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**THE RELATIONSHIP BETWEEN TRANSPARENCY, BOARD PERFORMANCE AND
MARKETING PRACTICES ON THE EFFECTIVENESS OF NON-PROFIT
ORGANIZATION IN MALAYSIA.**

BY

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Science Management**



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ABSTRACT

Over the past decade, there was an issue of dissatisfaction of funders with the performances of NPOs in which many parties have taken into account the importance of measuring the effectiveness and transparency of charities. This study focuses on investigation of NPOs effectiveness in Malaysia; hence the aim of this study is to investigate what would be the factors influencing the NPOs effectiveness in Malaysia. This study extends to a limited scope of the investigation of the NPOs effectiveness in Malaysia based on the study of a set of indicators of the effectiveness of NPOs such as; board performance, transparency and marketing practices. There are many contributions of this study to the funders and to the non-profit organizations itself. The sources of information for this study were gathered from both primary and secondary data. Research population selected for this study are the non-profit organizations registered under the Registry of Society (ROS) from the year 2013 to 2015 in Malaysia. Research findings supported the hypotheses positive relationship between transparency and non-profit organization effectiveness and positive relationship between board performance and non-profit organization effectiveness with significant. While the hypothesis positive relationship between marketing practices and non-profit organization effectiveness was found with insignificant results.

Keywords: Non-profit Organization, Transparency, Board Performance, Marketing Practices, Registry of Society

ABSTRAK

Sepanjang dekad yang lalu, terdapat isu ketidakpuasan para pendana dengan prestasi pertubuhan bukan keuntungan di mana banyak pihak telah mengambil kira pentingnya mengukur keberkesanan. Kajian ini menumpukan kepada penyiasatan keberkesanan pertubuhan bukan keuntungan di Malaysia; Oleh itu tujuan kajian ini adalah untuk mengkaji apakah faktor-faktor yang mempengaruhi keberkesanan pertubuhan bukan keuntungan di Malaysia. Kajian ini menyumbang kepada skop terhad penyiasatan keberkesanan pertubuhan bukan keuntungan di Malaysia berdasarkan kajian tentang satu set petunjuk keberkesanan pertubuhan bukan keuntungan seperti; prestasi lembaga, ketelusan dan amalan pengurusan pemasaran. Terdapat banyak sumbangan kajian ini kepada para pembiaya dan organisasi bukan keuntungan itu sendiri. Sumber maklumat untuk kajian ini dikumpulkan dari kedua-dua data primer dan sekunder. Populasi penyelidikan yang dipilih untuk kajian ini adalah organisasi bukan keuntungan yang didaftarkan di bawah Jabatan Pendaftaran Pertubuhan dari tahun 2013 hingga 2015 di Malaysia. Penemuan penyelidikan menyokong hipotesis hubungan positif antara ketelusan dan keberkesanan pertubuhan bukan keuntungan dan hubungan positif antara prestasi lembaga dan keberkesanan pertubuhan bukan keuntungan dengan signifikan. Manakala hipotesis hubungan positif antara amalan pemasaran dan keberkesanan organisasi bukan keuntungan didapati dengan keputusan yang tidak signifikan.

Kata kunci: Pertubuhan Bukan keuntungan, Ketelusan, Prestasi Lembaga, Amalan Pemasaran, Jabatan Pendaftaran Pertubuhan

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TABLE OF CONTENTS

Title	Page
Permission to use	i
Abstract	ii
Abstrak	iii
Acknowledgements	iv
Table of Contents	v-xi
List of Tables	ix
List of Figures	x
List of Abbreviation	xi
CHAPTER 1: INTRODUCTION	
1.1 Background of the study	1
1.2 Problem statement	4
1.3 Research questions	6
1.4 Research objective	7
1.6 Scope of the study	7
1.5 Significance of the study	7
1.7 Definition of Key Terms	8
1.7.1 Non-profit organization effectiveness	8
1.7.2 Transparency	8
1.7.3 Board Performance	9

1.7.4	Marketing practices	9
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CHAPTER 2: LITERATURE REVIEW

2.0	Introduction	10
2.1	NPOs in Malaysia	10
2.1.1	Theoretical Perspective on NPOs Effectiveness	11
2.1.2	Nine Ideas of Understanding OE	14
2.2	Transparency	18
2.2.1	Measures for Transparency	19
2.2.2	Transparency and NPOs Effectiveness	19
2.3	The Board	21
2.3.1	Measures for Board Performance	22
2.3.2	Board Performance and NPOs Effectiveness	24
2.6	Marketing practices	27
2.4.1	Measures for Marketing	27
2.4.2	Marketing Practices and NPOs Effectiveness	28

