

Human Resource Development in the Non-Profit Sector

The role and importance of human resources and organization development in fostering operational effectiveness of the organisations in order to facilitate social and labour market integration

-project description-

Tasks undertaken by civil or non-profit organizations originate in insufficient operation of public services and different interests of private companies. The non-profit sector aims at filling the gap and compensating the deficiencies of public and private services in order to fulfil social needs and necessities. The activities of non-profit organizations are important because they have an essential role in creating the frames and conditions of social self-organization and interest representation as well as facilitation of non-profit oriented social innovation. Based on these facts civil / non-profit sphere guarantees the accumulation and reproduction of public well that fosters the multiplication and use of collective goods on the level of individuals, groups and communities.

The hypothesis of the research is that the development of the leaders and the employees of civil / non-profit organizations is of primary importance in enhancing their effectivity, strengthening their interest representation abilities, broadening their fundraising opportunities, managing their structural changes. The survival of „medium size” and smaller non-profit organizations, increasing their resources, establishing their infrastructure, growing their organizational effectivity mainly depends on the continuous development and training of managers and employees who participate in different projects, in other words the quality of their human capital potential. In lack of proper knowledge, abilities, skills and connections the organizations cannot make use of calls for proposals and tenders that jeopardizes the fulfilment of undertaken aims and tasks.

The aim of the research is the survey of civil organizations' human resource conditions in connection with their external and internal environment.

The participants of the survey belong to the medium size and smaller organizations, with one or two employees. Under the contemporary circumstances these organizations struggle with financial, human resource and social background deficit. Due to relatively high costs of administration, insufficient financial conditions, bureaucratic operation and lack of organization they can only partly complete their tasks. With regard to internal operational and cooperational effectivity the mentioned organizations have shown weak performance. Because of the lack of sufficient resources, underdeveloped institutionalization and operation the organizations only partly can perform their tasks.

In the course of the survey we applied methods of sociological research. The research can be divided into primary and secondary phases.

In the primary phase we investigated the internal and external conditions, fundamental necessities, demands, functions, processes, activities and policies determine the operational effectivity of non-profit organizations.

In the secondary phase we explored Hungarian and international literature. We developed a database from information taken from periodicals, conference releases, scientific announcements, books and the internet. On the basis of these we contributed to a better understanding of the theme focusing on Hungarian and international trends, tendencies, processes, events, arrangements, policies and institutions, that are important for the research and facilitate better orientation.

The method of the research was layered sampling. As a first step we selected the medium size organizations. We intended to take samples evenly from the 19 counties of Hungary, thus we selected 2 or 3 organizations by county. The form of the research was questionnaire survey; we examined altogether 50 civil / non-profit organizations.

The general characteristics of the questionnaire were the following: the type was self-completion and the majority of the questions were closed-ended that are easier to evaluate. The questionnaire was divided into two question groups. The first block of questions investigated the general data of the organizations. These questions included inquiries about the role of the organization in the area or region, the number of partners, the changes of organizational form and structure and the scope of activities. By these questions we intended to get information on the internal environment of the

organization. In the second block we collected data about the human resource potential of the organizations. With this type of questions we clarified the human infrastructure including the characteristics of leaders, other employees and volunteer workers, as well as general information on human resources (number of employees, qualification, etc.)

The evaluation of the data consisted of four basic work processes: checking, encoding, table generation and the assessment of tables.

The methods of evaluation were, adequately to the type of data, simple mathematical-statistical methods.

In our research we elaborated on the internal and external conditions of civil / non-profit organizations. External factors include all social, economic and political tendencies, processes and events that influenced the development of the sphere. Among internal conditions we discussed resources, primarily the human resource characteristics. We focused on people as an organizational resource. We claimed that besides the lack of resources, the examined organizations face mainly organizational and management anomalies. Because of this factor it is extremely important to improve human resources as main priority through the development of the professionals who work in the sphere. Without adapting modern management methods, in lack of future concept and perspectives, having no human resource guidelines, practices and means it is impossible to dynamize, motivate and organize human resources. Further condition is the development and consolidation of democratic relations and partnership in the organization. Without the above mentioned factors it is practically impossible to provide services, satisfy needs and requirements, acting in favour of the environment effectively as well as applying conscious learning methods to improve the organization with knowledge acquired in the course of operation. The organization- and culture specific factors that are inevitable for the development and improvement of organizational culture appear and consolidate only by long-term, continuous operation.

