INFORMATION TECHNOLOGY FOR BOOSTING NGO PERFORMANCE IN INDIA

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ABSTRACT

This paper aims to investigate the facets of the NGOs in India: types of IT adopted, factors behind adopting IT, barriers to adopting IT, impact of IT on operational performance, and perception about how Internet and web-based technology are impact organizations internally and externally. Based on the investigation of 150 NGO leaders, a framework for adopting IT by NGOs in India is presented. The findings of this research are particularly applicable to the NGOs leaders to who wish to harness the new communication technologies in improving service delivery, managing staff and volunteers, automating accounts and customer facing functions.

Keyword: *Non-Government Organizations (NGOs), India, Communication, Organizational Development, Technological Adoption*

1 INTRODUCTION

India has around 3.2 million registered NGOs. In a study in 2015, the Central Statistical Organisation of India found that there are around four NGOs for every 1,000 people in urban areas and 2.3 NGOs for every 1,000 rural population. The work of NGOs covers a wide spectrum touching upon the fundamental challenges in the society like education, public health, environmental protection, human rights, women and child welfare, public distribution systems, community enterprises among other areas. Regulatory monitoring of such large number of organizations is greatly facilitated by digital communication tools.

India has fairly well-developed IT infrastructure (Dhar and Joseph, 2019), and a major exporter of software (Sharma, 2015). In the last one decade, there has been rapid increase of Internet usage in India. Little over half a billion people, pegged at 566 million, have access to Internet, driven by rural internet growth and usage (Mandavia, 2019). There has been a three-fold increase since 2011, when the internet penetration rate in India stood at about 10 percent. The number of Internet users have recorded an annual growth of 18 percent in the last decade and likely to remain buoyant in the coming years. It has been observed that Indians prefer to use the internet over the mobile. About 448.2 million people in India accessed the internet through their mobile phones in 2020, which corresponds to about 34.5 percent of the country's population. As of 2019, India had an estimated 262 million mobile internet users living in urban areas, and 109 million living in rural areas.

Data revolution is transforming the world at an unprecedented speed, NGOs have embraced digital technology to their advantage (Al-Amrary and Hamad, 2012). The trigger for this comes from falling prices of Internet traffic, the spread of delivery of citizen services by the Government through e-portals, and emergence of social platforms as powerful communication mediums. Many organizations are adopting IT tools to increase their organizational productivity. According to a report prepared by Cable.co.uk, by collecting data from 6313 mobile data plans across 230 countries in 2018, Indians pay an average of Rs. 18 (US 0.26 cents) for one gigabyte of data, whereas, the global average is Rs. 600 (US 8.57 cents). The Government of India and State governments have created robust online platforms for delivering services related to issuance of national identity cards, birth, death and marriage certificates, payment of taxes, transfer of social security benefits, banking transactions, and digital payments. NGOs are required to file only online most of their regulatory returns such as annual report, audited financial statements, and foreign contribution receipt and utilisation reports. The third trigger relates to emergence of mobile phones and social platforms as communication channels. Indians are heavy users of social channels. Among the popular channels subscribed by Indians are Facebook 241 million, YouTube 265 million, Instagram 69 million, Twitter 7.75 million, and 15.1 million Snapchat. NGO has to exhibit its presence on the web to attract support and communicate to its supporters using various social platforms. Digital is the application of IT technologies to improve human performance. Digital technologies provide

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connectedness and efficiency, and empower employees and organizations to experiment with new paradigms to raise resources, deliver services in cost-effective way, and handle various tasks remotely, if required. Given the emergence of global agenda like climate change, NGOs feel the need to connect with each other and exchange ideas using blog, videos, or emails (Ylä-Anttila and Swarnakar, 2017). Like their global peers (Neuberger and Falk, 2017, Pinho and Isabel, 2008), there is great deal of awareness among Indian NGOs on how digital transformation can contribute in their effectiveness and enhance societal impact (Dasra, 2017).