CHAPTER 3: METHODOLOGY

3.1	Introduction	30
3.2	Conceptual Framework	30
3.3	Hypothesis development	31
3.4	Research Design	31
3.4.1	Source of Data	34

3.4.2	Unit of Analysis	34
3.5	Population and sampling technique	34
3.6	Sample Size	35
3.7	Instrumentation/Measurement of Variables	36
3.8	Data collection process	37
3.9	Data Analysis Procedure	39
3.9.1	Reliability and Validity	40
3.10	Summary	41

CHAPTER 4: RESEARCH FINDINGS

4.0	Introduction	42
4.1	Rate of responses	42
4.2	Profile of Respondents	42
4.3	Variables Statistics	45
4.4	Reliability Test	47
4.5	Pearson Correlation	48
4.6	Multiple Regression	50

CHAPTER 5: DISCUSSIONS, RECOMMENDATIONS AND CONCLUSION

5.0	Introduction	54
5.1	Summary of Findings	54
5.2	Discussion of the Results	55
5.3	Research Implications	58

5.4	Limitations & Recommendation for Future Research	59
5.5	Conclusions	60

REFERENCES

APPENDICES

Appendix A: Questionnaire

Appendix B: Statistical Analysis for Variables



LIST OF TABLE

Table	Page
4.1 Summary of Respondents Background	43
4.2 Descriptive Statistics of Variables	46
4.3 Skewness and Kurtosis of Variables	47
4. 4 Reliability Test Results	48
4.5 Pearson' Correlation Analysis	49
4.6 Collinearity Statistics	50
4.7 Regression Model	51
4.8 ANOVA (b)	51
4.9 Model Summary of Regression Analysis	52
4.10 Summary of Hypothesis Testing	55

LIST OF FIGURES

Figure	Page
3.1 Research Framework	30



LIST OF ABBREVIATIONS

NPO	Non-profit Organization
ROS	Registry of Society
MERCY	Mercy Relief Society Malaysia
ACFE	Association of Certified Fraud Examiners
CCM	Companies Commission of Malaysia



CHAPTER 1

INTRODUCTION

1.1 Background of Study

Non-profit organizations (NPOs) are defined as organizations that impose the non-distribution of profits to their members (Fitzgerald *et al.*, 2010). They do not issue shares, and their missions are not to maximize profit (Petrovits *et al.*, 2011). Non-profit organizations (NPOs) play an important role in the world economy and social systems in the fields of education, healthcare, disaster relief, social work and the overall improvement of human (Salamon, 1999, Williams, 1998; Brody, 2001 and Conolly, 2000). For example, Medical Relief Society Malaysia (MERCY) is one of the non-profit organizations in Malaysia founded by Tan Sri Dr Jemilah Mahmood on September 16, 1999. Initially, began with the aim of providing medical relief for people in Kosovo, today MERCY has provided its services successfully to about 32 countries all over the world including Afghanistan, China, India, Malaysia, and Japan.

Likewise MERCY, in order for NPOs to survive and provide their services to the society continuously and successfully in a long-term basis, they required funds from various sources. Generally, NPO survivals depend on the contributions of governments, businesses, corporations, foundations, institutions, individuals, fees and lending (Corbett, 2006; Leather, 2011). However, according to Carol (2001) one of the biggest challenges for many non-profit organizations is not raising adequate fund. In addition, there are many non-profit organization established every year in Malaysia, but it does survive in a long term basis due to not enough resources to perform its daily task (Said, Mohamed, Sanusi & Yusuf, 2013). In addition, according to Dr. Roshani Shay of the Hawaii Wellness

Institute, when compare to other challenges, the need for funding has become the greatest challenges to achieve the organization mission (www.guidestar.org). Besides that, Barbara Wetzler of the SPCA of Central Florida, Inc. also agreed that “we never lack for vision, ideas, or enthusiasm. The challenge is always finding sufficient funds today to safeguard the agency’s financial vitality while working toward a progressive and stable future” (www.guidestar.org). Come along with this is the article from TheNonProfitTimes, the leading business publication for non-profit management, on the 6th January 2017, have predicted funding instability would be one of the NPOs challenges in the year 2017.

