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Relation between process efficiency and impact within nonprofit organizations

A cross-sectional view among charities

"Almost anything that improves impact could be related to our processes"

"If you are not really passionate, it is almost impossible to stay"

Historical, charities said 'trust me', today it is 'show me'

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Management summary

A rapid growth of nonprofit organizations leads to more competition among these organizations for financial support, employees and volunteers. Besides this organizations are confronted with a lack of donor and governmental support. This increases the focus on organizational efficiency. Thereby, a better understanding of the relation between impact and efficiency can yield useful information and insights to nonprofit managers, private donors and policy makers. Existing literature is compared with empirical research to provide conclusions and managerial implications. We gathered qualitative data from 11 different charities in a cross-sectional study to explain the relation between process efficiency and impact. They are compared in the field of: average possible growth of process efficiency, the significance of process efficiency to organizations, level of opportunities and direct or indirect relation with impact.

Process efficiency is divided into 7 components: employees and information technology, employees and intrinsic motivation, employees and skills, integrity and public trust, habitual behavior, size and focus on improvements. There are large differences between organizational definitions of impact. Therefore impact is broadly formulated and means that organizations get future results with their efforts. Employees and information technology are moderate to strong related to impact. However there is only indirect involvement. This is because executives recognize opportunities and investment within this component. Furthermore IT is mostly defined as an important supporting process. Intrinsic motivation has a weak relation with impact, because it is usual in this sector that employees or volunteers are intrinsic motivated. Employees and skills are very strong related with impact, because executives recognize them as main sources of the organization and can sometimes direct related to impact. Because a constant moving market, employees' competencies are important. Integrity and public trust are strong related to impact, because building of relationships with contributors is seen as important. Habitual behavior and focus on improvements are indirect moderate related to impact. They are seen as relevant and get slowly more attention, but compared with IT it is less related. Size is moderate to strong related with impact. Size is relevant for organizations to attain impact. This is possible through economies of scale and collaboration.

Managerial implications are focused on information technology investments, stay focused to improve employees' skills, improve communication to such an extent that organizational impact can be related to donors' expectations. Furthermore translation of opportunities into investment is relevant, because more competition and higher pressure of donors to use their money efficient. As last, organizations need to focus more on collaboration with different groups to improve impact.

Preface

As a student of the master program Strategic Management, I wrote this master thesis during the final stage of the study. Five years of study and the knowledge and practices I gained from that, made the writing of this thesis possible.

I chose this topic, because the studied subject was already known to me. It therefore gave me the opportunity to explore and expand this field of research. It also provided me with new knowledge, because nonprofit organization are usual not specified within the Tilburg University programs.

Finally, I want to thank dr. A.D. Timmers and drs. R. Verzijl, for the support, insights, suggestions and providing me with helpful feedback during our meetings. This was really important to me, thereby I added both as co-authors of the study. As last, I want to thank all organizational executives, due to them this research was possible.

Ad van Ballegooijen

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1. Introduction

1.1 Problem indication

In a period of economic savings there is a lot of discussion about nonprofit donations. Research organization NCDO (National Commission for international collaboration and Sustainable Development) investigates the view of Dutch people on governmental expenditures to nonprofit organizations and concludes that 45 percent of the population would rather spend less money to this sector in contrast to 36 percent the year before. Besides lack of donor support there is a rapid growth of nonprofit organizations which provides increased competition among these organizations to get financial support and the best employees and volunteers (Morris, Coombes, Schindehutte and Allen, 2007). Through declines in welfare support systems, reductions in government funding, and lack of adequate sponsorship the competitive pressure increases. At the same time the demand to justify nonprofit operations increased (Herman and Renz, 2004). What are the consequences of these changes for the manner in which nonprofit organizations are working?

Mokwa (1990, p.43) defines the main objective of nonprofits organizations as "organize and oversee voluntary social action directed at humanitarian problem solving". Their roles are to attract resources (e.g. funds and volunteers), to establish priorities or a mission and to allocate resources to beneficiaries (Mokwa, 1990). Unlike profit organizations, nonprofit organizations have to focus on dual goals relating to accomplish their not profitable mission and at the same time generate enough revenues from charitable contributions and voluntary giving to maintain operations (Olson, Belohlav and Boyer, 2005; Yi, 2010). Olson et al. argued that reductions in funding from grants and contributions and increased public demand to use money efficient have pressured nonprofit organizations to improve organizational indicators. By declined revenues and same objectives it appears relevant for nonprofit organizations to work smarter, focus on marketing management or collaborate with others to change for better results (Herman and Renz, 1999; Olson et al., 2005; Yi, 2010). Thus more organizational capabilities influence the ability to perform and opportunity to pursue their mission. These pressures forces organizations too often focus to what is measurable (e.g. financial resources, grants, donors and level of efficiency) rather than significance of measurements (Balabanis, Stables and Philips, 1997).

However it seems difficult to measure nonprofit success only with financial indicators (Brown (2005). Besides this non financial information is uneasily transformable into quantifiable facts (Balabanis et al., 1997). They argued that it is better to analyze nonprofit organizations on the level to which they have achieved their goals. As result of these, Sawhil and Williamson (2003) suggested that nonprofit organizations do not only want to describe ratios, but more specific increase impact and get more

done with available capabilities and resources. This corresponds with Baruch and Ramalho (2006) who states that whatever it is named 'performance', 'success', 'excellence', 'goodness', or anything else, it will still have to do with the impact the organization has with their program. According to online dictionary 'Encyclo' impact means 'effect', 'range', 'influence' or 'reaction' to a certain situation. Impact refers to the degree of consequences of actions related to another (Yi, 2010).

Several authors state that impact of nonprofit organizations is influenced by organizational processes (Olson et al., 2005; Das, Kerkhof and Kuiper, 2008; Yi, 2010). Added thereto Ridder and McCandless (2010) state that nonprofit organizations must become more efficient in facing their dynamic, changing environments as well as internal procedures within their organization. Efficiency is the way of how well organizations' resources are expended and utilized; it is about achieving the goal using a less percentage of normal resources (Mentzer and Konrad, 1991). To conclude, efficient organizations could have higher impact with their available capabilities and resources, because they are more able to attain their mission with the released sum of resources (Balabanis et al., 1997; Sowa, Selden and Sanfort, 2004; Das et al., 2008). Referring to organizational impact the most frequent approach is to ask: to what extent does an organization reach its goals (Herman and Renz, 1999)? Thereby, a better understanding of the relation among impact and efficiency can yield useful information and insights to nonprofit managers, private donors and policy makers (Yi, 2010). Though existing literature shows little evidence to the extent of the specific relation between efficient processes and higher impact of nonprofit organizations.

1.2 Problem statement

Given the relevance of relation between impact and process efficiency the main question is:

> *To what extent could process efficiency increase impact within nonprofit organizations?*

In order to answer the main question, three theoretical questions and three empirical questions are formulated.

Theoretical research questions:

> *What is the significance of process efficiency in nonprofit organizations?*
> *What is the meaning of impact within nonprofit literature?*
> *Which relation exists based on literature between impact and process efficiency in the nonprofit sector?*

Empirical research questions:

What is the relation between process efficiency and increased impact according to charities?

What is the current and desired process efficiency within charities?

What do charities need to reach desired process efficiency?

1.3 Methodology

Purpose of this study is to describe the relation between process efficiency and impact within nonprofit organizations. According to Olson et al. (2005) the operational dimension provides the missing link in the nonprofit literature. We combine this with their impact, nonprofits have to consider the relative effort they want to place (Sawhill and Williamson, 2003). The main question 'to what extent could process efficiency increase impact within nonprofit organizations' is divided in two parts: first, a literature study and second qualitative research. This makes our study deductive; it moves from theory to findings (Sekaran, 2003).

Our data collection has been done within specific nonprofit organizations, namely charities. Face-to-face interviews help to indicate charities' impact and their building blocks. Those parts of impact are linked to process efficiency. Referring to Herman and Renz (2008) the most useful criteria among nonprofit organizations is efficiency; however this is empirical rarely supported. In their study they recommend for further empirical research to relatedness between efficiency and reaching goals. Measuring achievement of social purposes is for most nonprofits inconvenient, because it is too difficult and expensive to establish a direct linkage between annual organizational efforts and their impact (Sawhill and Williamson, 2003). We gathered qualitative data from different charities in a cross-sectional study to explain the relation between process efficiency and impact. Based on obtained data, the literature will be compared with our findings and managerial implications, limitations of our research and recommendation for further research are given.

1.4 Outline

Our study is organized as follows. In chapter 2, we discuss prior studies that are related to process efficiency and impact. Chapter 3 presents the methodology that we use as well as information about the data that we have collected Chapter 4 deals with the empirical results of our qualitative study. Chapter 5 concludes this study with linking theory to practice, managerial implications, limitations and recommendations for further research. Furthermore, appendices and references are given.

2. Literature review

What makes nonprofit organizations unique from profit organizations are earnings from charitable contributions and voluntary giving (Yi, 2010). Callen et al. (2003, pp. 495) state: "organizations such as nonprofits whose outputs or outcomes are especially difficult to measure face strong pressures to conform to expectations about how they should behave." Declined revenues from grants and donors emphasized relevance of nonprofit organizations to work smarter and get higher performance (Herman and Renz, 1999). Performance refers to organizational capabilities to perform and influence organizations' health and therefore increase possibilities to achieve goals (Balabanis et al., 1997).

Chapter 2 is based on the three theoretical research questions (see section 1.2): first process efficiency, second the meaning of impact within nonprofit literature and as the last the relation between process efficiency and impact is discussed. As mentioned this theoretical framework exists of three sections and every section is divided in subsections to give better overview of available literature.

2.1 Process efficiency

Section 2.1 explains process efficiency within nonprofit organizations and subsection 2.1.3 concludes with the components that influence process efficiency includes. First the definition of process efficiency will be defined. Then, the objectives of process efficiency are relevant to recognize. The objectives are related to process efficiency components (section 3), because those components are used to explain the relation between process efficiency and impact. It concludes (section 4) with a summarizing table which give an overview of process efficiency components and the way they influence process efficiency.

2.1.1 Definition and limitations of process efficiency

The last two decades, there has been a serious effort to detects characteristics of the donor market and support nonprofit organizations with finding a component other than goals on which they could improve themselves, namely managerial and administrative efficiency (Light, 2000). Managers in nonprofit sector are realizing that 'doing well' is not enough and are aware of the importance of capacity building and organizational efficiency (Guo, Brown, Ashcraft, Yoshioka and Dong, 2011). Efficiency is the status of organizations' utilized resources and achieved goals with less percentage of normal used resources (Mentzer and Konrad, 1991). In this definition it is established that relevant cost savings were possible through a wide range of organizational activities (Reed, Lemak and Montgomery, 1996). Organizations emphasize efficiency, because it is process oriented and stress cost minimization, routines and a clear division of labor (Farsi and Filippini, 2004). They argued that many nonprofit managers are challenged with a long list of opportunities, including employee

turnover, unfair volunteers, difficult customers and demanding clients. As a consequence, nonprofit manager should continue work and search ways to preserve and improve personal relationships, that together permit a nonprofit organization to pursue its mission (Reed et al., 1996). For these managers, reengineering processes by techniques are attractive because they support and justify the change from volunteer labor to well-educated professional staff. Their wish is to delete amateurism of nonprofit organizations. Growing variety of nonprofit professionals have appeared to be the best reason for claims that cost efficiency represents the new manner of nonprofit management (Frumkin and Kim, 2001).

