BOARD MEMBER PARTICIPATION IN NON-GOVERNMENTAL ORGANIZATIONS
A Case of Selected NGOs in Tanzania

By
Zabdiel Robinson Kimambo

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Supervisor: Thomas Danborg

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ABSTRACT

Title: Board Member Participation in Non Governmental Organizations: The Case of Selected Non Profits in Tanzania
Author: Zabdiel Robinson Kimambo
Supervisor: Dr. Thomas Danborg
Department: School of Management, Blekinge Institute of Technology
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Background and Problem Discussion: Recent research findings have revealed that Boards do often play an important hands-on role in the failure and turn-around of Non-governmental organization. NGOs are very diverse and unique in terms of set up, mission and mandate. There is therefore no single model on how NGO Boards operate and perform its functions. However, there are common held approaches that apply to effective Board participation practices.

Purpose: This research aimed at exploring the differences and similarities in Board Member participation practices in selected NGO Boards in Tanzania.

Method: Qualitative and quantitative methodology was employed.

Theory: This section discusses the theoretical underpinnings relevant to NGOs, NGO Boards, Board Members, and Board Member roles, Board Member recruitment, participation and evaluation.

Analysis: Collected data has been analyzed by means of tables, figures, classifying themes and transforming raw data into meaningful information which assisted in responding to the research question and specific objectives of this research

Main Findings
Evidence of best corporate governance practices in NGO sector in Tanzania such as the role of the boards to recruit new board members, to set and ensure compliance with organizational policies as well as recruit and evaluate the performance of senior management were found. NGO sector in Tanzania has well established standards and criteria for board member selection. However, these practices are not applied to all NGOs interviewed during this research

Majority (75%) of board members in NGO sector in Tanzania are people that work within NGOs and are drawn from senior management cadre. The remaining are drawn from private sector, academia and government. Majority of interviewed members indicated a strong sense of support, trust and confidence on the impact of NGOs work in Tanzania as the main motivational factor for accepting to sit on NGO boards

Key barriers that limit effective board member participation in NGOs in Tanzania include: None availability to attend board meetings and activities; lack of clarity on the roles and responsibilities of boards; inconsistencies in relation to total numbers of board members; lack of capacity and lack of induction and performance monitoring and reviews

Recommendations: More capacity building is needed for NGO boards in Tanzania in the areas that were found wanting by this research including: recruitment of new board members, roles and responsibilities of boards. More research is needed to investigate impact of the emerging sitting allowances in NGO sector in Tanzania
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Chapter One

1 INTRODUCTION

1.1 Background

Recently there has been an increase of government scrutiny of firms, publicly owned enterprises and nonprofits. This has largely been due to increase media reporting of fiduciary mismanagement and ethical mismanages in corporate and firms. As a result of these happenings, corporate governance is now recognized as the most important issue that organizations have to carefully plan and address.

On the other hand, economic competitiveness of firms – whether private companies, governmental organizations or non governmental – has been found to depend on the set of principles and practices that are put in place to assure her stakeholders that the firm is being managed effectively and with appropriate probity. These organizational principles and practices includes but not limited to strategic plans, oversight committees, policies (financial, human resources etc) and management structures.

Recent research findings have revealed that boards do often play an important hands-on role in the failure and turn-around of non profit Organizations (Jill and Chris 2004). The same authors have argued that the ability of an organizations’ leadership to deal with failures and crises vary according to capacity of the Boards and the executive. In other words, it is what the Board member do and brings into the organization that determine the success or failures of organizations.

Pettigrew and MacNulty (1998) pointed the importance of board members to “effectively utilize their will in addition to their skills if they are to be successful”. They pointed out that this is particularly true in non governmental organization (NGO) sector where board members are volunteers and so may be more constrained in the time and commitment they can offer to attend meetings and other activities.

In another research, Conforth and Edwards (1999) concluded that, contribution of board members in the strategic management of non profit organizations in UK depended and varied according to complex interplay of the system of regulation, sectoral traditions and norms of governance, the way board members are chosen, board members skills and experience, organizational size and status and the way boards are organized and run.

Salmon (2000) pointed and referred to two most important roles of the board include: “oversight of long term company strategy and the selection, evaluation and compensation of top management”. It is also interesting to observe that, the ability of board to influence management to change the strategic direction of the company depends so much on degree to which that board has been empowered. (Lorsch, 2000)

All the findings and evidences identified above, points to the important roles that boards and board members have in the success of firms. While looking on skills and competencies required for board members, Merge (2007) pointed out that though some prerequisites of non profits organization are different from profit making...
companies, underneath the surface, there are many parallels and similarities. For example, business designs and delivers products: non profit organization design and deliver programs. Nonprofits and profit making companies/firms are all driven by a specific need among the public. Private companies derive their income and profits by selling products while non profit organizations are paid for programs (e.g. on social services – education, health, water etc) against which they can raise funds. The non profit equivalent of shareholders is contributors or donors; both are groups who have invested money because they trust the organization will use it wisely and effectively, with discipline and in keeping with its mission and mission. Non profits equivalent of marketing and sales is fundraising. Merge urge that once these kinds of parallels are clearly understood it is obvious that many of the skill sets required for the effective participation in boards are similar to those applied in firms and publicly owned enterprises

Boards and board members serve as the institutions of governance for an organization and they provide a framework within which the social and economic life of these organizations is conducted. From the earliest days corporate governance has been a subject of concern especially in non-profit organizations. Having a good and effective NGO Board provides a basis for successful management, growth and sustainability of the organization

Good NGO governance is based on the distinction between organizational entities (management and the governing body) and the distribution of decision-making power between them. Wyatt (22004) pointed out that “an organization exercises good governance when it has an internal system of checks and balances that ensures the public interest is served”. This arrangement helps restrain and moderate the control of any one person or group and ensures the organization’s resources are well managed and utilized.

In Africa, NGO sector contribution in development process has been recognized by both Multi-lateral and Bilateral donors. The African Development Bank (AfDB 2001), acknowledges that NGOs have participated in poverty alleviation in the continent, collaborating with donor agents through exchange of information, project, financing, institutional support in project formulation and implementation. This is also very true for a country like Tanzania where large number of populations is leaving below poverty lines.

In Tanzania, NGOs are therefore increasingly regarded as the development panacea since early 1990s (Igoe, 2003). And according to Suleman (2002), they have been increasing rapidly. The growing number of NGOs is directly proportional to increasing poverty levels, falling or weak government capacity to deliver/provide basic social services and increase in donor funding levels. For example, according to the United Nations Development Fund (UNDP) report of 2006, Tanzania ranked 162 out of 174 counties in its Human Development Index (HDI), (UNDP, 2006).

According to Tanzania Household Budget Survey (HBS) of 2000 over 50% of Tanzanians were considered to be living bellow basic poverty lines (Government of

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1 World Banks’ poverty line of 1 USD a day is widely accepted in the poverty reduction efforts in poor countries
Tanzania, 2001). As a result of increased levels of poverty, Tanzania has continued to receive increased levels of donor support. For example, during the 2000-2005 periods, the United Kingdom’s (UK) Department for International Development (DfID) support to Tanzania increased from US $50 million to US $ 121 million (CARE and Action Aid, 2006).

Increase in number and types of NGOs in Tanzania is also attributed to political reforms taken by the government in mid 1980s where it changed its constitution and allowed for multi-party democracy there by opening up more political and social space for citizen’s freedom of association.

For NGOs to maintain its credibility and effectiveness, internal governance systems and accountability are of paramount importance. This will assure its stakeholders – donors, government, and others who provide resources – that appropriate processes and structures are in place to direct and manage an organization’s operations and activities. The ultimate goal for effective corporate governance is an NGO with effectiveness, credibility and viability in its functions.

1.2 Statement of the Problem

Recent research findings have revealed that Boards play very important hands-on role in the failure and or success of Non-governmental organization (Jill and Chris 2004). To effectively manage its resources – financial, human and materials – and contribute successfully towards achieving its vision and mission, NGO need to have strong and responsible Boards. NGOs are very diverse and unique in terms of set up, mission and mandate. There is therefore no single model on how NGO Boards operate and perform its functions. However there are common held approaches that apply to effective Board practices. This research aimed at exploring the differences and similarities in practices of board member participation in NGO Boards in Tanzania.

1.3 Objective of the Study

The general objective of this study is to identify and analyse Board Member Participation Practices in NGOs in Tanzania.

Specifically, the study intended to:
- Define and enlist the different types of activities done by NGOs in Tanzania
- Identify roles played by NGO Boards in Tanzania
- Identify criteria used to recruit board members in NGOs in Tanzania
- Find out why people become board members in NGO sector in Tanzania
- Assess and identify barriers to effective board member participation in NGOs in Tanzania
- To recommend what board members may do to improve their participation/role in NGOs

Based on above objectives, the research theory of this study turn around on “NGO”, “Board Members” “Board Member Qualification” and “Board Member Participation/Role
1.4 Research Question

What are the different Board Member Participation Practices in NGO sector in Tanzania?

1.5 Hypothesis

The following hypotheses were identified for this research based on the objectives and identified research question:

Hypothesis 1: NGO’s in Tanzania have well established standards and criteria for recruitment of board members

Hypothesis 2: Board Members in NGO boards in Tanzania receive formal induction once recruited to familiarize themselves with the work of NGO

Hypothesis 3: NGO boards in Tanzania have established simple but effective mechanisms for reviewing their performance and that of individual members

1.6 Significance of the Study

This study will seek to explore participation of Board members in NGO operation, and if there are similarities and or differences of the findings in the context of Tanzania to those findings from other countries and further contribute in building up a knowledge base that will serve to strengthen the corporate governance of the non governmental organization in Tanzania.

1.7 Rationale of the Study

This study will add up to the existing literature about Board members participation in NGO sector in Tanzania in particular about corporate governance. Further more, the findings would enable NGOs, Government, Donors and general public to contribute towards policy formulation and supporting management of non Governmental Organization in Tanzania and beyond.

1.8 Scope and Limitations

NGOs in Tanzania are very diverse and vary according to their functions, structure and mandate.

Due to short period of time and lack of financial resources, this research was carried out more within the ability and convenience of the author. Had sufficient resources and more time available, more and diverse organizations could have been included into the research to allow greater diversity and larger sample size thereby identifying more practices and behavior on board member participation in Tanzania.
The author was very much interested in including non profit organizations known to have professional boards. This was purely based on author’s past and present working and social interactions with those organizations.

1.9 Study Structure

This study is divided in to five chapters. The first chapter provides introductory information on corporate Governance and NGO in general. It also provides the background statement of the problem, objectives of the study; significance and limitation of the study.

Chapter two presents the literature and theoretical analysis, which involves published evidence on corporate governance in NGO, particularly Board Participation.

Chapter three outlines the methodology applied. It denotes the design of the research, population and sample size, method of data collection and techniques for the analysis.

Chapter four bring forth the empirical findings on the practices of NGO board member participation in Tanzania. These findings are discussed based on the research question, objectives and theoretical analysis.