From the above, it can be clearly seen that, one of the greatest challenges facing today’s NPO is to raise fund. Despite these difficulties in raising fund, it becomes a surprise that NPOs have become a channel for fraudulent acts such as misappropriation of funds by fraudsters and misuse of the funds collected from charity for personal benefits (Zack, 2003). The situation becomes worst when any frauds are founded within the organization, many NPOs are not able to manage the information properly or understand their responsibility, mainly, to decide whether to handle the situation internally or bring this to the attention of the authorities.

The Association of Certified Fraud Examiners (ACFE), a non-profit organization, has conducted anti-fraud research within U.S organization and has founded that an organization loses 5 percent of its annual revenue to fraud, which in total of more than \$2.9 trillion fraud loss every year. The fraud and abuse practices within NPOs could reduce the public confidence towards the organization credibility which eventually could affect the survivability of the organization for a long period of time (Arshad, Razali, & Abu Bakar,

2015). This is because; such fraud and misuse of charitable funds would create a bad image on the organization that could discourage donors from providing funds.

On the other side, NPOs' previous performance have been used by donors to decide which NPOs they should donate (Shuib, Said, RuhayaAtan, 2011). In addition, NPOs are highly pressured to show their effectiveness (Carman, 2010; Ebrahim & Rangan, 2010; Saxton & Guo, 2011). This is because, large portion of non-profit organizations around the globe, though stand-alone entities, relies vigorously on public funding in order to survive and provide social services (Herman and Renz, 2004). As a result, there is an urge for NPOs to perform effectively to build trust and confidence of the donors to provide funds which will enable them to achieve their objectives. Overall, it can be concluded that, NPOs effectiveness is an important tool for fund providers in deciding the correct NPOs to provide their funds. In line with this, it is important to identify the factors that affect the NPOs effectiveness.

This study focuses on investigation of NPOs effectiveness in Malaysia; hence the aim of this study is to investigate what would be the factors influencing the NPOs effectiveness in Malaysia. Carman (2010); Edwards & Hulme, (1996) have stated that complaints about the inefficiency and ineffectiveness of NPOs have been rising. In addition, there are many studies have been done on NPOs in Malaysia, however very limited studies have been conducted to investigate the effectiveness of non-profit organizations (NurAfifah Shuib, Jamaliah Said, RuhayaAtan). Studies on NPOs in Malaysia are very limited to financial management practices and financial reporting. Therefore, there is an urgent need for the expansion in the scope of NPOs effectiveness that would facilitate donors in decision making prior to provide funds to the NPOs.

1.2 Problem Statement

Over the past decade, there was issue of dissatisfaction of funders with the performances of NPOs in which many parties have taken into account the importance of measuring the effectiveness and transparency of charities (Iwaarden et al., 2009; Wetherington, 2010). There are study from past research has stated that non-profit organizations are required to find ways to demonstrate their effectiveness due to pressures on the accountability in non-profit organizations (Liket and Mass, 2013). In addition, Liket and Mass (2013), in their research have mentioned that most of the studies conducted on the non-profit organizations effectiveness are more focusing towards the financial factors as the indicators to measures effectiveness and there is a lack of non-financial factors as the indicators to measure effectiveness.

In addition, funders want to know the information pertaining to what is happening with the money given by them (Mitchell, 2009). Moreover, according to Jos van Iwaarden and Ton van der Wiele, Roger Williams, Claire Moxham (2009), public need to know how charitable fundraising organizations spend their fund, money and resources earned. In Malaysia, donors have been urged where their money is going, especially when the donors from the corporations are expected to take cost cutting measures due to economic uncertainties (Bernama, 11 Dec 2011). Hence, issue on the level of transparency in the non-profit organization is questionable.

According to McNeal & Michelman (2006) good board governance and internal control policies in NPOs are important to hinder or minimize the negative effects of fraudulent activities in the organization. Effective boards enable firms to minimize fraudulent cases

which subsequently would improve firm's performance. However, there are studies shows that frauds happen in non-profits of all sizes and in every place of the country and the cost due to frauds are increasing dramatically. According to Association of Certified Fraud Examiners, 2004 Report to the Nation on Occupational Fraud and Abuse, in a 2004 study of 508 occupational fraud cases, 12.2% of the frauds happened in the not-for-profit sector. The average loss of cases in not-for-profit organizations was \$100,000, up from \$40,000 in a similar study in 2002. The billing schemes were the most common form of fraud in non-profit organizations, which contributed 46.6% of the cases. It shows clearly that, there is an issue with the board effectiveness, which becomes one of the factors, causes fraudulent cases rising in non-profit organization.