However Porter (1996) states that operational efficiency, although necessary to organizational performance, is not sufficient, because its techniques are easy to imitate. Thus if nonprofit organizations justify their strategy only on the basics of efficiency, they probably lose in the end. Several authors agree with Porter that economizing alone will not help nonprofit organizations (Frumkin and Andre-Clark, 2000; Frumkin and Kim, 2001). Herman and Renz (1999) support Frumkin and Andre-Clark (2000) in their view that only greater operational efficiency is not enough. According to Farsi and Filippini (2004) it may only serve as source of transport to attain organizational goals, because personal commitment of donors is not yet fully oriented toward efficiency (Frumkin and Kim, 2001).

The conclusion of definitions is that process efficiency contains better or less organizational processes and could lead to tradeoff between establishing relevant cost savings and/or better deployment of resources. Thus, efficient usage of resources and lower cost objective are possible through process efficiency. Although economizing alone is not enough to nonprofit organizations.

2.1.2 Objectives of process efficiency

Every organization has to discover and continually seek to improve its practices, values, mission and stakeholders' expectations. Practices are focused to get better results within the context of an efficient organization (Herman and Renz, 2004). Similar is argued by Mokwa (1990), who indicates attracting and allocating resources as nonprofit roles. Ridder and McCandless (2010) state that nonprofit organizations must become more effective and efficient in facing their dynamic, changing environments as well as internal procedures within their organizations. Before mentioned nonprofit roles are related to goals of process efficiency. The objectives of it can be divided into two parts. First, many organizations focus to lower costs and get process efficiency in this way (Frumkin and

Kim, 2001). Williamson (1994) goes much further and voiced that economizing is much more fundamental to success than strategizing, because economizing carry daily processes. Thus, according to Reed et al. (1996), nonprofit organizations need to seek the point of lowest cost and, if all else is equal, they will operate with minimum costs. Second, other organizations focus on better usage of resources to achieve results (Gilmore, 1990). For instance, Olson et al. (2005) stimulate marketing management when they argued to maintain nonprofit operations with generating enough revenues from charitable grants and donors. Financial management in nonprofit organizations is more than cost controlling and cost cutting (Farsi and Filippini, 2004). Gilmore (1990) took it further and states that even if processes are producing quality output without inefficiencies with rework, they still can be asked to find more efficient ways to attain the same results. Although both objectives have an obvious overlap with economic theory, they differ in the way to attain it.

It moves from efficiency by cost reduction to acknowledges that firms may not already use resources in the right way.

2.1.3 Components of process efficiency

In facing the changing environment, nonprofits have to decide whether there resources are adequate and properly used. As a consequence, organizations have to distinguish between developing and improving resources or acquire them (Ridder and McCandless, 2010). There are several components which influence process efficiency, indicated from existing literature. It is possible for an organization to be efficient on some components or dimensions while being inefficient on others, because nonprofit organizational efficiency is multidimensional (Herman and Renz, 1999; 2004). If at least one of the components increase process efficiency, the following hypotheses is:

- Employees and information technology
  Guo et al. (2011) classified determinants of organizational efficiency to attention for human resource management and information technology. Information technology is seen as the 'assistant' of human resource management, providing a strategic tool for collecting, processing and managing strategic data and information. As such, information technology can improve the way work is organized and managed. Organizational efficiency is more as program outcomes of the operation or provided services. It is a function of its management

structures, how well they operate, and their effect on the most crucial nonprofit organizational resource, its employees (Sowa et al., 2004). Information technology is an important complementary element in building personal relationships, although it cannot replace personal touch (Yi, 2010).

- Employees and intrinsic motivation

Intrinsic motivation of employees depends on individual and organizational characteristics (Theuvsen, 2004). Individual characteristics represents nonprofit employees which are highly intrinsically motivated, whereas income maximizers are more extrinsically motivated. This corresponds with Mokwa (1990) who argued that nonprofit organizations need to attract resources, even without rewards. Compensation on any subset of activities result in distraction of employees from building capabilities or preserving a nonprofit organizational trust and reputation (Theuvsen, 2004). Organizational characteristics are related to intrinsic motivation by task characteristics (e.g. autonomy, feedback, task significance) and interpersonal relationships (e.g. participation and appreciation). It is observed that nonprofit employees experience more autonomy, challenge and variety in their jobs than their counterparts in profit sectors (Vinokur-Kaplan, 1996). Beside this, many nonprofit organizations are characterized by good interpersonal relationships (Bacchiega and Borzaga, 2003). As mentioned before process efficiency is related to personal relationships and thus intrinsic motivation, because employees can improve the way of working and help to achieve their objectives (Reed et al., 1996).

- Employees and skills

Employees are an investment and not only a cost category (Ridder and McCandless, 2010). Human resources exist of valuable and unique characteristics as skills and motivation (see employees and intrinsic motivation). They argued that continue improvement of human resources leads to more employees' skills. These skills help to meet the demand of the changing environment. According to Frumkin and Andre-Clark (2000) it is more valuable to focus on human resources rather than pushing for cost efficiency, because employee skills establish sustainable competitive advantage. Fine (1986) combines learning skills of employees to this competitive advantage. This is consistent with Frumkin and Kim (2001) who state that improved management through expert knowledge will result in more operational efficiency. In the end this will lead to improved ways of working, better attraction and allocation of resources and thus efficiency can be reached (Mokwa, 1990; Balabanis et al., 1997; Herman and Renz, 1999).

- Integrity and public trust

Integrity in operations of nonprofit organizations is such a key issue, because these organizations are dependent on public trust (Jeavons, 1992). This causes temptation to organizations at making themselves look as efficient as possible (Frumkin and Kim, 2001). Donors may give the most attention to their personal relation with an organization (Herman and Renz, 2004). Finally this can lead to communicate a mission with which donors identify instead of real organizational efficiency objectives (Frumkin and Kim, 2001). The greater proportion of funds raised from direct contributions, the more efficient is a nonprofit organization relating to their attraction and allocation of resources (Callen et al., 2003). However organizations that are most dependent on outside fundraising try to get the highest efficiency otherwise they are fully dependent on the motivation of people to donate. The motivation of the people to donate is linked to integrity. Nonprofits with a lack of integrity are faced with an inefficient organization and as a result it is harder to attract further financial support, e.g. government grants (Jeavons, 1992). Thus organizations with integrity and public trust get efficiency by more routines with their resources and organizations with lower level of integrity and trust focus on efficiency, because they have to compensate their lack of financial support.

- Habitual behavior

"Habits are automatic responses of individuals to specific cues. They reflect a behavioral tendency to repeat responses. Habit-formation allows tasks to be performed more quickly and with less effort. Since habits reduce required mental efforts, they are efficient" (Theuvsen, 2004, pp. 127). This is confirmed by Farsi and Filippini (2004) who argued that process efficiency is input-output oriented and stress cost reduction by inter alia routines. Fine (1986) argued that accumulate learning through habitual behavior leads to less errors and decrease costs.

- Size

Organizational size seems to be positively related to process efficiency (Reed et al., 1996; Yi, 2010; Guo et al., 2011) . There are two ways to understand this relation. First, larger nonprofit organization are more efficient, because the presence of economies of scale (Reed et al., 1996) or their opportunity to attract superior managers (Mokwa, 1990). This is confirmed by Olson (2000) who suggest that larger organizations are associated with more efficiency through better ability to obtain resources. On the other hand, larger nonprofit organizations get fundraising efficiency from their size as potential donors combine size to quality (Callen et al., 2003; Yi, 2010). Herman and Renz (2008) note that size is not necessarily an appropriate indicator of efficiency, because the relation between them is not

always positive. As well as Farsi and Filippini (2004) who state that larger organizations are concerned with a lower level of flexibility and for that reason could be inefficient.

- Focus on improvements

  The concept of improvement is considered to be the main tool for increasing efficiency, because it reduces the effort and time that it takes to conduct operations (Frumkin and Kim, 2001)). Continues improvement depends on incremental and innovative changes (Turney and Anderson, 1989). Implement new processes, new ways of organizing the firm and using new technologies takes learning time and will increase costs in the short term. As time passes and experience accumulates, the costs move down to a lower level as before the new, improved method of operation (Reed et al., 1996). When an organization achieve this, they seek new abilities to improve processes and increase efficiency.

2.1.4 Schematic overview of process efficiency components

Figure 1 on page 14 summarizes before mentioned components and their relation with process efficiency. If it is known what components influence process efficiency, it will be easier to explain what kind of relations exist between process efficiency and impact (chapter 3). Information technology provides a strategic tool for collecting, processing and managing of data and information. IT can improve the way work is managed and organized. This standardization is also combined with habitual behavior, which allow tasks to be performed more quickly and with less effort. Focus on improvement is the other related factor, because improvements can reduces effort and time, however it will increase costs in the short term. Intrinsic motivation is related to triggered people without extrinsic rewards. They improve the way of working through intrinsic stimulation. Skills help to meet the demand of changing environment and will result in more efficiency. The changing environment is also related to organizational integrity and public trust, because it increase the relevance of building relations with your stakeholders. Size of organizations give them more opportunities to obtain resources and potential donors often relate size to quality.

The components of process efficiency are: employees and IT, employees and intrinsic motivation, employees and skills, integrity and public trust, habitual behavior, size and focus on improvements.

Figure 1: components and their relationship with process efficiency

Components of process efficiency	Positive relation with process efficiency	Negative relation with process efficiency
• Employees and IT	Improve the way work is organized and managed (Guo et al., 2011)	Information technology cannot replace personal touch (Yi, 2010)
• Employees and intrinsic motivation	High intrinsic motivation stimulates employees to improve the way of working and help to achieve their objectives (Reed et al., 1996)	Motivation with rewards results in distraction of employees from main objectives (Theuvsen, 2004)
• Employees and Skills	Improved attraction and allocation of resources and capabilities and it established sustainable competitive advantage (Mokwa, 1990; Frumkin and Andre-Clark, 2000)	It will take time and money to improve skills and knowledge (Ridder and McCandless, 2010)
• Integrity and public trust	High integrity and trust lead to efficiency by routines (Callen et al, 2003). Low integrity and trust can result in efficiency focus, because lack of financial support (Jeavons, 1992)	Temptation to organizations at making themselves as efficient as possible, because they are dependent on public trust (Jeavons, 1992; Frumkin and Kim, 2001)
• Habitual behavior	Habits reduce required mental efforts (Theuvsen, 2004)	Point at habits alone is not enough (see focus on improvements)
• Size	Economies of scale and donors combine size to quality (Reed et al, 1996; Yi, 2010)	Relation is not always positive, for instance lower flexibility leads to inefficiency (Farsi and Filippini, 2004)
• Focus on improvements	Continues improvement leads to reduces effort and time that it takes to conduct operations (Frumkin and Kim, 2001)	Takes learning time and will increase costs in the short term (Reed et al., 1996)

2.2 Meaning of impact

Achieved goals of organizations would finally lead to future consequences of it, or in other words 'attain higher impact' (Baruch and Ramalho, 2006). Organizations need to establish organizational capabilities and performance before they are able to attain impact (Mokwa, 1990; Sawhill and Williamson, 2003). First, every nonprofit organization need resources and capabilities to pursue their mission (e.g. Mokwa, 1990; Moore, 2003; Baruch and Ramalho, 2006). Second, deployment of

resources and cost reduction are linked to performance (input) indicators. Nonprofit organizations try to measure their resources in financial and non financial terms (e.g. Herman and Renz, 1999; Ritchie and Kolodinsky, 2003; Olson et al., 2005).

