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MASTER THESIS

PERFORMANCE MEASUREMENT IN
HUMANITARIAN ORGANISATION

THE CASE OF NORWEGIAN PEOPLE'S AID

Kewal Raj Pokhrel

BE304 E 001

MANAGEMENT CONTROL



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ABBREVIATIONS

NPA: Norwegian People's Aid

MFA: Norwegian Ministry of Foreign Affairs

NORAD: Norwegian Association for Development Cooperation

MCS: Management Control System

AGM: Annual General Meeting

PM: Performance Measurement

RBM: Result Based Management

RPM: Result Based Planning and Monitoring

ERW: Explosive Remnants of War

ABSTRACT

Performance Measurement is crucial in humanitarian sector as it is regarded as one of the central element of the management control system. This study describes and explores the performance measurement of locally established international humanitarian organization i.e Norwegian People's Aid (NPA). This research is fully based on the international department of NPA and do not cover the national department. This research also studies the challenges of performance measurement in NPA. In order to answer the general statement one research question is formulated that is: How are performance measured in NPA and what are the challenges encountered in measuring the performance?

The frame of reference of this research is guided by the two theoretical approaches i.e accountability approach and contingency approach. Accountability approach will try to study about the performance measurement of NPA and contingency theory will try to address the challenges of performance measurement in NPA.

This research is descriptive and is based on qualitative research design. The study is totally relied on primary and secondary data. Primary data is based on interviews and the secondary data is based on the handbooks, journals and annual reports of NPA. The empirical shows that NPA is involved in various humanitarian activities nationally and internationally. The international department of NPA is divided into two parts i.e. Mine Action and International Development. NPA is generally measuring the performance based on performance reporting system. Performance reporting is done according to the frame agreement between donors and NPA. As the performance reporting is not only sufficient to measure the performance, along with that NPA has just started using the monitoring and evaluation system to measure the performance. Under monitoring system NPA has introduced Result based planning and monitoring system (PMR) for the performance measurement. NPA has currently trying to adopt this system in every parts of the partner country. NPA has encountered various challenges due to the growth of its size and structure and has started downsizing its size so that it can focus on qualitative service and can enhance the performance. The study ends with proposition for further research and contribution to the society.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

Humanitarian action is a substantial and complex endeavor involving efforts of populations affected by crises as well as those of myriad of local, national and international institutions trying to assist them. Humanitarian organizations are playing a significant role for the welfare of humanity. In the current scenario humanitarian organizations are seen to be actively involved in working to save lives, alleviate suffering and maintain human dignity during and in the consequence of conflicts and disasters. They are widely associated with local, national and the international agencies.

Performance measurement in the humanitarian organizations is vital. If we study the past research we can see that in recent years there has been a call for greater accountability, concerns about quality, funding constraints and the development of contract culture has created demands for more sophisticated performance measurement strategies. Donors are increasingly emphasizing effectiveness and sustainability. As a consequence of that nonprofit organization are under pressure to invest more in evaluating their work and measuring its impact. (Lawrie 1992; Hailey and James 2003). According to Paton (2003), today's nonprofit organizations are operated in an environment penetrated by 'expectation of measurement' and this has created pressure to design and apply the new performance measurement frameworks.

It is the general requirement to measure the outcome/impact of humanitarian activities. Performance and quality approaches are currently highly fragmented, both conceptually and in practice. A more integrated approach to humanitarian performance would be useful at all levels of the humanitarian system. If it is conceived and implemented effectively than it will facilitate a stronger and more evidence-based understanding of the progress, made to date and gaps remaining in humanitarian performance. Performance measurement allows greater comparability over time and between the units, it helps to identify the best practice and facilitate the new learning (Paton 2003)

A performance measurement system is the set of metrics used to quantify the efficiency and effectiveness of action, whereby a performing business is the one which will achieve the objectives set by managing coalition. The literature on performance measurement has no solid, common theoretical basis, and there is a vast diversity of views on what performance is

and what can be done to improve it. Contributions from academics, quasi-academics, consultancies, practitioners, and professionals or managers within different organizations create a dizzying variety of performance related methodologies and frameworks (Neely et al, 2007). Moreover, performance is frequently presented as an umbrella for a host of other ideas including effectiveness, productivity, quality, transparency and accountability, each of which leads to yet more frameworks and extensive literatures.

As my research is based on humanitarian organization based on Norway, I have chosen one of the old and leading humanitarian organizations of Norway i.e. Norwegian Peoples Aid (NPA). It was founded in 1939 AD as the labor movement's humanitarian solidarity organization. It is the volunteer organization run by the private and government donors. Majority of the donation comes from government owned NORAD and Norwegian Ministry of Foreign Affairs (MFA). NPA is currently seen to be engaged in two national and international programs. The main objective of my research is to explore the performance measurement system of NPA and to discuss the challenges faced by them while measuring the performance. As NPA is involved in both national and international based programs it is very hard to cover both the area, so my research will just focus on the performance measurement of NPA based on the international program i.e. international development and mine action program. This research will be based on the study of single organization i.e. Norwegian Peoples Aid (NPA) and is a single case study. This study will focus on performance measurement of NPA based on the viewpoints of concerned employees through interview and the published journals, handbooks and research paper of NORAD, NPA and MFA.

1.2 Motivation of Study

Performance measurement is regarded as one of the important tool to demonstrate and improve efficiency and effectiveness of the organization activities and my topic of the research is fully focused on performance measurement of the nonprofit/humanitarian organization. If we look behind the history of performance measurement in general, it is seen that performance measurement started from handicraft to industrial production in the 19th century under the concept of productivity measurement. The focus on productivity and financial measures continued long after the end of Second World War but the change in the business environment was followed by a need to adapt business systems to new conditions. In

the 1980 the concept of productivity was replaced with the concept of performance. Before, performance measurement was fully based using financial measures but later the need of non financial measures was also recognized as one of the important part of performance measurement and was implemented as a complement to financial measures. However in the current scenario, no any clear cut issue has been developed which clearly shows the way of measuring the performance (Neely, 1999; Fitzgerald, 2007)

The main reason behind choosing this topic is to explore the performance measurement system of humanitarian organization. In the current world performance measurement is regarded crucial in every sector. Performance measurements are widely used in the private, public as well as government and non government organizations. In the case of profit organization the performance measurement is based on financial indicator so comparatively its easy to measure the performance, but in the case of nonprofit organization it's very hard to measure the output.(See, Kaplan 2001, Henderson et al, 2002, Sawhill & Williamson, 2001) As NPA is involved in variety of international activities this research is focused to know how NPA is measuring its performance.

Humanitarian organizations are funded by the donors and are required to report the donors about their performance. Further funding to humanitarian organizations is generally dependent on the performance level of the projects/programs. If the performance of the project is seen to be satisfactory and effective than the project can receive more funding otherwise the project will be either stopped or phased out. So performance measurement is regarded as the general requirement for every organization to measure their level of outcome so that they can clearly show their results, but it can't be denied that measuring the performance of humanitarian action is regarded as the complicated task and it is very hard to measure and get the exact figure of the program/project performance, so this is also one of the reason which made me to choose this as my research topic.

In the case of NPA no any research has been carried out for performance measurement till date. The performance evaluation has been done by NORAD and MFA but no any individual research has been done in order to study the performance measurement of NPA. The research is not able to address the actual performance of Norwegian Peoples Aid (NPA) as it focus on the quantitative figures such as use of the budget and sources of revenue but is silent about the

non financial measures and the outcome and impact of program projects. (See performance review of NPA 06/2012)

As NPA is among the biggest Norwegian NGOs providing development aid, Its 2011 total budget was about NOK 800 million in which budget for international department consist of 570 Million. Of the total budget the grant allocation from NORAD amounted to about 35%. Other major donors of NPA are The Norwegian Ministry of Foreign Affairs, US Department of State, The German Federal foreign office and The Dutch Ministry of Foreign Affairs. The total budget of international department in 2010 was about 463 NPA is required to report about the performance to these donors separately. Performance reporting to these donors depends upon the required terms and conditions of the donors. The major focus of this research is to study about the system used by the organization to report the concerned donors as well the process of measuring their outcomes and the results. This research also tries to find out the response of the employees regarding the performance and the challenges they are currently facing during the measurement of performance.

1.3 Problem Statement/Research Question

RQ 1 How is performance measured in Norwegian People's Aid (NPA)?

The main objective of the first research question is to explore and analyze how Norwegian People's Aid (NPA) is measuring its performance and the research will be solely based on the International Department of Norwegian Peoples Aid (NPA) who is currently working on the field of Mine Action Programs and the International Development Programs. The study will try to establish the link between performance and the accountability.

Accountability is the major issue in civil society organizations. Humanitarian organizations are relied on the donations and to receive the long term support from donors, nonprofit organizations are entitled to show their accountability towards donors. Humanitarian organization is regarded as the *agent* whereas the donors are regarded as the principle so the accountability can be further established when agent (NPA) accepts the resources and responsibilities from the donors.

RQ 2 What are the challenges encountered by NPA while measuring the performance?

The second research question will try to find out the major challenges encountered by NPA during the performance measurement. Humanitarian organizations who are engaged in the developmental works are seen to be facing major challenges especially during the process of evaluating the result. This study will try to address and discuss the major challenges faced by NPA.

1.4 Introduction to two theoretical approaches

Accountability Theory

Accountability is the concept in which there is a liability or responsibility to a person for an act. Thus accountability is essentially an informing function and raises the question of who is accountable to whom, for what they are accountable, what are the means of process of obtaining these accounts, and what are the result of outcomes (Mosher, 1979, p: 236)

Accounting is generally interpreted as the means by which individuals and organizations report to a recognized authority and are held responsible for their actions (Edwards and Humle 1994)

Effective accountability requires a statement of goals i.e whether in adherence to certain rules or achievement of identified performance levels, transparency of decision making and relationships as well as honesty of what types of resources are used and what has been achieved.

In the case of NPA as it is volunteer, public and private funded organization, they need to be accountable to the donors and show the impact and effectiveness of the work which is commonly called performance. So Accountability theory will try to answer my first research question.

Contingency Theory

The Contingency theory of management accounting suggest that there is no universally applicable system of management control but that the choice of appropriate control techniques will depend upon the circumstances surrounding a specific organization. (Otley, 1999, page-367)

Different types of organizational plans and strategies will tend to cause different control system consideration. Any control system requires objectives and goals against which its performance can be accessed. (Otley and Berry 1980). Management Control system differs from organization to organization. The major objective of using this theory is to discuss about

the challenges faced by the organization while measuring the performance. The challenges will be discussed in terms of organization structure, culture, size, strategy and the environment.

1.5 Limitations on Scope of Study

As Norwegian People's Aid (NPA) has four legs i.e. two national and two international, my study will be limited to international programs only. This study is also limited to single International Norwegian Humanitarian organization. NPA is currently involved in more than 30 countries internationally. My research is fully based on the data collected from the Oslo Headquarters of NPA. This research will study the performance measurement from the perspective of headquarters and will not address the local issues on the micro level.

1.6 Disposition of Thesis

The main objective of my research is to study and explore how humanitarian organizations are measuring their performance as well as the challenges faced by them while measuring the performance; my research will be solely based on the study of single Norwegian humanitarian organization i.e. Norwegian Peoples Aid (NPA) This research study is divided into six parts starting from Introduction to Analysis.

The first chapter describes about problem definition and motivation of the study, Chapter two describes about the foundation of the theoretical framework and the literature review from which interview guide is developed. Chapter three provides the reader about scientific research methodology and research design. Chapter four describes about the introduction of organization and its functions, Fifth chapter discuss about the actual findings of my study which includes the data collected from interviews and data from other secondary source. Chapter six deals with conversion of the collected data into certain output and result based on the theoretical approaches and the literature. The last chapter draws the conclusion from all the above parts of research and further discuss about the limitations and recommends in case of further research.

CHAPTER 2: FRAME OF REFERENCE

The main purpose of this chapter is to develop a theoretical framework from the academic literature. Theoretical framework is essential as it helps to understand the basic theory and provides knowledge in order to answer the research question. Theoretical frameworks give theoretical support to the research questions. Theoretical framework act as the backbone for the research. The frame of reference used in this chapter helps to explain about performance measurement of the humanitarian NGO i.e. Norwegian People's Aid (NPA). This research mainly focuses on the performance measurement of international legs of NPA. It will also try to discuss the challenges of performance measurement in NPA. This study will use the frame of reference consisting of two approaches i.e. Accountability Theory and Contingency Theory. Performance measurement is directly associated with Management control of the organization and acts as base for performance management. It is regarded as one of the important tool of management control, so on the next topic we will discuss about the relationship of performance measurement as the part of management control.

2.1 Performance Measurement as the part of Management control.

Performance measurement is regarded as one of the important tool for the organization as long as the organization exists. In ancient period performance measurement was used to monitor, evaluate and improve the effectiveness of organizations arguably dates back at least as far as ancient Egypt, where the work of the pyramid builders demonstrated ‘ an ability to envision, organize and manage complex activity dependent on reliable data that predates the modern world’. (Lawrie et al., 2005, p.2). Their system revolved around whipping those workers who did not perform as required, to achieve their goals. This worked effectively for them as evidenced by the splendid pyramids that they build. There is evidence that other ancient civilization such as Rome and China also had performance measurement system (Furham, 2004).

However over time as our understanding of human nature and the environment in which we exist has changed, the importance of measuring performance to align individual goals to a common vision has been recognized as being vital to the organization success. The necessity

of an effective holistic performance measurement and appraisal system therefore became apparent.

Performance measurement is an essential tool of management control that is relevant at all levels of organization. It provides means to improve organizational performance by linking and aligning individual, team and organizational objectives and results. It also provides means to recognize and reward good performance and to manage under performance.

Performance measurement and management play important roles in the development of organizations. Research conducted by (Franco et al., 2004; Kennerley and Bourne, 2004; Davis and Albright, 2004) support the fact that investments are based on the hypothesis that the use of 'balanced' performance measurement and management system has a positive effect on the performance of organization.

Performance method can also be understood as a method for focusing team activities based on critical indicators of great importance and ultimately improving performance. It must always be noted that by applying too many measurement tools may create confusion in an organization and may cause lack of focus for accountability in value creation. It is therefore important that an organization should use an appropriate number of measurements and select the right measurement tool that can effectively measure the performance.

Management control is the vital and indispensable part of any Organization. It is the life blood which provides the soul to the organization. Management control system is the set of measurement, analysis and action decisions required for the timely management of the continuing operation of process. Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives. (Anthony, 1965). MCS is thus the process that links strategic planning and operational control (Otley, Broadbent & Berry, 1995). Management Control Systems (MCS) have the purpose of providing information useful in decision-making, planning and evaluation (Widener, 2007; Merchant & Otley, 2007). The focus of MCS is not only on one form of control like performance measures but on multiple control systems working together (Widener, 2007; Otley, 1980). In a broad sense, a management control system comprises all mechanisms used to influence an organizations members behavior in

order to improve the achievement of the organization primary objectives (see Anthony and Govindarajan, 2003)

Integrating people, planning and performance with organizational objectives develops individual and organizational capability and leads to higher performance. The performance appraisal process articulates the standards of work expected of employees and the values and behaviors employees are expected to uphold in meeting their job requirements, communicating and working with others. Performance appraisal and feedback assist employees to understand what work they do well and how they can improve their performance.

2.2 Choice of two approaches

The Government Accounting and Standard Boards suggest that performance measurement is needed for setting goals and objectives, planning program activities to accomplish these goals and objectives, allocating resources to these programs, monitoring and evaluating the result to determine if they are making progress in achieving the established goal and objectives, and modifying program and plans to enhance the performance. (Hatry et al.1990, v)

Performance measurement is essential to every organization. Performance measurement system is considered as the information system that is used to evaluate both individual and organizational performance. Most of the profit organizations are seen to be dependent on financial measurement as the foundation of performance measurement and the evaluation purposes. Performance measurement system plays a key role as a source of information about financial outcomes and the internal operation for profit organization. (Yeniyurt, 2003). However non profit organizations are dependent upon the financial measures and do not measure their output and results in term of profit. (Cutt, 1998;Lagerstrom, 2002; Beamon &Balcik, 2008). As non profit organizations are service oriented and are not profit motive they are dependent upon transparent governance structures and clear accountability to stakeholders. (Gil, 2004)

Nonprofit organizations faces demands from multiple actors, it follows that they are expected to be accountable for different things by different people. These expectations may be broken down into four categories i.e accountability for finances, governance, performance and mission (Behn, 2001; Ebrahim, 2009). Every organization should be held to account for what

they deliver the purpose of such accountability is to demonstrate results. Performance based accountability often used tools such as logical frame work analysis, in which a projects objectives and expected results are identified in matrix with a list of indicators used in measuring and verifying progress. (Benjamin, 2008; Lindberg and Bryant, 2001:214)

Kaplan further says that,

‘Accountability and performance measurement has become urgent for nonprofit organizations as they encounter increasing competition from a proliferating number of all agencies, all competing for scarce donors, foundation, and government funding’ (p.353)

The nonprofit organizations are seen to be relied on five major types of accountability mechanisms i.e. reports and disclosure statements, evaluations and performance assessments, industry self regulation, participation and adaptive learning (Ebrahim, 2003). Thus for this study accountability approach is one of the major approach that is used to analyze the performance measurement in nonprofit organization.

Performance measurement in NPA is not free from challenges. Not only NPA most of the development organization and civil society organization are seen to be facing the performance measurement challenges. The major challenge for them is to find out the concrete result. These challenges are occurred by the effect of both external and internal environment. It is very hard to generate the exact figure in humanitarian organization who is engaged in development works. For this study contingency theory is used to discuss the challenges faced by the organization within uncertain environment.

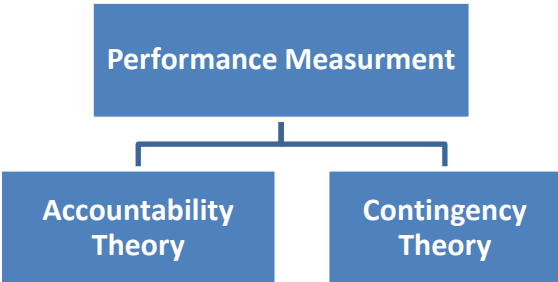


Fig. 1 Performance Measurement (Selection of theory) Based on own illustration

2.3 Accountability Approach

Organizational accountability can be generally defined in the terms of organizational transparency, responsiveness, ethics, legitimacy and regulation, wither in relation to government, corporations, NGOs or other organization (Bakker, 2002)

As this research is focused on the study of humanitarian sector I will try to explain and define accountability in relation to Non Governmental Organization (NGO). Accountability is essentially an informing function and raises the question of who is accountable to whom, for what are they accountable, what are the means or process for obtaining these accounts, and what are the result of outcomes (Mosher, 1979: p236)

Accountability is generally interpreted as the means by which individuals and organizations report to a recognized authority and are held responsible for their actions (Edwards and Humle 1994). Effective accountability requires a statement of goals i.e. whether in adherence to certain rules or achievement of identified performance levels, transparency of decision making and relationships as well as honesty of what types of resources are used and what has been achieved.