Over the last three decades, there was a remarkable growth in the number of non-profit organizations (Pope, Sterrett & Asamoah-Tutu, 2009). This has causes more competition due to an unadequate amount of funds provided by the government, corporations, and foundations to NPOs (Clark and Mount 2000; Gwin 2000; Katz 2005; Peloza and Hassay 2007). Therefore, to address this problem, nonprofit organizations have realized the importance of marketing and in the marketing profession as a whole (Clarke and Mount 2000; Katz 2005). From the research conducted by Brace-Govan, Brennan, & Conduit (2011), nonprofit organizations have experienced tremendous transformation and facing a lot of pressures from outside environment which includes government, international and domestic influence and causes the changes in lifestyles of volunteers in terms of their availability and competition considerations (Bennett and Sargeant, 2005; Lyons 2001). Therefore, in order to withstand these changes many non-profit organizations have

practiced marketing in their organization management (Bennett and Savani 2004; McDonald 2007).

1.3 Research Questions

The research questions are meant to give a view on the correlation of the transparency, broad performance, and management practices towards the non-profit organizations effectiveness in Malaysia. The current research has proposed to answer the following research questions:-

- i. Does transparency positively related to the effectiveness of non-profit organizations in Malaysia?
- ii. Does board performance positively related to the effectiveness of non-profit organizations in Malaysia?
- iii. Does marketing practices positively related to the effectiveness of non-profit organizations in Malaysia?

1.4 Research Objectives

Specifically, the following research objectives were formulated:-

- i. To examine the relationship between transparency and non-profit organizations effectiveness in Malaysia?
- ii. To examine the relationship between broad performance and non-profit organizations effectiveness in Malaysia?
- iii. To examine the relationship between marketing practices and non-profit organizations effectiveness in Malaysia?

1.5 Scope of the Study

This study extends to a limited scope of the investigation of the NPOs effectiveness in Malaysia based on the study of a set of indicators of the effectiveness of NPOs such as; transparency, board performance, and marketing practices. This study is based on the quantitative approach; the respondents of this study will be employees from managerial level and above as a representative of non-profit organization. The questionnaire provides questions related to the determinants influencing the effectiveness of NPOs.

1.6 Significance of the Study

There are many contributions of this study to the funders and to the non-profit organizations itself. First, these indicators of NPOs effectiveness would be a tool in helping funders in the selection of a correct NPO to provide their funds. On the other hand, this

would provide information to the managers on the identified best practices, which could help to improve their organization effectiveness. Moreover, one of the challenges faced by a grantmaker's staff members is whether to recommend a grant to their management board. This is because; a wrong selection of a grantee would result in placing an added burden on the grantmakers. Therefore, by identifying the indicators for effective NPOs, grantmaker's staff would be able to provide better information to their management.

Apart from this, the literature review of this study provides academics and practitioners an overview of the proposed determinants of OE in the non-profit study. Lastly, there is a practical value in the literature on organizational practices that may contribute to non-profit organization effectiveness.



1.7 Definition of the key terms

1.7.1 Non-profit Organization Effectiveness

For NPOs, effectiveness is the ability to achieve goals and implement strategies while using resources in a socially responsible manner (Bagnoli & Megali, 2011).

1.7.2 Transparency

Transparency is a series of actions creating credible governance systems, visible performance measurement systems, and readily available decision-making information about pricing of services and the amount of charity care (Summers and Nowicki 2006).

1.7.3 The Board

The board is the body that has legal responsibility for ensuring that the organization's mission is fulfilled (Axelrod, 1994; Ostrower & Stone, 2006; Tandon, 1996).

1.7.4 Marketing practices

An approach to improve a business and sustain the improvement. Therefore it is also often stated as the management process that is responsible to identify, anticipate and satisfy customer demands (Baker & Hart, 2016).



CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this section of second chapter the main focus is on literature with in-depth on the NPOs effectiveness which act as a dependent variable and the factors that are relevant to the effectiveness of NPOs in Malaysia which are board performance, transparency and management practices which are the independent variables in this study.