Chapter five draws conclusion based on the key findings of the study and offers recommendations to improve board member participation in NGO sector in Tanzania.
Chapter Two

2 THEORETICAL ANALYSIS

2.1 What is an NGO?

The term non-governmental organization (NGO) is used in a variety of ways all over the world and, depending on the context in which it is used, can refer to many different types of organizations. Wikipedia (2007) asserts that: “in its broadest sense, a non-governmental organization is one that is not directly part of the structure of government”

Vakil (1997) in Lewis (2006) also tell us that “the term NGO include many different types of organizations, from small local groups operating on a largely voluntary and informal basis, to large private development agencies with multi-million dollar budgets and thousands of full time paid up professional staff”. In simple terms, NGOs can be defined as interest groups that are self-growing, private and not-for-profit sharing. They are kind of organizations that are geared to improving the quality of life for particular disadvantaged groups of people in the society.

The phrase "non-governmental organization" came into use with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations that are neither governments nor member states. (UN, 2007)

2.2 Types of NGOs

Apart from 'NGO' often alternative terms are used as for example independent sector, volunteer sector, civic society, grassroots organizations, transnational social movement organizations, private voluntary organizations, self-help organizations and non-state actors (NSAs) (Wikipedia, 2007)

Nongovernmental organizations are a heterogeneous group. Wikipedia (2007) provides a long list of acronyms that has been developed around the term 'NGO'

These include:

- Business-oriented international NGO (BINGO). E.g. Techno Serve. In Tanzania, the term has also been used to refer to Briefcase NGOs (BINGO) – NGOs that have been registered but essentially they are fake or non existence in its operations;
- Environmental NGO (ENGO), such as Global 2000, WWF and many others;
- Government-operated NGOs (GONGO), which may have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests of the government in question. In Tanzania examples of GONGO will include – Tanzania Action Social Fund (TASAF);
• Quasi-autonomous non-governmental organisations (QUANGOs), such as the W3C and the International Organization for Standardization (ISO), which is actually not purely an NGO, since its membership is by nation, and each nation is represented by what the ISO Council determines to be the 'most broadly representative' standardization body of a nation. In Tanzania an example can include the Tanzania Council for Social Development (TACOSODE) and the Tanzania Bureau of Standards (TBS) as well as Tanzania Football Federation (TFF).

There are also numerous classifications of NGOs. The typology the World Bank uses a classification that divides NGOs into Operational and Advocacy (World Bank, 2007)

The primary purpose of an operational NGO is the design and implementation of development-related programs or projects. One categorization that is frequently used is the division into 'relief-oriented' or 'development-oriented' organizations; they can also be classified according to whether they stress service delivery or advocacy (including participation); or whether they are faith-based or secular; and whether they are more public (membership based) or private-oriented. Operational NGOs can be community-based, national or international (Wikipedia, 2007).

The primary objectives of advocacy NGOs include defending or promoting a specific course of action or agenda. The agenda can be an issue related to gender rights, environmental issues or campaign towards access to a particular service such as water or health. As opposed to operational project management, advocacy NGOs typically use various approaches such as awareness raising, lobbying, networking, research and analysis work, media work and campaign.

USAID refers to NGOs as private voluntary organizations (PVO). However many scholars have argued that this definition is highly problematic as many NGOs are in fact state and corporate funded and managed projects with professional staff (Wikipedia, 2007).

NGOs exist for a variety of reasons, usually to further the political or social goals of their members or funders. Examples include improving access to social services e.g. education, water, health; environmental protection, justice and human rights including children and gender rights, and improving welfare of various disadvantaged groups. However, there are a huge number of such organizations and their goals cover a broad range of political and philosophical positions (Wikipedia, 2007).

2.3 NGOs in Tanzania

According to The National policy on NGO in Tanzania, (United Republic of Tanzania, 2001), an NGO is a voluntary grouping of individuals or organizations which is autonomous and not for-profit sharing, organized locally at the grassroots level, nationally or internationally for the purpose of enhancing the legitimate economic, social and/or cultural development or lobbying or advocacy on issues of public interest or interest of a group of individuals or organizations.
As part and parcel of the broader civil society (CS), Non-Governmental organizations comprise and form the interface between the State and the Citizens. They are extremely diverse in size, composition, objectives and influence, they consist of persons of similar interests or concerns and their purpose is to advance the particular interests, which the members share. They comprise formally incorporated non-profit organizations that provide services to or in some way on behalf of special interest groups and more informal grass roots-based groups formed for the benefit of members.

According to FES (2001), NGOs are increasing rapidly in Tanzania. Between 1961 when the country got its political independence and 1980 Tanzania had 25 registered NGOs. By 1990, the number of NGO rose to 41 and up to 2000 Tanzania had more than 3,000 registered NGOs (Government of Tanzania, 2001) both national and international.

The Government of Tanzania recognizes NGO as potent forces for social and economic development, and important partners in national building and development; valuable forces in promoting the qualitative and quantitative development of democracy and important contributors to gross national product. Tanzania’s National Strategy for Growth and Reduction of Poverty (NSGRP) has identified NGOs as key actors in the poverty reduction efforts with a role to build local capacity and empower communities, participating in monitoring and evaluation of policy implementation, and advocating for accountability of government to its leaders (Government of Tanzania, 2005).

Many NGOs undertake activities that are at household poverty alleviation, directly or indirectly. Apart from increasing disposable income, they also improve ability to access education, health care water sanitation, and housing and better standard of living.

2.4 Corporate Governance

Corporate Governance has no standard definition. It encompasses a wide range of items and activities, and holds different meanings for different user groups. The English word “governance” comes from the Latin word meaning “to steer, guide, or direct.” The term generally refers to the way in which power is “assumed, conveyed, and exercised within a society or an organization” (Wyatt, 2004).

Mathiesen define corporate governance as “a field in economics that investigates how to secure/motivate efficient management of corporations by the use of incentive mechanisms, such as contracts, organizational designs and legislation”. This however is largely limited to the improvement of financial performance of an organization. Examples here would include how corporate owners motivate managers to deliver competitive rate of return (Mathiesen, 2002).

On the other hand, Wyatt (2004) contends that “governance in the public sector is based on a system of checks and balances between the different branches of government (legislative, executive, judicial). It is understood to include a process of regular consultation between governmental authorities and the general public, so that
citizens can hold authorities accountable to their trust and ensure their interests are served”

Wyatt (2004) has concluded that, “governance in nonprofits works in much the same way as in the public sector”. An organization is said to exercises good governance when it has put in place clear and transparent internal system of checks and balances that ensures the public interest is served. Good NGO governance is therefore based on the clear distinction between the management of the organization and the governing body (the Board) on one hand. It is also based on having clear and transparent process for distribution of decision making powers. Wyatt observed that this kind of internal mechanisms helps to bring under control and moderate the control of any one person or group to ensure organization’s resources are well managed, and safeguard the NGO’s public-service orientation.

Singapore’s Corporate Governance Committee (CGC, 2001) defined Corporate Governance as “the process and structure by which the business and affairs of the company/organization are directed and managed, in order to enhance long-term share holder value through enhancing corporate performance and accountability, while taking in to account the interests of other groups”.

2.5 The Board is the Principle Governing Body

The Board has been regarded as the ultimate form of corporate control, charged with the responsibility to monitor and reward chief executives while assuring that corporate activity reflects stakeholder expectations (Judith, 2003).

Regardless of the form and type of governance structure of an organization, there should be one governance body that has full responsibility on the oversight and decision-making authority. Wyatt (2004) differentiates between the principle governing body from the highest governing body. He gives an example of membership organizations that have Annual General Meeting (AGM) as the highest structure whose decisions and instructions outweigh those of the other parts of the organization. The principle governing body however, has the duty to perform oversight and accountability functions.

2.6 Role of NGO Boards

Deborah Hechinger (2005) in her article: Great Boards Make A Real Difference pointed the roles of members of nonprofit boards is to “satisfy legal compliant duties”. In another article, Anonymous (1995) quoted James M “Bo” Hardy author of Developing Dynamic Boards emphasizing the growing importance of the effective and dynamic board of the future to focus on “direction, policy and strategy; ensure fiscal integrity, stability and growth of organization”. For Boards to be able to discharge these duties, they must be composed of people who are committed and have the attributes, abilities and skills necessary to move the organization ahead in achieving its goals and objectives. Boards are needed in order to create an enabling environment of participation that encourage different persons to contribute their talents and skills based on the needs of the organization. Boards also are required to
engage the organization in the process of regular self-organization, self-evaluation and forward looking planning as a basis for continued organizational development and improvement.

Hardy defines the role of the board as to plan and make policy decision, make goals and set objectives and to empower the staff to move ahead by having set the course for action. Additionally, the board is to oversee the financial development of the institution and monitor its function (Anonymous, 1995). In another finding, Salmon (2000) pointed out that the two crucial responsibilities of the board is oversight of long term company strategy and the selection, evaluation and compensation of top management. Yet another renowned author in this subject has argued that the role of the board is to have the ability to influence management to change the strategic direction of the company (Lorsch, 2000).

Boards are expected to provide an authoritative overview of how management initiate, negotiate and administer the business of the organization (Bird, 2001). According to a Reference Guide for NGO Boards (2002), boards have to ensure that stewardship frameworks are in place. Stewardship function of the Board includes establishing policies on risk management, financial controls, internal controls, compliance and public reporting; accepting accountability and responsibility to stakeholders of the NGO; being transparent, including communicating to members, stakeholders and the public, and making information available upon request; developing appropriate structures and ensuring the Board understands its role, operates efficiently and effectively, and avoids conflict of interest; and enhancing the reputation of the NGO in the social welfare sector and the community (Reference Guide for NGO Boards, 2002).

Boards are not expected to administer programs, or to oversee activities of individuals and units. This is called often being referred to as ‘micromanagement’. Boards are expected to deliberate on policy level type of decisions and not manage (in other words – boards are supposed to set limit, parameters and frameworks within which the management will operate in fulfilling their mandates).

According to Bird (2001) Boards are also supposed to “reflect on the organization as a whole; to add perspective and to sift through various accounts, presentations, communiqués and reports in order to identify what is really decisive, weighty and important for their organization as a whole”. Putting it in different words, Daniel & Morck (1996) indicated that boards are expected to exercise due diligence and due care to protect and enhance the resources of their organizations.

In the article entitled Good Governance: A Philosophical Discussion of the Responsibilities and Practices of Organizational Governors, Bird (2001) concluded that governing boards have the following tasks:

- to foster and protect the good of their organization as a whole;
- to monitor the performance of their organizations;
- to approve and mandate organizational strategies;
- to assess the performance of the senior management,
- to establish fitting rates of compensation for them and to provide for their success;
to assume special responsibility to ensure that their organizations secure needed financial investments;

- to establish, review and act as the ultimate court of appeal for organizational judicial systems; and

- to constitute and structure themselves so that they can effectively exercise authority and fulfil their responsibilities.

2.7 Structure and Composition of Boards

NGO boards ought to have membership composition and be structured in ways that will enhance and enable them to perform various core roles and responsibilities as outlined in the above section. Boards are also supposed to be structured and composed in ways that will enable them to exercise good and thoughtful judgement to help foster effective and responsible deliberations (Bird, 2001).

It is therefore necessary for board members to have sufficient time and concentration to be able to undertake their responsibilities effectively. Senior executives must attend board meetings and in some cases they serve as the secretary to the Board (depend on size of organization).

