

Measuring Deficiencies in Nonprofit Management

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Introduction

The Problem: The boards of nonprofit organisations (NPOs) need a simple, practical technique that will measure their performance.

Traditional, analytical approaches to solve this complex, multi-dimensional problem have failed to find a solution that has broad acceptance.

The Approach: Focus on individual competencies, select management deficiency as the dimension of management performance to measure and adopt a heuristic methodology.

The objective: Identify factors associated with management performance and build a heuristic model to measure individual management deficiency in nonprofit boards.

Methods

Build a model framework to identify factors associated with management performance

Develop techniques to quantify the factors

Adopt the heuristic methodology known as simulated annealing to:

- Build an initial form of the heuristic model to obtain an initial solution
- Refine the model to obtain new solutions
- Plot the solution path mapped out by each new solution
- Continue until an optimal state is reached.

Validate the solution produced by the model by establishing that there is an alignment of the model results with an assessment of individual management deficiency obtained by an individual performance ratings method.

Results

The heuristic model produced a detailed assessment of management deficiency across the factors for each board member.

Statistical analysis established that the results produced by the model were aligned with results produced by an alternate method which effectively validated the results produced by the model

Results

Results produced by the model for an NPO board

	Board Members' Deficiency Ratios						Av.
	1	2	3	4	5	6	
Age	0.50	0	0.75	0.25	0.25	0.25	0.33
Resistance to Change	0.17	0.33	0.42	0.17	0.33	0.08	0.25
Commitment	0.17	0.33	0.33	0.33	0.33	0.25	0.29
Skills	0.15	0.39	0.45	0.23	0.45	0.37	0.34
Experience	0.25	0.50	0.67	0.17	0.42	0.83	0.47
Knowledge	0.03	0.65	0.28	0.33	0.35	0.80	0.40
Individual Deficiency	0.35	0.59	0.64	0.41	0.55	0.67	0.54

Conclusion

The heuristic model produced an acceptable, approximate solution to the measurement of individual management deficiency in NPO board members.

The main competencies an NPO board member should possess are: management skills, management experience, relevant knowledge and commitment.

There is a positive relationship between age and management performance

In general, the experience gained from years of serving on the board, combined with the accumulated knowledge of the organisation's norms and management processes, forms the means by which the organisation is managed.