2.1 NPOs in Malaysia

All the NPOs in Malaysia are required to register their organization under the Registrar of Society of Malaysia (ROS) or Companies Commission of Malaysia (CCM) and should comply with the Societies Act of 1966. These departments are under the Ministry of Home Affairs, handling non-governmental organizations and political parties. In Section 2 of the Societies Act 1966, a society is defined as any club, partnership or association that consists of seven (7) or more person, whatever its nature or object, whether temporary or permanent.

The major roles of the department are to administer and enforce the Societies Act 1996, Societies Regulations 1984 and policies relating to societies; control and supervise societies to not against the peace of the country, welfare, security, public order, decorum or morality of Malaysia as well as manage and keep registration records relating to registered societies and their branches. There are 13 categories of NPOs in Malaysia, which are, religious, welfare, social and recreation, women, culture, mutual benefit societies, trade associations, youth, sports, education, political, employment associations and

general. NPOs are established as societies, associations, charities, and other voluntary organizations with the motive to not make profit but rather to contribute social values (Arshad, Razali & Bakar, 2015).

2.1.1 Theoretical Perspectives on Non-profit Organizational Effectiveness

The history of the academic study of organizational effectiveness is complex. According to Herman & Renz (1999), as there are, many studies have been conducted on the organizational effectiveness and therefore many models are available. Among these models is the rational model of organizational effectiveness by Pfeffer (1982), which described organizations are structured to accomplish both formally specified and implicit goals. It emphasize on the level to which an organization achieve its goals (Etzioni, 1964; Pfeffer, 1982; Price, 1972). In addition, the literature on the effectiveness of the organization can be summed up as alternative development or modification of the goal model (Herman and Renz, 1997). However, many have criticized this model where only people who have a goal, not an organization, that the statement of goal often lack specificity, fail to prioritize among goals and exclude informal but still important goals (Herman and Renz, 2004).

As a result, different models have been introduced and among these models is the system resource model developed by Seashore and Yuchtman (1967). This model defines effectiveness as an organization's ability to exploit its environment to acquire scarce and valued resources. The financial measures are commonly used to measure the organizational effectiveness in this model. For example, the research conducted by Pfeffer (1973) on the nonprofit hospitals, he has measured the OE based on the increase of percentage in the

number of beds and increase in the percentage of budget over a period of five years. Of course there is no any doubt that the ability to obtain resources is one of the essential measures of OE, but it is not the same for all the stakeholders. It might be crucial for CEO and board member but non-profit leaders more focus on the mission accomplishment rather than resources acquisition. Another approach of measuring OE is the ecological model or so called the participant satisfaction model. The concept of this model describes that the ability of satisfying the different stakeholders is defines as OE (Boschken, 1994; Connolly, Conlon, & Deutsch, 1980 & D'Aunno, 1992).

From the previous literature, we could observe that organizations are varied and these differences would allow us to choose the suitable criteria to assess the organization's effectiveness with different model or approaches. In addition, Cameron & Whetten (1983) have stated that, scholars have different view in deciding about what is most suitable in identifying OE. Multiple studies have argued that measuring OE should not be limited to a single measure and in line with this, have tried to incorporate all the criteria of these different models to get a clear picture of what measures OE. For example, Kaplan's (2001) balanced scorecard, Quinn and Rohrbaugh (1981, 1983) have developed competing values model, Cameron (1978, 1981, 1982) developed multidimensional model that incorporate all the rational goal, system resource and participant satisfaction models and Sowa, Selden, and Sandfort's (2004) theoretical model called multidimensional and integrated model of NPO effectiveness (MIMNOE) which have stated that management and program effectiveness were the basic dimensions of NPO effectiveness.

The above theoretical assumptions of OE can be summarized into two main characteristics of a good measurement of effectiveness. First, the effectiveness measurement should be

comparative and multidimensional (Herman & Renz, 2008). It means that, the indicators of measuring effectiveness cannot be a single indicator. This is called the multiple-constituency approach by Kanter and Brinkerhoff (1981). This model describes that organizations have many constituencies or stakeholders, and therefore the criteria of evaluating OE which they consider as important to them may vary because different stakeholders would have different interest and expectations. Thus, the indicators of organization effectiveness cannot rely solely on a limited or singular measure. Second, NPO effectiveness measurement should be socially constructed. This is called the social constructionism approach which explains that since different stakeholders have different indicators of effectiveness due to different expectations, NPO effectiveness should be able to reflect this social construct (Herman & Renz, 2004)



2.1.2 Nine Ideas of Understanding Non-profit Organization Effectiveness

From the research done by Herman & Renz (2002) and other scholars studies, they have summarized about nine ideas on understanding organizational effectiveness. There are as follows:-

1) “Non-profit organizational effectiveness is always a matter of comparison “

Organizations effectiveness can only be determine when compare with other similar organizations, with some ideal model or the comparison of the organization itself in previous years.