2.2.1 Definition of impact

As mentioned in the introduction of this study, according to online dictionary 'Encyclo' impact means 'effect', 'range', 'influence' or 'reaction' to a certain situation. Impact in this study refers to the degree of consequences of actions, from nonprofit organizations, related to another (Yi, 2010). Doing social good, or get the right effects with your actions, is explained by Balabanis et al. (1997, pp. 584): "(1) the level nonprofits have achieved in their short-term (annual) objectives; and (2) the degree to which they have achieved their long-term (five years) objectives." For most nonprofit organizations measuring of their success is almost impossible. It takes too much money and is simply too difficult to shape a direct linkage between annual efforts and the impact of those on environmental factors (Sawhill and Williamson, 2003). They ask themselves of their activities achieving programmatic objectives and of nonprofits have the organizational capabilities to achieve impact. To what extent does an organization reach its mission? Of course, this question assumes that nonprofits have goals, the goals can be discovered, that abstract goals can be converted into measures and data can be appropriately collected (Herman and Renz, 1999). Too often, program outcomes alone become the measurements of organizational responsibility. However, as mentioned before real outcomes are much more complex and dynamic and vary across organizations, programs and environmental factors (Sowa et al., 2004). Organizations monitor progress toward outcomes and assess their achieved success in order to make clear course corrections (Brest, 2012). This corresponds with the definition of impact that it is about future effects of organizational capabilities in the upcoming 'X' year.

Thus impact means that organization get future results with their efforts, although it is complex to measure it.

However for a mission driven organization measuring organizational capabilities is far more difficult as profit organizations (Sawhill and Williamson, 2003; Brown, 2005; Olson et al., 2005). According to Brown (2005) there are two significant limitations to measure organizational impact within nonprofit organizations. First, their mission is nonprofit, so this could not rely strictly on financial indicators. This is also argued by several authors, it implies the difficulty of define nonprofit success (e.g.

Herman and Renz, 1999; Richie and Kolodinsky, 2003; Sawhill and Williamson, 2003; Sowa et al., 2004). Second, there is no easy answer to understand impact. Herman and Renz (1999) call it performance and said that performance exists of a social construction and any definition of performance is influenced by whom you ask. Given the diversity of the nonprofit sector, no single measure of goal achievement or set of indicator are useful for all of them (Sawhill and Williamson, 2003). For instance, Richie and Kolodinsky (2003) identify 16 measures from published literature. Contrary, Herman and Renz (2008) define 9 measurement of organizational well being. Thus it could be argued that there is no single understanding of nonprofit measurements.

2.2.2 Significance of impact within nonprofit organizations

As consequence of the definition, Sawhil and Williamson (2003) suggested that nonprofit organizations do not only want to reach performance, but more specific increase impact and get more done with available capabilities and resources. This corresponds with Baruch and Ramalho (2006) who state that although an organization can use a lot of indicators, it will still have to do with organizational impact. Most nonprofit organizations understood that goals would have related to produce valuable social results, not maximize financial indicators (Balabanis et al., 1997; Theuvsen, 2004). For example, a foundation that focuses on leprosy wants to spend their money on helping that kind of people, but contrary Haiti emergency foundation supports the reconstruction of it after a disaster. Thus, how nonprofits structure their operations is dependent on their meaning of impact (Olson et al., 2005).

Brest (2012, pp. 44) states: "Impact investors seek objectives of achieving social or environmental impact as well as financial returns. Their investments may buy services or provide risk or growth capital with the aims of, say, improving the lives of the poor through microfinance or reducing energy consumption by investing in clean tech startups, while earning financial returns." This statement refers to different meanings of impact within nonprofit organizations and corresponds with Baruch and Ramalho (2006). They argued that organizations have to consider the effect or impact organizations have over whatever object they have to analyze: employees, competition, community, market or the society at large. Balabanis et al. (1997) note that it is better to evaluate nonprofit organizations on the degree to which they attained market and social objectives. Social objectives are more called in literature as one of the main organizational goals (Sowa et al., 2004; Theuvsen, 2004; Morris et al., 2007). Sowa et al. added to this that impact indicates the level of program-sustainability, -improvements and –growth. Theuvsen takes a different perspective and defines impact from the service results that organizations have to members, users, or other beneficiaries. To carry out nonprofits mission and attain impact, they need to make the right tradeoff between the

economic aspects of the nonprofit organizations but also the mission aspects as well (Olson et al., 2005). Even if the mission and goals are recognized, it seems to be hard to measure social benefit (Morris et al., 2007).

Organizations which are able to measure their impact can invest, growth, attract and allocate resources, recognize mistakes and indicate position within their mission (e.g. Herman and Renz, 1999; Richie and Kolodinsky, 2003; Ridder and McCandless, 2010; Guo et al., 2011).

2.3 Relation between process efficiency and impact

Referring to section 3.2 Morris et al. (2007) argued that it is very difficult to measure ultimate social benefit. The extent that the social environment, in which nonprofits operate, is influenced through operational efficiency is rarely investigated. In addition, Herman and Renz (1999) suggest that relationships between doing things right and being judged as efficient are not proven. For instance, the relationship between process efficiency and impact could be influenced by the level of departments (Theuvsen, 2004). Separate departments could operate efficient, although if they have conflicting ways to reach impact, it would not work.

However, many nonprofit organizations are specifically designed to cause changes in the lives of those they serve (Sowa et al., 2004). They argued that, if nonprofits want to improve those outcomes, organizations need to understand their structures and processes. Process efficiency is such a design and is a tradeoff between cost efficiency and better deployment of organizational capabilities (Reed et al., 1996; Frumkin and Kim, 2001; Farsi and Filippini, 2004). As mentioned by Farsi and Filippini both lead to better performance, because organizations want to attain better results. Several components of process efficiency are related to efficiency, even positive as negative (see figure 1). Process efficiency is the mechanism that can perfectly influence success not only in the economic way of the nonprofit organization, but also the mission aspects as well (Olson et al., 2005). They state (2005, pp. 4): "how not-for-profit organizations structure their operational activities becomes a significant element in determining how well they can carry out their mission or perhaps whether they can carry out their mission at all." With them, several authors state that impact is related to process efficiency (Das et al., 2008; Yi, 2010; Brest, 2012). This relation is divided into five separate relations of process efficiency and impact. The end of this section concludes with the sources of impact which are combined to previous mentioned relations and explain the connection among different kind of impacts and process efficiency components.

2.3.1 Employees' capabilities and impact

Reed et al. (1996) note that competencies and resources are relevant organizational capabilities. This was already mentioned by Drucker (1989) and confirmed by Mokwa (1990), nonprofit organizations need to attract resources to attain a healthy organization. As described by Moore (2003) sources which causes organizational resources and capabilities are important because it is they that organizations need them to attain results. Resources and capabilities can stimulate organizations' growth and financial sources (Baruch and Ramalho, 2006). Better organizational capabilities give an organizations opportunities to get results. Stakeholders look critically at the sources of organizations, because it affects the provided services by nonprofit organizations (Morris et al., 2007). As Porter (1996) noted resources and capabilities are chosen to get a unique or valuable position with their organizational activities. Employees, volunteers, integrity, improvements and knowledge are all capabilities which influence achievement of organizational goals (e.g. Porter, 1996; Reed et al., 1996; Frumkin and Kim, 2001; Theuvsen, 2004).

Three components of process efficiency contain employees and are related to impact. First, employees and information technology is seen as a combination that can improve the way work is managed and organized (Guo et al., 2011). Better structures and understanding of management and organizational systems improve the level of collaboration between different departments of nonprofits (Theuvsen, 2004). Theuvsen states that nonprofits do not maximize profits, but they focus on social relations with members, users, or other beneficiaries (environmental impact). Employees can build those personal relationships with involved parties (Yi, 2010). Thus better employee capabilities stimulate process efficiency and nonprofits could make a tradeoff between cost cutting or better deployment of resources to attain future consequences. Second, employees and intrinsic motivation improve the way of working, because employees are intrinsic stimulated (Reed et al., 1996). However, most of the time organization focus to extrinsic motivation, with different kind of rewards, and leads to distraction from main objectives (Theuvsen, 2004). Efficiency is about achieving the goal using a less percentage of normal resources (Mentzer and Konrad, 1991). Olson et al. (2005) define employees as the integrating mechanism that can ultimately influence success, even in their missions aspects as well. Thus if employees are intrinsically motivated, their ability to increase organizational capabilities improved. And since impact is defined as future consequence of organizational capabilities, there exists a positive relation between them. Third, employees and skills are also a component of process efficiency. This components need, even as information technology, some implementing time to improve process efficiency. It will take time and money to improve skills and knowledge of employees and get sustainable results (Ridder and McCandless, 2010). However,

to improve social results, organizations need to understand their structures and processes, and because those are complex and dynamic, employee skills and knowledge will have to grow (Sowa et al., 2004). With increased employees' capabilities nonprofit organizations are prepared to make the before mentioned tradeoff between cost cutting and better deployment of resources and attain more impact (Gilmore, 1990; Reed et al., 1996). For instance they can dismiss employees of use them in other and/or better ways.

The conclusion of employees capabilities is that they are very strongly positive related with impact, because they increase opportunities, level of improvements and knowledge.

2.3.2 Integrity, public trust and impact

Organizations need to justify processes and activities to their stakeholders, because the donor demand to explain activities increased (Herman and Renz, 2004). Besides justification of demand there is governmental pressure to annual reports and operational reporting (Yi, 2010). Yi argued that process efficiency can help policy makers as well as nonprofit managers better understand the effect of grants and donors on organizations, because lack of it should be compensated. Callen et al. (2003, pp. 495) comment on this: "organizations such as nonprofits whose outputs or outcomes are especially difficult to measure face strong pressures to conform to expectations about how they should behave." It is also applicable to impact investors, which seek achieving social or environmental impact as well as financial returns (Brest, 2012). This implies a social dilemma, where potential donors need to be attracted through the likelihood that nonprofit goals can be reached (Das et al., 2008). As Das et al. state, it is the likelihood of goal attainment what is important to donors, because they cannot directly monitor the impact of their donation. The perceived value of nonprofit mission depends on the framing message. This can lead to positive consequences on fundraising side or negative consequences of not donating. This positive consequence is increasingly dependent of success in the donor market (Balabanis et al., 1997). Concrete measures of success are used as marketing tool for attracting donors and building public trust (Sawhill and Williamson, 2003). They argued that many donors demand to see the results of their donations in nonprofit organizations and will invest only those that can give them clear answers. Although the reason to report their measurement is not only justifying and fundraising, there is inside relevance too. Callen et al. (2003) agreed with this notion and added that hereby nonprofits feel the pressure to behave

conform donor expectations. Yi (2010) goes further and state that nonprofits need to understand donor contributions if they want to attain impact and will survive.