The concept of accountability describes the rights and responsibilities that exist between people and the institutions that affect their lives, including governments, civil society and market actors. Accountability is not the only means through which individuals and organizations are held responsible for their decision and actions, but also the means by which they take internal responsibility for shaping their organizational mission and values, for opening themselves to external scrutiny and for assessing performance in relation to goals. (Charles Mutasa, 2007)

The principal agent relationship can be defined as a,

‘Social transaction, or interaction, in which one actor, the agent carries out actions that are intended to fulfill the interests of another actor, the principal (Gillard, F. 2001)

Numerous definitions of accountability have been offered by scholars and practitioners in the nonprofit and nongovernmental sector. Many describe accountability in terms of a

‘Process of holding actors responsible for actions’ (Fox and Brown, 1998:12).

Cameron (2004) defines Accountability as

‘Relationship that requires the agent to account for the activities that is assigned by the principal, often to prevent the misuse of power and other forms of inappropriate behavior’.

Accountability is not just about responding to others but also about taking responsibility for oneself (Cornwall, et al., 2000:3) Accountability has both an external dimension in terms of an obligation to meet prescribed standards of behavior (Chisolm, 1995:141) and an internal one motivated by felt responsibility as expressed through individual action and organizational mission (Fry, 1995)

According to (Edward and Humle, 1995),

‘Accountability is an attribute of relationship between at least two actors, which can be defined as the means by which individuals and organizations report to a recognized authority, and are held responsible for their actions’

From the above mentioned definitions we can generally view that humanitarian organizations or NGOs are more effective in delivering services and can be more cost efficient because they are less bureaucratic, more flexible and innovative and thus more responsive to circumstances and often have more committed staff. (Wise, 1997). The presences of these very characteristics make humanitarian organizations more accountable to the intended beneficiaries of the service they provide.

Nonprofit organizations are not required to pay tax to the government. As NGOs are non profit motive organizations they are exempted from paying tax to the government. Exemption from tax clearly indicates that nonprofit organizations are working with the public money. It gives the society and community an interest in ensuring that they are accountable for their use

of resources entrusted to them and that those resources are indeed being directed towards the pursuit of social missions.

The major question in accountability is to whom should the organization be accountable? There are many actors with whom the organization should be accountable. It is bit complicated task to create the relationship of accountability. Accountability relationship is complicated by the fact that nonprofits are expected to be accountable to multiple actors: upwards to their funders or patrons, downwards to clients, and internally to themselves and their missions (Edward and Humle, 1996).

The accountability of Nonprofit organizations run in four directions i.e. upward to donors, government and foundations, downward to their primary constituents as beneficiaries or poor and marginalized population, inwards to the organizations staff, members and board whereas horizontally to peers and partners (Kovach et al. 2003)

'Upwards' accountability usually refers to relationship with donors, foundations and governments and is often focused on the use of funds. Accountability to clients or beneficiaries refers primarily to **'downward'** relationships with groups receiving service, although it may also include communities or regions indirectly impacted by nonprofit programs. The third category of accountability concerns nonprofit themselves. This **internal (or horizontal)** accountability centers on an organizations responsibility to its mission and staff, which includes decision makers as well as field level implementers.

Upwards Accountability is associated with the relationships that face up the aid chain i.e. from implementing NGO to the donor. Tina Wallace has conducted detailed research on the mechanisms of accountability that are currently widespread to the NGO sector and the effect they have on development practice on the grounds. She has described upward accountability in her book, 'The Aid Chain' (2006). She also describes the fracture between the language of accountability upwards i.e project planning, indicators and impact assessment. The primary importance of upward accountability is to meet donors important needs to understand how their funds are being used, and have confidence that they are being used effectively and appropriately. (Alex Jacobs and Robyn Wilford, 2001)

Downward Accountability describes the extent to which an NGO is accountable to those lower in aid chain, generally to organizations which receives funds or to intend beneficiaries. It is often used loosely to describe the extent, to which the NGO is transparent about its actions, and listen and respond to those lower down the aid chain, involving them in decision making (BOND 2006). Downward accountability is often used loosely to describe the extend to which the NGO is transparent about its actions, and listens and responds to those lower down the aid chain, involving them in decision-making (BOND 2006). The aid literature has long noted that accountability mechanisms tend to focus upward towards donors, rather than downwards towards beneficiaries (Ebrahim, 2003; Edwards and Humle, 1996). The main purpose of downward accountability is to release power to those further down the aid chain i.e for example from an NGO to beneficiaries. The work of David Ellerman's shows that development works is only effective when its activities are owned by local people themselves (Ellerman 2001). NGOs can build infrastructure and provides goods and services, but these do not contribute to lasting change without associate change with its local staff's confidence attitude and behavior. (see Chambers, Freire and Kaplan)

The relationship between and NGO and its beneficiaries is widely seen as the foundation of effective NGO interventions. A recent report by Bond, based on research across 60 NGOs, concluded that *'the quality of NGO work is primarily determined by the quality of relationship with its intended beneficiaries'*. This was further expanded as *'NGOs deliver quality work when their work is based on a sensitive and dynamic understanding of beneficiaries' realities; responds to local parities in away beneficiaries feel is appropriate, and is judged to be useful by beneficiaries.'* (BOND 2006, p.v)

To get the effective outcome field work is very necessary. Field work helps to find out the changing realties of the ground. This helps to support the local people to use more leadership over NGOs activities.

Along with the planning and budgeting the NGOs should also listen to local people regarding their perceptions and priorities in developmental works. According to BOND the downwards accountability should be prioritized more than that of planning and budgeting.

Some scholars have even suggested that there are as many types of accountability as there are distinct relationships among people and organizations, with some characterizing this condition as ‘multiple accountabilities disorder’ (Koppell, 2005; Lerner and Tetlock, 1999)

2.3.1 The purpose of Accountability

Humanitarian organizations are operated on private and government donations and are accountable to the donors.

Paul (1991, p.2) defines Accountability as a holding individuals and organizations responsible for performance measured as objectively as possible. This definition implies an oversight function which, according to Mansfield (1982, p.61), involves documenting answers to four main questions regarding service delivery and performance i.e.

- Who is accountable? The persons or group that affects some relatively less powerful person or group.
- To who? To the person or group they are affecting
- For what? For the effect they have on them, particularly if negative.
- And how? In the way where the person or group affected can change the behavior of the person or group affecting them (with the affected also becoming accountable to any third parties they affect when exerting the influence)

On the basis of these and other major interpretation of the accountability, (Shafritz, 1992, p.4) defines accountability as the extent to which one must answer to higher authority i.e legal or organizational for ones action in society as large or within one’s organization as well as an obligation for keeping accurate records of property documents or funds.

Now a day’s NGO have grown to size and scale to rival the government or intergovernmental agencies with which they interact. The civil society has replaced some functions traditionally carried out by the state. We have various global examples in which NGOs are playing great role in expanding the humanitarian activities. Solidarity in literacy, a Brazilian NGO serves 4 million illiterate individuals; conservation international is currently an 84 million dollar operation and is active in 42 countries while its sister, the nature conservancy is a 3 billion dollar operation active in 30 countries.

Scandals in humanitarian and nongovernmental sector have also raised the question of accountability. The general public via journalist has begun to ask some questions. In Netherlands, journalists made an issue of salary of senior NGO official who commanded more money than the Prime Minister. In the United States a series of report regarding an environmental NGO noted that it was running mining operations in environmentally sensitive areas. Self dealing, conflicts of interest, complicated business deals; lack of transparency and fundraising schemes is seen to be reported in the press as problems of nonprofit sector.

2.3.2 Management by Objective (MBO) and Result Based Management (RBM)

Management by objectives (MBO) is the forerunner to result based management, as widely used today in the public sector. In the 1950's influential management thinker Peter Drucker published *The practice of management*, containing the principles of MBO (Drucker, 1955; Waring, 1994). This approach aims to create empowered employees, clear responsibilities, and therefore able to contribute to the achievement of organizational as well as personal goals. Result based planning and monitoring system (RPM) is the part of Result Based Management system.

MBO involves five key steps as follows:

- Establish a set of top-level strategies goals and objectives.
- Create a cascade of organizational goals and objectives supported by lower-level objectives and action plans.
- Develop an organizational role and mission statement, as well as specific objectives and action plans for each member, often involving participative decision making.
- Establish key results and/or performance standards for each objective.
- Periodically assess the status or outcome of the goals and objectives.

MBO was first adopted by the private sector and later evolved into the Logical Framework for the public sector. It was originally developed by United States Department of Defense and later adopted by United States Agency for International Development (USAID), in the late 1960s. The log frame is an analytical tool used to plan, monitor and evaluate projects.

Result Based Management (RBM) can mean different things to different people/organization. A simple explanation is that RBM is broad management strategy aimed at changing the way institutions operate, by improving performance. It reflects the way an organization applies

processes and resources to achieve interventions targeted at commonly agreed results. RBM can also be defined as a participatory team based approach to program planning and focuses on achieving defined and measurable results and impact. (UNESCO, 2008)

The main objective of Result Based Management (RBM) is to

‘Provide a coherent framework for strategic planning and management based on learning and accountability in a decentralized environment’.

Introducing a RBM approach aims to improve management effectiveness and accountability by,

‘Defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learnt into management decisions and reporting on performance’. (World Bank, 1997)

Result Based Management (RBM) was especially highlighted in the ‘2005 Paris Declaration on Aid Effectiveness’ as a part of the efforts to work together in participatory approach to strengthen country capacities and to promote accountability to all major stakeholders in the pursuit of result.

It is very difficult job to measure the actual outcome and impact in development works. Development is about social transformation process which is inherently uncertain, difficult and is totally uncontrollable. Nonetheless, these issues requires appropriate responses from the professional community and in particular multilateral organization, who are able to report properly to the stakeholders and to learn from experience, identify good practices and understand the areas of improvement. The RBM generally aims to respond these concerns by setting out clear expected results expected from the program activities by establishing performance indicator to monitor and access progress towards achieving the expected results and enhancing accountability of organization.

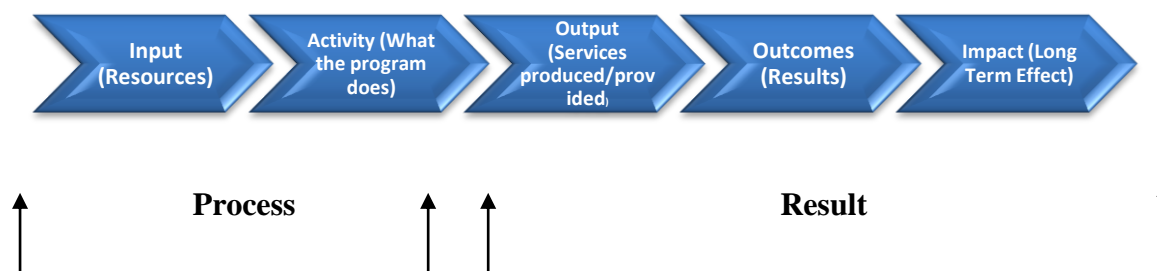


Fig 2. Result Chain (Result Based Management)

Source: Handbook on implementation of RBM/United Nations 2010

The result chain in Fig 1 shows the chain of connection or causality and attribution between inputs and activities and the results that are generated in the form of outputs, outcome and the impacts. We should be able to see clearly the results that are generated from the inputs and the activities they acquire. Result should represent the change caused through the cause and effect relationship between inputs and activities and outputs, outcome and the impact.

2.3.3 Key Performance Indicators

A key performance indicator (KPI) is a quantitative value that can be scaled and used for performance evaluation. Organizations use both financial and non financial KPIs when measuring employee as well as firm performance. The organization KPI should always be aligned with business strategy, work environment and employee incentives. It can also be defined as the key for monitoring the performance of strategic objectives, outcome or key result area important to the success of an activity and growth of the organization overall. KPIs make objectives quantifiable, providing visibility into the performance of individuals, teams, departments and organizations and enabling decision makers to take action in achieving the desired outcomes.

Performance measurement endorses a process perspective where the focus is on the internal process of quantifying the effectiveness and the efficiency of action with set of metrics (Neely, Gregory and Platts 1995). The measures and indicators act as surrogates or proxies for organizational phenomena (Ijiri 1975). Performance measurement represents management and control systems that produce information to be shared with internal and external users. Furthermore, as it encompasses all aspects of the business management cycle, this model constitutes a process of developing and deploying performance direction (Nanni, Dixon and Vollmann 1992)

Performance measurement involves the creation of an information feedback system by which management identifies, monitors and takes action to improve selected key performance indicators that track the key areas of organization performance. Non profit performance indicators measures service effectiveness and accomplishment of inputs and outputs.

Key performance indicators vary from one to another organization depending upon the need and priorities of performance criteria. For example the service industry may evaluate itself on the basis of KPIs such as annual revenues, year to year trends, or growth in size of mobile workforce etc. (Pollock 2007). He has also suggested three factors which should always be taken into account while formulating KPI for the organization:

- Reflect, and relate directly to the organization goals.
- Be quantitative and quantifiable
- Be linked directly to the measurement of the organizations success.

First and foremost, the KPIs must relate directly to the organizations stated goals. These are the metrics against which the organization will be driven to perform in order to measure its success over time. Key Performance Indicators (KPIs) are quantifiable metrics, or measurements, that relate to specific success attributes that reflect the organization's performance but the selection of KPI may differ widely from one organization to another or even between and among departments within the same organization. (Pollock 2007). The selection of performance measures depends on organization's objectives, a clear calculation method to compare, and these should be selected through people who are involved in the organization (Neely, 1999)

2.3.4 Performance measurement in nonprofit organizations

It is very hard to find a single terms and definitions to describe the organizations that are neither working in private nor the public sector. Generally it is termed as not for profit organizations or nonprofit organizations and is also known as nongovernmental organization, charitable organization, humanitarian organization and civil society organization. Even though they posses different terms, the nature of all the organization is same i.e. social service.

A more comprehensive view based on the United Nation definition has been provided by Teegen et al. (2004, p.466).

'NGOs are private, not for profit organizations that aim to serve particular societal interests by focusing advocacy and/or operational efforts on social, political and economic goals, gender equity, education, health, environmental protection and human rights'.

Nonprofit organizations represent a significant proportion of the economy in developed societies and these sector as a whole is growing (Samuel et al., 2008; Smith, 2010) and has been predicted to continue to grow in terms of influence and economic significance (Ebrahim, 2003).

Nonprofit organizations are the type of organization which is established with the motive to work for the welfare of humanity. Nonprofit organizations are not profit oriented and are always dedicated to work for the betterment of humanity and the society, whereas profit organizations are established with the sole motive to earn profit. Nonprofit organizations have tax privileges therefore the donation to them are tax deductible as well as nonprofit organizations are free from the tax burdens.

In the case of profit organizations the performance is generally measured by financial measures which are typically a function of profitability. In contrast, for nonprofit organization performance is normally measured by how much and how well the service are provided which is intangible and far more difficult and ambiguous than measuring profit. Performance measures that are commonly cited and used by external parties to measure performance in nonprofit organization include ratios relating to fundraising and administration (Henderson et al., 2002; Kaplan, 2001; O'Dwyer & Unerman, 2008). These ratios are not particularly useful for management purposes because they only provide the proportion of expenditure but not effectiveness or efficiency of the outcomes of nonprofit organization. (Sawhill & Williamson, 2001)

Non Profit organizations are dependent upon the funds of donors. They are required to show their accountability and measure their performance so that they can convince the stakeholders that their money has been used in proper way for the benefit of society. Accountability must transcend everything the organization does so we need some form of overall measurement for

the entire organization. Accountability requires that the organization aggressively pursue excellence in everything it does, so it is required to have a comprehensive performance measurement to measure the pursuit of excellence.

Performance measurement gives an overview of organizational deficiencies and thereby there is greater chance to discover the relevant areas where improvements are needed and where rationalizations are most urgent. (Medina and Triantis 2001)

2.3.5 Challenges of performance measurement in nonprofit organizations.

Measuring social impact is more complex than that of measuring profit and losses. A nonprofit organization can monitor and demonstrate effort, but measuring the long term impact of that effort is the most challenging job. Measuring the number of meals served is easier than demonstrating a reduction in the prevalence of hunger in the community. Contributing to this challenge is the fact that sustained and measurable social impact takes long period of time to evolve. The chain of impact may begin with providing a resource to or service for an individual or group, but the desired change is often at the societal level and can take time to create the level of change.

The issues addressed by nonprofit organizations are seen to be affected by multiple factors i.e. Social, political, environmental, cultural and economical. It is very challenging task to link social impact to a cause in relation to the work done by nonprofit organizations.

Non-profit organizations are built around varied and complex missions with varied and complex constituents (Speckbacher, 2003). It is not an easy task to define or measure success of an organization's mission. The nonprofit world "thrives on impossible challenges" and achievement of all of this sector's goals would ultimately mean perfection of the human condition (Letts, Ryan & Grossman, 1999, p. 1). Organizational performance is often hard to define and measure because it involves impact on individuals and society and the factors that are much more difficult to measure than financial factors.

Nonprofit organizations are centered on quality of programs and the program delivery. The focus on organizational capacity is often seen as directly competing with focus on organizational programs. (Letts, et al., 1999). The major challenge for nonprofit organization is the lack of feedback mechanism. In the case of profit organization customer satisfaction is

the major indicator to measure their performance which also acts as feedback mechanism to them. In the case of nonprofit organizations there is often no direct link between those receiving the service and those paying for it. Clients often have few or no choices about where to seek a service, so there is no feedback mechanism like that of profit organization.

Another major challenge for measuring performance in nonprofit organizations is the requirement of donor. The Nonprofit organizations have range of stakeholders. Nonprofit organizations are dependent on donor funds. Every donor has their own reporting requirement so various indicators has to be identified to measure the performance.

Human Resource challenges are also one of the challenges that are seen to be occurred in nonprofit organization. Nonprofit organizations often rely on significant volunteer staffing and creates unique HR challenges and makes long term forecasting and organizational structure and planning more difficult (Wilensky & Hansen, 2001). Since many nonprofit organizations value a very participatory employee culture and attract 'Just do it' individuals with many of their own ideas on how to achieve success, organization can end up with too much information from too many people' (Kaplan 2001, p.358) and it further complicates the organizational performance.