In order for boards to monitor and deliberate about the well being of their organization, Bird (2001) has argued that “board members must be drawn from people who have strong interest on the work of that organization”. This is why many non profits for example seeks to recruit board members from among constituents who share the same value commitments. Board members are more likely to monitor and deliberate well on the performance of an organization when they posses vested interest in these organizations doing well (Gagnon & St-Pierre, 1995).

In order for boards to properly address and advance interests of the organization’s key constituents, it needs to contain among their members formal representatives of the organization’s major constituents. Representatives from organization’s major constituents can help other board members gain a sense of the current concerns, issues, opportunities, strengths and vulnerabilities that exist in their constituents.

2.8 Recruitment of New Board Members

According to Greer et al (2003), “the task of recruitment is to assemble a board that includes members with suitable qualifications that may help the organization achieve its goals”. There are several methods that can be used to recruit board members. Esther (2005) has identified the following methods that are generally used: (1) elections – all organization members (general assembly) vote the proposed nominees; (2) selections – only the board is authorized to nominate new board members; (3) appointments – new board members are appointed by stakeholders or other external organizations or political agencies. The different methods of recruitment of new board members that has been identified suggests therefore that different organizations have different ways of recruiting new board members.
In the process of selecting new board members, it is important to ensure the independence of the board from the management. This is important so as to provide for an environment whereby boards can fulfil and discharge its governance responsibilities appropriately and effectively. As pointed above, one of the role of the board is recruit and evaluate performance of senior management. If the board has no full independence over its functions, they can not discharge this kind of a duty

To ensure the independence of the board, the *Reference Guide for NGO Boards* (2002), pointed out that recruitment of new board members is usually one of the important responsibility that must be done by the board. If it is done by management, the independence of the board will be compromised.

Recruitment of new board members by the board has another advantage of ensuring that the organization gets the right mix of skills and experiences needed to fulfil the required tasks of board members especially those related to oversight and strategic planning. Gibelman et al (1997) has indicated that “active recruitment of board members is essential for reinvigorating organizations with ideas, perspectives and dynamics, and for bringing about innovations and organizational growth”

Looking on how important it is, the role of recruiting new board members is therefore not a kind of a role that has to be delegated to the management. Green & Griesinger (1996) has also included board selection as one of the key role and responsibilities of the board. In the private sector, many boards do have a permanent board nomination committee with a mandate to identify, recruit and recommend new board members as required by the organization.

Once the process of identifying the right mix of skills and experience is completed, recruitment process has to be careful initiated and managed with active involvement of the board. The *Reference Guide for NGO Boards* (2002) asserts that: “it is necessary for the board to clarify what will be expected of the new board members, including their role, minimum commitments (time, meetings, committees, other events) and legal responsibilities”. The authors of this guide indicate that, it is a growing practice for many boards to prepare formal duty statements for their board members. They urge that “they are very useful for outlining what roles a board member is expected to play and the required performance level. In worst case, such statements help in the evaluation of non-performing board members”

Some non profit organizations conduct formal interviews to assess the suitability of the identified candidate and this process may also involve getting a reference from a third party on the suitability of the preferred candidate.

Once recruited, the new board member needs to be taken through a process of induction. Induction is basically a process of formal introduction into the organization to help one get a general and specific overview of what the organization done, who are the staff, beneficiaries, other stakeholders and partners. Some induction activities can involve: visiting the organization and being briefed about its operations, being provided with an information package that lays out the legal constitution of the organization, meeting rules and other policies and procedures to guide board members, or any other information sharing arrangements the board may put in place.
Most organizations have a maximum term of service requirements documented formally in their rules or by-laws

2.9 Selection Criteria

When recruiting new board members a number of criteria have been suggested by different authors. Anonymous (2005), suggested that board members should be recruited using the following criteria: one with business skills that will best complement the strategic direction of the organization; balance of candidates who are involved in the community and those with corporate experience; those with passion, time and commitment to the organization’s mission; and members with past experience working with both corporate and non profit boards.

On the other hand, Esther (2005) has indicated that, the preferred traits of new board members include three major categories of selection criteria. First, personal resources that include achieved status – education, professional skills that are essential to the boards’ activity, and experience, such as in financial management, accountancy, the law, and other specific areas of expertise relevant to the organization’s domain of activity (Abzug and Galaskiewics, 2001; Lin, 2001). Second, personal characteristics that include ascribed status – age, gender, ethnicity, religion and race, and representatives of various constituencies within the community and society representing different perspectives, identities and interests including clients of the organization’s services. Third, people who possess social capital in terms of the right social connections with the kinds of resources necessary and useful for the organization (Lin, 2001). Esther (2005) has emphasised the importance of social connections because non profits operate in an environment where social skills and networks are crucial to negotiate with the surroundings.

2.10 Board Members’ Job Description

For board members to effectively participate in discharging their duties, an organization has to have a policy that establishes expectations regard board member participation that include attendance at meetings, participation in board activities and fulfilling their roles and responsibilities.

This policy would in normal practice be presented as a form of job description where it clearly articulate roles and responsibilities of board members as outlined in section 3.2 above.
2.11 Board Meetings

Small (2003) has indicated that “a board’s most precious resource is its time and how it uses that time is the primary determinant of its effectiveness.” According to Small, there are four key variables that determine the effectiveness of board meetings: the chair’s skill; the meeting’s focus on mission, vision and strategic direction; active board member participation and discussion on significant future oriented issues and agenda planning.

In his article *Anatomy of a great board meeting* Small (2003) pointed out that an effective board meeting always starts with the chair. The chair has the role to lead the board’s discussion and therefore must be knowledgeable especially in running the board meeting by observing the following: be open to suggestions/ideas, cuts off discussion that is irrelevant and inappropriate, keep the board focused on its work, goals, mission, vision and the organization’s strategic direction and ensure that appropriate information (type and amount) for the board’s work is provided before meetings.

In another interesting article *Improving Board Meetings: 3 Steps for Success*, Stan Bazan (2006) has argued that “board meetings are crucial because they make life-altering decisions for the organization”. Stan has observed that few non profits have a system for running board meetings. From this conclusion, Stan developed and recommended a checklist for effective board meetings that board chairs to use. This checklist is summarized in the following table:

<table>
<thead>
<tr>
<th>Table 2.1</th>
<th>Checklist for Effective Board Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparing for the Meeting:</strong></td>
<td></td>
</tr>
<tr>
<td>- Define the purpose of the meeting</td>
<td></td>
</tr>
<tr>
<td>- Specify objectives for the meeting</td>
<td></td>
</tr>
<tr>
<td>- Select appropriate participants</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 2-1
Island Trust Fund (ITF) Policy Manual

ITF is an NGO based in the US. On March 2003, it approved its Policy Manual that sets out clear expectations on board member attendance, roles and responsibilities and participation in board meetings.

The job description of ITF board member indicates that requirements for board service include, among other things, attendance at regular board meetings (average 6/year) and expectation of hours of service (1-2 hours meeting preparation; 4 hours meetings, 1 – 2 hours for board workgroup ad hoc meetings; and 3-5 hours once/twice per year for workshops, training, events etc)

(Source: [http://www.islandtrustfund.bc.ca/](http://www.islandtrustfund.bc.ca/))
- Collect relevant information and input
- Prepare and distribute agenda in advance
- Write summaries of complex issues to be discussed
- Select appropriate time and place
- Set a time limit
- Allocate time for each agenda item
- Assign specific roles
- Prepare and distribute materials in advance
- Arrange for needed equipment
- Send reminders
- Hold a pre-meeting discussion
- Perform final checks on logistics

**Conducting the Meeting:**
- Arrive early
- Start on time
- Review meeting’s purpose, objectives and agenda
- Confirm roles (such as timekeeper)
- Ensure meeting notes are taken
- Establish ground rules
- Encourage participation
- Keep on track
- Summarize key points
- Summarize decisions reached
- Agree on actions (who will do what, when)
- Schedule next meeting
- End on time

**Following Up After the Meeting:**
- Distribute meeting notes within 48 hours
- Provide information on next meeting
- Follow up on action points
- Critique the meeting

Source: *Non Profit World, Volume 24, Number 6 (2006)*

### 2.12 Board Development

Board members need to be empowered to have the capability and independence to monitor the performance of senior management and the organization; to influence management change the strategic direction of the organization; and, in the most extreme cases, to change organization leadership (Lorsch, 2000)

Marge (2007) identified capacity building as the challenge that non profits face. In this regard, she pointed out two main types of challenges: first, is the challenge to provide a rewarding experience for professionals who volunteer for board service; and second, is the challenge related to how to increase the impact of board members for the benefit of the organization. In her paper entitled *How Nonprofits Can Recruit and Develop Top-Caliber Board Members*, Marge (2007) observed that, training for service on nonprofits have in the last 15 years been limited to a review of basic roles
and responsibilities. A substantial effort is therefore required to help board members understand the organization’s vision, mission, values, goals, strategies, expectations of board members and organizational language.

As part of capacity building and board development, new board members can be familiarized with the organization’s financials, programs, services, activities, governance model, and training and development initiatives. Different strategies have been suggested as helpful in facilitating learning and encouraging engagement in board activities. They include: provision of key documents to board members such as minutes of past meetings, historical financial reports and any other paperwork that will allow them to assess the workings of the organization and evaluate its strengths and weaknesses. Also nonprofits can provide information on key players, arrange meetings with members of the leadership team, facilitates tours and site visits as well as coordinate meetings with other staff and clients.

### 2.13 Evaluating the Board’s Performance

Boards increased scrutiny, and accountability has become a major issue. Since boards have roles to evaluate the performance of management the key question is who will evaluate the board? Evaluation is a way of checking your progress against your mission and goals. Thorough evaluation has an advantage of enabling the board not only a chance to see where it is in accomplishing its goals, but will also give the members a more meaningful measure of accountability (Kenkel, 2007).

To better measure its performance; boards have to first establish measurable performance indicators. ‘What gets measured gets done’. (Sabana, 2007). The board must set both individual and board performance indicators. At individual level indicators may include: attendance to meetings and other board events, participation, ability to work in a team, commitment to the organization and providing leadership. Board performance indicators should focus on how effectively the board perform its function. (Sabana, 2007).

In order to make board evaluation effective, the board should follow a few simple guidelines. Honest is key to effective appraisal. It is also important to ask bottom line questions that assess the board’s role and what has actually been achieved. Kenkel (2007) offers the following option in the evaluation of the board performance: full board self-evaluation. It involves all the board members and no outside party is involved in the process. Another option is to have a committee of the board do evaluation. This does not involve the entire board. It has a possibility of a bias. The final option is outside consultant facilitation. This involves hiring an outside consultant. This can be most effective for first time evaluations as the consultant can provide objective criteria, outside perspective and provide a procedure for future evaluations (Kenkel, 2007).