This is related to the social dilemma, which contains a choice between self-interest of an individual and the interest of groups. This social problem is confirmed by Balabanis et al. (1997), donors put pressures on nonprofits for better usage of their contributions, however it seems that organizations are more focused on fundraising as efficiency. Nonprofit organizations are dependent on public trust to get contribution and grants (Jeavons, 1992). They need to understand preferences and values of donors, and try to stimulate personal relationships with them (Herman and Renz, 2004; Yi, 2010). This seems to be positive, although this can lead to temptation for nonprofit organizations to make themselves as efficient as possible and communicate a mission with which donors can identify instead of getting real future effects with their organizational capabilities (Frumkin and Kim, 2001). It is proposed that likelihood of goal attainment is important to fundraising messages, because donors cannot monitor impact of their giving (Das et al., 2008). Donors and other contributors can perceive financial organizational statements as surplus or inability to use resources optimally (Baruch and Ramalho, 2006). They argued that interpreting of those results by donors would certainly harm reputation of an organization and perhaps jeopardize capacity of fundraising.

Thus focus on integrity and public trust increase the relation with donors, but can lead to distraction from main purposes.

2.3.3 Habitual behavior, focus on improvements and impact

Instead of a before mentioned social dilemma, Sowa et al. (2004) state that future results produced by organizational activities can be improved when organizations understand their structures and processes. Future value can be created through organizational opportunities of nonprofit organizations to realize shared social goals (Moore, 2003). This corresponds with the definition of impact that it is about future effects of organizational processes in the upcoming 'X' year. Thus efficient organizations can attain higher impact with their available capabilities and resources, because they are more able to attain their social mission with the released sum of resources. Callen et al. (2003) note that routines, created by donors' pressure to be efficient, leads to a higher level of process efficiency. Habits reduce required level of mental efforts (Theuvsen, 2004). In addition to

this, Frumkin and Kim (2001) argued that besides habits focus on improvements leads to reduced effort and time that it will take to conduct operations.

Both situations (investments and routines) take some learning time and will increase costs in the short term, however they improve achievement of impact in the long term through additional resources and time.

2.3.4 Size and Impact

As Yi (2010) argued, a lot of donors combine size to quality. Although this is not always true (Farsi and Filippini, 2004; Herman and Renz, 2008), it seems to be get fundraising efficiency in the end. In this way size influence impact, because organizational capabilities increased. More capabilities can deployed and are able to increase impact. Another view to size is the advantage of economies of scale. Economies of scale can attained by high level of collaboration between all organizational departments (Theuvsen, 2004). They argued that it can lead to service benefits to nonprofits' beneficiaries. Brest (2012) takes collaboration broader, between different organizations, and noted that large-scale social changes (impact) comes from better cross-sector collaboration, rather than from separate organizations alone. Two other sources of relation between impact and organizational size are attraction of superior managers (Mokwa, 1990) and better ability to obtain resources (Olson, 2000). Better managers are more able to use organizational capabilities as it should.

Size allows better ability to obtain resources, economies of scale and collaboration to attain more impact.

2.4 Strength of relations

Figure 2 on page 24 summarizes all before mentioned relations in a schematic overview. First, employees capabilities and impact are strongly positive related, because skills are seen as the main important source of nonprofit organizations. Processes are dynamic and complex, that increases the relevance of employees' competencies. Information technology and intrinsic motivation are also related, but more as supported and they contribute to the way of working. Integrity, public trust and impact are as well positive as negative related, because focus on integrity and public trust increase the relation with donors, but can lead to distraction from main purposes. Habitual behavior and

focus on improvements are both seen as moderate related to impact. Although they are related to efficiency and impact, it will take time and effort to understand new processes and structures before future results can be produced. The relation between size and impact is strong, because size is linked to economies of scale and collaboration. This improves the possibility to achieve large social changes.

Figure 2: Relation scheme, theoretical

Relation	Strength of relation	Arguments
1a. Employees, information technology and impact	+ +	Improve the level of collaboration and the way of working (Theuvsen, 2004; Guo et al., 2011) Focus on social relations, not cost savings (Theuvsen, 2004) Employees are focused to build personal relationships with stakeholders (Yi, 2010)
1b. Employees, intrinsic motivation and impact	+ +	Intrinsic motivation stimulates the way of working (Reed et al., 1996) Larger ability to improve organizational capabilities (Olson et al., 2005)
1c. Employees, skills and impact	+ + + + +	It will take time and money to improve skills and knowledge, but it leads to better results (Ridder and McCandless, 2010) Processes are complex and dynamic, skills are needed to get cost savings or better deployment of resources to attain impact (Gilmore, 1990; Reed et al., 1996; Sowa et al., 2004)
2. Integrity, public trust and impact	+/-	Donors put pressures on nonprofits for better usage of their contributions, this gives too much attention to fundraising and public trust instead of integrity (Balabanis et al., 1997, Das et al., 2008) Nonprofits need to understand preferences and values of donors, although this can lead to communicate what a donor wants instead of attaining impact (Frumkin and Kim, 2001; Yi, 2010)
3. Habitual behavior and impact	+ +	If organizations understand their processes and structures more future results can be produced (Sowa et al., 2004) Habits reduce required level of mental efforts and this effort can used for improvements (Theuvsen, 2004)
4. Focus on improvements and impact	+ +	Besides habits, focus on improvement leads to reduced effort and time to conduct operations (Frumkin and Kim, 2001) Focus on improvements is related long term vision (Moore, 2003)
5. Size and impact	+ + + +	More donors are related to more organizational capabilities and can increase impact in this way (Farsi and Filippini, 2004; Herman and Renz, 2008) Collaboration can lead to economies of scale or large changes and is thus related to impact (Theuvsen, 2004; Brest, 2012)

+/-	= as well positive as negative
+	= weak relation
++	= moderate relation
+++	= moderate to strong relation
++++	= strong relation
+++++	= very strong relation

3. Methodology

This research can be characterized as an comparative qualitative study, including a theoretical foundation. Theoretical research supposes a number of relations. The base for the comparison are key elements of efficiency, although sometimes indirect related (Herman and Renz, 2008). Moore (2003) argued that nonprofits seek to achieve social goals and search for methods to measure social purposes. Measuring achievement of social purposes is for most nonprofits inconvenient, because it is too difficult and expensive to establish a direct linkage between annual organizational efforts and their impact (Sawhill and Williamson, 2001). This study aims to describe the relation between both, process efficiency and impact, within nonprofit organizations.

Methodology is divided in five sections. First section explains the research design of our study and contains its purpose, type of investigation, researcher interference, setting of the study, unit of analysis and time horizon. Paragraph 3.2 describes the collection of data. Section 3.3 deals with the sample of our research. In section 3.3 the measurement variables, measures and analysis of data are presented. Section 3.5 discusses the reliability and validity of our study.

3.1 Research design

The study is structured into two basic components: (1) description of existing theories and authors; and (2) qualitative research within nonprofit organizations. The purpose of the study is to describe the relation between process efficiency and impact. It is a correlational study, because it explains the relationship between impact and process efficiency. This gives a moderate interference of the researcher to the study, because the extent of relation is subjective and is dependent of researchers' interpretation. Qualitative refers to a field study through interviewing organizational executives from different charities. Those unit of analysis are selected to get a broad and representative image within the charity sector. To decline the number of nonprofit organizations, we focused to specific nonprofit organizations, namely charities. The time horizon to measure the extent of relation is cross-sectional and compare several nonprofit organizations in the same industry.

3.2 Data collection method

Data collection methods are an integral part of research with its own advantages and disadvantages. Data can be collected in a variety of ways, our study is done in the field and with face-to-face interviews. As mentioned our method of collecting data is to interview the respondents through semi-structured interviews. Semi-structured interviews are so labeled because the interviewer does enter the interview setting with a small number of planned questions to the respondent (Sekaran, 2003). The setting of locations from which data are gathered is mostly their workplace (9 times), one

time by telephone interview and one time in natural environment of the respondent. The respondent is questioned about organizational impact and related factors. Those factors are related to processes, through the respondent, and analyzed on their current and desired processes. Applied thereto is the way to attain desired processes, because it gives additional information about relation improvements.

3.3 Sample

The sample of our research contains 11 different organizations. Those organizations are part of a nonprobability sampling method, because they are chosen through support and recommendation by a mediator, who knows the market. The relevance of our impact topic is supported by the high response rate, 11 out 14. This research is a field study in separate part of nonprofit organizations, namely non-governmental charities. High-level managers of these organizations are asked about their process efficiency and impact. Next figure gives an overview of the organizations, short meanings of impact (organizational meaning of impact states in appendix H) and components that are direct related to impact

Figure 3: Overview of sample

Organization	Impact	Process component direct related to impact
1. AMREF Flying Doctors	Improve communities and circumstances	Integrity and public trust
2. Bernard van Leer Foundation	Improve social and economic circumstances	Employees and skills, integrity and public trust, size (+)
3. Bond tegen het Vloeken	Improve respect in society at large	Employees and skills, integrity and public trust, size (-)
4. ErasmusMC Vriendenfonds	Meaning to your stakeholder	Size (+/-), focus on improvements
5. Leprazending	Improve current situations	Employees and skills, size (+/-)
6. Light for the World	Improve communities and circumstances	Employees and skills
7. Make-A-Wish Foundation	Enrich circumstances and situations	Employees and skills
8. Mensenkinderen	Improve current and future opportunities	Employees and skills, integrity and public trust
9. Het Nederlandse Rode Kruis	Improve difficult situation	Integrity and public trust, size (+/-)
10. Woord en Daad	Improve opportunities and circumstances	Integrity and public trust, size (+)
11. World Vision	Enrich developments and advocacy	Employees and skills, integrity and public trust, size (+/-)