In the current scenario the major problem for nonprofit organization is to identify and sort out the type of management control policies and practices that are useful for this organization. The past research shows that success for nonprofit organizations should be measured by how effectively and efficiently they meet the needs of mission. (Kaplan, 2001; Singh & Mirchandani, 2006). Kaplan (2001) and Lagerstrom (2002) said that the because of the absence of proper financial measures, the nonprofit organization had to rely on non financial measures in order to access the efficiency and the effectiveness of the program.

Selection of performance measures is also one of the complicated tasks for the organization. There is no set number or formula to determine how many performance measures a organization should have. A study found that tracking too many performance measures at once may cause managers and workers to lose sight of which ones contribute directly to strategic objectives. On the other hand, having too many measures may not tell a good story about the activities. So as a conclusion we need to sort out the exact number of performance measures which are required by the organization because performance measures cost money,

time, staff and resources. The more we use the more it will cost to collect, store, report, monitor and analyze the data. (Performance Measures Guide, State of Washington, August 2009)

2.4 Contingency Theory

Contingency theory is intended to explain about management effectiveness in terms of situational moderator variables. The contingency or situational approach recognizes that neither the democratic nor the autocratic extreme is effective in all extension management solutions.

Contingency Theory attempts to provide a perspective on organizations and management based on integration of prior theories. The contingency theory of organizational structure presently provides a major framework for the study of organizational design (Donaldson, 1995a, 2001). It holds that the most effective organizational structure design is where the structure fits the contingencies.

Contingency theory explains about the design of accounting and management control systems which is dependent on specific circumstances and situations in which an every organization operates. Such system need is designed with an awareness of various contingent variables, such as competitive environment, the organization's mission and strategy and its service process type (Otley, 1980, Briers and Hirst, 1990). From the contingency theory approach it is usually assumed that there is no any single type organization structure that is equally effective for all the organizations. Every organization is unique and is dependent upon various contextual factors such as the effect of technology, the effect of environment and the effect of organization structure.

(Alam 1997 and Fisher 1995) stated that, *'The central premise of contingency theory is that there is no any universally appropriate control system that applies in all circumstances. The applicability of control mechanisms is contingent on the circumstances faced by the organizations'*.

There is no universally 'optimal' management control system which is appropriate for all types of organizations. In fact, contingency based research on management control system suggest that management control system which are effective and efficient in one

organizational context might be ineffective or even counterproductive when implemented in another organizational context. (Chenhall 2003)

The non profit organizations are built around varied and complex missions with varied and complex constituents. It is often very hard to determine the primary interest group in non profit organizations whether that is donors or beneficiaries nor it is easy to define or measure the organizations mission (Speckbacher, 2003). It is very hard for non profit organization to change according to time. In the case of profit organization they can often redefine themselves according to the changing markets and can even change its activities drastically without changing its mission (Moore, 2000) but in the case of non profit organization the activities based on external environment may face accusations of 'mission drift'. There is the risk that *'if they were to change their mission in response to changes in social conditions or donor enthusiasm than they would be accused of caring more for their survival than for their cause.'* (Moore, 2000, p.192)

Management Control Systems are vital and are considered as the major control systems in organizations. Management Control System was also subject to several research studies that are based on contingency approach. These studies did actually investigate the effect of contextual variables on the effectiveness of management accounting system and their design. Some studies emphasize the need for information system to be developed in support of a more organic and participative form of organizations.

According to Otley (2003), 'Contingency Approach to management accounting is based on the premise that there is no universally appropriate accounting system which applies equally to all organizations in all circumstances'. (p.143)

Contingency theory assumes that the design and application of management control system are influenced by the context in which they are applied (Chenhall, 2007). A contingency approach to management control system research therefore aims at identifying the best design and usage of MCS in given context (Chenhall and Chapman, 2006)

Chenhall (2003) has identified various contextual variables under management control system. First the relationship between management control system and the external environment is considered. This is followed by technology (both traditional and

contemporary), organization structure and size. Next strategy is examined. Finally the role of national culture in MCS design is reviewed. On the basis of the empirical findings, prepositions are offered which relate contextual variables to the MCS. Contingency based research follows the more conventional view that perceives MCS as a passive tool designed to assist manager's decision making.

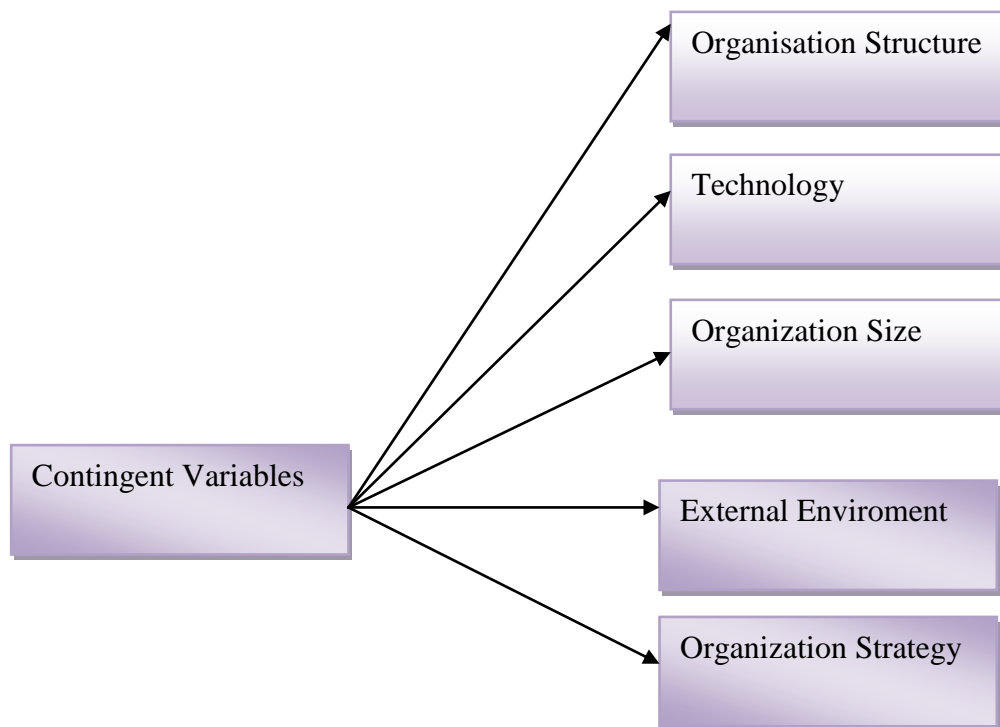


Fig 3 Chenhall (2003) Contingent variables

Organization Structure: Organizational structure is about the formal specification of different roles for organizational members, or task for groups, to ensure that the activities of the organizations are carried out. Lawrence and Lorse (1967) refer to structure generically as the way in which the organization is differentiated and integrated. Differentiation is concerned with the extent to which sub unit managers act as the quasi entrepreneurs, while integration is defined as the extent to which the subunits act in ways that are consistent to the organizational goals. The mechanisms to differentiation involve decentralizing authority while integration involves rules operating procedures, committees and the like.

Burns and Stalker (1961) discuss structure, generally in terms of mechanistic and the organic approaches. The means to achieve this form of structures involve mechanisms such as rules, procedures and openness of communication and decision process.

Chenhall (2003) has discussed about various preposition of organizational structure and MCS as large organizations with sophisticated technologies and high diversity that have more decentralized structure are associated with more formal, traditional MCS eg. Budget and Formal communication. Decentralization is associated with the MCS characteristics of aggregation and integration.

Organization Size: The contingency literature suggests that the organization size may affect the design of organizational structures and the use of management control system. Ezzamel (1990) argues that as the firm size increases the management control system seems to be more sophisticated. For example Khandawala (1972) indicates that organization size is measured by the sales revenue, was positively associated with the sophistication of control and information system. Growth in size has enabled to improve efficiency, providing opportunities for specialization and division of labor. Size reflects the organization in terms of turnover, number of employee's, organization size, market volume and so on.

Various preposition concerning the size and MCS has been discussed by Chenhall (2003) as large organizations are associated with more diversified operations, formalized of procedures and specialization of functions as well as they are associated with more divisonalised organizational structure. Chenhall also focused on associating large organization in participation of budget and sophisticated control.

External Environment: External Enviroment is regarded as one of the important contingent variable in contingency theory. Early contingency research in organization design focused on the effect of uncertainty in the organizational structure. (Stalker 1961, Perrow 1970), it is important to distinguish uncertainty from risk. Risk is concerned with situations in which probabilities can be attached to particular events occurring, whereas uncertainty defines situations in which probabilities cannot be attached and even the elements of the environment cannot be predictable. Khandawala (1977) stated that uncertainty and risk do not provide comprehensive description of the environment; he discussed various environmental variables dependent on instable, diversity, hostility, diversity and complexity factors.

Chenhall discussed the propositions concerning the external environment as: the more uncertain the external environment, the more open and externally focused the MCS, the more hostile and turbulent the external environment the greater the reliance on formal controls and emphasis on traditional budget.

Organizational Strategy: Strategy is somewhat different from other contingent variables. In a sense it is not an element of context rather it is the means whereby managers can influence the nature of external environment, the technologies of the organization, structural arrangement and the control culture and the MCS. (Chenhall 2003), the powerful influence of strategy is evidenced by the popular use of terms such as strategies of TQM, the strategic imperative of an empowered workforce and the strategic management accounting.

Technology: Technology has many meanings in organization behavior. At general level, technology refers to how the organization's work processes operates i.e how the way tasks informs input into outputs and includes hardware such as machines and tools such as material people, software and knowledge. The organization technology can also also be understood in terms of complexity, task programmability, uncertainty and outcome measurability.

Simmons (1994) has argued the four dimensions link to MCS and strategy as: Belief system to communicate and reinforce basic values and missions, boundary system to establish limits and rules to be respected, diagnostic controls to monitor outcome and correct deviation, and interactive control to enable managers to personally involve themselves with subordinates and operations with a view to forcing dialogue and learning.

Chenhall (2003) has discussed various proposition concerning strategy and MCS as, strategies characterized by conservatism. Defender orientations and cost leadership are more associated with formal, traditional MCS focused on cost control, specific operation goals and budgets and rigid budget controls, than that of enterprenual, build and product differential strategies. Enterprenual strategies are associated with both formal, traditional MCS and organic decision making and communicating.

2.5 Summary

In order to discuss about the performance measurement in Norwegian People's Aid (NPA) and the challenges encountered by them this chapter is focused on discussing two major theoretical approaches i.e. accountability theory and contingency theory. As NPA is nongovernmental organization funded by the individual and government donations this study had used accountability theory to discuss about the performance measurement of Norwegian People's Aid. The existence of performance measurement in NPA is to monitor the overall activities performed by NPA and inform its donors and all related stakeholders about the achievement, progress and the results of NPA.

Accountability is the general requirement for nonprofit organizations as they are operated from the funds of donors. The nonprofit organization should show their accountability and transparency by being honest in solicitation materials and truthful in clear in communications with donors about how their gifts will be or have been used.

Result based monitoring and planning system (RPM) is also explained under accountability approach. The basic purpose of RPM in NPA is to generate and use performance information for accountability reporting to donors and the reacted stakeholders. It is the part of Result Based Management system evolved in 1990 under Management by Objective (MBO) approach under New Public Management (NPM) system by United Nations.

Finally the study has used contingency theory to study about the challenges of performance measurement in NPA. Contingency theory assumes that the design and application of management control system are influenced by the context in which they are applied and therefore aims at identifying the best design and usage of MCS in given context depending on various contextual factors as external environment, technology, structure, strategy, size and national culture (Chenhall and Chapman, 2006)

The above discussed theory will help to guide the empirical findings of this research work regarding performance measurement and its challenges of NPA.

CHAPTER 3: METHODOLOGY

This chapter mainly explains about the methods I have used for collecting the data for my research paper. This chapter mainly focuses on the tools and techniques I have used for collecting and analyzing the data for my research. This chapter begins with the introduction of research design, data collection method, data collection process, data analysis, validity and reliability ending with the limitation and summary.

3.1 Research Design (An Introduction):

Research is any form of systematic and arranged investigation to organize facts or gather data and is often related to problem that has to be solved. It is simply the study of materials, sources and data in order to get conclusions. It is the process of finding out new data based on facts collected in ways that minimize observer prejudice. Research design is the frame or the blueprint of any report. Before doing any research the first and foremost work is to design the frame work explaining how the research is going to be carried on. According to Green et al., (1998), 'A research design is the specification of methods and procedures for acquiring the information, needed to structure or to solve problems. It is the overall operational pattern of framework of the project that stipulates what information is to be collected, from which source and from what procedures'. A research design is the logic that links the data to be collected and the conclusions to be drawn to the initial questions of the study. It ensures coherence. Another way of viewing research design is to see it as an action plan for getting from the questions to the conclusions.

3.2 Qualitative Research Design

Qualitative research design is a system of inquiry which seeks to build holistic, largely narrative description to inform the researchers understanding of social and cultural phenomenon. McMillan and Schumacher (1993, p. 479) defined qualitative research as primarily an inductive process of organizing data into categories and identifying patterns relationship among categories. Qualitative research encompasses a range of philosophies, research design and specific techniques including in depth qualitative interviews, participant and non participant observation, focus group, document analysis and number of other method and data collection. (Pope 2006). Qualitative research uses a naturalistic approach that seeks to understand phenomena in context specific settings, such as 'Real world settings where the

researcher does not attempt to manipulate the phenomenon of interest'. (Patton, 2001, p.39). Qualitative research, broadly defines means, 'any kind of research that produces findings not arrived at any means of statistical procedures or other means of quantification' (Strauss and Corbin, 1990, p.17). Qualitative research uses multiple methods that are interactive and humanistic. It focuses on context, is emergent rather than tightly pre figured and is fundamentally interpretative. Accordingly this study mainly focus on exploring the performance measurement on humanitarian organization i.e. Norwegian People's Aid (NPA) I will try to find out the theoretical aspects of the study by interviewing the related personals of the company. I will be collecting the information and analyze and interpret it by using various theoretical models so this research will be fully based on qualitative research design. Being qualitative research design my research will also be partially based on various financial and economic figures to support my data.

3.3 Case Study

The empirical data of my research paper is based on single case study. My research is directly focused on studying the performance measurement of Norwegian humanitarian organization NPA as well as the challenges encountered in performance measurement. NPA is the one of the largest humanitarian organization of Norway which is run by the government and private donations. As my study is solely based on the international department of NPA, for this single case study I had interviewed the departmental heads of the international department as well as the top management of headquarter in Oslo. The collected the data based upon their individual viewpoints and experience. My research is also based on the data collected from various secondary sources.

In general case study are defined as the analysis of persons, events, decisions, periods, policies, institutions or other systems that are studied historically by one or more methods. (Thomas Gary 2011)

3.4 Data Collection Method

Data collection is an important aspect of any type of research study. In accurate data collections can impact the results of a study and ultimately lead to invalid results. As my data collection method is qualitative, qualitative data collection method plays an important role in impact evaluation by providing information useful to understand the process behind observed results and access changes and people's perception of their well being.(Source: University of

Wisconsin). For this research report I have used two major types of data collection method as Primary Data and Secondary Data.

3.4.1 Primary Data

Primary data are the type of data that has been collected from the first hand experience. Primary data are fresh data and are not published and is regarded as more reliable, authentic and objective. As primary data is not being changed or altered by human beings its validity is greater than that of secondary data. Primary data refers to the data that is directly collected by the researcher for the purpose of research project at hand. (Riley et al., 2002). Before doing any research the first and foremost job is to select the method of data collection. As mentioned by (Bell 2010 pp 117), 'Decision has to be made about which methods are best for particular purpose and then data collection instruments must be designed to the job'.

The qualitative research interview seeks to describe the meanings of central themes in the life world of the subjects. The main task in interviewing is to understand the meaning of what the interviewees say (Kvale, 1996). A qualitative research interview seeks to cover both a factual and meaning level, though it is usually more difficult to interview on a meaning level. Furthermore, Interviews are particularly useful for getting the story behind a participant's experiences. The interviewer can pursue in depth information around the topic. Interviews may be useful as follow up to certain respondents to questionnaires eg., to further investigate their responses (McNamara, 1999). By studying and looking the above views I think its is relevant for me to choose the in depth interview of departmental heads of NPA.

Qualitative research interview are generally categorized into three parts. Termed as Structured Interview, Semi Structured Interview and Unstructured Interview.

Structured interview are the type of interview where same set of questions are being asked to all the respondents. It is a type of standardized interview. Corbetta (2003, pp 269) states structured interview as 'Interview in which all respondents are asked same questions with the same wording and the same sequence.' The strength of structured interview is that the researcher has control over the topics and format of the interview. This is because a detailed interview guide is used in a common format which makes it easier to analyze code and compare the data. Whereas Semi structured interview are the type of non standardized and are mostly used in Qualitative analysis. The interviewer does not do the research to test a

specific hypothesis (David and Sutton, 2004, p.87). In this type of interview the order of the question can be changed or modified according to the requirement and the direction of interview. The questions are set on interview guide but the additional questions can also be asked by the researcher. Similarly the types of interviews which is flexible and are in non directed format is termed as unstructured interview. In this type of interview it is not compulsory to follow detailed interview guide. Each interview is different and the interviewees are encouraged to speak openly, frankly and give more information as possible. In this research I have followed semi structured interviews. I have used face to face oral interview and written interview through emails.

Interview List:

Name	Designation	Duration
Anne Cathrine Seland	Head: Strategic management/Plan Management	30 Minutes
Sveinung Torgersen	Deputy Director: International Development Program	45 minutes
Kjersti Berre	Head: Monitoring/Evaluation	55 Minutes
Per Nergaard	Head: Mine Action Program	45 Minutes
David Bernsten	Head: Internal Audit	Written Answers
Hans Eric Haug	Acting Head: HR and IT	35 Minutes

Table 3.1 Interview List

I have prepared the interview guide on the basis of which interview was performed. Prior to the conversation I have emailed the interview guide to the interviewee so that they will get the sufficient preparation time to give the answers of my queries. For the purpose of reliability and validity of data I have recorded and transcribed every interview and send them back for correction so that I will not be able to misinterpret their statement.

3.4.2 Secondary Data

Secondary data are the type of data which are collected from published or unpublished source. Such data are cheaper and more quickly obtainable than primary data and also may be available when primary data cannot be obtained at all. Secondary data though old may be the only possible source of the desired data on the subjects, which cannot have primary data at all.