While the exercise of evaluating the performance of the board is generally considered a collective responsibility, board chair has specific mandate to lead and ensure completion of this exercise. Generally, the exercise must be done in an atmosphere of honesty and facilitator must be sensitive to issues pertaining non performance by the
board as a whole or individual board member. (Reference Guide for NGO Boards, 2002)

2.14 Types of NGO Boards.

According to Tandon (2004), the current practice of NGOs boards displays a range of behavior of what he call “board games” - they include family boards, invisible boards, staff boards and professional boards

2.14.1 Family boards
The first type is the family boards. Many boards are characterized by family character. The family character in the NGO boards is considered when their composition and functioning style takes more the family nature. Tandon (2004) urges that these kinds of boards are characterized by informality, affection and trust that family-held small business demonstrates. The strength of these types of boards include the kind of support (emotional, physical and material) that they provide to its members during the formatting of the NGO as well as levels of trust and relationship that is built between members. However, they do have limitations in situations of growth and expansion; they also demonstrate the behavior characteristic of a patriarch in a family-run business in the face of such an organization. They are also limited in being able to provide competent institutional mechanisms (Tandon, 2004).

2.14.2 Invisible boards
The second type of NGO boards is the invisible boards. They are referred as being invisible due to the nature, composition and styles of their meetings. Usually they comprise a small coterie of friends and family, assembled by the founder(s), merely for purpose of meeting statutory requirements on paper. Tandon (2004) has indicated that founders of these boards carry out their governance activities with or without the help of capable and professional staff and whenever there is a board, its role is largely to rubber stamp what founders have already agreed upon.

These kinds of boards does not have specific meeting structures and arrangements, they can sometime stay for many years without a single board meeting and the founders merely obtains the thumbprint of board members on the minute book from time to time. Advantages of such kind of boards is the fact that founders can easily and speedily push forward and pursue his or her vision with energy and speed. Main disadvantage though is the fact founders are subjected in situations where they don’t have access to regular advise, experience and expertise that many of the board members usually brings when they meet regularly. The absence of clear separation between governance and management organizations with this kind of boards reduces the benefits and strengths that are brought by due to good internal accountability mechanisms.

2.14.3 Staff boards
The third type of NGO boards is referred to as Staff Boards. This is a board whose members are the current staff of that particular organization. This situation happens
when an NGO has been set up by a group of people in pursuit of a shared vision and they themselves decide to become members of the board). Or in a different situation, it happens when senior staff members are brought into the board due to their experience in the organization (Tandon, 2004).

Advantages of these kinds of boards include a mechanism to provide and ensure promotion of shared vision and common agreement on the direction of the organization, there is also a collective commitment by the board towards the well being of the organization. These boards also help in the process of building and strengthening the stake which staff feel they hold in the future of the NGO (Tandon, 2004).

Disadvantages include: confusion over, and the blurring of, the distinctions between the requirements of governance and the needs of day-to-day management. It is also common to find situations in which staff confuse programmatic accountability to the CEO with shared responsibility for governance.

2.14.4 Professional boards

The fourth type of NGO boards is the Professional Boards. They are being referred to as professional since membership to the board is on the basis of professional and strategic requirements of the organization. In such situations, the composition and functioning of the board exhibits a more formal character; board appointments are made with careful consideration of the requirements and future direction of the institution. Other characteristics of these boards include: a formal system of meetings, discussions, decision-making and recording (agenda papers, minutes and so on); members take individual and collective responsibility for different aspects of governance (such as sub-committees and the roles of Chair, treasurer and Secretary); the performance audit and review of the institution as well as that of the CEO and other senior staff is represented in external for by different members of the board. (Tandon, 2004)

The main strength of these kind of boards is their ability to provide on going professional direction to the institution and to help shape its policies and strategies in a more rational and coherent manner. They also ensure periodic assessment of mission and strategy, and its translations in to programmes and internal mechanisms during times of stability. In situation of crisis, they are able to take on the true function of governance, rising above day-to-day management.

Main challenges with professional boards is related to difficulties in generating and sustaining shared vision in the board especially when the board function s as a collection of well-meaning and concerned individuals (Tandon, 2004).
2.15 Empirical Studies

Empirical literature on non profit board governance has examined the ways in which adherence to “best practices” has the potential to influence positive organizational outcomes. For example, in their study of 400 non profit organizations in Canada, Bradshaw, Murray, and Wolpin (1992) found a positive relationship between the perception of board effectiveness and widely accepted notions of how a nonprofit board of directors should operate. Specifically, they argued that board involvement in the development of the agency’s mission and in strategic planning, together with participation at meetings and in committees, contributed to the perception that the board had a positive impact on organizational performance.

Similarly, Green and Grieinger (1996) examined 16 social service organization boards to assess the degree to which board attention to the duties and responsibilities prescribed in the normative literature related to organizational effectiveness (that is sustaining long-term quality client service). The others found that the boards of directors for effective organizations tended to be engaged in at least seven best practices including policy formation, strategic planning, program monitoring, financial planning and control, resource procurement, board development, and dispute resolution.

A positive relationship between best practices and desired organizational outcomes can be found in Herman and Tulipana’s (1985) study that showed how organizational effectiveness was related to the extent to which board members believed they were properly informed of their roles and responsibilities.

According to Conforth and Edwards (1999), the contribution of board members in the strategic management of non profit organization in UK depended and varied according to complex interplay of the system of regulation, sectoral traditions and norms of governance, the way board members are chosen, board members skills and experience, organizational size and status and the way boards are organized and run. These interplay factors determine how board members carry out their two crucial responsibilities, which Salmon (2000) pointed them out as — oversight of long term company strategy and the selection, evaluation and compensation of top management.

Using organizational theory, agency theory, resource dependence theory and institutional theory, Judith L, and Miller-Millesen (2003) provided a link between theory and practice in understanding the behavior of Non profit Boards of Directors in three ways. First he provided a link between theory and practice by identifying the theoretical assumptions that have served as the foundation for the “best practice” literature. Second he presented a theory-based framework of board behavior that identifies the environmental conditions and board /organizational considerations that are likely to affect board behavior. Finally he offers a set of hypotheses that can be used in future empirical investigations that seek to understand the conditions under which a non-profit board might assume certain roles and responsibilities over others.

*The Agency theory (Jensen & Meckling, 1976)*

The theory stresses the importance of separating ownership from control. The board of directors assumes responsibility for the ratification and monitoring of decisions that
have been initiated and implemented by the management of the organization. In this way, risk-bearing functions are kept separate from decision structures, and stakeholders are assured that organizational resources are being used in the way in which they were intended. According to this theory, board members have the responsibility to determine the mission and purpose of the organization; select and evaluate an appropriate administrator, as well as to monitor his or her action to assure that the interests of management are aligned in such a way as to not conflict with the interests of the organization or society (Fligsten and Freeland, 1995).

Resource Dependence Theory: (Pfeffer & Salancik, 1978)
This theory holds that the ability to acquire and maintain resources is essential to organizational survival. Because no organization controls all of the resources it needs to survive, the board of directors plays a crucial role in facilitating exchanges that reduce interdependencies in the organization’s operating environment. Board members, through personal and/or professional contacts, are a benefit to the organization because they can access information and reduce uncertainty. Resource dependence theory highlights the board’s boundary-spanning responsibility and provides insight into the ways in which power and influence have the capacity to bias resources allocation decisions.

This theory focuses on the ways in which organizational structures and processes reflect institutional pressures, rules, norms, and sanctions. Institutionalization occurs when boards enact similar behaviors like self-assessment practices, structures for example advisory committees, and or processes. The theory is useful in understanding why many nonprofit boards engage in similar activities, codify like practices, and develop comparable structures. This theory focuses analytic attention on the interpretation of the norms, values, and beliefs that legitimate governance behaviors.

Theory-based Typology of Board Behavior (Judith L. and Miller – Milleson 2003)
This theory is an integrative theoretical framework of board behavior that identifies the conceptual framework of board factors, organizational factors, and board behaviors. According to this theory, board behavior is influenced by two key environmental factors namely: external pressure emanating from the resource of funding environment and from the institutional or regulatory environment.

One of the key success of the theory-based model, was the understanding and framing of the assumptions that underpin normative board roles and responsibilities. It identified testable hypotheses for use in future empirical investigation of non profit board process and structure.

Judith and Miller (2003) concluded their theory by identifying the following hypotheses: non profit boards are less likely to engage in monitoring behaviors when the executive staff is professionalized; non profit boards are more likely to focus on boundary-spanning function than on monitoring functions when the proportion of income raised from external sources is high; non profit boards are more likely to focus on monitoring functions than on boundary-spanning functions when the proportion of income raised from external sources is low; non profit boards are more likely to
engage in boundary-spanning activities when the external environment is complex or when the organization is in transition or crisis; and non profit boards are more likely to engage in boundary-spanning behaviors when the executive staff are professionalized.
Chapter Three

3 METHODOLOGY

3.0 Introduction
This chapter explains the methodology used in this study. It covers the description of the overall research approach, sampling procedures, instrumentation, data collection and data analysis that have been used.

3.1 Research Design

Research design is defined as a plan of action for collecting data and analyzing it with an objective of combining the relevance of research with economy in procedure (Barney, 1985). Various research designs have been recommended depending on research objectives and they include: experimental design, survey design and case study design. In this particular research case study approach was used to investigate the practice of board member participation in NGOs in Tanzania.

According to Yin (2003), evidence for case studies are derived from six premises which include: archives, interviews, observation, documentation, participants – observation and physical artefacts. The purpose of case study is to explore and generalise theories by a process of inferences (analytical generalizations) but not to develop frequencies in values (statistical generalizations).

Huysamen (1993) suggests that a research design is a framework that explains how data will be collected and analyzed in an investigation. In choosing which research method to use it is important to begin with the research problem and research question that you want to address. According to Gummesson (1991), the research question(s) can determine whether researcher should approach qualitative or quantitative methodology.

3.2 The research question

The research question in this study is: What are the different Board Member Participation Practices of NGO sector in Tanzania?

3.3 Research Methods

The author chose a combination of qualitative and quantitative methodology to allow sufficient complementarity and good triangulation by combining the strengths of these methods in collecting information needed to answer the research question described above.

Through the combination of different methods, more data and information was generated from different perspective and different angles to increase accuracy and
validity of the findings of the study. A combination of qualitative and quantitative method is important in this study since information was drawn from non profit organizations as well as from board members.

3.3.1 Qualitative Analysis
According to Gauri (2005), qualitative analysis is characterised by the emphasis on understanding, observations and measurements in natural settings, closeness to data, process oriented, generalizations by comparison and context of individual organism. In this study, emphasis was put in understanding processes, perspectives and insights on why particular practices prevails and other not.

3.3.2 Quantitative Analysis
This method was chosen to enable researcher to quantify respondent’s answers in defined variables to draw statistical conclusion and comparisons

Literature and theoretical analysis were also used to put the research issues into right perspective in relation to written background elsewhere. This was very important especially in the context of this topic and the fact that there is very little available information on the identified research question in the country where the research was done.

3.4 Sample Size and Sampling

The determination of sample size is a common task for many organizational researchers. Inappropriate, inadequate or excessive sample sizes continue to influence the quality and accuracy of research. (James et al, 2001)

Since this is not a survey study but rather a case study, twenty (20) non profit organizations were purposeful chosen by the researcher.

3.5 Selection Criteria

Organizations were chosen on the basis of how easy they can be reached (through telephone and email addresses) to enable faster access to information within shortest time limit of this research.

Non profit organizations were also chosen based on the researcher knowledge and interaction with those organizations to maximize and use existing social network that the author has with these organization. This aspect is very important since within the short time limit at hand, it is very difficult to get information required to be able to answer/respond to the research question at hand.