3.4 Measurement of variables and data analysis

This qualitative study has a subjective background. Measuring of data has been done with people's subjective feelings, attitudes and perceptions, but measurement of these factors or variables becomes difficult. However, despite the lack of physical measuring devices to measure the latter type, there are ways of tapping subjective feelings and perceptions of individuals (Sekaran, 2003). What we have done in our study is to broke the abstract notions down into recognized observable characteristics. Referring back to Herman and Renz (2008) the most useful criteria among nonprofit organizations is efficiency; however this is empirical rarely supported. The figure below gives an overview of studied characteristics.
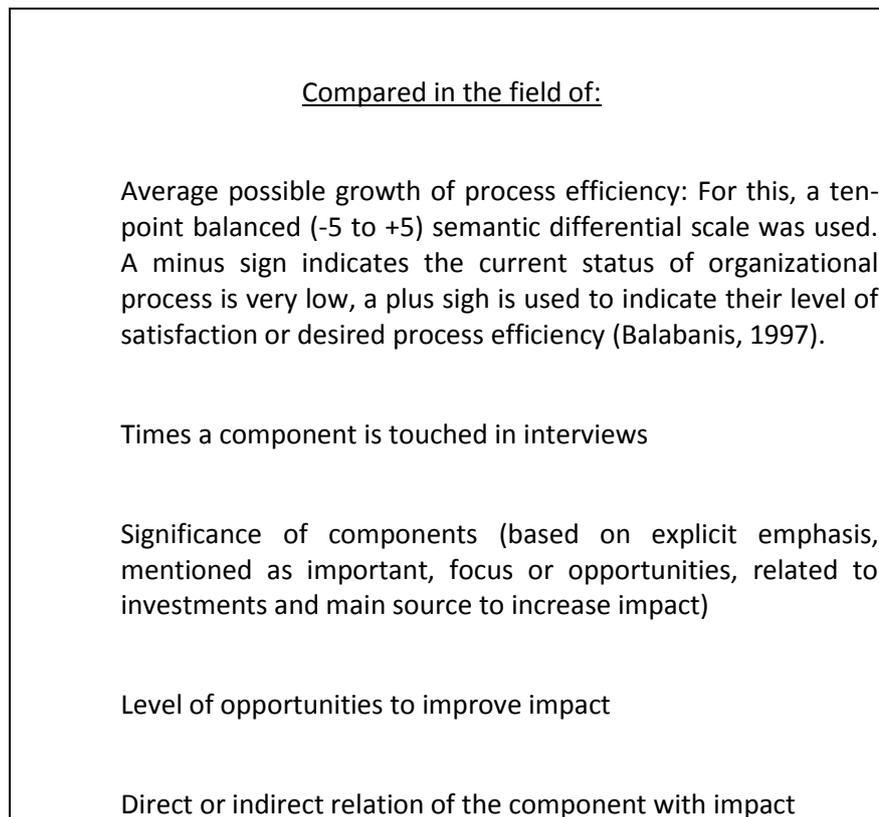
Figure 4: Characteristics of process efficiency

Component	*Definition*
Employees and information technology	information technology provides a strategic tool for collecting, processing and managing strategic data and information. IT can improve the way that work is organized and managed. IT is complementary element in building personal relationships.
Employees and intrinsic motivation	Motivation without regards
Employees and skills	Are an investment, skills help to meet the demand of changing environment. Expert knowledge will result in more efficiency. Furthermore better attraction and allocation of resources can be reached.
Integrity and public trust	Build personal relation to create public trust. Show your integrity is important
Habitual behavior	Allow that tasks are being performed more quickly and with less effort.
Size	Better ability to obtain resources. Potential donors combine size to quality, however it could lead to reduced flexibility.
Focus on improvements	It reduces effort and time. It will take learning time and will increase costs in the short term.

Comparative element is impact, however impact is different to every organization and is focused on communities, donor contributions, market, society at large or employees (appendix H). To distract conclusions we indicate impact as get future results with their annual efforts, although it is complex to measure it (Yi, 2010). Our research explain the difficulty of impact, because impact is not the same to every organization. Organizations differs in their meaning about it, however they agree about achievement of future results.

Measurements of transcripts have been made by structuring of it within tables. What do executives say about their impact and focus? This is compared five ways (see figure 5): average growth of process efficiency, times it is mentioned in interviews, significance of the component, level of opportunities and direct relation with impact.

Figure 5: Measurement and data analysis

<u>Compared in the field of:</u>

Average possible growth of process efficiency: For this, a ten-point balanced (-5 to +5) semantic differential scale was used. A minus sign indicates the current status of organizational process is very low, a plus sigh is used to indicate their level of satisfaction or desired process efficiency (Balabanis, 1997).

Times a component is touched in interviews

Significance of components (based on explicit emphasis, mentioned as important, focus or opportunities, related to investments and main source to increase impact)

Level of opportunities to improve impact

Direct or indirect relation of the component with impact

3.5 Validity and reliability

Through high accessibility within nonprofit organizations validity increased. Impact turns out to be a 'hot topic' in this sector. The validity will be increased through the sort of respondents. Executives are normally well informed about organizational impact, investments and strategic corrections. However it is hard to indicate precisely what the extent of relation is between impact and process efficiency, because more factors could influence impact (internationalization, boards, etc.), although this is not part of the study. By interviewing executives the focus can be on the relation alone, however it is possible that managers argued that there is no relation between impact and process efficiency. Based on previous mentioned literature this is not expected. Reliability for the interviews will be higher through recording and transcription. Another threat to validity could be that executives give social desired answers. This threat should be deleted by asking confronting questions and

submitting ranking scales, whereby executives have to chose between different subjects. Furthermore, this research is focused on Dutch charities, this also applies to Dutch departments (e.g. Dutch organizations of Red Cross foundation and Leprosy foundation). This implies that there could be inconsistence between impact of the Dutch organization and their global organization. Executives are asked to their meaning of impact within the Dutch organization to get a solution for this threat. The reliability of our measures is related with the progress of the interview. To improve this point we use a semi-structure way of interviewing, thereby we increase the possibility that a retest of the interview will give the same results. Reliability and internal validity of this study will be increased through reducing random variables by structure of interviewing: first the factors that cause impact will be recognized; second, probably process efficiency is already one of them, otherwise the topic of interviewing shifts to it.

4. Results

The relation of impact to process efficiency is not empirical proven. Indication of organizational impact and factors which have influence on it, suggest a relation between them. Most organizations, 10 out of 11, supported this when they argued that if processes improved their impact increase. With a semantic scale (-5 to +5) organizations define an average growth from 0,4 (small growth of efficiency is possible) to 4,4 (large growth of efficiency is possible, see appendix A). The one organization who did not mentioned any growth is satisfied with their current processes, but suggest that there is relation between impact and process efficiency.

"almost anything that improve impact could be related to our processes"

Process efficiency components are divided in 7 components. The theoretical relations to impact have been made in section 2.3 and used again to structure empirical results. Section 4.1 defines employees capabilities (Information technology, intrinsic motivation and sills) and impact. Relation between integrity, public trust and impact is characterized in section 4.2. Section 4.3 summarized the relation between habitual behavior, focus on improvements and impact. In section 4.4 size and impact are compared to identify their relation.

4.1 Employees capabilities and impact

Employees and capabilities are mostly seen as important organizational sources to charity organizations. These capabilities refer to all belonging components (information technology, intrinsic motivation and skills).

Information technology: "First we will measure knowledge, second we will spread it. However we need a supporting system for this"

Skills: "At the base of impact there are knowledge, experience and evaluation"

However the component intrinsic motivation is seen as extension of nonprofit organizations and is not really mentioned as process component, but is more seen as a supporting condition for doing your work.

Intrinsic motivation: "If you are not really passionate, it is almost impossible to stay"

Appendix B (times a component is touched in the interview) shows that 'employees and skills ' are strong related to impact, because it is 155 times touched in the interviews. Comparing with information technology (32 times) and intrinsic motivation (21 times) it suggests that employees are a relevant source to increase impact of charity organizations.

Appendix C (significance of a component, based on 5 measurements) suggests also that employees and skills are the most important source and process component (43 of 55) who have influence on impact. Remarkable is that employees and IT get 36 of 55 points. If we look at, it shows that there is never a direct relation of IT to impact, however it is mentioned by every organization and is related to opportunities, focus or investments to this component. This implies that a growth of this component not directly influences impact, but it has an indirect strong relation with it.

Opportunities of employees capabilities (appendix D) identify that investment in supporting systems is the main source to improve information technology. Skills of employees are mostly related to opportunities based on coaching, training and representative of employees.

Comparing organizations who related their impact direct with employees and skills (appendix E), with those who do not, implies that the percentage of times that employees capabilities are mentioned in interviews do not really differ (34,6% to 32,8%). This suggest that relevance of employees and capabilities to organizations is not dependent of their direct or indirect relation with impact. This is supported through comparing significance of both groups. The same process is done for significance of this component (appendix E). This lead to a significance of 4 versus 3,75 and does not support a difference.

Conclusion of this relation is that there is a strong relation between employees capabilities and impact, mainly between employees skills' and impact. However information technology is mentioned as a important component who support employees and processes. Intrinsic motivation is not really called as component, because organizations argued that it is usual that employees or volunteers are intrinsic motivated. Furthermore, it does not matter of employees and skills are direct or indirect related to impact.

4.2 Integrity, public trust and impact

Integrity and public trust refers to build relationships between organizations and stakeholders.

> *"Our donors attach importance to health and we will take responsibility for Africa"*

This suggests a relation between process of public trust and organizational activities. Another organization supports this statement and gives attention to organizational activities that can stimulate impact, although you need public trust and integrity to get those results.

> *"We will influence politics, create awareness and advocacy, because it is necessary to take responsibility"*

The importance of building relations is emphasized through an organization:

Historical, charities said 'trust me', today it is 'show me'

Those quotes implies a positive relation between integrity, public trust and impact, because it is about building relations with your donors. The extent of the relation, based on appendix B, is strong. Integrity and public trust are 98 times touched in interviews, and is the second component in ranking, after employees and skills. However this is a total of touched times. If one important organization is deleted (21 times), it is less important to the rest (based on named times in interviews).

Significance of this component is displayed in appendix C and suggests that the extent of relation is large (39 out of 55). This presents a strong relation between integrity, public trust and impact based on five criteria: explicit naming of components within interviews, importance of respondent to components, opportunities or focus to get efficiency with this component, relation with investments and important source of impact.

Comparison of opportunities (appendix D) provides an indication of organizational challenges to improve this component. This shows that most organization will improve their impact focus and measurements. They will combine it with improvement of their communication to stakeholders. Giving more attention to the relation of your contributors and other stakeholders will lead to better results and more impact. This relation is supported through another organization, who deals with a bilateral effect of integrity and public trust, namely donor contributions and image:

"Showing who we are lead at one side to higher contributions and at the other side more image, appreciation and publicity"

Organizations who argued that they achieve impact through integrity and public trust are compared with the other organizations, based on times mentioned and significance. Based on percentage of total quotes a direct relation to impact does not indicate large contradictions (21,9 on direct relations and 20,3 on indirect relations, see appendix F). The other comparison, based on significance, shows a difference between direct relations and indirect (4 versus 2,75, see appendix F). This means that organizations who suggest a direct relation of integrity, public trust and impact give more significance to this component and suggest a stronger relationship, based on: times it is explicit called in interviews, emphasized as important, opportunities or focus, relation to investments and they see it as an important source of impact.

Conclusion of the relation between integrity, public trust and impact is that it is strong related based on significance and the times it was named in interviews. Impact can be increased through better communication with your stakeholders, organizational focus to impact and better impact measurements. Furthermore, based on opposition of direct and indirect relations, can be suggested that organization with a direct relation between integrity, public trust and impact have a stronger relationship as organization with indirect relations.

4.3 Habitual behavior, focus on improvements and impact

Third relation is habitual behavior and impact. Habitual behavior allows that tasks are carried out more quickly and with less effort.