This paper aims to investigate the facets of the NGOs in India: types of IT adopted, factors behind adopting IT, barriers to adopting IT, impact of IT on operational performance, and perception on the internal and external impact of about how Internet and web-based technology. Based on the investigation, a framework for adopting IT by NGOs in India is presented.

2 RESEARCH BACKGROUND

The modern history of NGOs in India can be traced to enactment of Societies Registration Act in 1860 which provided a framework for organising voluntary social activities. Besides, the Societies Registration Act, the NGOs can register as a Trust under governed by the Indian Trusts Act of 1882, or a non-dividend paying company under Section 8 of the Companies Act, 2013. Table 1 below compares the key features of the three types of NGO legislation.

Table 1: Comparison between a Trust, a Society and a non-profit Company

Feature	Trust	Society	Non-Profit Company
Applicable Legislation	Indian Trust Act,1882	Societies Registration Act of 1860	Companies Act of 2013
Jurisdiction of the Act	Both Central Government of India and concerned State where the Trust is registered.	Concerned state where registered	Central Government
Authority	Charity Commissioner	Registrar of Societies	Registrar of Companies
Number of persons needed to register	Minimum two trustees; no upper limit	Minimum seven, no upper limit	Minimum two, no upper limit
Board of Management	Trustees	Governing body	Board of directors
Mode of succession on board of management	Usually by appointment	Elected by the general body of members	By Annual General meeting of the shareholders

In India, it is compulsory for NGOs seeking foreign donation to receive permission from Ministry of Home Affairs prior to receiving contribution. For receiving grants under various Government schemes, since 2015 all NGOs are required to upload their organization details at NGO Darpan, an online portal maintained by Niti Aayog, Government of India's principal planning think tank. Currently 87,861 NGOs are registered under NGO Darpan.

The main attraction of being a charity is exemption from income tax. To be eligible for tax exemption under the Income Tax Act of 1961, a not-for-profit entity must be established for charitable purposes being "relief of the poor, education, medical relief, and the advancement of any other object of general public utility." The Finance (No.2) Act of 2009 added "preservation of environment (including watersheds, forests and wildlife) and preservation of monuments or places or objects of artistic or historic interest" to the list of charitable purposes. Non filing periodic returns under Income Tax, Foreign Contribution Regulation Act (FCRA), and Companies Act can invite severe penalties, including de-recognition of charitable status, and withdrawal of permission to receive foreign donations. Between 2011 and 2018, nearly 19,000 NGOs in the country have been banned from receiving foreign funds. According to the Ministry of Home Affairs, most NGOs get banned from receiving foreign funds is because of their failure to submit annual returns and completed balance sheets at the end of the fiscal year which is mandatory under the FCRA registration. As of January 2020, 22,488 associations were active on FCRA database.

Over the last two decades, Indian NGOs have streamlined their operations, and enhance geographical coverage and client outreach. The best NGOs have adopted corporate style of functioning– there are well-defined KPIs and targets to meet. Larger and more accountable NGOs are able to discover more cost effective and smart ways to use resources made available to them by the Government, companies, and foreign donors. A corollary to this is adoption of the state-of-the-art technologies like internet, apps, websites etc., for increasing their appeal, reach out institutional and individual donors, inform membership, and to market their work. With growing scarcity of charitable money from foreign sources, Indian NGOs have come under greater demand to show the value for money for their expenditure. This in turn has kindled interest for adopting Results-based management strategy. Results-based management (RBM) is an evidence-based tool to clearly define and capture demonstrable results (outputs, outcomes and goals). The three interconnected processes, namely good planning, monitoring and evaluation (M&E), are all data intensive requiring computer aided tools to allocate resources according to plan, and collect data on physical progress linked to activity based financial expenditure. Effective M&E helps to assess progress towards the achievement of results and to address concerns about value for money at all stages of project cycle.