In as much as possible, researcher chose non profit organizations that are based in Dar es salaam, where the researcher live and work. Few organizations were also chosen from outside Dar es salaam.

The author was very much interested in including non profit organizations that are known to have professional boards as outlined in the theoretical analysis. These are organization believed to have board member composition on the shared vision of a set of like-minded people. Before any organization was chosen, the researcher made a
rapid assessment through telephone call to confirm that chosen non profits have professional boards. As outlined in the theoretical analysis, professional boards refer to formal boards, boards whose members are chosen in consideration of organization’s future direction. It also includes a board with formal system of meetings, discussions, decision-making and recording of minutes.

3.6 Key Informants

Key informants for this study included heads or chief executive officers of non profit organizations and or their deputies and board members. In as much as possible efforts were done to get board chairs or vice chairs for interviews

3.7 Data Collection

In gathering information in the research process, the researcher makes use of various data collection methods like questionnaires, checklists, indexes and scales.

In this research, the following methods for data collection were used:

3.7.1 Questionnaire

Questionnaire can be defined as a set of questions on a form, which is completed by the respondent in respect of a research project (Creswell, 1994). It is a list of presented questions to which respondents are asked to supply answers. Respondents are persons of whom the questions are asked. In this research, respondents for the questionnaire were CEOs or their designates from identified non profit organizations. This part of questionnaire contained structured and semi-structured closed questions and different sub sections were identified based on the theoretical analysis which identified different aspects of board member participation. The questionnaire consisted of four parts with a total of 31 questions. Section A, B and C contained basic NGO information, governance profile and recruitment of board members respectively while Section D contained questions on board meetings. Final section (E) outlined few questions regarding practices in evaluating performance of NGO boards

3.7.2 Interviews

According to Gauri (2005), an interview is highly suitable for exploratory types of study and it enable the researcher to gain a more accurate and clear picture of a respondent’s position or behavior. This method of data collection is mainly qualitative in nature and it enables the researcher to collect views, opinions and other interesting experiences from the interviewee. This method was chosen, since the research was intending to identify practices currently used by board member participation in non profits in Tanzania. It therefore enabled the researcher to collect opinions, and experiences of board members. As indicated above, interviews were also done to enable the research triangulate information obtained in the questionnaires.

In interviews, open questions were used to allow interviewees an opportunity to share there experiences and opinions. In order to serve time and any un-necessary demand to the interviewer, the researcher prepared an interview guide in advance and a timed
pilot test was carried out to ascertain how long or how much time each question should take. However, caution was also taken not to carry out too many interviews. A maximum of 30 interviews were done, with a view to include at least one board member from each participating non profit organization. This brought the total number of questionnaire and interviews to 60, a fairly representative pool of informed opinion that enabled the research draw conclusions and respond to the research question.

Reliability of interviews depended on the quality of how the session was carried out and how data was stored. Flexibility was allowed to elicit information that could otherwise be difficult to obtain from other sources.

### 3.7.3 Review of secondary data

According to Yin (2003), secondary data is recommended in situations where case studies are used and its value is derived from its ability to substantiate assumptions by supplementing secondary data with information provided in the interviews. The researcher has time to review annual reports, important publications, constitutions and memorandum or articles of association of some of participating organizations to verify and crosscheck on the information provided during interviews and questionnaires.

### 3.7.4 Type of data/information collected

Data and information collected consisted basic information of NGO studied, their description and functions. Description of and profile of board members, how they are appointed, together with how they discharge their roles, and responsibilities. Key informant were interviewed to share their experiences and personal circumstances that have led in to being appointed as board members, their perception of what contribution of board member participation have made and how. The discussion of whether the board members clearly understand their roles, responsibilities, and limitation were also carried out.

### 3.7.5 Administration of Questionnaires

Prior to sending questionnaires, a phone call communication was done to each organization to introduce the research, outline the objectives for the research and seek permission to include the organization into the search.

Immediately after getting an ok (i.e. an organization confirming willingness to participate in the provision of information for the research), questionnaires were send through email or post service.

Organizations were invited to respond to the questionnaire by responding to the closed questions outlined in the questionnaire.

Each organization was requested to respond within a maximum of 10 days from the date they received the questionnaire. A clear address (email and postal) was given for returning all filled questionnaires.
3.7.6 Data Analysis

Basic statistical analysis using excel was used to present all quantitative information obtained from participating non-profits into charts, tables and percentages to facilitate meaningful interpretation of information.

All qualitative information and data generated during interviews, was analyzed simultaneously during data collection, data interpretation and narrative reporting writing. Simultaneous activities included collecting information, sorting information into categories, formatting the information into a story and a qualitative text. The patterns, themes and categories of information, and other information were collected together - based on classes of given criteria and informed by research question and theoretical analysis - into meaningful information and they formed the basis for major findings and recommendations of this research.

3.8 Validity and Reliability

Determining the accuracy of the account, discussing the generalizability of it, and advancing possibilities of replicating a study has long been considered the scientific evidence of a scholarly study (Creswell, 1994).

In order to ensure accuracy of information received, respondent(s) were contacted by telephone and or emails to solicit willingness to participate in the study. This also enabled to the researcher to introduce and familiarize the respondents with the research questions and to allow enough time for respondent.

Interview was carried at arranged manner and timeframe and respondents were allowed freedom to select convenient time and location. Researcher used pre-arranged A4 forms that had a list of questions to be asked and space for recording all the responses provided. Data was immediately transcribed and transferred into a synthesis document where key themes, thoughts and ideas were arranged together.

In order to ensure accuracy, researcher contacted some few respondents after the interviews and asked whether the conclusions made were inline with information provided.
4.0 Introduction

This chapter gives the results of the data obtained from informants in selected non-governmental organizations in Tanzania. Twenty Chief Executive Officers (CEOs) and twenty-eight board members from 20 NGOs in Tanzania participated in providing information for this study. The full list of NGOs participated in this study is provided in annex 2 of this study.

Executive Directors group comprised of five females and fifteen males. While the board members group comprised of thirteen females and fifteen males.

4.1 Basic Information on Selected NGOs

This section provides and summarise basic information of the 20 NGOs that participated in this research. This information is important as it sets the context and background about which to interpret the rest of the findings of this research.

4.1.1 Year of Establishment and Registration

Years in which selected NGOs were established in Tanzania (i.e. started their operations) can be summarised by table 4.1 below:

<table>
<thead>
<tr>
<th>Year Founded</th>
<th>Number of NGOs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960 – 1990</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>1991 – 1999</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>2000 – 2006</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research Data (2007)

From table 4.1 above, findings conclude that over 90% of selected NGOs were founded after 1990 with more than half (50%) founded just seven years ago. This finding is consistent with Government of Tanzania data which indicated that between 1961 to 1990 Tanzania had 41 registered NGOs while by 2000 the number was 3,000.

Increase in number of NGOs in Tanzania is largely attributed to increase in poverty levels and political reforms that took place in mid 1980. Tanzania for the first time allowed multi-party democracy in 1985 that went hand in hand with government allowing citizens to form interest groups (now largely known as NGOs). Poverty also contributed in the rise of NGO sector in Tanzania. For example, due to the HIV and AIDS pandemic in Tanzania, many donors mobilized resources and provided to both the government, and NGOs to contribute towards reduction of this disease. The first
HIV/AIDS case in Tanzania was discovered in 1982. Today, there are more than 500 NGOs dealing with HIV/AIDS pandemic in Tanzania.

4.1.2 Types of Registration

When asked to mention the type or form of registration, responses received are summarized in table 4.2 below.

<table>
<thead>
<tr>
<th>Type of Registration</th>
<th>Number of NGOs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustee</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>Society</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>Association</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Company (for profit)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Company (not for profit)</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2007)

This question was included in the interviews based on the researchers’ knowledge that Tanzania has multiple legal provisions that provide for NGOs registration. From table 4.2 above, evidence indicates that 50% of interviewed NGOs are registered as company not for profit respectively.

When asked to provide comments on the different forms and types of registration of NGOs in Tanzania, informants provident the following points. One, multiple registration procedures makes coordination of NGO sector in Tanzania very difficult. Second, many NGOs are now in favour of registering their organizations as Non Profit Companies largely due to less paper work and time taken as compared to other forms of registration. And thirdly, companies have personality identity before courts of law and this provide legal protection to EDs in case of any court case related to their advocacy or human rights work.

4.1.3 Annual Operation Budgets

When asked to indicate the funding levels each organization is managing on a calendar year basis, the following information as outlined in table 4.3 was provided.

<table>
<thead>
<tr>
<th>Level of Funding per Year in US $</th>
<th>Number of NGOs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>$51,000 - $100,000</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>$101,000 - $500,000</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>$501,000 - $1,000,000</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>$1,100,000 - $5,000,000</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td>$5,100,000 - $10,000,000</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Over $10,000,000</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2007)
Sixty five percent of responded NGOs are managing an average of US $51,000 to $500,000 per year while ten percent less than $50,000 and another 10% manages over one million but not more than five million US dollars. From table 4.3 above, information provided indicates that majority of Tanzania NGOs are fairly small to medium in budget size with only 2 out of twenty NGOs managing a budget of between $1.1 million to $5.0 million.

4.1.4 Number of Employees

When asked to mention the number of employees in respective organizations, responses received are summarized in table 4.4 bellow.

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Number of NGOs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 10</td>
<td>9</td>
<td>45%</td>
</tr>
<tr>
<td>11 – 20</td>
<td>6</td>
<td>30%</td>
</tr>
<tr>
<td>21- 30</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>31 – 40</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>41 – 50</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>51- 100</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Over 100</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Research Data (2007)

Seventy five percent of NGOs interviewed have less than twenty full time employees. This includes senior management, middle manager and support staff. This points to the fact that many of the NGOs are smaller in size despite over 95% of these organizations being categorised as national i.e. working in more than one regional office in the country.

4.2 Activities Carried by Selected NGOs

In section 4.1 above, the research findings have presented information on different types of NGOs in Tanzania through examining information such as when they were registered and in what form, their budget size and numbers of employees. In the following section, the research presents a summary of roles/activities identified by selected NGOs in Tanzania.