For example, survey reports or secret records already collected by a business group can offer information that cannot be obtained from original sources. Internal sources are the sources available within the organization, while external sources are sources located outside the organization.’ Craig and Douglas, (2000). With respect to this research report I have collected secondary data from various sources. The major source of secondary data for my study is the handbooks, reviews and reports published by NORAD as well as the data from handbooks and Annual Reports of NPA and the websites of NORAD and NPA. Secondary data are mainly used if primary data are not sufficient to write the research report and are also used to check the validity and reliability of data collected from the primary source.

3.5 Data Collection Process

The main objective of this chapter is to explain about the data collection process for the research work. Interview is the major source of data for this study. I had conducted the interview based on interview guide. I had prepared the interview guide depending upon the need of research questions for my study. The interview guide was prepared under the direct supervision of my thesis supervisor. As the research work is completely related to the performance measurement of international program of NPA , i had interviewed departmental heads of International program along with other related departmental heads who are directly related and associated with this topic and the research. All the interviews were done on the month of October 2012. I had interviewed the Head of strategic planning, Deputy director of international development program, Head of monitoring and evaluation, Head of Mine Action program, Head of HR department and the internal auditor of NPA. The interview guide was divided into two parts as general questions and specific questions. General queries were regarding general information of NPA and specific questions were directly focused on the specific questions about the topic. I had conducted six interviews in total.

3.6 Validity and Reliability

The concept of validity can be expressed or explained in various terms in the field of qualitative research. This concept is not single fixed or universal concept, but ‘rather a contingent construct, inescapably grounded in the process and intentions of particular research methodologies and projects’. (Winter, 2000. P.1). Many qualitative researcher suggest that there is no space for validity in qualitative research or its not applicable but at the same time they have realized the need of validity of data to check wither that data exist or contains

specific values. If there is no validity in qualitative data than the research will be limitless and the quality and output of the research may not be fruitful. Many researchers have developed their own concepts of validity and have often generated or adopted what they consider to be more appropriate terms such as quality, rigor and trustworthiness (David and Dodd, 2002, Lincon and Guba 1985 et al.,)

In the case of my research I have interviewed various departmental heads of NPA depending upon the need and requirement of my research.

‘The concept of reliability is especially used for testing or evaluating quantitative research but is universally used in all types of research. A good qualitative research project can help us ‘understand situation that would otherwise be enigmatic or confusing’ (Eisner, 1991, p.58). This relates to the concept of good quality research when reliability is a concept to evaluate quality in quantitative as well as qualitative research is one of the reasons that the concept of reliability is irrelevant in qualitative research. To ensure reliability in qualitative research, examination of trust worthiness is crucial. Seale (1999, p.266) while establishing good quality study through reliability and validity in qualitative research, states that the ‘trustworthiness of a research report lies at the heart of issues conventionally discussed as validity and reliability’. For the purpose of reliability of data I have recorded and transcribed every interview and had send them for their approval so as to minimize the chances of misinterpretation of the data.

3.7 Data Analysis

Data analysis can be defined a process of classifying, categorizing, coding or collating data. It is about reconstruction or representation of social phenomena (Coffey and Atkinson, 1996). Material collected through qualitative method is invariably unstructured and unwieldy. A high proportion of this raw data is based on text; consist of verbal transcriptions excerpted from discussion and interview as well as from other published and unpublished documents. It’s the duty of the qualitative researcher to provide some coherence and structure to unmanageable data and should retain good hold of the original accounts and observations from which the data is derived. (Huberman and Miles, 2002). Yin (2003) states data analysis involves examining, organizing, tabulating or otherwise recombining the collected data. Marshal and Romman (2006, pp. 154) defines qualitative data analysis as, ‘the process of bringing order, structure and interpretation to a mass of collected data is messy, ambiguous, time consuming

and fascinating'. Despite its complexity it should be properly analyzed into relevant information for the purpose of research work. Further Jorgensen (1989, pp 107) mentions data analysis as the process to assemble or reconstruct the data in a meaningful or comprehensible fashion.

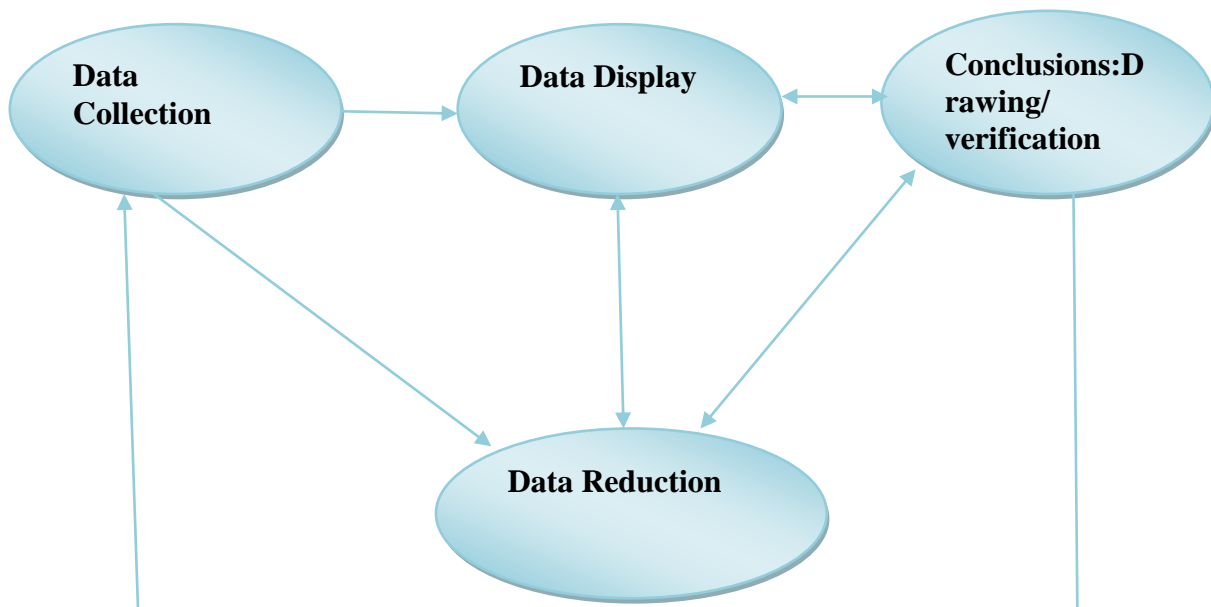


Fig 4 Data Analysis (Miles and Huberman Model)

As data analysis is very important to give the research into its shape I have used the Miles and Huberman framework of qualitative data analysis for my research project. Miles and Huberman data analysis consist of data collection, data reduction, data display, drawing conclusions and verification of finding.

Regarding the data collection my primary data collection was fully based on the interview. I have also collected the data through various secondary sources as the unpublished and published journals, handbooks and reports as well as the related websites of NORAD and NPA. After gathering the data from both the sources my next step is to convert the raw data into productive information in order to use it in my research work. So the second stage of data analysis was data reduction.

While collecting the data we get lots of information from the interviewer but the most challenging job is to sort out that raw data into relevant information. We should be very careful while reducing the data as we may eliminate the useful data in reduction process.

According to Miles and Huberman, Data reduction is not something separate from analysis. It is the part of analysis. The researchers decision which data chunks to code and which to pull out, which evolving story to tell are all analytical choices. Data reductions the form of analysis that sharpens, sorts, focuses, discards and organizes data in such a way that final conclusions can be done and verified.

Another major and most important step is the data display. According to Hair et al. (2007) states, 'Data Display goes beyond data reduction by organizing the information in a way that facilitates drawing conclusions and moreover, helps to organize information and view it in a way that enables them to identify linkages and develop explanations that relate their finding to existing theory.' For the process of data analysis I have used coding for the purpose of categorizing the data. Coding can be defined as the process of scanning the record data and developing the categories of the phenomena. Coding helps the researcher to manage the data by labeling, storing and retrieving it according to the codes. I have accumulated all the conversations in its appropriate heading.

The fourth and the last step are to find out the conclusion. According to Hair et al, (2007.pp.294), 'Drawing conclusions involves deciding what the identified themes and patters mean and how they help to answer the research question and likewise, verification involves checking and rechecking the data to ensure the initial conclusion and realistic, supportable and valid.' In my research after having the interview I had transcribed the interview and send them for the purpose of reliability of data so that I will not misinterpret the data. They have sent me few comments and answered some of my follow up questions.

3.8 Limitations of the study

The major limitation for my research study is the study of single company. I had conducted the research based on single humanitarian organization based on Norway. It is very hard to find the results based on the single company. Performance measurement in organization may differ from one to another organization. So it is very complicated task to generate the result depending on the single company to represent the whole humanitarian sector operating in Norway.

3.9 Summary

The main objective of this chapter is to explain about the method used to collect the data and examine the reliability and validity of this research work. For this report I have conducted research based on qualitative research design. This study is based on single case Norwegian People's Aid (NPA) solely based on the International Department. The main sources of data collection for this report are both primary and secondary source respectively. But most of the data are used from the primary source. This report is based on semi structured interview as the source of primary data. All the interviews were conducted orally in the Oslo headquarter. I have recorded oral interview in the audio record and have transcribed it and send it back to the interviewee for the purpose of authenticity in order to maintain validity and reliability of the data. I have also received the information through email. I have tried my best to transcribe each and every word of the interview so that I will be able to maintain the level of validity and reliability.

CHAPTER 4: CONTEXT

This chapter is mainly focused on providing general information about NPA. This chapter is processed by giving a short introduction to NPA. As NPA is involved in various national and international humanitarian activities second section will explain about the national and international programs of NPA and will end with the summary.

4.1 Introduction of Norwegian People's Aid (NPA)

Norwegian People's Aid (NPA) is a humanitarian organization rooted in Norwegian Labor movement. NPA is generally focused to support the people in their struggle for more power and influence over their own lives in the development of their societies. It is the biggest Norwegian NGOs providing development aid.

Solidarity in practice is the main vision of Norwegian People's Aid (NPA). Their efforts are based on collaboration between equal partners not the charity. NPA is the labor movement's humanitarian organization for solidarity. NPA work both nationally and internationally to improve the living conditions of vulnerable groups and to contribute to a fairer society. They support people so that they may protect and promote their own interest. Currently NPA is active in 39 countries and is one of the largest humanitarian cluster munitions and mine clearance organizations. NPA has more than 9500 members organized in local branches all over Norway. First aid, mountain rescue services and emergency aid are important components in their work. Other focus areas are the running of reception centers for refugees, voluntary activities for the elderly and disabled as well as the work against racism.

On the international level, NPA has commitments in more than 30 countries. Local competence is the key for sustainable projects. That is why they always work through local partners and with local authorities.

The work of Norwegian People's Aid (NPA) has altogether four pillars:

- Work against oppression, poverty and unfair distribution of resources.
- Fighting racism and discrimination.
- Working for gender equality and against violence and abuse
- Prevention, promoting voluntarism and building competence.

NPA is one of the leading organization worldwide in humanitarian mine action. They have actively promoted the international treaties banning landmines and cluster munitions. NPA is also supported by five major statements.

- A fearless organization with strong opinions
- Result oriented and solution focused
- Standpoints based on knowledge and experience
- Challenging power and injustice in collaboration with vulnerable groups
- Undertaking solidarity in practice-not charity

4.2 Norwegian People's Aid (NPA) International Leg

Internationally the activity of Norwegian People's Aid (NPA) is divided into two parts i.e Mine action and long term development.

4.2.1 Mine Action

Since 1992, Norwegian People's Aid (NPA) has become one of the leading NGOs in the field of humanitarian mine action, undertaking programs to battle mines and ERW (Explosive Remnants of War) in a total of 25 countries worldwide. Currently NPA is working in 18 affected countries; NPA is one of the major global NGO contributors to reduction of the world wide problems created by landmines and ERW, spending more than USD 30 million annually on this activity alone.

NPA's major approach to the problem of landmines and ERW is to Implement humanitarian demining and cluster/ERW removal programs, support to national mine action structures of affected countries as well as providing political, methodological and technical advocacy work to influence the development of this field of humanitarian assistance.

These above mentioned approaches are considered by NPA as mutually reinforcing and synergistic activities that in the most effective way address the humanitarian and political objectives and ambitions of the two core frameworks for our work, namely the Mine Ban Treaty of 1999 and the Convention on Cluster Munitions of 2010.

NPA is currently also in process of defining its role in an overall initiative to address the general use and availability of explosives in the world.

4.2.2 International Development

In International Development program NPA mostly work in the area of Democratization, lobbying with the government authority and providing emergency relief aid. A prerequisite for just distribution is that people have the opportunity to participate in and influence decision making. Development is not just about economic growth, knowledge or proper technical solutions. The most important factor is how power and resources are controlled and distributed. Therefore, the Norwegian People's Aid International Strategy is about strengthening people's opportunities to organize.

Mobilization and public debate are crucial in a democracy. Norwegian People's Aid focuses on the actors because what they believe is that mobilization is the driving force behind social, economic and political change. The issues that mobilize people may differ from country to country but focusing on the actors remains key to their work. Therefore NPA work in partnership with other local organizations and popular movements in civil society depending upon the countries where the programs are being operated.

Norwegian People's Aid is working for Norwegian development policy to focus more on the distribution of power and resources, including the imbalance between women and men. An unequal distribution of power influences who is listened to and what decisions are taken. In this work NPA partners in over 20 countries, in Africa, Asia, Latin America and the Middle East, play a key role. Norwegian People's Aid cooperates with a number of Labor organizations (The Norwegian Confederation of Trade Unions) associations in political lobbying of Norwegian authorities.

They are also focusing on providing relief and emergency services to the people in various countries where the people are affected from various natural disasters and are in need of food and medicine.

4.3 Summary

The Norwegian People's Aid (NPA) is one of the leading Norwegian humanitarian organizations in Norway. NPA embraces the values of solidarity, unity, equality and democracy as its guiding principles and is a politically independent membership organization.

NPA main vision is 'Solidarity in Practice'. NPA aims to improve people's living conditions and to create a more just society, undertaking political advocacy and practical supportive work. It is involved in humanitarian activities both nationally and internationally. NPA has two major legs in national level i.e. asylum and integration and rescue services whereas in international level they are involved in mine action and international development.

CHAPTER 5: EMPERICAL FINDINGS

The main objective of this chapter is to present the information gathered from NPA Head office, Oslo. I had gathered the information about the performance measurement in NPA along with the major challenges being faced on NPA. As my research is completely based on the international programs of the NPA I had gathered information by conducting interviews with the head of international programs as well as other related departmental heads. The collected information is also partially based on the study of organization performance review and other related documents as secondary sources.

5.1 Performance measurement in Norwegian People's Aid (NPA)

As I have already discussed above NPA is currently focusing in four major areas i.e. two in national level and other two in international level. All the four parts have their own identity and are completely different with each other. The organization structure of every single program is completely different. The performance measurement of NPA as a whole can't be measured by the single system. It is a difficult job to put every program into the single system as the program is different by their nature size and the format.

As my research is focused on performance measurement of NPA based on international programs I will be discussing about the performance measurement carried in international programs and will not touch the national programs.

International program has two different legs in NPA. As these two programs are completely different in nature they have their own organizational structure and has their own performance measurement. International development programs are seen to be using result based planning and monitoring system whereas mine action has their own performance measurement system based on the internal rules and standards of mine action.

In the case of NPA, as performance measurement differs from one leg to another it can be understood differently from the viewpoints of both the heads of international programs

5.1.1 From the perspective of International Development Department

Performance measurement is essential in humanitarian organization. Organizations who want to see results in advocacy, empowerment or mobilization, have for decades been discussing

how to measure the performance, monitor the program and describe the changes in these areas.

Performance measurement in international development program is not same like that of Mine action program. The results of mine action program are more quantifiable compared to the result of international development programs. It is easier to measure the number of mines cleared in certain square foot than that of finding the empowerment of women in Sudan.

According to Head of monitoring/evaluation,

'So far we have not been very successful but we keep the track of activities by counting for example the number of workshop held, and the number of participants. This is the important information in Performance measurement as it justifies budget spend and activities completed.'

But the major thing in performance measurement is that it is very easy to measure the quantitative result that is tangible in nature but the main difficulty is to measure the unquantifiable result that is intangible in nature.

Norwegian People's Aid (NPA) understands a result to be

'The changed situation for the target group/organization/partner after activities has taken place.'

When civil society organizations improve infrastructure or health services, they report tangible results that are easy to measure and to describe. For example after earthquake, bridges and buildings are reconstructed, schools stand complete with blackboards and are filled with children and teachers. It is a very easy job to measure the performance regarding such a project. The donors can easily be made understand the nature of the result, the challenges and the progress. But today's result in NPA development programs is mostly 'intangible', more unpredictable than planning to build a school and they are far more difficult to measure.

According to Head of Monitoring/Planning,

'How can a result such as women in 11 communities have been empowered be made more convincing? Even though we cannot take pictures of empowerment, like that of

school'. So it is really a challenging job to measure the concrete and actual performance in development programs'.

Performance measurement is crucial in development organizations because donors are in need of good results. NPA should be able to justify what they do and why they do it, every donor is curious to know what is going on in the program. Performance measurement helps to see what the people learn *i.e. result*, not only the strategy or the idea behind operating the program.

Performance measurement will also help to find the complexity of whole NPA program because they are so different in nature, they have the same strategy but produce different results and that is very important to get the differences and complexity out.

According to the Deputy Director of international program,

'Performance measurement is solely guided by performance indicators. The major difficulty in measuring the performance in long term development is to find the correct indicator which gives the concrete result and we are still working on it to find the exact indicator.'

According to the view points of officials of International development program, performance measurement should be done by individual programs. NPA head office is not developing one size fit system that is fit to all programs because NPA has completely different programs and different partner organizations and capacity of the people are also different. So the major concern of NPA regarding performance measurement is that it should be simple and must be guided by simple key performance indicators.

International development program are mainly focused in the organizational development works which is difficult to measure and has lack of well defined criteria as for e.g. it is very difficult to measure the capacity. The programs results are not quantifiable if they tried to do this than the result may come in the wrong way. It's very contextual because using the same performance indicator the result of one country may not be same with other. The indicators for one country may differ with other.

Result based planning and monitoring system

The idea of result based planning and monitoring system was first developed by United Nation Organization (UNO). The result based planning and monitoring system aims at setting out clear expected results expected for program activities, by establishing performance indicators to monitor and assess program towards achieving the expected results and by enhancing accountability of the organization.

NPA was seen to be using logical frame work analysis before the use of RPM but due to its advanced setting and the need of experienced personal it was later phased out by the organization and later RPM was started. Currently RPM is used by the number of countries and partner organization which is mainly focused on the results and its impact.