By means of human resource development – trainings and retrainings – it can be assured that attitudes, abilities, skills, knowledge and practices develop within the the given civil organization or initiation that can be the basis of the required positive changes and provide an opportunity to achieve social innovation inside and outside the organization. Human resource development interventions must affect primarily the leaders and key personalities. Properly qualified, competent and well-organized management team is inevitable to implement organizational changes. We suppose that the management of non-profit organizations, completion of their tasks and the preparation to the undertaken activities requires a training system that has not developed in Hungary yet. Participants of initiations that aim at the fulfilment of multiple social needs and requirements must have knowledge, skills and abilities to manage and control the organization and individual projects, tasks. It requires interdisciplinary knowledge. In the case of examined organizations there is a significant gap between undertaken activities and required qualifications. Investment into intellectual / human capital must be a priority of initiations and calls aiming at the development of the sector.

Participating organizations considered the survey of cooperation important and were willing to take the recommendations into account. The Committee of the EU has published an announcement earlier on the establishment of an integrated institution that researches the non-profit sphere on the level of the European Community. At the time being researches of this type can have a major role in representing the Hungarian characteristics and correlating data.

The significance of third sector cannot be wholly assessed in relation with economic data. The non-profit sector is important as it provides grounds for social innovation originating in civil self-organization. Besides public and private sectors the civil sphere provides real alternatives to solve social and economic problems.

Based on the experience of changes that took place in the last decade it is necessary to strengthen the non-profit sector by increasing its independence, reducing its resource gap through an effective support policy and growing social consensus. This is important to implement in order to develop a standardized, well-organized, consumer-centered, flexible and less bureaucratic civil system that has a strong identity and relies on a wide social basis. Within the changing process we must take into account the mechanisms of the European Union, such as challenges of transnational character. The Committee of the European Community acknowledges the versatility of the NGOs, considers it as one of their main strengths and intends to provide this kind of variability on community, national, regional,

small regional and local levels. The conditions that transformed owing to the accession requires organizations to develop and implement new accommodation strategies. Intervention requirements of organization development are as follows: improvement of strategic thinking, development of management methods and abilities, formation of organizational model of learning on the basis of professional competence, economical regulations on financial activities, motivation of fundraising activity, development of intersectoral systems, improvement of flow of information and external relationships, implementation of high quality services, operation of quality management system and aiming at sustainability.

Heads of non-profit organizations, as democratic leaders and mentors, need to facilitate the development and maintenance of professional and motivated human resource basis that must ensure the completion of undertaken tasks and the survival of the organization as high priority. These leaders on one hand must have democratic personality, on the other hand they need to be familiar with methods and practical solutions of project management, organizational psychology and sociology, organization development and change management, work organization and human resource management. In lack of these it is impossible to organize effectively and implement activities, service and satisfy needs and necessities, improve the environment and utilize the acquired knowledge for the sake of the organization by applying conscious learning methods.

The ineffectiveness of the service and operation of public organizations, as well as the growing and unsolved social problems lead to emerging social criticism all over Europe. The critics put pressure on the system from two different points of view. The principle of economic rationality requires more cost-effective and economical operation, while there is a need for a socially sensitive, less bureaucratic behaviour, customer- or consumer-oriented attitude instead of the support of general principles.

The positive changes in management of different social problems require stronger interest articulation and management from the individuals and social groups. Thus the solution is to establish a more organized, more extensive civil society with wider range of resources. This could provide citizen-friendly solutions by means of different services, independently from the state, with the aim of satisfying social needs and requirements.

Besides the lack of resources, Hungarian civil or non-profit organizations must handle management anomalies. For this reason it is a main priority to adapt modern management methods and to improve the human resources of the civil sphere by providing constant training for the professionals of the sector.

Based on the experiences of the recently happened changes and taking Hungarian conditions into account it is necessary to develop Hungarian civil or non-profit sector by increasing its independence, implementing a more effective financial support policy and strengthening social consensus. It is important to develop a homogeneous, well organized, decentralized social system in Hungary with a strong identity and a wide social basis. It must have enough flexibility to accommodate to changes, it has to be less bureaucratic to strengthen the citizen-friendly attitudes in society. A strong, well organized and autonomous civil network is a basic fundament of developed democratic states.

The first phase of the research project, financed by the Ministry of Education and the Magyary Zoltán Higher Educational Public Foundation covered the investigation of human resource conditions of non-profit organizations. This phase lasted for 7 months and 250 000 Hungarian Forints (HUF) per month were invested in the project. In the second phase we explored the applicability of atypical forms of employment mainly in Roma ethnic minority group. This period covered 3 years and incorporated a comparative analysis of two regions. One million HUF per year were invested in the course of the second phase of our research.

The total cost of the project was 4 750 000 HUF (approximately 19 000 euros).