The following is a list of activities or roles played by NGOs interviewed during this research:

a) **Advocacy** – this involves activities aiming to promote human rights – social political and economic rights as well as influencing government or donor policies especially those related to poverty reduction efforts. 78% of respondent NGOs indicated to be carrying out these types of activities. Their advocacy activities focus mainly on issues of human rights, gender, health, youth etc according to the mission, scope and mandate of an organization.
b) **HIV/AIDS Services** – due to HIV and AIDS pandemic, 70% of respondent NGOs indicated that they are currently implementing various programs related to HIV and AIDS. Activities include: workplace interventions targeting employees, awareness raising, promoting behavior change, promoting family planning, voluntary counselling and testing and provision of anti-retroviral drugs to prolong life for people already infected. Some mentioned that they are currently providing home-based care and support for people infected and affected with HIV and AIDS. Others have HIV/AIDS mainstreamed in their policy analysis, research, and advocacy work.

c) **Training and capacity building** – all interviewed NGOs indicated to be carrying out various forms of training and capacity building programs. Target groups for training and capacity building include communities, school teachers, school committee, local government leaders, youth group, women groups, etc. Focus of training is dependent on organizational mission and objectives.

d) **Human Rights** – another 60% of respondent NGOs indicated that they carry different activities that focus on access to human rights. Examples given include: access to information, freedom of expressions, access to legal rights for various groups such as women, youth, etc, gender rights, rights against various forms of exploitation, etc.

e) **Governance** – yet another 70% of respondent NGOs indicated carrying out activities related to governance. Mainly focusing on issues of power and resource allocation and utilization, with emphasis on transparency, accountability and participation. Some do work on mobilizing local community groups to participate in planning and budgeting processes at local and national levels.

f) **Research and Publication** – 25% of NGOs indicated to have a focus on research and publication on various topics relevant to organization vision, mission and mandate.

g) **Policy analysis** – 35% of respondent NGOs confirmed that they are currently involved in carrying out policy analysis work mainly at national level. Majority of these are focusing on social sector policy analysis – education, health, water and they are analysing these policies from equity and human rights angle to see who benefit who is not and why. Main aim of the policy analysis work is to use their finding to influence government and donors policies at national level. Some also use their policy analysis work with the aim to influence various government decisions including budgeting decisions.

h) **Legislative drafting** – few organizations (5%) indicated they have specific work related in the drafting of bills, laws and policies. This organizations have in house expertise and skills with legislative drafting.

i) **Networking and coalition building** – another 25% of respondent identified networking and coalition building as the main activities of the respective organizations.
4.3 Recruitment of Board Members

4.3.1 Who recruits new board members?
When the research asked the question to respondents concerning who recruit the new board members in their respective organizations, a mixed response was obtained and this is summarized in figure 4.1 below.

![Fig 4.1 Who Recruits the New Board Members?](image)

From figure 4.1 above, this research found out that 50% of selected NGOs recruit new board members by using the Board while the other 50% of NGOs use management and members’ annual general meetings to recruit new members. These findings conclude therefore that only half of the selected NGOs have best practice of using the board to recruit new board members.

From theoretical analysis in chapter two above, both Green & Griesinger (1996) and the Reference Guide for NGO Boards (2002), suggested that, recruiting new board members should be seen as an important responsibility of the board. They argued that recruitment is the way the board ensures that it continues to have the right mix of skills needed to fulfil its role of strategic guidance and oversight.

Best NGO governance practices and standards emphasis that the role of recruitment of new board members should not be delegated to the management. This is important because the board must be independent of the management if it is to effectively fulfil its governance responsibilities.

When some respondents were questioned as to why it is the management that recruit new board members, the immediate response was the fact that such provisions are contained in the organization constitutions. There were therefore no concrete reasons on this practice and during interviews many felt the need to review and amend those constitutions to reflect the internationally agreed best practices, and therefore strengthen the oversight function role of the board.

4.3.2 Criteria Used to Recruit New Board Members
When examining criteria being used to select new board members, the research found out that NGOs in Tanzania have well established standards or criteria and these
are stated in the organization’s bylaws and or constitutions. The following is a list of
criteria being used at the moment:
- Demonstrated understanding and experience in non profit sector
- Interest in the work of organization
- Commitment and readiness to contribute moral and material support
- Diversity in terms of gender, disability, representation and age
- Knowledge and skills that are relevant and will add value to the work of the
organization
- Availability
- Capacity to advise
- Social political connections
- Ability to fundraise
- Integrity
- Academic qualification
- Shared value

When executive directors were asked to select and rank criteria in order of
importance, 95% ranked commitment and availability as the very important selection
criteria. This was followed by: having special skills or knowledge relevant to
organization which 75% of respondents said that it is also very important.
Representation from various constituents and having social capital in terms of social
connection was ranked third by 65% of respondents saying it is an important criteria.

This ranking is consistent with what interviewed board members identified as the
major challenges they face in their participation in NGO boards. Over ninety percent
identified lack of adequate and quality time to prepare and participate meaningful in
Board Meetings due to other commitments as the main challenge they face.

While many of the board members and executive directors did not think that personal
characteristics such as gender, age and ethnicity is important criteria, evidence from
collected information suggest otherwise. When asked to present the number of current
board members disaggregated by gender, the following figures summarize the number
of male vs. female board members in the selected 20 NGOs

![Fig 4.2 Number of Male vs Female Board Members in Selected NGOs](image)

From figure 4.2 above, one can observe that at least three NGOs (15%) have equal number of
males and females in their boards. Another six NGOs (30%) have more females than
males in their boards while the remaining eleven NGOs (55%) have more males than females in their boards.

However, when looking on total numbers of males and female board members in the selected NGOs, there is a clear evidence of NGO boards in Tanzania containing more or less equal number of males and female board members. Research findings indicated that while males account for 51% of all board members, females accounted for 49%. This can be summarized in figure 4.3 bellow

![Fig 4.3 Total Numbers of Male vs Female Board Members in Selected NGOs](image)

### 4.3.3 Forms of Recruitment of New Board Members

The research found out that, NGOs are particularly interested in recruiting individuals (men and women) who have proved or demonstrated a particular accomplishment in his her field of work. Major forms of recruitment are through recommendations. None of the NGO interviewed indicated to be using other forms

### 4.4 Structure and Composition of Boards

Observations and findings from the research indicated that over 75% of board members in selected NGOs are coming from the NGO sector itself - i.e. people that are working/have worked with NGOs and have experience with the sector. Another 10% are drawn from academic and research institutions while people from government and private sector are 5% and 10% respectively. Informants were of the strong view that board members should be drawn from people who are working at executive director or senior management level. Sixty five percent of interviewed members confirmed to belong to this category while the remaining 35% indicated to have been invited to their respective boards due to possession of a particular technical expertise such as law, media, private sector etc

When examining whether NGO boards have representatives drawn from major constituents, the research found out that 18 NGOs which is 90% of those interviewed indicated to have a representative drawn from the constituents they serve. This is consistent with observations by Gagnon & St-Pierre (1995) that boards needs to
contain among members formal representatives drawn from major constituents to help gain sense of current concerns, issues and opportunities.

4.5 Roles and Responsibilities of Board Members

Research findings indicate that 25% of selected NGOs do not have documented expectations or roles (job description) that they provide to board members upon joining the organization board.

The remaining 75% of NGOs indicated to have clear sense on what roles do their board members play in their organization. The following is a list (not in any order of priority) that provided by participating NGOs on roles of their board members:

- To fundraise for organizations activities
- To attend board meetings
- To monitor programme implementation
- To prepare strategic plans, annual plans and annual reports
- To appoint, support and recruit Management
- To scrutinize the performance of the management
- To read and approve policies, plans and budgets
- To guide the organization
- To set policies and direction of the organization
- Overall decision maker of the organization
- To receive, scrutinize and approve annual plans and reports
- To appoint, support and supervise the Executive Director

From the above list, there is consistency on roles and responsibilities of boards in the selected NGOs with what different authors have recommended. For example, James M “Bo” emphasised the role of board to focus on direction, policy and strategy (Anonymous, 1995).

From questionnaires that were received, it is 15% of respondents who referred role of board in relation to appointment and performance evaluation of the executive director/senior management. During interviews, majority of informants didn’t clearly relate and articulate with this role. Policy, strategy and direction set were largely referred. In the theoretical analysis, Salmon (2000) pointed out, selection and evaluation of top management as one of the two crucial responsibilities of the board.

As discussed in section 4.7 bellow, despite the rose picture painted by selected NGOs in identifying roles and responsibilities for their boards there are inconsistencies regarding understanding of these roles, underpinned by lack of capacity and low experience that greatly limit the performance and effectiveness of board members.
4.6 Why People Become Board Members in NGOs in Tanzania?

This section summarises what informants indicated to be the motivation and reasons for accepting to become board members in NGO sector in Tanzania.

(a) Committed to the NGO Course

Majority of interviewed board members indicated strong sense of support, trust and confidence on the impact of NGO work in Tanzania. Some contended that NGOs are increasingly serving as a voice of voiceless; they are committed to promotion of human rights and have been good champions of social justice in the society. These are some of the reasons that were mentioned and as a result serving as motivational factor for accepting to sit on NGO Boards.

Through using different terminologies and words to emphasize their points each member indicated that the desire to contribute to the public good which NGOs are doing is the main motivational factors. One board member had this to say:

*I said yes when was asked to join the Board since I am very familiar with the work of this NGOs and it gives me great joy being part of the change process that is happening. NGOs are innovative, work close with the people especially poor and marginalized and I strongly share and support their course’.*

Another board member simply said:

‘*NGOs are doing fantastic jobs and therefore they must be supported*’.

(b) Networking

Another motivational factor that was pointed out by a number of informants is the opportunity to network and get connected to like minded colleagues. Many expressed the fact the NGO has been a factor that brought them into contact with people from diverse experience and background e.g. from government, NGO sector, private sector, academic and research institutions and this has established social relations and greatly served as a social capital.

The networking element was expressed to extend beyond board members to include the NGO staff, some partners, suppliers and financiers of the particular NGO. This was seen as a key value addition and many informants indicated a sense of satisfaction with these relations and networks.

(c) Capacity Development

Some younger board members indicated that joining NGOs boards is very rewarding experience as it provide them with opportunity for capacity development in terms of oversight roles, scrutiny functions and on roles and responsibilities of the boards.
Informants under this group felt particularly privileged to work with much senior colleagues who have had vast management experience in different settings.

(d) Exposure
Some informants indicated the value accrued in participating in NGO sector as largely related to being exposed to wider sets of development issues, current development technologies such as new concepts, paradigms, development policy, new tools and programs of internationally recognized reputation.

In few circumstances some board members indicated getting opportunity to represent the NGO in international conferences and meetings served as a very rewarding experience and exposure.

(e) Recognition and being valued
Some board members also went further into expressing satisfaction they get by being associated with what they refers to as ‘champions’ or ‘leaders’ in a particular field. This provides a great sense and opportunity for recognition and a sense of being valued in the society.

(f) Unnamed Motivation?
None of the interviewed participated mentioned sitting allowance as a motivation factor. Certainly it is not a motivation factor in some of the organization but could be a powerful motivation to others.

There are substantial differences in terms of payments of allowances for board members in Tanzania. One major category is the standard practice of refunding board members their transport allowances. According to this interview, this ranges from equivalent of USD $10 - $50 per meeting. Majority of interviewed participants were of the opinion that this is quite relevant practice and it only compensate board member’s costs incurred toward attending board meetings or other activities of the organization.

Only the other hand, there are organizations that pays sitting allowances on top of transport allowances at a tune of around USD $100 - $500 per meeting.

From basic insight, one can therefore conclude that payment of sitting allowances at a tune of $200 and above per meeting is a strong motivational factor. However, this is one of the areas that more research could shed light on the depth and breadth of this practice, similarities, differences and its effect on accountability paradigm in the non profit or voluntary sector in Tanzania.
4.7 Barriers to Effective Board Member Participation in NGO Sector in Tanzania

This section summarise what respondents identified as barriers to effective board member participation in NGO sector in Tanzania:

(a) None availability to attend Board Meetings

Majority (75%) of interviewed board members indicated that, none availability due to other commitments at work, business and other social responsibilities is the main challenge/barrier they face and this greatly limits their ability to participate in scheduled board meetings.