Result based planning and monitoring system is guided by the five major result chain i.e. input, activity, output, outcome and the impact.

According to the Head of M&E,

‘ All the links in the result chain are important in program work but in Result based planning and monitoring (RPM) special attention should be paid to making information in the outcome link more specific, realistic and concrete, when planned results at outcome level have been formulated clearly, information to fill the other links will come more easily. ’

NPA was seen focusing more on impacts than that of output. An output can tell us about a group of people’s physical presence at the workshop which is regarded as important information to monitor and to record in order to assess the performance of the organization. But it remains silent about its impact in long run because the recorded output does not say anything about the quality of participation or whether the workshop played any role to them for their internal development. A workshop might in the long run lead to heightened awareness and changes in the way that the community leaders do their job in the future. Qualitative monitoring can only say us anything about the kind of changes we are looking for and about the process.

The head of M&E further discussed that we should always go beyond the output to get the concrete results.

'When working to identify results, outputs must be documented, but measurements must go beyond activities and output. We should always look for the short term and the long term consequences of activities. Outcome statement in the plan and report should be clear and concrete specifying the time frames and target groups.'

She also further discussed about avoiding the generalized and standardized statements and instead of that simple and clear language should be used so that every stakeholder can understand the result. She also focused on avoiding the negative results.

'Reports should avoid generalizing and standardizing statements (like: the project experienced serious setbacks), but we need to specify or give examples of these setbacks. We should end the culture of hiding the negative results, even the results are negative it must be recorded, reported and later analyzed because these kind of experience are best source for learning and improving next time.'

During our conversation we also discussed about the difference between the expected result and the planned result. A plan is generally based on professional estimates and qualified guess work, since it looks into an unpredictable future. A plan may therefore be bit general. However the report at the end of a planning period must reflect what took place or the changes and also how the particular changes were dealt with? She further clarified that,

'The report should always demonstrate that systematic monitoring has taken place throughout the reporting period. If the report merely repeats the same phrase as plan, this may signal that the program was not monitored and that the report produced is a product of cut and paste desk job and it does not pick up the changes.'

5.1.2 From the perspective of Mine Action Department

As both the international programs operated under NPA are different in nature, the program measures their performance in different way. Mine Action performance measurement are bit quantifiable compared to that of international development programs.

According to Head of Mine Action,

'Performance in mine action is measured in different way than that of international programs because we have our own performance measurement indicators'.

Performance measurement is guided by the proper monitoring of projects and programs. In the case of mine action monitoring of projects plays a great role in measuring the performance of the programs. As the mine action is completely based on the international rules and standards regular monitoring is essential in the mine action program.

He further added,

'Mine action has its own monitoring standards. We on the regular basis are doing cross country monitoring missions and are composed of team from various programs. If we are going to monitor Jordan for instance than we could easily set down a monitoring team that comprises the peoples from both lands i.e. from Africa and South East Asia but lead by the monitoring coordinators from Oslo that goes in Jordan and have look on technical and practical set up, administration and performance reporting'.

Performance measurement is dependent upon the performance indicators. Performance can only be measured correctly if the right indicators are being identified. In the case of mine action program the major question is which level of performance is considered high. In the simple way if they need to response the normal guy in a street about the performance of mine action, that will be 'we have cleared certain number of landmines in certain area', this answer clearly makes the normal guy understandable about the results and performance of mine action which can easily be measured in quantifiable terms. But the major concern is which level of performance is considered best? The donors are in required of good result; their major focus is on the number of landmines cleared.

He further added,

'The whole problem of landmines is often perceived as a problem as there is no any strategical and tactical reason behind the emplacement of landmines. For e.g. in the landmines area large people are killed, we spend millions of dollars and perform the landmine clearing activity and at last we came to conclusion that there were just two

landmines in that large area, now to put that result into report is very difficult thing as the result will be that by investing millions of dollars the outcome was just finding two mines, now this is very hard job to convince the donors about the result’.

The performance is measured in the quantifiable way but it is the hard task to put that into the form of report and convince the donors about the results. So the most important thing is to continue to educate the donors that the most important thing is to release land and get an action as fast as possible in the mine fields.

5.1.3 Performance measurement from the perspective of HR Department

The actual performance of the organization is not only measured from the activities performed by the organization but is also dependent upon the performance of the employees working in the organization.

In the case of humanitarian organization like that of Norwegian People’s Aid (NPA), volunteers are also the major part of the organization. The active performance of the volunteers also directly affects the performance of the organization.

Norwegian People’s Aid (NPA) has no any special HR software or the performance measurement system designed to measure the performance of employees but has developed their own system for the performance measurement of the employees working in NPA.

According to the Head of HR,

‘We have developed our own system which we have installed in our head office and the member countries, we generally measure the performance of our employees every six months, regarding the employees of Oslo we talk them individually and regarding the local staff of member countries the country director is responsible to have interaction with them and report to head of department.’

He further said that the responsibility of HR department is to go through the performance sheet of individual employees and see how they have performed. If the employees are seen to be working according to the contract and fulfilling the desired expectation than the job contract are further renewed and if the employees are seen not performing properly and are

breaching the contract than they do not renew the job contract further. But it doesn't have that often in NPA.

NPA are also seen to be providing special training and knowledge according to the need of activities and nature of job of employees. He further said that

'As we are engaged various activities in NPA we are doing personal administration, measuring and training people in more formalized way and guiding them () up'.

5.2 Norwegian People's Aid (NPA) Organization Growth, Strategy, Size and Structure.

As NPA is engaged in various national and international activities NPA is seen to experience the rapid growth in its activities. In 2011 NPA had a total turnover of over 800 Million Kroner Here in this study the researcher will only discuss about the growth based on international department. The growth here in this research is evaluated on the previous data of last five years from (2007-2011). In the year 2007 the total turnover was 362 Million NOK and in 2008 it increased to 381 Million NOK the growth rate was just 5% but the year 2009 got excessive growth in the NPA i.e 495 Million and that was 23% more than that of 2008, in 2010 the growth was negative by 6% but in 2011 there was a rapid growth of 19% i.e 570 Million NOK. The cause of growth was introducing additional program in development works and that has forced NPA to change its overall management control system. Because of the change in control system now NPA has phased out the development program from some African, European and Latin American countries, the international department downsized its organization structure and focused on the limited project. If we see the process of distribution of Budget in NPA than we can find that 89% of the total budget goes on to the development works, 8% goes towards obtaining new funds and the remaining 3% goes on administration cost.

5.2.1 International Strategy

The international program of NPA is guided by the international strategy which is made once every four years. The international strategy is drafted by the heads or the related departments of international programs and is finally approved in the general assembly of NPA which is held once in every four years. The international strategy of (2012-2015) got to see certain changes comparing to the previous one.

Regarding development of strategy Head of Strategy/Planning said that,

'The individual departments indicates what's the strategy from the thematic side of the organization and the strategy is also consulted with the development department and then are decided by the management and the board of NPA'.

NPA is required to carry their activity based on the framework approved by the board of directors in the general assembly.

As coded in the International Strategy 2012-2015,

'NPA has a political approach to development and will always promote democratization and equal distribution of the resources'.

Regarding the difference between 2012-2015 Head of Strategy/planning further said,

'There are certain changes in the new international strategy of NPA, NPA is facing excessive growth especially in international program i.e. mine action and development works, so now we are downsizing the organization so that we can focus on limited projects'.

NPA recognizes that the national and international institutions and development policies are shaped in the dynamics of contestation and negotiation between different interest groups and societies. NPA considers organization building to be fundamental for democratization and will strengthen people's right and possibilities to organize and participate. Organizations are crucial for oppressed and marginalized people, to voice their interest and concerns collectively, challenge political power structures, propose alternatives, negotiate with power holders and elect their own representative.

NPA is also concerned with political and economic structures that uphold inequality. NPA views it vital to reduce the gap between rich and poor, and between men and women. NPA pays particular attention to the control over and distribution of resources, including land and natural resources.

Regarding the mine action program NPA has always been involved in mine action at two levels i.e. through practical operations in the field and in political advocacy work at global, regional and the country level. NPA mine action program is currently focused on achieving two major objectives in long run and short run i.e. Mines, cluster munitions and other explosive weapons will no longer expose civilians to unacceptable risk or prevent economic, social and political development and NPA remains a catalyst that ensures that all stakeholders work in a coordinated fashion for increased quality, impact and more cost efficient release of possible ERW affected land.

On the basis of the above defined long term and short term goals NPA has defined its international strategy for mine action. NPA major strategy is to play an active international advocacy role will run operational programs in ERW affected countries, with focus on cost effective land release and capacity building of and support to national authorities, as well as stakeholder coordination both in the countries in which NPA operates in the global level.

5.2.2 Organizational Size

The organization size has been increasing, as the international legs are having a rapid growth. Due to its increasing size NPA growth is being increased and the NPA is having trouble to handle this effectively. Now they are trying to downsize the growth so that they can focus in the limited project. According to HR head,

‘We are 110 people in Oslo headquarters and that is too many so we are trying to downsize the size further in 2012’.

The organization size directly affects the performance of the NPA and now the management is seen to be more aware in decreasing the size of the program and focus on limited countries. The international program in long term development has reduced its staff from 19 to 15 recently.

According to the Deputy Director of International development,

‘We have tight budget and the turnover of NPA is about 815 Million NOK. We are not supposed to have surplus neither we are supposed to use more. As donors are paying us to work internationally we are not allowed to save the money like that of profit’

oriented company, we need to finish all the money for that entire project so it is tricky to steer the organization and that is one of the major challenge for us.'

NPA is currently working in 30 countries around the world including Norway. There are altogether 2500 peoples employed in NPA in which 110 peoples are employed in Oslo Headquarter and remaining are employed in other countries. Mine action covers the 80% of the total employees whereas remaining 20% are employed in other areas. According to HR Head

'NPA has started mine action program with 30 Norwegian and European employees from 1992 and now it covers nearly 80% of the total employees of NPA'. So if we see the data of last 5-10 years the number has really seen to be increased, but we are focusing on downsizing the size of the project by decreasing number of employees.'

5.2.3 Organization Structure

Norwegian People's Aid is guided by its organizational structure. NPA has two types of organizational structure i.e. political structure which is headed by the board of directors , under them we have general secretary, top management and department heads whereas other structure is dependent upon the nature of programs/projects of NPA.

Every individual programs/projects of NPA has its own organizational structure. Here I will just try to elaborate the organizational structure of international program as my research is based on it.

International development Program has decentralized organization structure. According to deputy director of International development,

' In long term development the working procedure is different and the organizational structure is decentralized, the decision is not guided from the head office, the country directors are required to make their own decision, depending upon the needs and requirements of program/projects in the respective country.'

As the international program is operated outside the countries and are headed by the country director they are required to make their decision depending upon the needs and requirements

of program. The country director is required to have a good communication with the partner organization and is required to work alongside with them. Later the country director should report the outcomes and results with the head office.

Mine action program is completely a different story and they have their own organization structure. It is more like that of military structure and is centralized. It is centrally focused from head office under the well defined procedures and guidelines.

According to the Head of Mine Action,

'The practical activity of the mine action is strictly regulated by international standards and its dangerous, high risk and complex based on number of staffs. The element of control is strictly important and the way that we have solved the challenges related to the control of span is that we have various advisers in mine action department who directly follows up the mine action managers in field'.

As the mine action is completely a dangerous program having lots of risk it is centrally guided by the head office under the defined rules and procedures of International Mine Action Standards in Norwegian People's Aid (NPA).

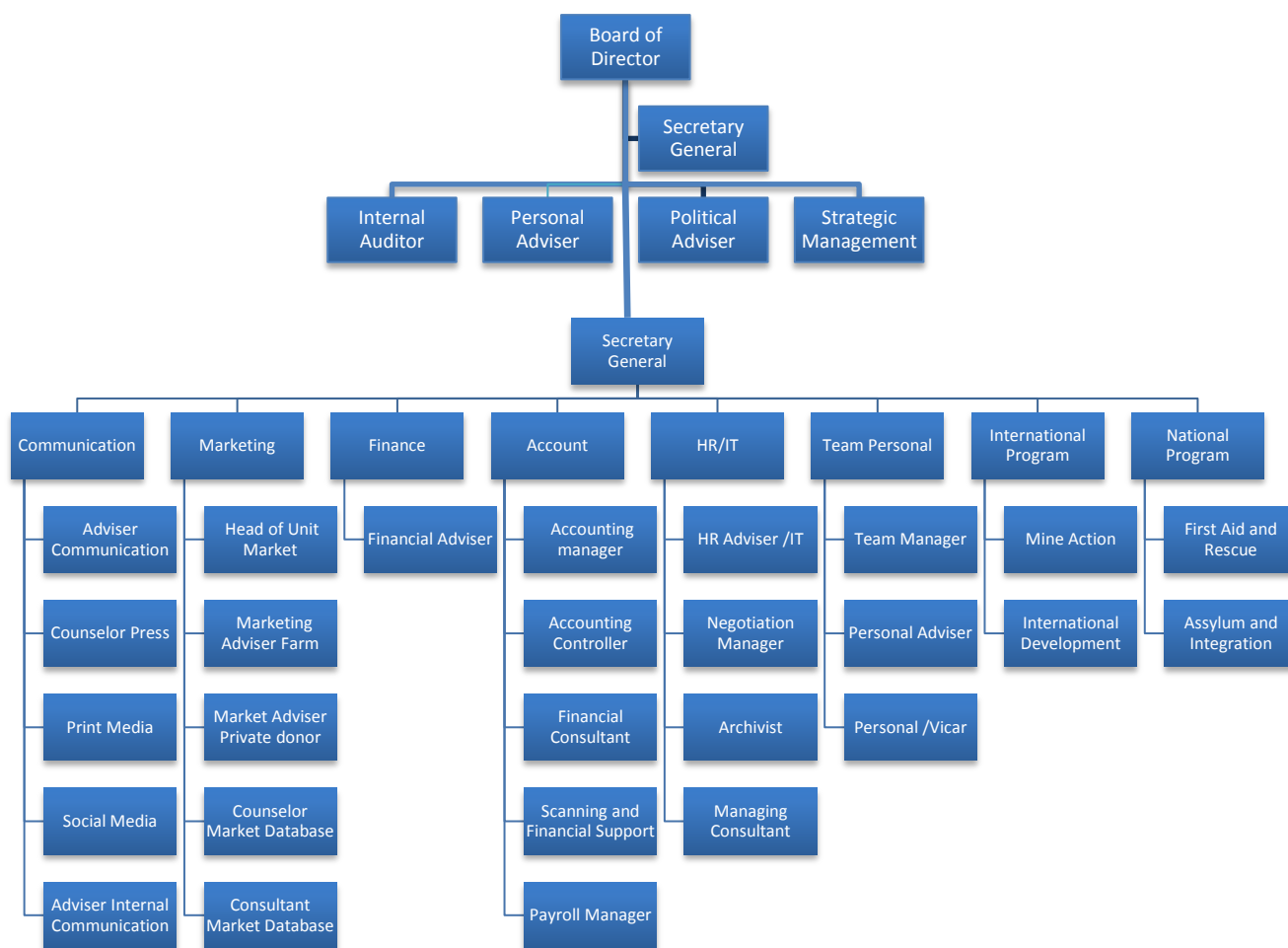


Fig 5. Organization Structure of Norwegian People's Aid (Based on Interview Data and website of NPA) www.npaid.no

5.3 Performance Reporting in Norwegian Peoples' Aid (NPA)

Norwegian People's Aid (NPA) is currently working on two major projects under international program i.e. International development and Mine action. Norwegian People's Aid (NPA) is volunteer based and Non Governmental Humanitarian organizations and is fully supported by the private and government donations. NPA has donor both outside and inside of country. The total turnover of NPA was nearly 800 Million NOK in 2011. The biggest donor of NPA is Norwegian agency for development cooperation (NORAD). It contributes more than 35% of the total budget of NPA. Alongside NORAD other major donors are Norwegian Ministry of Foreign Affairs (MFA), US Department of State, German Federal Foreign Office and the Dutch Ministry of Foreign Affairs.

NORAD is the main donor of international development program and Norwegian Ministry of Foreign Affairs is the main donor for Mine action alongside mine action program is further

supported by US Department of State, German Federal foreign office, Dutch ministry of Foreign Affairs and more than 20 other private and public donors.

Performance reporting system varies from one to another donor. NORAD has defined its own criteria for performance reporting while MFA and other donors have their own requirement for performance reporting my NPA.

First let us discuss about the performance reporting system of international development programs after that I will further discuss about the performance reporting of Mine action.

As NORAD is the largest donor of long term development program, NPA is entitled to report NORAD about its performance. Annually NPA gets nearly 115-130 million NOK per year for about 4 years. NORAD allocates the budget to international development program directly on the basis of frame agreement done with NORAD and NPA. The frame agreement last for the period of four years.

The deputy director of international development further clarified that,

'We have the big frame agreement with NORAD which last for four years, the frame agreement clearly specifies about the activities needed to be performed by NPA and the amount of budget allocated for the concerned project.'

In the long term development program NPA report to NORAD on the annual basis. First of all the big application is drafted to the NORAD which describes the projects/programs and the required budget needed to accomplish that program after that NPA has frame agreement with NORAD.

He further said that,

'We have to report NORAD on the basis of our strategic plans and the reporting is done on the month of June every year.'

Every June NPA requests the country director to send their performance report and after that the reports are compiled and send to NORAD. It is the written qualitative report along with the budget and the audit report of each country along with the final audit reports of the NPA headquarter in Oslo. NPA send all the specified report on annual basis and at the end of four

years the big report is send to the NORAD summarizing all the activities done by NPA during the period of four years.

Performance reporting is regarded as one of the complicated task and the results are used by the donors to evaluate the performance of the organization.

The head of monitoring/evaluation clarified that,

'NORAD is very flexible in reporting as there are many things which is not understood by them properly, as it is the qualitative report it is very hard to clarify everything in the understandable form but NORAD is quite flexible and supportive in this matter.'

In the case of Mine Action the performance reporting system is bit tight as the program is not only supported by Norwegian donors but the international donors are also equally associated with the mine action program.

According to the Head of Mine action,

'As we are associated with more donors we have variation in the reporting system, we have locally 60 percent of the turnover from mine action with the frame agreement with Norwegian Ministry of Foreign Affairs which is a good shadow because it gives the predictability and flexibility we need and remaining 40 percent is contributed by the other international donor agencies.'