2) “Non-profit organizational effectiveness is multidimensional”

In the context of NPO, effectiveness is based on multiple and independent measure. Thus, the measurement of effectiveness should be with multiple indicators and will never be limited to a single measure.

3) “Non-profit organization governing boards make a difference in non-profit organization effectiveness, but how they do so is unclear”.

Empirical studies have shown a relationship between board effectiveness and organizational effectiveness. However, there is no any evidence either the board or the organization make those changes to occur.

4) “Non-profit organizational effectiveness is a social construction”

As we have discussed previously, as per the social constructionism model, effectiveness will be measured differently by different stakeholders in a way that their expectations.

- 5) ***“The more effective non-profit organizations are more likely to use correct management practices”***

Many empirical studies have proven that there is a significant relationship between NPOs effectiveness and the use of correct management practices. For example, Herman and Renz (1998), from a study of effectiveness in 64 NPOs found that the more effective NPOs are likely to use more of the correct management practices as compare with the least effective NPOs.

- 6) ***“Claims about ‘best practices’ for non-profit boards and for the management of non-profit organizations warrant critical evaluation”***

Empirical studies have never set generic indicators on what are the best for both board and management practices. The studies by scholars demonstrates that different characteristics of each non-profit require different practices.

- 7) ***“A measure of non-profit organizational effectiveness that emphasizes responsiveness may offer a solution to the problem of differing judgments of effectiveness by different stakeholder groups”***

Researchers have found that responsiveness of all stakeholder groups is positively related to non-profit organizational effectiveness.” Thus, it can be concluded that responsiveness may be an effective indicator of effectiveness.

- 8) ***“It can be important to distinguish among different types of non-profit organizations in order to make progress in understanding the practices, tactics, and strategies that may lead to non-profit organizational effectiveness”***

Even though the main objective of all the NPOs is to help the society without expecting returns or profits, there are varieties of NPOs out there. “Donative”

versus “commercial” NPOs may assess effectiveness in different ways. Donative organizations gain financial resources from donations, and on the other side, commercial organizations obtain financial resources from mission-related earned income.

9) *“Non-profit organizations increasingly operate as part of networks of service delivery. Therefore, network effectiveness is becoming as important to study as organizational effectiveness”*

Focusing on effectiveness statistics for an individual organization may causes readers to come into a wrong conclusion from the research to the whole of organizations.

There are also empirical studies conducted to determine the non-profit organization effectiveness. A relatively large number of studies have been conducted to determine the OE and the indicators of OE. These indicators of OE are varying among empirical studies. Herman and Renz (1998) have categorized some of the non-profit organizations into "highly effective" and "less effective" organizations based on the judgment of various stakeholders. In the very beginning, the focus group of experienced practitioners had determined management practices that they deemed to bring about organizational effectiveness. Among the effectiveness indicators were mission statements, a recent requirements assessment, a planning documents, and customer satisfaction measurements, a formal evaluation processes for chief executive officers and employees, an independent financial audits, and a statements of organizational effectiveness criteria.

On the other side, Stone and Cutcher-Gershenfeld's on the empirical studies on the effectiveness of NPO suggests that since there were various standard theories and models

have been used to determine NPO effectiveness and that a set of uniform criteria have been measured. Their study does not indicate that any common dimension has been suggested or used. Another study done by Herman and Renz (2004) developed a scale to measure NPO effectiveness with its different dimensions. They assigned nine distinct effectiveness dimensions, which are financial management, fundraising, program delivery, public relations, community collaboration, working with volunteers, human resource management, governance relations, and board governance.

On the other hand, Packard (2010) stated that accomplishments of goals and objectives, satisfaction of external stakeholders, client satisfaction, cost effectiveness, the ability to adapt to changes in the community, financial health and employee job satisfaction were the most significant dimensions of effectiveness. There are empirical studies which use a single indicator to measure effectiveness such as achievement of goals (Price, 1968), attraction and exploitation of natural resources (Yutchman and Sheashore, 1967) and the efficiency of internal process (Steers, 1977). Likewise, Quinn and Rohrbaugh (1983) through his empirical study has noticed that various criteria of effectiveness can be combined into a four-model structure including human relations, open systems, and a rational and internal process model.