One board member who was reflecting on this issue had this to say:

‘I am very committed and proud of the work that my NGO is doing. I receive information and invitations to board meetings on time and I congratulate the ED for that, however, the main challenge facing me is lack of time to adequately read and review those documents as well as failing to turn up to scheduled board meetings’.

This tendency has contributed into a situation where board meetings are in many situations been postponed especially when some ‘key members’ are not going to be available. One board member referred to board chairs plus one or two other influential members (due to connection with the organization e.g. long involvement history, age, or core competencies and experiences) as among the ‘key members’ category in the sense that the practice in three boards he has experience indicates that once the board chair is not available the meeting will many cases be-postponed.

During this research secondary data on board member attendance in board meetings in the last three meetings was reviewed. Findings indicate that attendance rate stands at over 85% in all selected NGOs interviewed. While this is considered a very good turn-up and therefore a sign of commitment of members in attending meetings, it is however important to record the fact that in all NGOs interviewed, there are practices related to regular postponements of board meetings due to lack of availability of members. In one incident, one NGO respondent indicated that board meeting was postponed up to three times before they could get a quorum to allow for business to continue.

(b) Lack of clarity on roles and responsibilities

Some of the board member interviewed indicated a degree of frustration on not being clear on their roles and responsibilities and cited this as the main barrier they face and therefore limiting their effectiveness.

This point is reflected in the research findings where 25% of selected NGOs indicating that their organizations do not have documented set of expectations or roles (job description) that they provide to board members upon joining the organization board.
On another level, even for NGOs who responded to have clearly written and documented expected sets of roles and responsibilities (75%) for their board members, the research observed confusion on those roles and lack of consistence across NGO sector in Tanzania. The following three examples illustrate these confusion and differences in what informant NGOs understood to be expected roles of their board members:

**NGO One:**
- To monitor programmes’ implementation
- Prepare strategic plans, annual plans and annual reports for presentation to the AGM
- Appoint and dismiss Management
- Approve all major expenditure of the organization
- Propose new board members
- Convene meetings and report to members through AGM

**NGO Two:**
- Establish main policies of the organization
- Receive, scrutinize and approve annual plans and reports
- Appoint, support and supervise the ED

**NGO Three:**
- To participate in quarterly and annual general meetings
- Chairperson and vice chair person to make decisions on behalf of the board in between board meetings
- To participate in sub-committees set up by the board

NGO One above is a typical example of a situation where the role of the Board and that of management of the organization is blurred and there is confusion over who does what. If for e.g. the Board is monitoring programme implementation and preparing strategic and annual plans including annual reports, what then is the role of management? Do board members have times to really do this kind of day to day management and operation of the organization? When asked to comment, one board member in this organization clearly indicated that they have been finding it quite difficult in fulfilling and attending their obligations as board members while they have other responsibilities as well. This is a clear confusion in terms of the inability for this particular board to differential between governance and management. A majority of interviewed participants indicated the need for more training, capacity development and improvement of the board in terms of getting to know their roles and responsibilities.

Organization Two has clearly articulated and summarised what one would characterise to be the main and proper roles of an NGO board. Interviewed board members from this organization indicated to be very conversant on what is expected
on them and had more a sense of direction in terms of organization policies, direction and prospect for future growth and scaling up organizational activities.

Organization Three on the other extreme is another typical example that was very much echoed during the interviews. That boards and board members in NGO sector have largely defined their roles in terms of participation in meetings only. In this scenario, issues to do with policy setting, performance measurement of senior officials and other activities are ad hoc in its best or not happening completely.

The three examples above paint a balanced picture on how and where there is or there is not levels of understanding on roles and responsibilities from institution point of view and therefore/thereafter reflected by individual board members.

(c) Inconsistencies related to total numbers of Board Members

When analyzing data obtained, the research did find out significant inconsistencies related to the total numbers of board members in the selected NGOs. This can be summarized and grouped in three categories as outlined in figure 4.4 bellow. Category one contains 4 NGOs (20%) whose boards contain between 10 and 13 members. Category two contains 15 NGOs (75%) whose boards contain between 5 – 9 members. Category three in which one NGO (5%) had less than five board members.

![Fig 4.4: Total Numbers of Board Members](image)

During interviews, each board member and executive director did not show any bias to a particular fixed number as being ‘the ideal number’ for NGO boards in Tanzania. However there was some common and consistent message that the effectiveness of the board is greatly undermined depending on the number of board members. If the board is too small e.g. the one NGO with 4 members, it make boards works in a very tight and constrained environment in terms of work load and limited diversity in the composition of members. On the other hand, it was pointed out that if the board is too large i.e. with over ten members’ management of meetings and quality of discussion is undermined. It was also pointed out in such situations (with larger boards) only few strong and dominant members will have time to share and contribute ideas etc.
From the above three categories, informants were of the view though that the appropriate number of effective boards should between 5 and 9 members. This was thought to be effective as it can allow for bringing in different people with different skills, experience and background required by the NGO while at the same time allowing for a balanced division of labours in the board and quality discussion and deliberations.

Caution was however given by some informants that number of board members should also depend on the size of organization, complexity of program and provisions for effective mechanisms to ensure quality of meetings and discussions

(d) Lack of Capacity

Another barrier that was pointed by respondents as impacting on their performance and effectiveness is lack of capacity by some board members. Capacity here referred to largely experience, skills and understanding. This was especially the case for young and inexperienced board members. This barrier was specifically mentioned by board members who have less than a year past involvement in board activities.

Lack of capacity is compounded by the fact that majority of NGOs interviewed did not indicate to have any training or capacity building programme for its members largely due to lack of resources but more so lack of prioritization and identifying capacity building and training for board members as something that require organizational investment and resources.

When asked further what they would like to be trained more some board members indicated the following areas:

- Financial scrutiny and analysis
- Governance vs. Management
- Strategic planning

(e) Lack of Performance Monitoring and Reviews

Only two out of twenty organizations interviewed indicated to have a process whereby individual board members evaluate their own performance and that of fellow board members.

On the literature analysis in chapter two, it was clearly pointed out the need for performance monitoring and review as an indication of a well managed board. This was particularly stressed as very important to ensure that boards and board members are operating within the principles of good corporate governance, creating value for resources entrusted to it and fulfilling its broader obligations. (Reference Guide for NGO Boards, 2002)
Interviewed participants confessed that board monitoring and performance review is rather new concept in Tanzania context. They indicated not to be familiar with such kind of practices.

Due to lack of performance monitoring in majority of selected NGOs there was no any evidence on how boards deals with non performing members.

(f) Lack of Induction to new Board Members

Eight NGOs (equivalents to 40%) of selected organizations indicated that they do not do any induction to new board members to familiarize them with key aspects of the organization.

Marge (2007) urged the importance of organizations to familiarise especially new board members with the organizations’ financials, programs, services, activities, governance model, and training and development initiatives. This was pointed out to be key to facilitate learning, encourage engagement and enable board members to effectively contribute in their roles and responsibilities.

When asked why this is not currently practices, some ED and board chairs admitted that this is a gross oversight and some promised to take corrective actions.

The remaining 60% of the organization indicated to conduct formal induction to new members. Some induction activities pointed out include:

- Orientation to the constitution and organization policies
- Providing key documents such as constitution, annual reports and audit reports
- Orientation on what the organization is doing including meeting with stakeholders
- Meeting staff
- etc

Despite the above good list of various activities being done as induction to new board members, some ED indicated that organizations do not sufficient resources to conduct formal and detailed induction as they would wish. Some board members indicated frustration pointing to the point that many of the induction program are not properly designed to take their time constraints and flexibility they greatly need. In many cases, induction processes were pointed out to be taking in rather short period of time.
5.1 The main research findings

The main objective of this study was to explore and identify different board member participation practices in NGO sector in Tanzania. Five specific objectives were identified and these provided the basis for presentation and discussion of the findings in chapter four. In this section, main findings are presented as follows:

Tanzania’s NGOs have since early 1990s being growing very fast largely due to political reforms that allowed for citizens to form interest groups as well as due to increase in poverty levels fuelled by HIV and AIDS among other factors. Majority of these organizations are registered as company not for profit as compared to other forms of registration such as trustees, associations and societies. NGOs selected are of small to media size characterized by annual budget size of less than half a million US dollars and on average with 20 or less employees.

The research confirmed that NGOs in Tanzania are in fore fronts carrying out activities such as advocacy, training, capacity building, governance, policy analysis, human rights, research, publications as well as providing services related to community needs such as HIV and AIDS.

In terms of good practices for recruiting new board members, this study found that 50% of selected NGOs adhere to the best practices of ensuring and promoting boards that are independent of management by using the boards to recruit new members while the other 50% of NGOs do not adhere to these best practices.

The research found out that NGOs in Tanzania have well established standards or criteria and these are stated in the organization’s bylaws and or constitutions. These criteria include among other things the following:

- Demonstrated understanding and experience in non profit sector
- Interest in the work of organization
- Commitment and readiness to contribute moral and material support
- Diversity in terms of gender, disability, representation and age
- Knowledge and skills that are relevant and will add value to the work of the organization
- Availability
- Capacity to advise
- Social political connections
- Ability to fundraise
- Integrity
- Relevant Academic qualification
- Shared value

From the above criteria list, respondents ranked commitment, availability, having special skills or knowledge relevant to the organization as well as having social
capital in terms of social connection and representation as among the most important criteria for recruiting new board members in NGOs in Tanzania. However, despite personal characteristics such as gender and age not being ranked high as important criteria, this research found that in aggregate terms there are equal numbers of both males and females in NGO boards in Tanzania.

Observations and findings from the research indicated that over 75% of board members in selected NGOs have come from the NGO sector itself - i.e. people that are working/have worked with NGOs and have experience with the sector. Another 10% are drawn from academic and research institutions while people from government and private sector are 5% and 10% respectively. Informants were of the strong view that board members should be drawn from people who are working at executive director or senior management level. Sixty five percent of interviewed members confirmed to belong to this category while the remaining 35% indicated to have been invited to their respective boards due to possession of a particular technical expertise such as law, media, private sector etc.

Majority of interviewed board members indicated strong sense of support, trust and confidence on the impact of NGO work in Tanzania as the main motivation. Other motivational factors include: the opportunity to network and get connected to like minded colleagues from government, NGO sector, private sector, academic and research institutions and this has established social relations and greatly served as a social capital; some younger board members indicated that joining NGOs boards is very rewarding experience as it provide them with opportunity for capacity development in terms of oversight roles, scrutiny functions and on roles and responsibilities of the boards. Other motivational factors include: opportunity to get exposed to wider sets of development issues, current development technologies such as new concepts, paradigms, development policy, new tools and programs of internationally recognized reputation and recognition and being valued.

In terms of barriers to effective board member participation, this study found out the following as key barriers:

(a) None availability to attend Board Meetings: Majority (75%) of interviewed board members indicated that, none availability due to other commitments at work, business and other social responsibilities is the main challenge/barrier they face and this greatly limits their ability to participate in scheduled board meetings.

This tendency has contributed into a situation where board meetings are in many situations been postponed especially when some ‘key members’ are not going to be available. One board member referred to board chairs plus one or two other influential members (due to connection with the organization e.g. long involvement history, age, or core competencies and experiences) as among the ‘key members’ category in the sense that the practice in three boards he has experience indicates that once the board chair is not available the meeting will many cases be postponed.