> *"Knowledge and information will be faster available and with more transparency and standardization"*

This quote do not directly implies a relation between habits and impact, however organizations argue that if habits improve efficiency increase:

> *"A lot of supporting activities and processes were not efficient and need to be improved"*

Although there is a relation between habits and impact, because the quotes are part of the factors that influences organizational impact. As mentioned in the methodology there is no direct relation between habits and impact, indirect relations are mostly common (e.g. habits influence fundraising activities, and these are directly related to impact).

Based on the times the component is mentioned in interviews (33 times, see appendix B), there cannot be said there is strong relation between habitual behavior and impact. Comparing with two meaningful relations ('employees and skills' and 'integrity and public trust') this relation is less important, however there is a relation similar with IT (32) and focus on improvements (37).

Third appendix (C) shows the significance of habitual behavior to the respondent. Habitual behavior is ranked with 19 points of maximum 55. Remarkable is that every organization touched the component in the interview, however it is only seen as opportunity or focus point by four organizations. This indicates a moderate relation between habitual behavior and impact.

The opportunities (appendix D) are most of the time related to IT or focus on improvements, because overall they suggest that standardization is a combination with new supporting systems or creation of better work areas.

"Automating systems and standardization are desired"

This sentence relates improvements to standardization. Focus on improvement can mean standardization, however it is more:

"You have to focus and improve, because there are a lot of organizations who need donors"

"Historical we focused on local awareness. Currently business solutions are more relevant"

Both quotes are indirect related to impact. First, if donor contributions increase more impact can be achieved. Second, other solutions to problems are related to programs and indirectly to impact.

As mentioned, focus on improvements is 37 times touched in the interviews (appendix B) and their significance (24 out 55, see appendix C) is comparable with habitual behavior (19/55). This facts are about the same as habitual behavior, so it is argued that the same relation exists. Opportunities or focus in relation with improvements, is mentioned by seven organization. Increase of impact is possible through improvements and this is supported through seven organizations and refers to new systems, new measurements, pilots and continual focus to improve knowledge and level of cost savings.

Conclusion to both relations is that habitual behavior and focus on improvements are small related to organizational impact based on the following facts: times it was mentioned in interview, significance of the component to the respondent. A difference between both are the opportunities. Focus on improvements is not mentioned as very important to increase impact, although it is combined with a lot of opportunities in contradiction with habitual behavior.

4.4 Size and impact
The fifth relation is size and impact. Size has both, a positive and negative relation with impact.

"Through our size we have more vigor, infrastructure and resources. Disadvantages of size are administrative tasks and number of boards"

As stated in section 3.3 , size is direct related to impact by six organizations. This is twofold: small size is direct related because it as a small organization.

"With a small organization realizing more impact is our purpose. This will be done through a specific focus"

The other side is that large organizations argue that:

"More resources were available through size and collaboration of organizations"

Besides disadvantages through large size, small organizations have limited opportunities.

"We are mainly focused on fundraising, because we are relative small compared with our international organization"

Before said statements show a relation between size and impact, however this relation is more difficult. It depends on large or small organizations and positive or negative relations. Besides this 6 organizations argued a direct relation between size and impact.

First, size is 67 times called in the interviews (appendix B) and this is ranked in the middle, more as IT, intrinsic motivation, habits and focus on improvements, but less as employees skills' and integrity and public trust. The significance of size is 37 points of 55 (appendix C). Every organization gives at least two points of significance to size. Most of them argued that there are opportunities or focus to improve your size efficiency. Their opportunities (appendix D) are mainly based on learning and collaboration with other organizations to attain more impact. Two other main opportunities are reduction of size to improve focus and focus on cost savings. These facts implies that the relation between size and impact is stronger as habitual behavior and focus on improvement, but weaker as employees & skills and integrity & public trust.

Organizations with a direct relation between size and impact are compared with the others on times it was mentioned and significance (appendix G). Percentages of mentioned times are 17,8 versus 12,8. This implies that size is more mentioned by organizations with direct relation of size to impact, which refers to a certain extent of relation between them. The significance differs from 3,83 to 2,8, but this can also be explained as difference through lack of direct relations in one group. Given the opportunities of appendix D, there is no difference between both groups. Remarkable is that all opportunities reduce any disadvantages of size. Apparently organizations have to deal with their size, and will be as well as possible.

Conclusion to this relation: size is, moderate to strong, positively related to impact. Positive relation is argued, because the negative effects of size are seen as opportunities to improve indirectly impact (e.g. simplify board structures and focus to cost savings). Moderate to strong is based on the times it was mentioned and its significance. Furthermore there is no difference between organization with direct or indirect relation between size and impact.

4.5 Strength of relations

In practice, the relation between employees, information technology and impact is marked as

moderate to strong. This is because executives recognize opportunities and investments within this component. There is no direct relation to impact, but it is indirect related. Supporting processes could improve other processes and also increase impact. Intrinsic motivation has a weak relation with impact, because it is usual in this sector that employees or volunteers are intrinsic motivated. Employees and skills are very strong related with impact, because executives recognize them as main sources of the organization, which is sometimes direct related with impact. And because a constant moving market, employees' competencies are very important. Integrity and public trust are strong related to impact, because it weaker as skills. However it is strong, because executives emphasis of building relationships with contributors. Most of the time there are communication opportunities to improve this component and increase impact. Habitual behavior and focus on improvements are indirect moderate related to impact. They are seen as relevant and get slowly more attention, but compared with IT it is less related. Size is, direct and indirect, moderate to strong related with impact. Size is relevant for organizations to attain impact. However executives recognized opportunities, but mostly they are not realized. Figure 6 on page 36, 'relation scheme, in practice', summarizes all relation and their strength.

Figure 6: Relation scheme, in practice

Relation	Direct or indirect relation	Strength of relation	Arguments
1a. Employees, information technology and impact	Indirect	+ + +	Investment opportunity; Important supporting process; Strong indirect relation.
1b. Employees, intrinsic motivation and impact	Indirect	+	It is usual that employees are intrinsic motivated.
1c. Employees, skills and impact	Direct and indirect	+ + + + +	It is most mentioned, has highest significance and a lot of opportunities. High level of significance, because the market is constantly moving
2. Integrity, public trust and impact	Direct and indirect	+ + ++	Stronger relation exists when organizations link trust and impact directly; Second in ranking; Most opportunities through better communication and focus to impact.
3. Habitual behavior and impact	Indirect	+ +	Positive relation is based on significance, times it is mentioned and is compared with IT less related.
4. Focus on improvements and impact	Indirect	+ +	Seems to be more important, a lot of organizations see opportunities, however currently most organizations do not invest.
5. Size and impact	Direct and indirect	+ + +	It is moderate mentioned in interviews, significance is high; Opportunities to turn negative effects into positive effects; Improvements through cost savings or collaboration are possible, but mostly not yet realized.

5. Conclusion

The results of this study reveal operational and strategic implication to charity organizations. The literature from several disciplines identifies 7 process efficiency components (information technology, intrinsic motivation, skills, integrity and public trust, habitual behavior, focus on improvements and size). Furthermore, because a lack of consistency by organizations what impact means to them (appendix H), the meaning of impact is summarized as: attain future consequences with organizational capabilities (Yi, 2010),

Section 2.3 describes the theoretical relation between process efficiency components and impact. Section 5.1 summarizes these relations and compare them with the results of chapter 5. Managerial implications are given in section 5.2 to show relevance of the study and combine research with practical implications. Limitations of the study through their qualitative study or practical problems are stated in section 5.3, as well as recommendations for further research.

5.1 Conclusion

The literature shows five relations between process efficiency and impact. Employees and information technology have a weak relationship with impact, because nonprofit organizations are focused on social relations, not cost savings, although it can improve the level of collaboration and work processes (Theuvsen, 2004; Guo et al., 2011). The empirical relation between them is stronger, because organizations argued that conditions of work need to be optimal. They agree with better collaboration and IT it is easier to conduct your work, thereby they added investments and opportunities to this relation. IT is indicated as a factor that indirect influences impact, but it is mentioned as an important supporting process.

Intrinsic motivation gives ability to improve organization capabilities and deployment of resources to attain better results (Olson et al., 2005). The literature combines motivation with better activities of employees, however organizational executives do not recognize this. It is usual in the charity sector that employees and volunteers are intrinsic motivated. Added thereto the respondents did not give different levels of intrinsic motivation. In practice, the relation is present, but weaker as the theoretical relation.

Skills of employees are the main source of impact, with the highest strength in relationship. Knowledge and skills are necessary to understand the complex and dynamic organizational processes (Sowa et al., 2004; Ridder and McCandless; 2010). The respondents of the study confirm the largest relationship between employees skills' and impact. Employees are seen as the base of charities, and a couple of times skills are directly related to impact. Organizational executives agreed all with the

statement that skills are very important to nonprofit organizations. This is correlated with complex and dynamic processes, because the market is constantly moving. Organizations agreed with the literature that knowledge and skills are the most important resource to attain impact.

Integrity and public trust have a positive and negative theoretical relation with impact. At one side they are dependent of preferences and values from donors to attain impact. The other side is that it can cause too much attention to fundraising instead of achievement of future results (Das et al., 2008; Yi, 2010). However research shows a strong positive relation between integrity, public trust and impact. In practice there is a direct and indirect relation between the component and impact. Donors, communication and integrity are seen as very important, because it is mentioned as important to our respondents and related with opportunities and investment. All executives did not say anything about distraction from the main purpose. They use donor value to learn from them, communicate smarter and better and be more clear about their impact.

Habitual behavior and focus on improvements are both moderate related to impact. Both components leads to more efficiency, however it is combined with increased time and effort to get future results with them (Frumkin and Kim, 2001; Moore, 2003). Both components are indirect related with impact. The literature seems to be confirmed, because organizations validate the relation, but do not claim a strong relation. Furthermore, research shows that habits and focus on improvements a lot of times were combined new technology opportunities. Both components are important to organizations and sometimes executives recognize opportunities, however currently they do not really invest.

Size is closely related to impact, because it can lead to large changes, economies of scale and more donors (Farsi and Filippini, 2004; Theuvsen, 2004; Brest, 2012). Investigation shows direct and indirect relations with impact, although this does not influence the power of the relation (moderate to strong related). Remarkable is the main theoretical relation is based on better and more resources to achieve social changes. In practice the executives are more focused on utilizing the opportunities related to size: collaboration and cost savings.

Answering the main question, to what extent could process efficiency increase impact within nonprofit organizations, was done by decomposition of process efficiency. Before mentioned 7 components are different related to impact. Theoretical the weakest relationship of impact is to integrity and public trust, and the strongest relationship is with employees and skills. In practice, the strongest relation is the same, but the weakest relation is with intrinsic motivation, because executives say the intrinsic motivation is always present in this sector.

5.2 Managerial implications

In general can be argued that process efficiency improves impact, direct or indirect. More specific is that focus on information technology could have important implications for charities. Through the current level of professionalizing in this sector, supporting processes need to be optimal. Although information technology does not have a direct relation to impact, improvement of IT should increase impact, indirectly. Investments in IT yield more time and money to the organization, which is important to employees, more cost savings and extent of projects that can be carried out. However it is important to link IT opportunities with a suitable investment to get a desired level of automation, registration, routines and standardization.