The performance reporting to MFA and other international donor agencies are solely based on the requirements and a criterion's defined under the frame agreement with the donors. As MFA is local and government ministry, comparatively they are little flexible than that of international donors. The major requirement of the international donor is the performance and the result of the concerned program/project. They are always in need of better results, if the results are achieved under expectations they will stop funding the project.

The Head of Mine Action further said that,

'Last year we have annual allocations from MFA which was quite a tough case to have a to have a long term settings but the new frame agreement from 2012-2015 is

more strategic and predictability but the reporting in frame agreement is also predictable'

Regarding my question about the flexibility of reporting to MFA and other international donor he further clarified that,

'When we present our plans to MFA with detail information regarding how we report and what we will report on, we have frequent consultation with the MFA on these issues but when we talk about international donors we can find the tricked strong variations in how reporting must be done.'

Since the mine action is so concrete it is easy to outline the performance indicators and base line to produce and also it's easier to measure progress in mine action as compared to long term development, so it's very easy to say that they have defined very strict reporting procedures.

He also further discussed about the limitation in frame agreement with international donors regarding reporting he said,

'Especially from the international donors the frame agreement wouldn't fit into the strict reporting skim to some sense it is but the consultation and dynamics between us and the MFA frame agreement is extremely good so it's even easy for us to resolve the fluctuation or problems in meeting the set goals that we can even pick up the phone and inform the ministry and get the instant feedback regarding how to deal with the particular issue.'

And my question regarding the access to talk with ministers about this issue he further said that

'Norway is the small country and we have very short distance with the bureaucracy and the civil society, so we are in the position to pick up the phone and call the secretary of state or the ministers and I think that it is the good thing because instead of sitting and having mess up with the problem we can correct it.'

5.4 Need of Performance Measurement in Norwegian People's Aid (NPA)

Norwegian People's Aid (NPA) is completely a humanitarian volunteer organization whose main objective is to provide humanitarian service. NPA is fully dependent on the donors and it's their sole responsibility to provide them information about the performance of their diverse programs/projects. The donors are always in need of good performance and the transparent results.

According to Head of Strategy/planning,

'Performance measurement in NPAID is crucial as it plays a great role in showing the actual output of the organization and I think all humanitarian organization must follow this system so that we can be more transparent with donors'.

The Head of International development said that,

'Performance measurement is important in NPA but it's very hard to measure the impact of the program in long run. It's really very complicated job to pinpoint the outcome as we are working with local partner organization but we are trying our best to find out the correct performance indicators and make it more transparent'.

NPA is currently running various workshops in partner countries regarding performance measurement. NPA is making aware to all the country directors by providing them training and knowledge about selecting the performance indicators and follow the result based monitoring and planning system to monitor and measure the performance.

The Head of M&E further clarified that,

'The NPA has the result agreement with the country managers and they have to present their performance results once in two years'.

NPA is seen to be directing the heads of international program to strictly measure the performance of the programs, as the donations from donors are dependent upon the output and the impact of the result. If the performance of the programs is high than it will create positive attitude to the donors and will be easier to convince them about the new projects and programs.

As NPA is running two different programs of different nature, the organization structure of the programs also affect the way of measuring the performance, in case of Mine Action as it is centralized the department have total access to the programs they can directly monitor the performance of the program and can interfere if necessary, but in international development the story is bit different, because of the decentralized organization structure the international development department can't have the direct access to the programs; they have to go through the country director and are fully dependent on the reports of the director.

The Head of Mine Action focused on making the ambition, goals and objectives of humanitarian organization more concrete to get the better result.

He further said that,

'I think not only NPA but all the humanitarian organization should work much harder on making their ambition, goals and objectives more concrete so that they can increase the level of their performance'.

5.5 Key Performance Indicators (KPIs)

Performance indicators are the base for measuring the organizational performance. The selection of right indicator determines the actual performance of the organization.

As both international programs of NPA vary with each other, both have defined their own performance measurement indicators. International development program has developed their own performance indicators. International program has varieties of performance measurement indicators which differ according to the context. The performance indicator used in one country may not be same as other because the nature and context of program in one country may be completely different than that of other because the results are somehow intangible in nature. Mine Action performance indicators are bit technical and are guided by international mine action standards.

5.5.1 From the perspective of International Development Program

According to Head of M&E,

'Indicators are the footprints that show how the project is moving and signs that point towards progress or change of program or the projects'.

She further said that NPA is involved in various international development programs so it requires indicators for the outcome level only,

'Some donors require indicators for objective, outcome and output levels. NPA recommends indicators to be worked out for outcome level only. The reason for this is that indicators at objective/impact level tend to become broad and immeasurable, and often overlap in content with the outcome statement. Indicators at output level are in effect often merely for quantitative element from output statement.'

NPA is currently running various development programs in number countries i.e. in Africa, Europe, Latin America and some parts of Asia. The programs run by NPA for international development varies from one country to another depending upon the resources and the capacity of the program leader. So the performance measurement indicator is different depending upon the context. As NPA thinks that the indicators must be determined by individual country directors depending upon the model used by the partner organization. Both the NPA country program and partner organization has the same performance system so that the indicators can be properly fit in that system.

Regarding this issue she further clarified that,

'The selection of performance indicators can be discussed in every context, the ability of organization to communicate between leader in the base and the people at the bottom, if there is good communication and the capacity of the leader to delegate can be measured, then of course we can find the indicators within the capacity and we need to observe how best we can use that in the particular country, in particular program and the group of people because it is all about relationship.'

She also further outlined the indicators which she had developed with the country director in Latin America,

- Unity of the organization i.e. relationship between the grassroots and leadership
- Political coherence measuring looking at the political identity of the organization on how they made the strategy for equal treatment for men and women.
- Technical and administrative capacity for organizational development.
- Capacity to mobilize others.
- Capacity to negotiate on the larger groups agenda
- Identify related actors in the context
- How the organization is functioning in the context.

5.5.2 From the perspective of Mine Action Department

According to the Head of Mine Action Program,

'Mine action program is very expensive and complicated work carried by humanitarian organizations. Mine action program should be carried following the specific rules and standards specified in the International Mine Action standards.'

The performance measurement is bit easy in mine action compared to the international development program because the results are easily quantifiable. The performance measurement indicators are developed depending upon the rules and regulations for mine action determined by the Internal mine action standards.

The most basic performance indicator for mine action is the number of mines cleared in the respective land.

According to the Head of Mine Action,

'The major performance indicators for the mine action will be the square meters that you have cleared and that's not easy as well, in some instances we spend lot of money to clear few square meters.'

He also further said that it's very hard to clear mine action in short interval of time is nearly impossible because the available technology can't allow us to do it faster, it takes long period of time to clear less areas. The mine action team can clear about 20 square meters per normal day.

Another major performance indicator in Mine Action program is reduction of accident and fatalities.

He also discussed about the social and economic indicators for measuring the performance in mine action that quantified the minefield village.

'Social and Economic indicators also play a great role in measuring performance in mine action. As for example, what are the dollar changes to the situation in regard to the food production, people getting easier access to the markets and lots of social and economic indicators that were on to these situation where we could produce figure on improvement.'

He also explained about the problems in reporting about the actual performance to the donors as every result is hard to put in the report, its bit complicated to get the concrete performance result.

To clear this statement he further said,

'We can find large perfect situation where we will have the minefield that is being defined. We can have the definition of the problem from the outset where the mine field is being defined,i.e this is minefield having certain square kilometers stretching from that side of the port, clear it and you will get the solid and quantifiable result, and then we send this result to the donors but the main problem is the minefield could be in the border area where no any people resides now it is very hard to calculate the concrete result, because according to donor mine action cleared is compared to number of lives saved.'

So, performance measurement in mine action can be somehow quantifiable but it is very hard to convince the donors regarding the calculation of concrete result.

Some of the major and general performance indicators for both the programs can be seen below:

PERFORMANCE INDICATORS	International Development	Mine action
Qualitative Indicators	Descriptions of the program, subjective views, opinions, observations, changes in behavior of participants, attitude, actions	Productivity of cleared land mine area.
Quantitative Indicators	The number of workshop held, the number of people who participated in programs, the number of days the program held.	Number of landmines cleared, Total Square meters of land cleared, Number of life saved, Number of families rescued.

5.6 Donor Dependency

The major objective of this topic is to explain about the sources of funding and the accountability to the donors. Accountability is crucial in humanitarian organization because the donors have right to know about the performance of activities of the organization and the explanation of action.

Norwegian People’s Aid (NPA) is a humanitarian organization supported by number of donors. The major donor of NPA is NORAD who contributes more than 35% of the total budget. Norwegian Ministry of Foreign Affairs (MFA) is the second largest donor of NPA. Along that US Department of State, The German Federal Foreign Office, The Dutch Ministry of Foreign Affairs is also the major donors of NPA. NPA is also operated by the donation of private and public companies of Norway as Statoil Hydro, Skatkraft, Norwegian Labor Union, COOP and other numerous donors.

In the case of NPA both the international programs are supported from different donors. The activities of international development are fully supported by NORAD whereas Mine Action program is supported by MFA, US Department of State, The German Federal Foreign Office, The Dutch Ministry of Foreign Affairs and more than 18 other national and international donors. As Mine Action is the most expensive humanitarian action it is supported by majority of donors.

The allocated budgets are spend in administration and the cost of operating the program/projects. In the case of International development program NORAD is the main donor and the fund is directly given to the international development program and later the fund is allocated to the related department and the partner organization. The amount of budget allocated is dependent upon the frame agreement between NORAD and NPA.

In the case of humanitarian organization like that of NPA the fund must be fully utilized under the specified program/projects. As for example if NORAD funds 10 Million NOK for the purpose of women empowerment in Nepal than the fund must be totally utilized for that project, NPA is not allowed to save the surplus amount for other projects.

According to the International Development department,

'We are not supposed to have surplus neither we are supposed to use more. As donors are paying us to work internationally we are not allowed to save the money like that of profit oriented company, we need to finish all the money for that entire project so it is tricky to steer the organization and that is one of the major challenge for us.'

Norwegian People's Aid (NPA) are also involved in various social activities to collect the fund, beside that COOP is a key, long term supporter of NPA and had increased its annual contribution to NPA projects to 1.5 million kroner in 2011 from 8,50,000 kroner in 2010. Customers can choose to give deposits returned on the bottles and cans to the Coop solidarity fund. Norwegian People's Aid given a high profile on the bottle return machines and receives monies towards its work from solidarity fund.

Norwegian People's Aid (NPA) is the City Run's humanitarian partner. The City Run is a 10 km fun run which takes place in Oslo every spring. In 2011, over 8,000 participants ran through the streets, many taking the opportunity to make a contribution to NPA mine work. Coop was also involved, running on behalf of NPA mine work during the race.

5.7 Performance Evaluation of International Development work by NORAD

According to NORAD Report 6/2012 review NORAD has commissioned the major review of the NPA's development work. Here I will try to summarize the evaluation report in brief. NORAD has mainly focused on the organizational performance and the capacity of the NPA

to provide effective aid. The performance review found that the NPA was flexible, dynamic and effective organization sustained by two core values i.e. international solidarity with marginalized groups and the necessity of the political change. According to the report the strategic mission and the objectives may have been clear, but the NPA according to the review still had some way to go on implementation. The focus should be sharpen and further strategic decisions be made. The NORAD review also found that the NPA had good partnership policy compared to many other NGOs and had come a long way in its thinking regarding consequence of partnership. The reviews also find that NPA may have too many partners, and does not distinguish sufficiently between strategic and project partners. It also found that there was lack of substantive dialogue between the NPA and the partners which resulted a problem regarding avoiding difficult and the sensitive issues. The review also found that the approach to organizational development of partners could be systematized better and strengthened i.e what the NPA presents as capacity strengthening was only scratching the surface of organization change.

NORAD has also provided certain recommendation to NPA after the evaluation of their activity. NORAD suggested NPA to revise its global and strategy policy by differentiating them between policy and strategy in order to focus on rights based approaches to development, partnerships, a political solidarity perspective, and a maximum on three thematic areas. It was also considered important that the NPA maintain its flexible and responsive support and ability to adapt goals and means to specific contexts. Finally, the NPA needed to explain and clarify its multiple objectives and different approaches and working method.

(Cited from the Performance Review Report of NORAD 6/2012)

5.8 Performance Evaluation of Mine Action Program by NORAD

According to NORAD Report 6/2009 review NORAD has commissioned the major review of the NPA's Mine Action Program. . Here I will try to summarize the evaluation report in brief. The evaluation report of NORAD was mainly focused on the various activities under mine action as landmines survey and assessments, humanitarian demining i.e manual, mechanical and using mine detection dogs, cooperation with and capacity building of relevant national authorities/local personnel, development of new methodologies and techniques of mine action reports and the overall management issues of mine action program. The evaluation team has found that the application and development of a variety of surveying tools has increased the

effectiveness and efficiency of NPA operation. The introduction of land release concept has in most cases reduced the suspected hazardous areas and hence focused on the use of resources on significantly smaller areas than prior to the introduction of the land release concept. NPA has clearly demonstrated itself into world class competency in continuously refining and improving the survey tools and combining them in effective ways. The evaluation team finds that the Task Impact assessment approach developed by NPA is potentially a highly effective instrument for accessing the impact of mine action programs, but is currently not being utilized to its full potential. In relation to the land release, NPA has taken a leading and innovative role in seeking to constantly improve the methodology to enhance the quality and peace of land realized. This evaluation found that NPA is doing mine action activities with considerable success and has gained respect from the national authorities in the program and in mine action community at large. NPA is one of the leading actors in the mine action community and a globally recognized brand.

The majority of the programs analyzed by the team showed NPA is not only a leader with regards to integration of several types of technologies but also an organization who keens to share its understanding with the mine action community. NPA has demonstrated itself not only through its commitment to internal development but also through its commitment to being part of a boarder contribution to improving mine action through membership and contribution to concept development groups within mine action community.

NORAD has also provided various recommendations to NPA after the evaluation of their activity. The team recommends that the Mine Action department should initiate a process of organizational review and renewal with the objective of establishing a management structure which should fit according to its current size. The team also emphasized NPA to recruit the mangers having a socio economic background in addition to the managers having a technical mine clearance background. The team further recommends that the management and decision making structure should be reviewed and adjusted between headquarters and field and between mine action staff and country directors. NPA might also need to review and adjust the profiles of country directors to include more management and program expertise. Finally it recommends NPA that the entire system of objectives, indicators and log frame formats used in mine action department should be improved in terms of consistency and quality at all levels and that all staff are trained accordingly.

(Cited from the Evaluation of Humanitarian Mine Action of NPA's Report of NORAD
6/2009)

5.9 Role of Norwegian People's Aid (NPA) in strengthening civil society

NPA as a humanitarian organization has always seen to be playing an important role in strengthening the civil society. The information discussed below is based on the research done by NORAD. The researcher of this study has only collected information relied on the interviews from headquarters so this information is cited from the NORAD report to understand about the international partners in order to get information regarding NPA's accountability towards the civil society.

NPA had focused its strategy on strengthening civil society actor's capacity to promote a fair distribution of power and resources. NPA has always shown the strong emphasis on democratization, promoting participation and the right and possibility to organize program/projects internationally. The NPA partnership policy puts emphasis on the development of trust and open dialogue with partners respecting their agenda and leading role of partners. The NPA partner policy provides a framework for partner assessment and support to partner organizational development focusing on internal capacities i.e. technical and administrative capacity and external capacity i.e. capacity to influence have impact and made changes, capacity to relate and make alliance with other actors

The major output of internal capacities are strengthening administrative and planning capacities in the term of creating transparency internally in the organization as well as for the accountability to their member boards and donors. NPA also helped the partners in strengthening representativeness and political capacity by like organizing several workshops to discuss methodologies and approaches to political training and support to strengthen the functioning of local and international boards by organizing general assembly. The strengthen of internal capacities can be can be seen as a tool to achieve results in external environment.

NPA has also focused in strengthening external capacity of civil society by helping the national level organization of African countries to restructure their organization with impact at the national level. Two of the were Community Peace Building Network (CPN) and Housing Rights Task Force (HRTF). CPN organizes people and communities affected by eviction whereas HRTF address housing rights in urban areas. NPA has also helped in the

areas of crisis situations and has been supported a series of countries. NPA has accompanied partner organization by organizing workshops in order to analyze the political and human rights situation of the respective countries. NPA is also engaged in participation at local level in the community or in relation to municipal government. NPA has also worked with partner organization for democratization and redistribution of resources and to end the human right violations.

(Cited from Special NORAD Report/strengthening civil society, Link can be found in reference)

6.0 Challenges in Performance Measurement of Norwegian People's Aid (NPA)

Performance measurement is crucial in humanitarian organization like that of NPA but there are major problems and challenges that occur during the measurement of the performance. Again these challenges differ in NPA international programs. International development programs are decentralized and possess different challenges in performance measurement as compared to the centralized Mine Action Department.

We can discuss the performance measurement challenges in NPA depending upon the international programs operated by NPA.

6.0.1 From the perspective of International Development Program

As discussed above earlier, development works in international department are seen to facing many challenges while measuring the organizational performance. The major challenge for international development is to find out the concrete result. The outcomes and the results of international development are bit unquantifiable and intangible so it's very hard to get the concrete and pinpoint the result.

Regarding the challenge of performance measurement in international development program the deputy director said that,

'Performance measurement is really a challenging work in international development programs, we are working with locally supportive organization who is our partners. It is very hard to measure the impact of the program in long run. We are always pressurized by our donors regarding the measurement of performance but its very challenging job to get the exact and concrete result'.

He also further said that the method which they are currently following is very simple and somehow they are showing the result and convincing the donor but in reality it's not that easy to get the concrete result in humanitarian action because it is mostly based on the non financial measures.

'Increased political participation can be one goal for us, we support one organization for human right which we think is important for the development of society. If the particular human right organization is strengthen than we get something, but the main challenge is to measure the strengthen..How can we see that it's strengthen? We are measuring the performance here on the basis of being on newspaper and having the national meeting but its very complicated job to pin point the outcome'.

The major challenges of the performance measurement are identifying the right performance indicator. Performance indicators are the tools which help to find out the correct result. On the basis of the key indicators we can pinpoint the result. As the results of the development works are somehow intangible it is very hard to indicate the right indicator.

According to the Deputy Director,

'Performance indicators are essential for making the program/project meaningful. They help to ensure transparency, because they provide concrete facts about where we are on the on the path and wither we have achieved our desired goals and objectives, but the major problem to find out the exact indicators which can measure the performance because majority of the results are intangible'.

Currently NPA is organizing workshops in the partner countries regarding selection of right performance indicators so that it will be easier to get the concrete result.