(b) Lack of clarity on roles and responsibilities: Some of the board member interviewed indicated degree of frustration on not being clear on their roles and responsibilities and cited this as the main barrier they face and therefore limiting their effectiveness. This point was reflected in the research findings where 25% of selected
NGOs indicating that their organizations do not have written down set of expectations or roles (terms of reference) that they provide to board members upon joining the organization board.

On another level, even for NGOs who responded to have clearly written and documented expected sets of roles and responsibilities (75%) for their board members, the research observed confusion on those roles and lack of consistence across NGO sector in Tanzania. The research found out that there is confusion in terms of the inability for some NGO boards to differentiation between governance and management roles. Over 60% of interviewed participants indicated the need for more training, capacity development and improvement of the board in terms of getting to know their roles and responsibilities.

(c) Inconsistencies related to numbers of Board Members: The research found out significant inconsistencies related to the total numbers of board members in the selected NGOs. This can be summarized and grouped in three categories as outlined in figure 4.4 below. Category one contains 4 NGOs (20%) whose boards contain between 10 and 13 members. Category two contains 15 NGOs (75%) whose boards contain between 5 – 9 members. Category three in which one NGO (5%) had less than five board members.

(d) Lack of Capacity: Another barrier that was pointed by respondents as impacting on their performance and effectiveness is lack of capacity by some board members. Capacity here referred largely to experience, skills and knowledge. This was especially the case for young and inexperienced board members. Board members who have for example served for less than a year and they didn’t have any past involvement in board activities. Board members indicated they need more capacity building in the following areas:

- Financial scrutiny and analysis
- Governance vs. Management
- Strategic planning

(e) Lack of Performance Monitoring and Reviews: Only two out of twenty organizations indicated to have a process whereby individual board members evaluate their own performance and that of fellow board members. They admitted that board monitoring and performance review is rather new a concept in Tanzania. Due to lack of performance monitoring and review in the majority of selected NGOs there was no any evidence on how boards deals with non performing members.

(f) Lack of Induction to new Board Members: Eight NGOs (equivalents to 40%) of the organizations indicated that they do not do any induction to new board members to familiarize them with key aspects of the organizations.

The remaining 60% of the organization indicated to conduct formal induction to new board members. Some induction activities pointed out include:

- Orientation to the constitution and organization policies
- Providing key documents such as constitution, annual reports and audit reports
- Orientation on what the organization is doing including meeting with stakeholders
• Meeting staff

Despite the above good list of various activities being done as induction to new board members, some CEOs indicated that organizations do not have sufficient resources to conduct formal and detailed induction as they would wish. Some board members indicated frustration pointing to the point that many of the induction programs are not properly designed to take their time constraints and flexibility they greatly need. In many cases, induction processes were pointed out to be taking in rather short period of time.

5.2 Recommendations

In order to strengthen and improve corporate governance in the NGO sector in Tanzania and ensure effective board member participation, the following recommendations are offered based on the findings of this research:

➢ The role of recruitment of board member is the essential role for boards to ensure and promote its independency, credibility and sustainability. NGOs in Tanzania need to embrace this good practice and do away with what research observed i.e. recruitment of new board members by management. The role of Annual General Meeting (AGM) should be to endorse members that the board has approved and not otherwise

➢ Board members and aspiring board members need to reconsider their priorities, commitment and availability if they are to better fulfil their roles and responsibilities. Before one accept the position of a board member, existing board should clearly communicate the amount of time one need to put and be available for board meetings and other activities of the board

➢ Boards and NGO management should communicate better and clarify the roles and responsibilities of boards as well as individual board members. This can effectively be done if NGOs ensure and institute mechanisms and programs for induction of new board members to familiarise with all key aspects of the organization.

➢ Another better way of ensuring that board members have clear understanding of roles and responsibilities is for each NGO to run training courses or send their new board members into available training programs that emphasis on roles and responsibilities of board members. Training emphasis should also focus on the areas of financial scrutiny and analysis, governance vs. management, and strategic planning

➢ Training institutions in Tanzania need to design and promote tailor made trainings that focus more on issues of corporate governance especially in non profit sector in Tanzania

➢ Donors and other well wishers should provide financial support to NGOs that is specifically focusing on strengthening corporate governance, promoting accountability and ensuring that NGOs have effective boards
➢ Research & academic institutions as well as book publishers should research and document more on the dynamics of corporate governance in NGO sector broadly and board member participation more specifically and offer different resources, materials and publications that can easily be available for existing and aspiring board members.

➢ Government should establish a regulation and compliance unit in ministry responsible with NGOs to ensure that best corporate practices are adhered to in all NGOs in Tanzania

➢ NGOs should establish peer review mechanisms to support each other and ensure compliance with best corporate practices in how they run their affairs

➢ Media should also scrutinize research and publish practices of corporate governance practices in NGO sector in Tanzania. This will expose and shed more light on what is happening in corporate governance sector in Tanzania

➢ More research and investigation on the impact of sitting allowance practice in NGO sector is needed
6.0 REFERENCES

6.1 Books


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6.2 Articles


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Friedrich Ebert Stiffung Foundation (FES), (2001), NGO Calendar, Dar es Salaam


Hari Srinivas (2000). Constituting an NGO Board: Creating a Strong Baseline for an NGO's Activities


The United Republic of Tanzania (URT) (2001). The National Policy on Non-Governmental Organizations (NGOs). Dar es salaam


6.3 Websites


Dear respondents,

Thank you for your willingness to participate in this study.

I am carrying out this study as part of requirement to complete my Master of Business Administration at Blekinge Institute of Technology, Sweden.

Recent research findings have revealed that Boards do often play an important hands-on role in the failure and turn-around of Non-governmental organization. To effectively manage its resources – financial, human and materials – and contribute successfully towards achieving its vision and mission, NGO need to have strong and responsible Boards. NGOs are very diverse and unique in terms of set up, mission and mandate. There is therefore no single model on how NGO Boards operate and perform its functions. However there are common held approaches that apply to effective Board participation practices.

This research aims at exploring the differences and similarities in Board Member participation practices within NGOs Boards in Tanzania

I would be very grateful if you could take few minutes to respond to the following questions.

All information provided will only be used for academic purpose outlined in the above statement.

Your answers will be treated with strict confidence

Thank you for your support.
Part One
(to be filled by CEO/Senior Managers)

Section A: Basic NGO Information

1. Name of NGO ________________________________________________

2. Year Founded __________________________

3. Is your NGO Registered? Yes_______ No_______
   If Yes, year Registered_______________________

4. Form of Registration, (please tick appropriate)
   a) Trustee
   b) Society
   c) Association
   d) For Profit Company
   e) Company Not for Profit
   f) Other (specify) _______________________________

5. Annual Budget of your organization in US Dollar (tick appropriate)
   a) Less than $50,000
   b) $51,000 - $100,000
   c) $101,000 - $500,000
   d) $501,000 - $1mil
   e) $1.1 mil - $5 mil
   f) $5.1 mil - $10 mil
   g) Over $10 mil

6. Total number of employees currently (tick appropriate)
   a) 1 - 10
   b) 11 - 20
   c) 21 – 30
   d) 31 – 40
   e) 41 – 50
   f) 51 – 100
   g) Over 100

7. Type of your organization (tick appropriate)
   a) National NGO (i.e. you operate in more than one region in Tanzania)
   b) Regional NGO (i.e. you operate in more than one district)
   c) District NGO (you operate in one district)

8. Main types of activities of your NGO (tick all that apply to your NGO)
   a) Advocacy
   b) Human Rights
   c) Humanitarian
   d) Governance
Section B: Governance Profile of your Organization

9. Does your organization conduct Annual General Meeting?
   Yes ______; No ______

10. Does your organization carry out independent financial audit?
    Yes ______; No ______

11. Number of Board Members in your Board?
    Male ______; Female_______

12. Does your Board contain a representative from your major constituent (i.e. your beneficiary group)
    Yes _____; No ______
    If Yes, how many _____________________

13. To whom does your Board Reports to? ______________________

14. Does your board member serve in a defined time period?
    Yes ____; No _____
    If Yes, What is the maximum term of service for board members in your organization? __________________

Section C: Recruitment of Board Members

15. Who recruit new Board Members in your organization (tick appropriate)
    a) Management
    b) The Board
    c) Other (specify) ________________________________

16. Who approves the recruitment of new Board Members in your organization?
    ________________________________

17. What criteria does your organization use to select new board members?
18. Does your organization conduct formal induction to new board members?

Yes _____; No______

If yes, list key induction activities for new board members

a) ______________________________________

b) ______________________________________

c) ______________________________________

d) ______________________________________

e) ______________________________________

19. Does your organization have documented expectation or sets of expected roles for each board member?

Yes _____; No ______

If yes, what are three of these expectations?

a) ______________________________________

b) ______________________________________

c) ______________________________________

20. Rank the following selection criteria for recruitment of board members in order of importance with 1 least important and five very important

a) _____ Personal Characteristics (age, gender, ethnicity, religion)

b) _____ Representative from various constituents

c) _____ Commitment and availability

d) _____ Having special skills or knowledge relevant to your organization

e) _____ People with social capital in terms of social connection

21. Do you conduct formal interviews as process of recruiting new board members?

Yes _____; No ______

Section D: Board Meetings

22. How often are your board meetings? __________________
23. How do you rank attendance of board members in your organization?
   Excellent _____; Very good _____; Good ____; Weak ___; Poor ____

24. How do you rank your board meetings time keeping practices (start on time and keep time agreed?)
   Excellent _____; Very good _____; Good ____; Weak ___; Poor ____

25. How do you rank board members contribution during your board meetings?
   Excellent _____; Very good _____; Good ____; Weak ___; Poor ____

26. Do you think your board members prepare adequately before board meetings
   Strongly agree ____; Agree ______; Don’t Agree __________

27. Please provide us with numbers of board members who attended the last three board meetings:

<table>
<thead>
<tr>
<th></th>
<th>Number Present</th>
<th>Absent</th>
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<tbody>
<tr>
<td>Meeting 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting 3</td>
<td></td>
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</tbody>
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**Section E: Evaluating Board’s Performance**

28. Does your organization’s constitution or bylaw specify that Board Evaluation is part of internal regulations? Yes ________ No ______

29. Does your organization prepare and give to each board member a role statement to ensure that each member understand his obligation?
   Yes _____ No ______

30. Does your board conduct compliance audit annually to ensure rules and control systems are functioning and adequate:
   Yes _____ No ______

31. Is there a process in your organization whereby individual board members evaluate their own performance and that of fellow members?
   Yes _____ No ______

Thank you for your time
Part Two

Interview Questions with Selected Board Members

1. What is your professional background?

2. How and who recruited you as the board member in your current board?

3. What management/operational position do you serve as in your current Organization/Company/Institute?

4. Why did you accept to join the current NGO boards? What motivated you?

5. What do you understand to be your key roles as a Board Member?

6. How do you fulfill those roles and what challenges do you face?

7. Any recommendations on what need to be improved to ensure effective board member participation in NGO sector in Tanzania?

Thank you for your inputs and time