Skills are recognized as main sources of charities, as well by literature as in practice. Organizations have to focus on improving employees' competencies, because increased competition to get donors, less grants put pressure on other activities and employees can achieve organizational efficiency. The market is complex and dynamic, this requires training and communication to improve or stabilize your position. This should be important to organizations, because better employees or more efficiency can increase impact directly, or indirect through better deployment of resources.

Organizational image is dependent of organizational integrity and public trust. In practice there is a strong positive relation, however the literature suggests positive and negative effects. Organizations should not neglect the negative effects of their focus to get public trust: (1) distraction of your own mission; (2) measure what a donor wants. Communication will be the most important task to link your projects with the preferences and values of donors. This should be done through improving of personal relations, choose the right communication channels and presenting your real impact.

Improvements are relevant to charities. Most of them discover opportunities to improve impact. Yet, innovations are not really a part of organizational focus and there is no direct relation to impact. Organizations argued that improvements are important to them, but do not really know what they should invest to innovate activities. It is relevant that organization translate their opportunities in investments. This is encouraged through current developments in the charity sector: loosing grants, more competition and higher pressure of donors to use their money efficient.

Last implication and recommendation is based on size. It is mentioned in literature, size can improve economies of scale and collaboration. Before mentioned situation in the charity sector stimulates collaboration. Governmental grants were mostly given to joint programs. This should lead to improvement of charities' focus to collaborate with other organizations, volunteers divisions and harmonizing with other organizations to attain the desired level of impact.

5.3 Limitations and further research

Great efforts have been put into this study to make it as clear and complete as possible, yet there are still several limitations and recommendations. The first limitation is that organization could not be compared with each other on their characteristics. The large differences among organizations and lack of information limited this point. Comparison is done through direct and indirect factors which are related to impact. The main question can be answered, although it could be also interesting if separate parts of organizational processes cause stronger or weaker relation between process efficiency components and impact. Second, the dependent variable 'impact' is very different to every organization and is combined with the generalizing component: achievement of future consequences, but it is interested to know the relation between specific processes and organizational impact. Third, this research aims to identify the extent of the relation between process efficiency and impact, but does not give a relation among organizational characteristics, process efficiency and impact. A separate study is necessary to discover the relation between, for instance large or small organizations and their level of achieved impact. Our study is basic and shows the connection between process efficiency and impact, but another study can give attention to a larger research. Therefore organizational characteristics can play a more significant role, because more organizations are compared with each other. This should identify the relation between process efficiency and impact with a mediator of organizational characteristics (e.g. employees, size and donor contributions). Two other limitations are related to the generalizability of our study. Discovered relations are always suggestions, because it is a qualitative study among 11 organizations. This is not representative for the entire sector. The study is not applicable to all nonprofit organizations, because it is possible that governmental nonprofit organization are marked by other processes or meanings of impact. To make this relation more applicable, it is recommended doing further research through segmenting of the charity sector and compare them together within the sector. This study investigates the relation between process efficiency and impact in general. Future research should be focused to the separate components of process efficiency. It is showed that process efficiency components can increase impact. Organizations are interested in which steps they need to improve organizational impact. Breakdown of the components can lead to better and more recommendations and managerial implications. Besides this, this research can used to do a quantitative study to the relation. Our study suggests a relation between them, but organization are also interested in the quantitative relation. If they increase process efficiency with a specific percentage, what will happen with your impact. However, as mentioned in this study, impact is different to organizations and it is hard to measure. A separate study is needed to identify the general impact factors and how they would have to be measured.

Appendices

Appendix A

Average possible growth of process efficiency components (identified by respondents)

Based on a 10-point semantic scale, -5 to + 5 (Balabanis et al., 1997)

Organization	Level of average possible change
AMREF Flying Doctors	1,7
Bernard van Leer Foundation	2,8
Bond tegen het Vloeken	4,4
ErasmusMC Vriendenfonds	1,8
Leprazending	1,3
Light for the World	2,1
Make-A-Wish Foundation	2,6
Mensenkinderen	0,4
Het Nederlandse Rode Kruis	2,2
Woord en Daad	0
World Vision	1,6

Appendix B

Times a component is touched in interviews

	Employees and information technology	Employees and intrinsic motivation	Employees and skills	Integrity and trust	Habitual behavior	Size	Focus on improvements
AMREF Flying Doctors	6	2	16	21	9	7	4
Bernard van Leer Foundation	6	1	12	9	3	11	6
Bond tegen het Vloeken	2	2	13	5	1	7	5
ErasmusMC Vriendenfonds	3	1	13	12	3	4	2
Leprazending	3	1	12	4	1	8	5
Light for the World	3	1	20	6	2	8	3
Make-A-Wish Foundation	2	4	16	10	2	2	6
Mensenkinderen	3	3	13	11	4	4	2
Het Nederlandse Rode Kruis	2	4	12	6	3	7	1
Woord en Daad	1	1	10	6	2	6	1
World Vision	3	1	18	8	3	3	2
Totals	**34**	**21**	**155**	**98**	**33**	**67**	**37**

Appendix C

Significance of components

Significance of components	Employees and IT	Employees and intrinsic motivation	Employees and skills	Integrity and public trust	Habitual behavior	Size	Focus on improvements
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
AMREF Flying Doctors	1 3 4	1	1 2 3 4	1 2 3 5	1 3 4	1 2 3	1 3
Bernard van Leer Foundation	1 2 3 4		1 2 5	1 2 3 5	1	1 2 3 5	1 2 3
Bond tegen het Vloeken	1 3 4	1 2	1 2 3 4 5	1 2 3 4 5		1 2 3	1 2 3 4
ErasmusMC Vrienden-fonds	1 3 4	1	1 2 3	1 2 3	1 3 4	1 2 3 5	1 2 3 4
Leprazending	1 3 4		1 2 3 5	1 2	1	1 2 5	1
Light for the world	1 3 4		1 2 3 4 5	1 2 3	1	1 2 3	1 3
Make-A-Wish Foundation	1 2 3 4	1 2	1 2 3 4 5	1 2 3	1	1 2 3	1 2 3 4
Mensenkinderen	1 3 4	1 2	1 2 5	1 2 3 5	1 2 3	1 3	1 3
Het Nederlandse Rode Kruis	1 3 4	1 2	1 2 3 4	1 2 3 5	1	1 2 3 5	1
Woord en Daad	1 3 4	1	1 2 3	1 2 5	1	1 2 3 5	1
World Vision	1 2 3 4	1	1 2 3 5	1 2 3 5	1 2 3 4	1 2 3 5	1
Totals	36/55	12/55	43/56	39/55	19/55	37/55	24/55

1 = component is clearly mentioned by the respondent

2= respondent emphasized importance of the component

3= organizational focus and/or opportunities

4= related to investment

5= component is mentioned as main source to increase impact

Note: every number counts as 1 point

Appendix D

Opportunities to improve processes

	Employees and IT	Employees and skills	Integrity and public trust
AMREF Flying Doctors	- Standardization of systems and processes	- Better usage of recruitment channels	- More specific choices of communication channels and new opportunities
Bernard van Leer Foundation	- Better registration of knowledge	- Be aware of your learning points	- Need to be more focused on output instead of input
Bond tegen het Vloeken	- Implementation of a new CRM-system	- Improve capacities and being representative	- Improve our social relevance and building relations with stakeholders
ErasmusMC Vriendenfonds	- Standardization of administrative processes	- Communication of the results	- Give more attention to particular donor relations
Leprazending	- Old software have to be improved	- Meet together to improve skills and get new ideas	- More focus to impact and communicate this
Light for the World		- Improve competencies through training, interaction and from each other	- Impact analysis of the entire chain and communication of it
Make-A-Wish Foundation	- Implement better CRM-system	- Increase representative	- Add additional impact measurements
Mensenkinderen	- Searching for another ERP-system		- Usage of new communication techniques
Het Nederlandse Rode Kruis	- Better administration of local activities	- Training, communication and idea developments	- Linking current projects to marked donations
Woord en Daad	- Investment of last year		
World Vision	- Implementation of CRM-system	- Improve skills with studying and better agreements	- Work with business cases to identify best projects

	Habitual behavior	Size	Focus on improvements
AMREF Flying Doctors	- Standardization of systems and processes	- Better exchange of knowledge and interaction with partners	- Continual improvement of knowledge and impact measurements
Bernard van Leer Foundation	- Documentation of knowledge	- Learn more from your collaboration and invest in your relations	- Attain social impact with investments
Bond tegen het Vloeken	- Creation of work areas	- Requires good employees, improve their capabilities and effectiveness	- Improve fundraising skills
ErasmusMC Vriendenfonds	- Standardization of administrative processes	- Harmonizing with other organizations to improve activities	- Determine the potential of our donors
Leprazending	- Eliminate risk of too much communication	- Development is difficult through lack of time	- Develop expertise groups
Light for the World		- Specific focus to a small number of countries	- Better documentation of available knowledge
Make-A-Wish Foundation	- Formulate better strategic purposes	- Participation of volunteers to policy making	- Measure qualitative impact and policy participation
Mensenkinderen			- Hold focus on efficiency
Het Nederlandse Rode Kruis		- Simplify board structures	
Woord en Daad			
World Vision	- Training and coaching of employees	- Hold focus to cost savings	- Working on a pilot study to improve quality

Appendix E

Direct versus indirect relation with impact: employees and skills

Note: Direct and indirect relations are based on appendix I: impact scheme

Scheme is based on appendix B: times a component is touched in interviews

Direct relation with impact	Percentage of total – employees and skills	Indirect relation with impact	Percentage of total - employees and skills
Bernard van Leer Foundation	25%	AMREF Flying Doctors	24,6%
Bond tegen het Vloeken	37,1%	Leprazending	35,3%
ErasmusMC Vriendenfonds	34,2%	Het Nederlandse Rode Kruis	34,3%
Light for the World	46,5%	Woord en Daad	37%
Make-A-Wish Foundation	38,1%		
Mensenkinderen	32,5%		
World Vision	28,9%		
Average	**34,6%**		**32,8%**

Scheme is based on appendix C: significance of components

Direct relation with impact	Significance - points	Indirect relation with impact	Significance - points
Bernard van Leer Foundation	3	AMREF Flying Doctors	4
Bond tegen het Vloeken	5	Leprazending	4
ErasmusMC Vriendenfonds	3	Het Nederlandse Rode Kruis	4
Light for the World	5	Woord en Daad	3
Make-A-Wish Foundation	5		
Mensenkinderen	3		
World Vision	4		
Average	**4**		**3,75**

Appendix F

Direct versus indirect relation with impact: integrity and public trust

Note: Direct and indirect relations are based on appendix I: impact scheme

Scheme is based on appendix B: times a component is touched in interviews

Direct relation with impact	Percentage of total – integrity and public trust	Indirect relation with impact	Percentage of total – integrity and public trust
AMREF Flying Doctors	32,3%	ErasmusMC Vriendenfonds	31,6%
Bernard van Leer Foundation	18,8%	Leprazending	11,8%
Bond tegen het Vloeken	14,3%	Light for the World	14%
Mensenkinderen	27,5%	Make-A-Wish Foundation	23,8%
Het Nederlandse Rode Kruis	17,1%		
Woord en Daad	22,2%		
World Vision	21,1%		
Average	**21,9%**		**20,3%**