3 RESEARCH METHOD, DATA ANALYSIS AND RESULTS

The study sample is composed of individuals from different types of NGOs. Three hundred questionnaires were distributed to NGO members to solicit their individual opinion. From the 300 questionnaires distributed, only 150 were return duly completed. Thus, the survey response rate was 50%. The analysis began by investigating the current IT strategies adopted and used by the NGOs and the reasons behind using and adopting them. The results are shown in Table 2.

Table 2. Types of IT used by the NGOs

IT Adopted	%	Reason for adopting IT	%	Barriers to adopting IT	%
Email/SMS service	98	Means of filing various administrative returns	95	High capital outlay and expenses for frequent upgrades to avoid technological obsolescence	95
Internet service	97	Aid decision making and executing strategic plan	92	Need for specially trained IT managers	77
Website and web-based community	78	Access to information	85	Unstable Internet connectivity and poor bandwidth in rural areas	50
Online social network	70	Storage of data and records on cloud	70	Concerns about client data privacy	45
Standalone computers	20	Provide better customer service	60	Rural customers prefer face to face meeting, and do not trust impersonal IT based solutions	30

The results show that most of the NGOs that participated in the current study over 98% of them use Internet services, and 78% of them had their own Web Home page. The reasons behind adopting IT in NGOs are varied. The results demonstrate that the majority of respondents adopt IT to enhance their operational efficiency. For example, 95% of them use IT to file various returns. Some of them use public IT kiosks and chartered accountants' offices to file their statutory returns. However, the potential for using IT to improve strategic decision making in human resource allocation, inventory management, and managing corpus investment is well recognised. The main barrier to full deployment of IT remain high one-time investment for hardware and software and recurring expenses for frequent upgrades. Smaller NGOs prefer multitasking workers, while IT management requires specialists. Concerns about privacy and protection of information is not considered a major obstacle.

The results revealed by Table 3 underline the believe of NGO leaders that IT is very important enabling tool for improving internal and external communication, monitoring activities, and producing evidence for the work done.

Table 3. Perception of the Impact of Online Technologies

Internal Impact of IT	%	External Impact	%
Improve internal communication	92	Provide online services and activities	92
Ease of distributing information, and its retrieval	90	Provide an avenue for safe and secure online donations	71
Enable monitoring of employee HR records, travels, and movements	65	Increase transparency and accountability	88
Better monitoring of cost parameters	65	Ability to reach out like minded parties for fostering partnership and mutual collaboration	85
Digital storage saves physical space	54	Builds global image of NGO	81

The use of online technologies impact both internal and external perceptions. The results illustrate most of the respondents believe that using online technologies would improve internal communication among employees, board members and volunteers, and externally serve their client better with online information and services, increase transparency and accountability, and ease donation making by individuals and institutions.

4 CONCLUSION

The current research was conducted to investigate the situation regarding the adoption of IT by NGOs in India. The research findings revealed that professionally managed top tier NGOs in India are well aware of the application benefits of NGOs, and have incorporated IT in their planning, monitoring, and evaluation functions. Top home grown Indian NGOs such as Child Rights and You (CRY), Akshay Patra, Helpage India, Pratham Educational Foundation, Smile Foundation and Tata Trusts have shown that effective adoption of technology, organizations need digital expertise at the senior executive level and in Board room level, professional engagement in decision making on new undertakings, and sufficient in-house expertise to design and deploy technology throughout the organization, because digital touches everything. However, given the universal spread of Internet and mobile phone technology, all NGOs have adopted IT to communicate and advertise their work. The high cost of IT hardware and software remain a major deterrent to adoption of IT solutions. The availability of plug and play apps have greatly facilitated penetration of IT in back office functions, automating administrative tasks, online statutory filing, payroll and book keeping, and storage and retrieval of documents. Technology adoption requires a culture of continuous improvement and innovation that welcomes digital, non-digital and hybrid solutions (Laporte et al 2018).