Performance measurement of NPA is mostly dependent upon the performance reporting. If the performance reporting is clear and understandable than that can be a basis to measure the performance of organization. But the reporting system has also various challenges. As NPA is international humanitarian organization and are operated in more than 30 countries each

individual country director is responsible to report the head office and show their performance report.

The deputy director explained about the complication of reporting system saying that, *'Language is one of the major problems in the reporting system. Some of the people wants to make the statement bit complicated by adding difficult phrases and that is very hard to understand by the normal person, so currently we are facing difficulties in understanding the information from local partners because they have to write down what they have achieved'*.

The Head of M&E also expressed her viewpoint regarding the challenges in the measurement of performance saying that international development department are involved in various programs and they have lots of result so it's very hard to select the right number of result. She further said that,

'We are running various programs in number of countries and has their own result, NORAD wants maximum one or three reports per country and of course this is the selection issue, which is not the easy thing'.

6.0.2 From the perspective of Mine Action Program

The performance measurement in mine action is easier than that of the international development program. The concrete results can be obtained and it's easier to measure progress in mine action. Beyond that Mine Action program is also facing many difficulties while measuring its performance.

According to the Head of Mine Action program,

' Performance measurement in mine action is easier than that of international development as we are centrally organized and every activity is controlled by the department but it is quite challenging job for us as its very hard to generate the impact of the result'.

As discussed earlier Mine Action program is the expensive humanitarian program, millions of dollars are being invested to perform the mine action activities. It requires most advanced

technological equipments and mine dogs along with the skilled manpower. It's very time consuming and even to locate the mines from small area of land it consumes more time. It's very hard to measure the actual performance as sometimes we find small quantities of landmines by investing more time and huge amount of capital. And it's very hard to show that in the form of report to donors.

He further said,

'Donors invest huge capital and technology for the purpose of releasing the landmines they are in need of good output and result which can be quantifiable. But sometimes in the large area of land we just find two or three landmines and to put that up into the report is the most challenging job.'

Donors are always in need of good figure, they measure the performance of the activities depending upon the result. According to him the national donor such as MFA can be little flexible in this matter but to convince the international donors about this thing is completely a challenging task because they read the numbers, they are not more interested in the impact of the result.

It is very challenging job to make the donors understand what NPA is doing and what will be the impact of the result in long run. It is very important to make the donors understand the work and support NPA for long period of time. He further said that,

'Now we are trying to educate our donors on the complexity of the problem, we are trying to make them aware that mine action is not the constructive work.'

'Mostly frame agreement has the very good setup regarding the requirement of good solid report or even if it's flexible and practical the frame agreement has still lot of thing to work.'

'Performance measurement in mine action is mostly based on the performance reporting done to donors. NPA is also facing some difficulties regarding the performance reporting. It is the country managers whose main responsibility is to produce good results in the field and to make the good reports but they are not necessary in writing the good reports.'

The donors has the higher reporting requirement that most be carried out by the NPA. If there was lower reporting requirement than NPA could have utilize more resources on practical work so now they have been calibrating the administration in Oslo in such way that they can do technical work and also should be able to produce good results in the field.

7.0 Empirical Summary

Performance Measurement is very important in the humanitarian organizations. In the case of NPA performance measurement is crucial thing as it is involved in multiple humanitarian activities. The NPA activities are divided into two legs i.e. national and international program. This research will be fully focused on the international program only. Both the international program is using the performance reporting to inform the donor about their activities. Both the international program has shown their importance on performance measurement. Performance reporting is done to donors on annual basis so that they can report them about their activities and results. Performance measurement also helps NPA to do the internal as well as the external benchmarking so that they can be aware about their mistakes and be careful not repeating that again in near future.

International program of NPA is involved in two major humanitarian activities i.e International development and Mine Action program. Both program is different in nature and is operated by their respective departments. The performance measurement system in both the program is not same so they measure performance differently.

International development is decentralized and works with the local partners in more than 30 countries. They have their own performance monitoring and evaluation system as result based planning and monitoring system which is directly financed by NORAD. Every country has their own performance monitoring system. The International department is using both financial and non financial indicators but the results are quite unquantifiable in International department.

In the case of mine action as it's is centralized, the performance monitoring and evaluation system is directly handled by the head office. They are also employing various financial and non financial measures and the results are quite quantifiable but are not free from certain challenges.

Despite having two different departments in International program of NPA the employees had type of same understanding regarding the importance of performance measurement in NPA.

NPA is associated with many donors. Mine Action program of NPA is one of the world's largest program and is supported by many international governments as US Department of State, German Ministry of Foreign Affairs, Dutch Ministry of foreign affairs and Norwegian Ministry of Foreign Affairs. International Development Program is fully supported by NORAD.

The NPA is seen to have faced excessive growth since last few years. As per the data of (2007-2011) the company is seen to have rapid growth with double digit. The reputation of NPA, its global image and the activities of NPA has created favorable environment to receive more donations from donors. As a impact of this the company is facing rapid growth. NPA has changed its expansion strategy and is restructuring overall organization so that it can only face limited projects and which has created some challenges in its performance.

NPA is also facing certain challenges because of the nature of its work, but NPA is seen to be serious and dedicated in using the performance measurement system. The key to performance measurement at the program level is to move away from measuring inputs and access social program impact i.e. long term outcomes. For example: it is very easy to measure inputs, things like cost per participant as opposed to the lasting impact of program and society. However the best forms of measurement are not input related, but are outcome related and this is perhaps the most difficult challenges confronting the humanitarian sector when it comes to performance measurement i.e. How do we quantify the impact on society?

CHAPTER SIX: ANALYSIS

The main objective of this chapter is to analyze the empirical portion of chapter four and five and relate them to the theoretical frame of reference so that it will help to draw the findings and conclusions. For this study the researcher will be applying the two management approaches as accountability approach and contingency approach. These two approaches have already being discussed in detail in chapter two. These approaches are used to analyze how is performance measured in NPA and will also try to discuss about the challenges faced by NPA during performance measurement.

Accountability and the contingency theory have its own importance in this research work. Accountability theory will try to answer how performance is measured in NPA, it will discuss the issue regarding the accountability of NPA with donors and other stakeholders whereas the contingency theory will try to address the challenges of measuring the performance in NPA. As this study is solely based on the international department of NPA, this research will only focus on international development and mine action program of the NPA.

6.1 How is performance measured in NPA?

As discussed earlier accountability approach is being used to answer the given research question. Performance measurement is regarded as the important tool for the organization as long as the organization exists. Performance measurement is regarded as one of the important part of management control because it is the process by which managers assures that resources are obtained and used effectively and efficiently in order to achieve the organization goals and objectives (Anthony, 1965)

Performance measurement in humanitarian organizations is crucial. NPA is using the performance measurement in order to measure its performance based on the activities performed by them. Being the volunteer organization, the organization is funded by the donor's fund. The international department of NPA is using the performance measurement in order to evaluate their overall activities. The major tool for measuring performance in NPA is the performance reporting and the monitoring and evaluation system.

Performance Measurement in nonprofit organization is different than of profit organization because profit organization are generally relied on the financial i.e monetary indicators to

measure the performance but NPA is the volunteer based organization and is relied on both the measures, they are mostly dependent upon the non financial measures but some financial indicators as revenues and financial reports are also used in NPA to measure the performance. In the case of NPA the performance is normally measured by how much and how well the service is provided which is intangible and far more difficult and ambiguous than measuring profit. Performance measurement are generally measured in nonprofit organizations on the basis of ratios related to fundraising or other administrative thing but that does not properly address the concrete performance of the organization. So NPA is seen to be focused on the impact and the outcomes of the programs/project. Performance measures that are commonly cited and used by external parties to measure performance in nonprofit organizations include ratios relating to fundraising and administration (Henderson et al., 2002; Kaplan, 2001; O'Dwyer & Unerman, 2008). These ratios are particularly useful for management purposes because they only provide the proportion of expenditure but not the effectiveness and efficiency of outcomes of nonprofit organization. (Sawhill & Williamson, 2001)

6.2 Performance measurement from the perspective of International Department

The international department of NPA comprises of two different branches having different objectives and the nature. The general understanding of the performance measurement between the two departments is seen to be quite same, but international development perceives performance measurement as more qualitative way whereas the mine action department perceives it as bit quantitative way. The methodology and the process of measuring the performance in both departments are completely different. From the perspective of international development department, Performance measurement is not quantifiable, it is very easy to measure the quantitative result as they are tangible in nature, but the main difficulty is to measure the unquantifiable result which is intangible in nature. In the case of mine action generally performance is measured by the help of quantitative indicators. Neely at al., (1995) defines performance measurement as the process of quantifying the efficiency and the effectiveness of action.

Somehow the understanding of performance measurement also depends upon the working environment. In the case of NPA both the international departments have different working environment and their thinking towards the performance measurement is not the same. The activities of the mine action department can easily be quantified as the performance is measured in quantified way. It is very easy to indicate the number of mines cleared per square

meter, but in the case of international development it is very hard to take the picture of women empowerment and its long term impact.

So the perception and understanding of performance measurement is also guided by the working environment and the nature of work. The findings of the study also suggest that the donor's requirement also plays an important role for guiding the employee regarding their perception on performance measurement. The donors are really interested in need of good numbers i.e they measure the performance of organization activities based on figures and the quantitative data. For eg. Performance measurement for donor is about maximization of number of landmines cleared, they need good numbers of landmines to be cleared and judge the work of NPA based on the figures, but they don't care about the impact of the work in long run. Sometimes just one or two landmines can be found in the large area and that may benefit 100 of people. So the donors expectation also guide the NPA to change its thinking towards the actual measurement of performance.

6.3 Need of performance measurement in NPA

As per the empirical findings it shows that NPA has defined various purposes for measuring its performance. The major importance of performance measurement in NPA is to provide general information to the donors about their activities. As they are fully dependent in the funds of donors, it is their sole responsibility to provide them information about the performance of their program/projects. The donors are always in need of good performance and the transparent results. The performance measurement is also necessary to find out their mistakes so that they cannot repeat it again and learn from their mistakes. Benchmarking is also one of the major purposes of performance measurement in NPA. Both the internal and external benchmarking is essential in NPA so that they can evaluate their performance for long run.

NPA is associated with various national and international donors. Since the establishment of NPA it has been accountable to its donors regarding their activities and the utilizations of funds. The majority of donations of NPA are covered by the national donors and some portion is covered by the international donors. During the research it is seen that NPA is reporting to its donors about their activities and the performance in the annual basis. Their annual statements can be found in the websites so that every stake holders can clearly study about the results and outcomes of NPA. Ebrahim and Westband (2007) discussed about the importance

of transparency in nonprofit organization stating that the collected information by the organization must be made available and accessible for public scrutiny. The lack of transparency and accountability may create the untrustworthy environment for the donors and the stakeholders.

The internal and external benchmarking helps the NPA to find out their weakness and deviation and can improve itself so that it can attract more donors and increase their areas of activities. Performance measurement helps the managers and the organization to access the status of their agencies performance and gauge their progress in delivering effective programs or as Osborne and Gaebler state, 'if you don't measure results, you can't tell success from failure' (p.147), further more 'if you can't see the success, you can't reward it' (p.198) and 'if you can't recognize the failure you can't correct it'. (p.152). thus the performance measurement are essential for letting the organization know 'how things stand' along the way so that they can act accordingly to maintain or improve performance.

In the case of NPA both the branches of international department has defined their own KPI. NPA's performance is guided by both the financial and non financial performance indicators. The financial indicators of NPA are the revenues which are obtained by various national and international donors as per the frame agreement between them. Whereas the non financial indicators are indifferent and dependent upon the respective branches of the international department. The international department is seen to be more focused on finding the exact KPIs which can deliver the concrete results as it is very hard to get the quantified result. As we have number of KPIs defined, the success of organizations is dependent upon how effectively and efficiently the indicator meets the need of its mission (Kaplan 2001)

Applying the Accountability Approach

Accountability is regarded as crucial in nonprofit organization. Accountability is very huge term and covers large area in management accounting. As this research is based on performance measurement of nonprofit organization this study will only focus on the accountability of nonprofit organization towards its donors and other stakeholders. NPA is volunteer based social organizations which is fully dependent upon the donations. As said by Kaplan 'Accountability and performance measurement has become urgent for nonprofit organizations as they encounter increasing competition from a proliferating number of all agencies, all competing for scarce donors, foundation and the government funding' (Kaplan

2001, p.553) The empirical data shows that NPA has always shown its accountability towards its donors and the stakeholders. As the number of civil society organizations is increased in rapid speed, there is a challenge for the nonprofit organization to be more transparent and accountable towards its donor's and stakeholders. From the empirical it is seen that NPA has always shown it's accountable towards its donors and stakeholders. As nonprofit organizations are service oriented and are not profit motive they are dependent upon transparent governance structures and clear accountability to the stakeholders (see Gil, 2004)

Norwegian People's Aid (NPA) is dependent on various accountability mechanisms for performance measurement. The first and most important mechanism of accountability is the performance reporting. NPA is seen to be reporting to its donors on the annual basis. NORAD and MFA are the largest donors of NPA. NORAD is the major donor of international development department whereas MFA is the major donor for mine action department. The format of reporting to NORAD, MFA and other donors are quite different and depends upon the criteria defined in the frame agreement with the donors. The performance reporting for both the departments is based on their international strategic plans which are formulated once in four years. The frame agreement between the NPA and donors must be done according to the strategic plans and policies of NPA. Performance reporting is considered as one of the complicated task as the results are used by the donors to measure and evaluate the performance of the organization.

Another important mechanism of accountability in NPA is monitoring and evaluation. International development programs monitors and evaluates its activities based on result based planning and monitoring system whereas mine action carries its monitoring system based on the International mine action standards which is same in every humanitarian organizations of the world. NPA organizes various seminars and workshops in its partner country so that it can be more accountable and transparent towards its activities. As said by Ebrahim, the nonprofit organizations are seen to be relied on five major accountability mechanisms i.e performance reports and disclosure statements, performance evaluations and assessments, self regulation, participation and adaptive learning. (see Ebrahim, 2003)

The major question in accountability is to whom should the organization be accountable? There are many factors with whom the organization should be accountable; it is bit complicated task to create the relationship of accountability. Accountability relationship is

complicated by the fact that nonprofits are expected to be accountable to multiple actors: i.e upwards to their funders or patrons, downwards to clients, and internally to themselves and their missions. (Edward and Humle, 1996)

In the case of NPA, upward accountability refers to relationship with its donor's i.e NORAD, MFA and other donors as well as the stakeholders, Accountability with beneficiaries and clients refers primarily to the group who directly and indirectly receives the service and may include communities and societies impacted by the programs/project. The third category of accountability concerns with the NPA itself in relation to their mission, values, organizational responsibility and the employees whereas fourth i.e horizontal accountability refers to its peers and other humanitarian organization.

The accountability chart of NPA is illustrated in the following diagram.

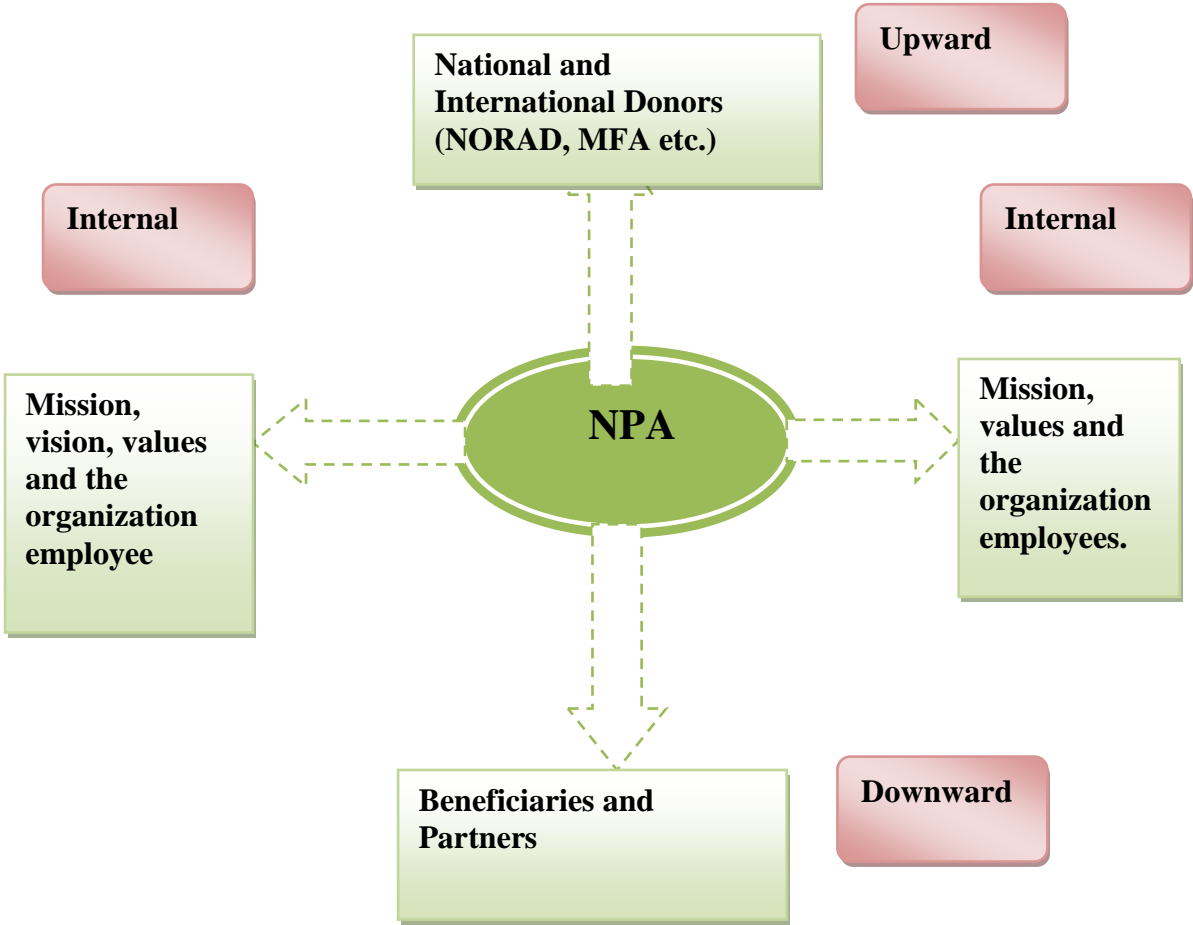


Fig:6 Source: Based on own illustration.