Scheme is based on appendix C: significance of components

Direct relation with impact	Significance – points	Indirect relation with impact	Significance – points
AMREF Flying Doctors	4	ErasmusMC Vriendenfonds	3
Bernard van Leer Foundation	4	Leprazending	2
Bond tegen het Vloeken	5	Light for the World	3
Mensenkinderen	4	Make-A-Wish Foundation	3
Het Nederlandse Rode Kruis	4		
Woord en Daad	3		
World Vision	4		
Average	**4**		**2,75**

Appendix G

Direct versus indirect relation with impact: size

Note: Direct and indirect relations are based on appendix I: impact scheme

Scheme is based on appendix B: times a component is touched in interviews

Direct relation with impact	Percentage of total – size	Indirect relation with impact	Percentage of total - size
Bernard van Leer Foundation	22,9%	AMREF Flying Doctors	10,8%
Bond tegen het Vloeken	20%	Light for the World	18,6%
ErasmusMC Vriendenfonds	10,5%	Make-A-Wish Foundation	4,8%
Leprazending	23,5%	Mensenkinderen	10%
Het Nederlandse Rode Kruis	20%		
Woord en Daad	22,2%		
World Vision	7,9%		
Average	18,2%		11,0%

Scheme is based on appendix C: significance of components

Direct relation with impact	Significance – points	Indirect relation with impact	Significance – points
Bernard van Leer Foundation	4	AMREF Flying Doctors	3
ErasmusMC Vriendenfonds	4	Bond tegen het Vloeken	3
Leprazending	3	Light for the World	3
Het Nederlandse Rode Kruis	4	Make-A-Wish Foundation	3
Woord en Daad	4	Mensenkinderen	2
World Vision	4		
Average	**3,83**		**2,8**

Appendix H
Organizational meaning of impact

Organization	Meaning of impact
AMREF Flying Doctors	Lasting health change in Africa: communities with the knowledge, skills and means to maintain their good health and break the cycle of poor health and poverty
Bernard van Leer Foundation	1. Improve opportunities for children up to age 8 who are growing up in socially and economically difficult circumstances. 2. With limited resources create large opportunities
Bond tegen het Vloeken	1. Respect to each other, with less cursing and swearing 2. Function as people's conscience
ErasmusMC Vriendenfonds	1. What is our meaning to the stakeholders of our organization? 2. Create image to get results 3. Develop medicines and effective treatment methods
Leprazending	1. World without Leprosy 2. Transformation of lives 3. Social Rehabilitation
Light for the World	Committed to helping disabled people, improving the quality of life and advocating for the rights of person with disabilities in the underprivileged regions of our world.
Make-A-Wish Foundation	Grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy.
Mensenkinderen	Give materials and food in emergency situations and provide sustainable solutions for the future
Het Nederlandse Rode Kruis	Prevents and alleviates human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.
Woord en Daad	1. Direct poverty alleviation - activities aimed at the poor to work with them on decreasing poverty 2. Civil Society Strength - activities aimed at starting up and reinforcing social organizations or networks that work on behalf of the poor. 3. Policy Influencing 4. Advocacy of followers
World Vision	1. Development and advocacy organization dedicated to working with children, families and communities to overcome poverty and injustice. 2. Making more resources available through cost savings

Appendix I

Direct relations with impact

Organization	Mentioned by respondents: factors direct related with impact	Factors related to process efficiency components
AMREF Flying Doctors	Fundraising and program management	Integrity and public trust
Bernard van Leer Foundation	Lobby, collaboration with other organization, local parties, communication, knowledge	Employees and skills, integrity and public trust, size
Bond tegen het Vloeken	Size, financial resources, relevance, employees' skills, image	Employees and skills, integrity and public trust, size
ErasmusMC Vriendenfonds	Choice of projects, cooperation, evaluation, future research, conduction of operations	Size
Leprazending	Fundraising and marketing, collaboration by programs, expertise, quality, power of organization, relationships with partners	Employees and skills, size
Light for the World	Special services, inclusive society, advocating for the rights	Employees and skills
Make-A-Wish Foundation	Reaction of children and their environment, reports and evaluation, organization, wishes of children	Employees and skills
Mensenkinderen	Stimulation of local economic situation, communication, collaboration, materials and food, sustainable solutions	Employees and skills, integrity and public trust
Het Nederlandse Rode Kruis	Management of programs, organizational size, local committees, communication, fundraising	Integrity and public trust, size
Woord en Daad	Organization, responsibility, governmental policy, individual relations, political stability, international environment	Integrity and public trust, size
World Vision	Time and resources, sustainable programs, emergency help, education	Employees and skills, integrity and public trust, size

Appendix J

List of quotes

Organization	Employees and Information Technology
AMREF Flying Doctors	Supporting systems are a condition to get a functional organization
Bernard van Leer Foundation	First we will measure knowledge, second we will spread it. However we need a supporting system for this
Bond tegen het Vloeken	We have a lack of fundraising activities, with a good CRM-system it will be possible to activate this
ErasmusMC Vriendenfonds	The entire administrative process has to be standardized
Leprazending	Contribution of supporting systems to attain efficiency
Light for the World	Project information systems and quality systems are well developed
Make-A-Wish Foundation	New CRM-system needs to stimulate our fundraising and relationships
Mensenkinderen	Automating systems and standardization are necessary to save a lot of time
Het Nederlands Rode Kruis	Better administration of budget, commitments, reports and evaluation
Woord en Daad	We have well working management and administrative systems
World Vision	Automating and standardization is not only for time saving, but also for making less mistakes

Organization	Employees and intrinsic motivation
AMREF Flying Doctors	Enthusiasm of employees is high
Bernard van Leer Foundation	If we do not get the required efficiency, it is possible that organizations accept small losses, because we attain social impact as well
Bond tegen het Vloeken	If you are not really passionate, it is almost impossible to stay within our organization
ErasmusMC Vriendenfonds	Give something back to society
Leprazending	We do not need the most professional organization, however we are needed to be professional enough to support the entire organization to achieve impact
Light for the World	Enthusiasm of employees when the organization participate in a project and it creates leverage
Make-A-Wish Foundation	We have volunteers across the country
Mensenkinderen	Local volunteers have no costs and there is social control
Het Nederlands Rode Kruis	We have a large voluntary department
Woord en Daad	We have professional volunteers
World Vision	We have ambassadors and volunteers who are focused to fundraising activities, create awareness and advocacy

Organization	Employees and skills
AMREF Flying Doctors	Specialization of people is necessary for doing the right things (e.g. fundraising)
Bernard van Leer Foundation	At the base of impact there are knowledge, experience and evaluation
Bond tegen het Vloeken	Investments in employee skills are relevant to our organization
ErasmusMC Vriendenfonds	Small organizational size requires a lot of capabilities
Leprazending	We need to be as good and professional as possible to support the organization as whole
Light for the World	Really important are our employee competencies, because of complex processes and difficult measurements
Make-A-Wish Foundation	Every employee in the organization has his/her own tasks
Mensenkinderen	We have to communicate what we are doing and why
Het Nederlands Rode Kruis	Managing the entire organization and strategic congruence
Woord en Daad	We recruit people to their competences and they are evaluated on their goal achievement level
World Vision	We are focused on giving people the right tools, qualities, capabilities and skills, so they can make a difference in their own lives

Organization	Integrity and trust
AMREF Flying Doctors	Our donors attach importance to health and we will take responsibility for Africa
Bernard van Leer Foundation	Lobby, advocacy and publications are used to stimulate relations.
Bond tegen het Vloeken	Historical, charities said 'trust me', today it is 'show me'
ErasmusMC Vriendenfonds	Building relations is really important to us, however the initiative and responsibility is in hands of our funds
Leprazending	Building relations with your stakeholders is important
Light for the World	Monitoring and evaluating projects are important to get results, even as knowing what we are doing and responsibility to stakeholders
Make-A-Wish Foundation	Showing who we are lead at one side to higher contributions and at the other side more image, appreciation and publicity
Mensenkinderen	If we donate to a project, our requirements are extended project reports
Het Nederlands Rode Kruis	We make people aware of our work and give information about it
Woord en Daad	We will influence politics, create awareness and advocacy, because it is necessary to take responsibility
World Vision	Guiding of projects, with budgeting and availability of resources

Organization	Habitual behavior
AMREF Flying Doctors	Knowledge and information will be faster available and with more transparency and standardization
Bernard van Leer Foundation	Before projects we start with local research, pilot experience through scaling and after it evaluation
Bond tegen het Vloeken	We will get social relevance, so that we are naturally in the minds of people
ErasmusMC Vriendenfonds	Organization of projects have to be standardized
Leprazending	We will standardize indicators and measurements
Light for the World	Documenting and spreading of information of learning activities
Make-A-Wish Foundation	Creating new habits by showing opportunities to our stakeholders
Mensenkinderen	Automating systems and standardization are desired
Het Nederlands Rode Kruis	Better administration of budget, commitments, reports and evaluation
Woord en Daad	We have well working management and administrative systems
World Vision	A lot of supporting activities and processes were not efficient and need to be improved

Organization	Size
AMREF Flying Doctors	To get impact you are needed to collaborate with (local) governments
Bernard van Leer Foundation	More resources were available through size and collaboration of organizations
Bond tegen het Vloeken	Through our small organizational size, employees are very important
ErasmusMC Vriendenfonds	Small organizational size limited opportunities
Leprazending	With a small organization realizing more impact is our purpose. This will be done through a specific focus
Light for the World	Facilitating processes and advice with bringing partners together and get exchange of knowledge
Make-A-Wish Foundation	We have a lot of volunteers, that makes it easier to realize projects
Mensenkinderen	No local presence, because lack of local knowledge and cost savings
Het Nederlands Rode Kruis	Through our size we have more vigor, infrastructure and resources. Disadvantages of size are administrative tasks and number of boards
Woord en Daad	Able to influence policies and economic situations of people
World Vision	We are mainly focused on fundraising, because we are relative small compared with our international organization

Organization	Focus on improvements
AMREF Flying Doctors	Improve through habits and conclude what will work or not
Bernard van Leer Foundation	Historical we focused on local awareness. Currently business solutions are more relevant
Bond tegen het Vloeken	We need to innovate how we can trigger people
ErasmusMC Vriendenfonds	Harmonizing with other organizations is selected to support each other with fundraising activities
Leprazending	We will standardize indicators and measurements
Light for the World	Mapping of advice impact is difficult, however it is one of our future projects
Make-A-Wish Foundation	Future qualitative research to our impact
Mensenkinderen	You have to focus and improve, because there are a lot of organizations who need donors
Het Nederlands Rode Kruis	Linking current projects with marked fundraising
Woord en Daad	Benchmarks: to know what others are doing and our level of fundraising and efficiency
World Vision	Deployment of ideas and thoughts is our first stage in projects

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