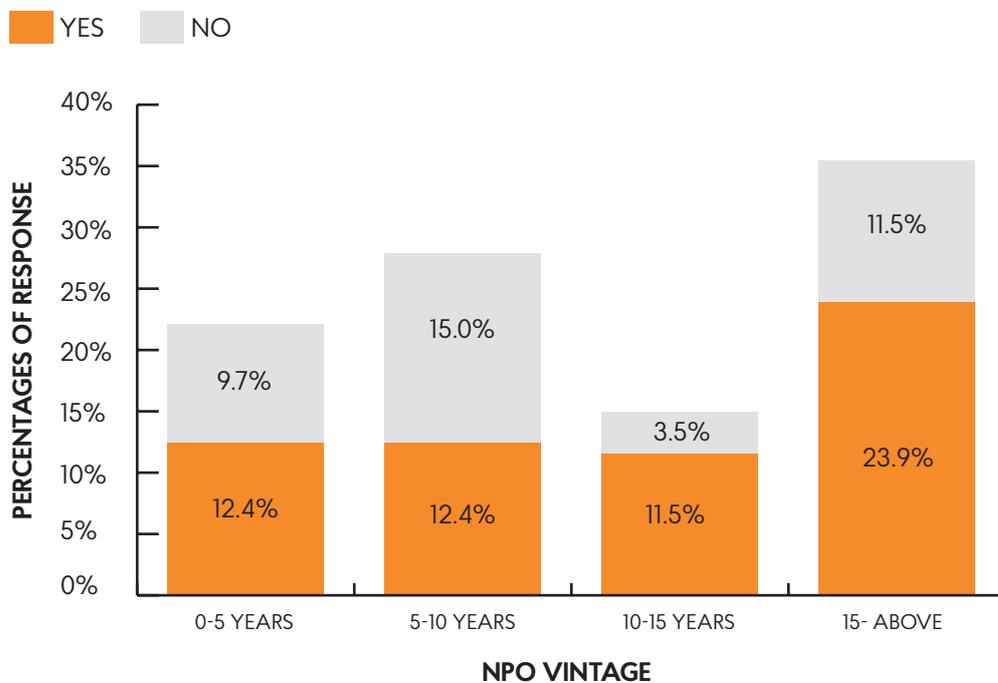
LEARNING & DEVELOPMENT

While a majority of the respondents indicated that their organizations conduct **regular L&D trainings**, most of these represented the **mature lifecycle stage**.

Table 4a. **REGULAR L&D TRAININGS**



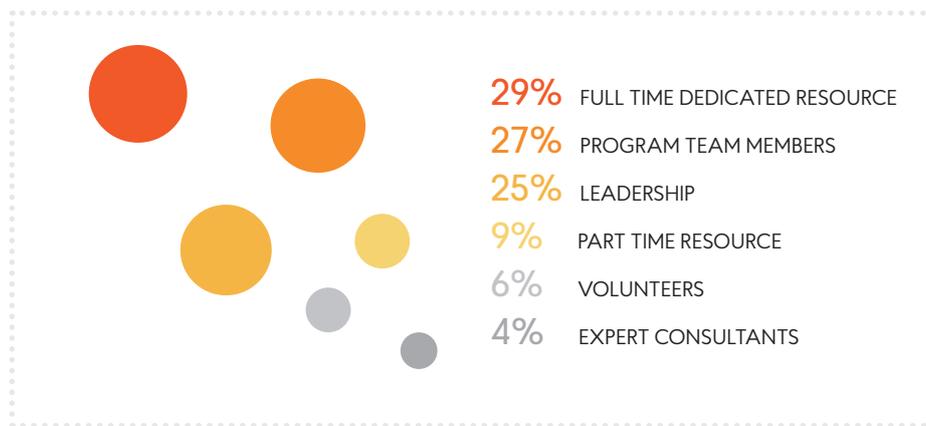
Table 4b. **REGULAR L&D TRAININGS ACROSS NPO VINTAGE**



COMMUNICATION

Most respondents (29%) indicated **Communication as a strong functioning area** of their organizations with a **dedicated internal resource**. However, a significant number of respondents pointed out that Website handling and maintenance is an area for improvement.

Table 5a. **RESOURCES HANDLING COMMUNICATION & MARKETING**



COMPLIANCE

Financial & Legal compliance were strong points across organizations within the early stages. However, **streamlining systems and processes** emerged as a notable function area **requiring attention** across NPO vintage.

ABBREVIATIONS

- SIO-** Social Impact Organizations
- CSR-** Corporate Social Responsibility
- NPO-** Non-profit organization
- M&E-** Monitoring & Evaluation
- OD-** Organization Development
- HR-** Human Resource
- HRM-** Human Resource Management
- L&D-** Learning & Development

ACKNOWLEDGEMENTS

toolbox INDIA Foundation extends its heartfelt thanks to its principal partners for all the support extended towards the making and completion of this report.

© Copyright 2020.

This report is strictly confidential and is meant for the exclusive use of toolbox INDIA. Under no circumstances should this report, or the information contained herein be distributed, transmitted, reprinted or reproduced in any form without the prior written consent of toolbox INDIA.

The contents of this report do not necessarily reflect the views of toolbox INDIA or its employees.

Information contained in this report is based, primarily, on the results of a survey conducted from October- December 2019 across a sample of 113 organizations. Reasonable care and objectivity has been exercised in conducting the survey and collating and analyzing the results of the survey.

This report is based on information received or obtained, on the basis that such information is accurate and, and where it is represented as such, complete.

No reliance should be placed on the information in this report as an alternative to legal, financial, accountancy or other professional advice from an appropriately qualified professional.

DISCLAIMERS

toolbox INDIA Foundation take reasonable efforts to ensure an accurate understanding of client requirements. The preparation of this report is based on that understanding and toolbox INDIA Foundation strives to be accurate in its advice.

The information, statements, statistics and commentary (together, the 'information') contained in this report have been prepared by from publicly available material and from discussions held with the client and other stakeholders, and people working in the field. toolbox INDIA Foundation does not express an opinion as to the accuracy or completeness of the information provided, the assumptions made by the parties that provided the information or any conclusions reached by those parties.

toolbox INDIA India Foundation has based this report on information received or obtained, on the basis that such information is accurate and, and where it is represented to toolbox INDIA Foundation as such, complete.

toolbox INDIA Foundation is not responsible in any way whatsoever for the error neglect or default of others upon whom it has placed reliance in the preparation of this report. No reliance should be placed on the information in this report as an alternative to legal, financial, accountancy or other professional advice from an appropriately qualified professional.

While reasonable care has been taken in the preparation of this report, this report and all information, assumptions, and recommendations herein are published, given, made, or expressed without any responsibility whatsoever on the part of toolbox INDIA Foundation , whether arising by way of negligence, breach of contract, breach of statutory duty or otherwise.

No warranty or representation of accuracy or reliability in respect of the report is given by toolbox INDIA Foundation or its directors, employees, agents, consultants, etc. This disclaimer shall apply to liability to any person whatsoever, irrespective of how such liability arises, whether by use of this report by that person or you or any other person or otherwise.



toolbox
INDIA

INFO@TBXI.ORG

[HTTPS://WWW.FACEBOOK.COM/TOOLBOXINDIAFOUNDATION](https://www.facebook.com/toolboxindiafoundation)

WWW.TBXI.ORG