Downward Accountability

In the case of NPA it is accountable downwards towards all the beneficiaries as communities, society and all the people who receives the service directly or indirectly by NPA. The main purpose of downward accountability is to release power to those further down i.e for example from NGOs to beneficiaries. The work of David Ellerman's shows that development work is only effective when its activities are owned by the local people themselves (Ellerman 2001). Downward accountability is often used loosely to describe the extent to which NGO is transparent about its actions, and listens and responds to those lower down the aid chain, involving them in decision making (BOND 2006). As NPA is mostly engaged towards development works it's very important for NPA to interact with the beneficiaries' regarding the service provided by them. In the case of NPA downward accountability is given more importance. The empirical shows that the impact of the development work is fully dependent upon the relationship between NPA and the beneficiaries who receive the service from the NPA. As for example, In the case of supporting the partner organization for strengthening democracy of the particular country first of all the feedback is received from the local government and the local people who will be directly benefited by the program, after getting their view point's finally the program is implemented. According to Bond 2006, 'NGOs deliver quality work when their work is based on a sensitive and dynamic understanding of beneficiaries' realities; responds to local parties in away beneficiaries feel is appropriate, and is judged to be useful by beneficiaries'. In order to get the effective outcome and measure the actual performance field work is very necessary. Field work helps to find out the changing realities of the ground. This also further helps to support the local people use more leadership over NGOs.

Upward Accountability

In the given diagram we can see that NPA is accountable upward to the donors about their activity and performance. The performance reporting to the donors is the major tool of showing accountability to the donors. In the case of upward accountability NPA shows the accountability towards both national and international donors with whom NPA has accepted and fulfilled their responsibilities. NPA is mostly focused on demonstrating about the activities that they have performed in relation to international department are beneficial, the available resources has spent wisely and they are presented to the donors through performance report, annual reports, audit reports and performance evaluation. The primary importance of upward accountability is to meet donors important needs to understand how their funds are

being used, and have confidence that they are being used effectively and appropriately. (Alex Jacobs and Robyn Wilford, 2001).

Internal Accountability

NPA itself is accountable internal inside its organization in terms of their strategies, values, mission and vision and towards their related staff as well as the Internal Auditor. It demonstrates its accountability to the staffs through internal rules, policies and procedures, internal reports, internal audit and the annual reports.

The above discussion can be clearly reflected by the thought of (Shafritz, 1992, p.4) as accountability is the extent to which one must answer to higher authority i.e legal or organizational for ones action in society as large or within one's organization as well as an obligation for keeping accurate records of property documents or funds.

Result based planning and monitoring system

NPA is using the result based management and monitoring system in various member countries to monitor the activities and programs in order to measure the performance of program/projects. In the current scenario internal development departments is using this system in its member countries. Management by objective (MBO) is the forerunner to result based management (see Drucker, 1955, Waring, 1994). The idea of result based planning and monitoring system was first developed by United Nation Organization (UNO). The result based planning and monitoring system aims at setting out clear expected results expected for program activities, by establishing performance indicators to monitor and access program towards achieving the expected results and enhancing the accountability of the organization. (United Nations, 2010)

Before the use of RPM NPA was seen to be using the logical framework analysis but the system was phased out as it can only be handled by experience personal and was beyond the touch of other staffs. Currently RPM is used by the number of countries and the partner organization which is mainly focused on the results and the impacts.

Result based planning and monitoring system is guided by the five major result chain i.e input, activity, output, outcome and the impact.

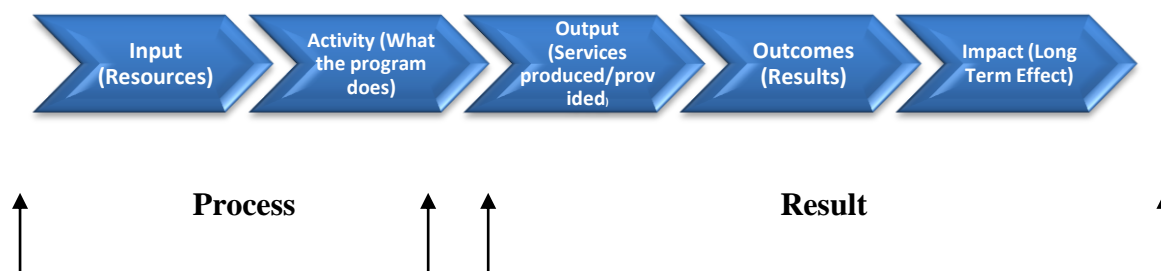


Fig 1. Result Chain (Result Based Management)

Source: Handbook on implementation of RBM/United Nations 2010

The result based planning and monitoring system of NPA can be described by the following figure. The result chain is divided into two parts i.e process and the results. In the given chain input and activity falls under input whereas output, outcome and impact falls under the category of result. In the case of NPA input includes everything invested in the project in terms of money, manpower and the organizational infrastructure. Activity includes everything done by the partner for the projects or by NPA with organizational development of partner in order to obtain a result. It could be paying the salary of an accountant, holding workshops/training sessions, preparing radio programs etc, but the activity should not say anything about the quality or the aim of activity. Output generally refers to the direct and immediate consequences of the activities; it can be in terms of expected plan or performance report. An output is a step on the way but is not yet result. Whereas Outcome refers to the change that the NPA or the target group will notice as short medium or long term consequences of the activities. In the report an outcome is described as either positive or negative, as planned or different than that of planned. Lastly impact is the result of many factors; some of the results lie outside the control of the program while some lies inside. The impact of the program is generally measured and described at the society level. All the above discussed chain is important in the program but the special attention should be paid to make information in the outcome link more specific realistic and concrete. When the planned results at outcome level has been formulated clearly than we can easily get the information to fill the other link. According to UNESCO result based management acts as a team based approach to program and focuses on achieving defined and measurable results and impact. (UNESCO, 2008)

6.5 Applying the Contingency Theory

The empirical data shows that the international department of NPA is experiencing various challenges in performance measurement. Various contextual factors has been identified which is playing a great role in creating challenges for the NPA. NPA is one of the oldest and leading humanitarian organizations of Norway which is involved in various developmental activities. The international department of NPA is involved in more than 29 countries and as a result they have experienced a rapid growth in its organization. NPA is currently focused on stopping the growth so that they can focus on the limited project and can produce the effective result. The excessive growth experienced in NPA since last few years have pressurized NPA to adapt the management control in order to the changing environment of the organization.

From the contingency approach it is usually assumed that there is no any single type organization structure that is equally effective for all the organization. Every organization is unique and is dependent upon the various contextual factors such as the effect of technology, the effect of environment, size and the organization structure. (See Otley 1980, Briers and Hirst, 1990, Chenhall, 2003, Alam 1997 and Fisher 1995). Every organization should use these contextual factors while taking the decision so that the organizations can me moved according to the changing scenario.

In the case of NPA the empirical suggest that due to the growth of NPA it has affected the whole control system of NPA. The international strategy has been modified according to the changes in the organization environment. The growth of NPA has affected the international strategy, organization size and the structure of NPA. NPA has seen to strengthen their performance reporting system and has also installed the monitoring and evaluation system in order to enhance their evaluation system so that they can increase the level of performance of their organization.

Due to the excessive growth of NPA it has done certain changes in the international strategy (2012-2015). Before both the Mine Action and International department was handled by International development department but now Mine Action and International department is operated differently as different departments. Due to the excessive growth of Mine Action and International development program both the program are handled separately.

Due to the rapid growth in the last few years. The NPA has tight budget and the turnover of NPA is more than 800 Million NOK. NPA is not supposed to have surplus neither are supposed to use more. NPA are paid to work internationally and are not allowed to save money like that of profit organization and has to finish all the money for entire project so its tricky to steer organization and that is regarded as one of the major challenge for NPA. So now they have downsized their size and restructured their organization structure so that they will only focus on the limited projects. The NPA has withdrawn its project recently from Russia, Bulgaria and some countries of Latin America. Because of phasing out the project the budget of NPA has decreased compared to the last fiscal year. Because of the tight budget they have decreased the number of employees in NPA. In international department only recently they have downsized their size to 15 from 19. Chenhall (2003) has also explained about the relationship of size with structure that size of organization has positive relationship with the organization structure.

In the case of NPA performance measurement is seen to be greatly affected by the changes in the environment. NPA is volunteer organization and are operated on donations. They are always accountable towards their donors and stakeholders. The growth in the organization has also made NPA more accountable to donors as they are associated with numbers of national and international donors. Every projects of NPA is carried according the frame agreement between donors and NPA and should work under the criteria of donors. Donors are seen to be pressurizing NPA regarding their results and outcomes. In the case of mine action MFA is seen to be pressurizing NPA regarding the output of the project. MFA doesn't give priority to the impact but is interested in the good figures. In some cases from a large area of land only one or two mines are found but it is very hard to convince the donors about the result. According to the empirical the donors don't give priority to the number of people survived from the mines but are interested in maximizing the number of landmines cleared, this has created NPA a problem in measuring their performance. This contextual factor has forced NPA to change their international strategy and now they are working to educate the donors about the long term impact of Mines.

In the case of international development NORAD seems to be more selective in selecting the result. According to the empirical the international department is involved in various programs and they have lots of result, but NORAD is only in need of two or three results per country so it's very hard to select the right number of result and this selection issue is creating

a problem in performance measurement. Because of this factor NPA has started using the new evaluation tool i.e RPM so that the evaluation will be strong and the selection issue will be minimized.

The finding shows that now as the organization has faced certain changes in management control the organization seems to be focusing on the improvement of their performance. Now NPA is seen to focused on limited projects and is enhancing the monitoring and evaluation program effectively so that they can produce the effective result.

The major concern for NPA currently is to find out the correct performance indicator in the international programs. In the case of mine action the indicators are bit quantifiable and are guided by international mine action standards but it has also faced various problems and they have done certain change in their strategy. As per empirical NPA has introduced land release method in Mine action. Land release methods emphasize the use of non technical and technical survey for the release of land and are now widely recognized by stake holders. This method frees expensive and time consuming and more rapidly frees land for the population of housing, infrastructure projects, agriculture purposes and other development activities. As discussed earlier NPA is also organizing various workshops and seminars for the donors to make them aware about the impact of mine action so that the problem of reporting to donors will be minimized. In the case of international development NPA is organizing meetings and workshops with the country directors and working to develop the exact performance indicator which can clearly present the result and long term impacts of the program/projects.

NPA has also faced the human resource challenges which have directly affected the organization performance. As per the empirical the NPA is volunteer organization and the organization has faced certain problem in retaining the volunteers for long run. As a volunteer has to work for free of cost NPA is facing certain challenges to retain them. As nonprofit organizations also partially rely on significant volunteer staffing, this creates unique HR challenges and makes long term forecasting and organizational structure and planning more difficult. (Wilensky & Hansen, 2001)

6.6 Summary

Norwegian People's Aid (NPA) is measuring performance on the basis of performance reporting and monitoring and evaluation system. From the empirical data it is clear that NPA has outlined various purposes for the performance measurement i.e. in order to inform the donors about the result and outcome of the program/projects, to show accountability towards its stakeholders, for the purpose of benchmarking and for its continuous improvement of performance so that it can attract more donors. These are the major purposes of performance measurement in NPA.

The research shows that NPA is using performance reporting as the tool for measuring the performance. Both the branches of international department are using the performance reporting to measure their performance. In support to that NPA has introduced the monitoring and evaluation system for measuring the performance. International development department is using the result based planning and monitoring system as the performance tool whereas the mine action department is dependent upon its own monitoring and evaluation system based on the International Mine Action standards. Performance measurement in NPA is important because it is involved in numerous programs/projects and has covered a wide area. Performance measurement helps to show the accountability to donors as NPA is fully dependent on the national and international donors.

In the case of NPA downward accountability is given more importance. The empirical shows that the impact of the development work is fully dependent upon the relationship between NPA and the beneficiaries who receive the service from the NPA. As NPA is involved in the developmental works NPA is required to have interaction with beneficiaries so that they can receive their viewpoints and according to their desire and needs.

NPA is seen to be facing excessive growth since last few years. In the year 2011 the growth of NPA has increased by double digit in terms of revenue and also has increased its number of operating countries to 30. NPA has downsized its organization structure in the year 2012. NPA is further facing various challenges in measuring the performance. International development is facing certain challenges to develop the concrete result whereas mine action is facing a problem to make the donors understand about their program/projects and the

importance of the long term impact of their activities. The challenges in performance measurement in NPA are also explained depending upon the various contextual factors.

CHAPTER 7: CONCLUSION

The main objective of this chapter is to summarize the findings of the research. This chapter is categorized into four sections. The first section aims to summarize the empirical findings of my research, the second section will summarize the contribution of my research, the third chapter will summarize the limitations of my study and the last chapter will discuss about the proposals for further research.

7.1 Main findings of my study

The international department of Norwegian People's Aid (NPA) is involved in various activities internationally. NPA's major work is democratization and just distribution, lobbying, advocacy and emergency relief, mine and cluster clearance and is also engaged in political advocacy to work against the weapons. The finding shows that NPA revenue is dependent upon various national and international donors as NORAD, MFA and other international donors. The performance measurement of NPA is based on performance reporting and monitoring and evaluation system.

The empirical information shows that NPA is measuring performance based on various key performance indicators. As both mine action and international department are different in nature they are seen to be relied on their own performance indicator. The general understanding of performance measurement in international department is seen to be affected by the nature of work and its working environment. Mine Action department is seen to perceive performance measurement in a more quantitative way whereas international development is seen to perceive it in a qualitative way.

The study shows that the main purpose of performance measurement in NPA is to evaluate the performance of its activities, improve its performance in the long run, internal benchmarking and performance reporting to donors. NPA is seen to be accountable to donors in regarding their activities and utilization of funds. The study shows that NPA is reporting to its donors on an annual basis and final reporting at the end of four years which consist financial report, evaluation report and audit report. Both the mine action and international development is seen to carry performance reporting differently depending upon the criteria of performance under the frame agreement between NPA and donors.

The study shows that besides performance reporting NPA is using monitoring and evaluation system as a tool to measure its performance. Mine action is seen to be relied on evaluation tool under international mine action standards whereas international development has implemented result based planning and monitoring system to evaluate the performance.

The study shows that as majority of program/project of NPA is involved in developmental works so it is seen to be accountable downwards towards partners and beneficiaries. The study shows that as NPA is focused on the developmental works like clearing landmines and engaged in societal development programs that are directly related to the benefits of society, NPA has shown its participation at local level in the community and in relation to local municipal government. The finding shows that NPA's strategy has been focused on strengthening internal as well as external capacity of the civil society in order to increase their level of performance. The study further shows that in order to sustain the downward accountability NPA is seen to carry field visit to interact with the participants and stakeholders to perceive their viewpoints regarding the outcome of the programs and measurement of actual performance. Besides downward accountability NPA is also seen to be accountable upwards towards donors about their activity and performance. NPA is seen to be using performance measurement as a major tool of showing accountability to the donors. The finding further shows that NPA is accountable internally with respect to its organizational vision mission and with internal auditor and staffs.

Lastly the findings show that NPA effectiveness of management control fully depends upon the best constellation of the organization environment, structure, technology, strategy and its size. The rapid growth rate of international activities has pressurized NPA to adopt the contextual variables. NPA has seen rapid growth in its activities from the year 2007. The study shows that NPA has seen increment of growth rate by double digits. The number of countries operated by NPA has reached 39. As a result of increased growth rate NPA has changed its expansion strategy. The findings show that NPA has downsized its organization size and restructured its organization structure and limited its operation in less number of countries. The finding shows that NPA has phased out various programs from Latin American and African countries.

The findings further show that NPA has been facing various technical challenges in measuring its output. The involvement in many countries and its organizational structure has

made the performance measurement difficult, as it's very hard to measure the societal outputs and get the concrete result. But now as the impact of its changed international strategy and decentralized organization structure every country directors can develop the performance indicators and measure the performance based on local contextual variables.

The finding further shows that the conflict of interest between NPA and donors i.e. principal agent conflicts has created problem in NPA for performance measurement. It seen as one of the important challenges in NPA. As NPA is concerned in long term impact and MFA is concerned in output maximizations both the parties are seen to have internal conflict. NPA is currently seen to organize workshop and has introduced land release method in order to convince donors about the importance of long term impact of land mines clearance.

7.2 Limitations of the research and proposals for further research

The study has faced various limitations, the first and foremost limitation is that this research is solely based on the international department of NPA. This research is the first research in the history of NPA on exploring the performance measurement of NPA'S international department. The research can further be carried which can cover both the national and international department of NPA. The research is based on the information provided by the departmental heads of NPA but the research can be further carried which cover all the information from the partner countries. There is the absence of viewpoints of the donors in this research so further research can be carried including the viewpoints from the donors. As this study is based on single case further research can be done as the comparative study between NPA and other humanitarian organization.

7.3 Contribution to the society

The main objective behind carrying this research is also to help the stakeholder's i.e beneficiaries, societies and the communities to know about the performance measurement of NPA. NPA is accountable not only to its donors but are equally accountable to its stakeholders. No any research has been carried on performance measurement of international department and this research may act as milestone to all the internal and external stakeholders of the NPA as well as the whole humanitarian sectors. This research can be used by the internal staffs of NPA to understand about the performance measurement of NPA as a humanitarian organization. It can equally be effective to every stakeholder who is interested to know about the performance measurement system in humanitarian organization.

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APPENDIX: 1

Interview Guide:

General Question

1. What kind of developments has taken place in the organization in the last 5-10 years in terms of structure, size and strategy?
2. What sort of organizational structure does the company follow? What are the basic challenges in the organizational operation in the case of centralized/decentralized organization structure?
3. How is performance measurement done in NPA? What sort of tools is NPA using to measure the performance?
4. How are performance reporting done to the donors about the activity of NPAID? Is it done on daily, monthly or annually basis? Is the reporting standard same from one donor to another?
5. What are the various challenges encountered in the reporting system? Do the change in reporting system affects the employment turnover rate?

Strategic management and planning

1. How are strategic planning process done in the organization? Who are generally responsible to make the organizational policies, strategies and plans?
2. How do strategic planning helps to incorporate and set the direction for all the operation of the organization?
3. What are the major challenges faced by NPAID while developing organizational strategies, plans and policies?

Internal Audit

1. What are the major roles and duties of internal auditor in NPAID?
2. How internal audit can helps to evaluate the organizational performance measures?
3. What are the major challenges in internal auditing?

Monitoring/Evaluation

1. What sort of tools and techniques do you use to measure and evaluate the effectiveness of the programs?
2. How do monitoring and evaluation helps to measure the performance of programs and projects?

Communication

1. What are the major duties and functions of communication department in NPAID?
2. How can effective organizational communications help to improve the employee performance?