Based on the findings of the research, a framework for IT adoption by
NGOs in India is presented. The framework depicted in Figure 1 demonstrates four main steps to adopt IT for NGOs: barriers, levels of adopting IT, impact of adopting IT and enabling public policy.

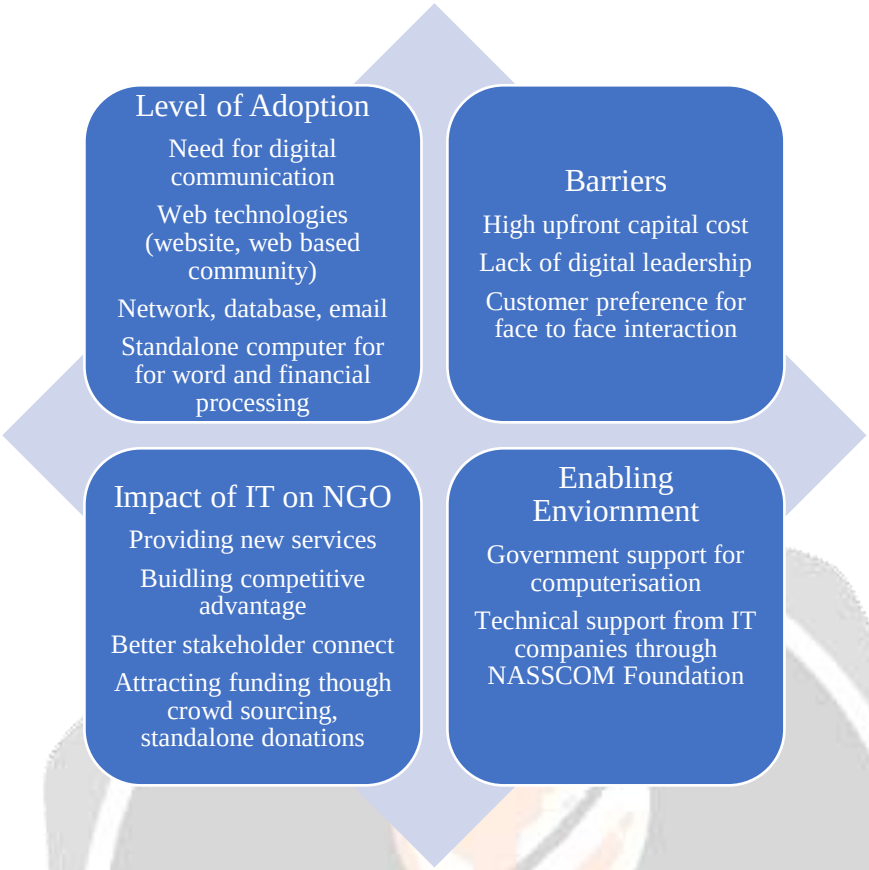

Figure 1. Framework for adopting IT in NGOs in India

Only a small number of NGOs in India have reached a sophisticated level of adoption. The need is to help small and medium size NGOs with annual turnover less than USD 0.5 million) to upgrade their technological infrastructure to the next level. The main barrier faced by these NGOs is lack of funding to bear the upfront cost of building an IT infrastructure. In India, the entire cost of NGO digitalisation is borne by NGOs themselves. While NGOs of any size can avail e-mail service to communicate with their customers, and build basic home pages for uploading on low cost domains. However, they are unable to engage in e-commerce to sell the produce of their customers which require higher level of technological capability. The NASSCOM Foundation, an association of major IT companies, are helping small and medium NGOs by providing with free domains and hardware like personal computers, laptops, and many other offers to support them in enhancing their IT capacity. In this way, support for new technology tools in the NGOs will boost organizational development, broaden participation of beneficiaries, volunteers, and donors, and create even higher value for money in the way that NGOs do business.

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