The empirical literature on non-profit board governance has tested the ways in which compliance to "best practices" have the ability to influence positive organizational results. A study on 400 non-profit organizations in Canada, Murray, and Wolpin (1992) found a significant relationship between the board effectiveness and largely accepted notions on the way non-profit board of directors should be functioning. In particular, they claimed that involvement of board in the development of the organization mission and in strategic

planning, as well as participation at meetings and in committees have shown that board affect positively on the organization performance.

2.2 Transparency

In many countries, non-profits are required to maintain a basic level of transparency through mandated public disclosure of financial or other records, such as through Internal Revenue Service (IRS) Forms 990 and 990-PF in the United States (Striebing, 2017). The concept of transparency has not received as much academic attention and, therefore, it is a little harder to define and measure (Rawlins, 2008). The 2007 edition of the Miriam-Webster Dictionary defined transparency as “free from pretense or deceit,” “easily detected or seen through,” “readily understood,” and “characterized by visibility or accessibility of information especially concerning business practices.”

According to the research by Behn, Devries and Lin (2010), transparency in non-profit organizations can be defined as the opportunity of external stakeholders to access organization-specific details. For example, the researchers quoted transparency about the non-profit organization’s operations in order to make donation decisions. The research also found that non-profit organizations that are large, have more debt and have bigger contribution ratio are more transparent in allowing access to their audited version financial statements.

Transparency in non-profit organizations described in the study Greiling, Harris and Stanley (2016) as the act of displaying the resources used. Gandía (2009) stated that

transparency in non-profit organizations is displaying the use of dispersed funds for the public view.

2.2.1 Transparency Measures

According to the research by Rodríguez, Pérez and Godoy (2016), transparency in non-profit organizations can be measured through undirectional information disclosure and communication within the stakeholders. The description implies that transparency is measured based on the amount of undirectional information disclosed to the members of non-profit organization and the public and the extent of communication among the stakeholders.

Chen (2015) reported that non-profit organizations' transparency is best measured through their expense reporting. According to the author of this study, transparency is evaluated by monitoring how the non-profit organization dispersing donation money.

2.2.2 Transparency and NPOs Effectiveness

Review on transparency showed that it is measurable through different ways such as disclosure of information, reporting and communication. Therefore the aspect of transparency in non-profit organizations will obviously impact its operational efficiency. Baapogmah, Mayer, & Chien (2015) analysed relationship between transparency and the effectiveness of non-profit organizations. The responses collected through this research indicated that transparency is reflected through accountability in daily operation. However,

findings further showed that financial accountability as the most related aspect of non-profit organizations' transparency. From this research, financial accountability refers to donor finance usage and transparency.

Baapogmah, Mayer, & Chien (2015) found that accountability also a reflection of the non-profit management's commitment towards community projects which been approval and allocated with funds and resources. For example, the researchers quoted respondents' feedback which stated that resources received from donors are required to be utilised for the correct purpose.

According to the study by Liket and Maas (2013), transparency is a measure used by non-profit organizations to demonstrate operational effectiveness. Thus, these organizations rely on the financial standards and financial ratios to show that they are accountable for the funds received from donors. The transparency measure in this study was explained through reporting, accessibility and online publication. The reporting aspect is fulfilled by making the strategic plan, annual report and contents of annual report available for the stakeholders and public.

Findings in this study also showed that non-profit organizations maintain operational efficiency by providing access to their information through portal mail, phone or email. There is an also systematic procedure for managing inquiries from shareholders, feedback or critiques. Online publication also facilitates transparency such as online publication of the board's strategic plan, annual report and board members' details.

2.3 The board

The board is the body that has legal duties to ensure that the organization's mission is achieved (Axelrod, 1994; Ostrower & Stone, 2006; Tandon, 1996). It is largely accepted that nonprofit boards are required to carry out essential and tough duties (Houle 1997). Herman & Heimovics (1991) have stated that, prescriptive responsibilities that the boards are expected to meet are based on both the legal requirement and on a moral assumption. These tasks are essentially true to the mission of their organization and work to achieve the mission; To exercise reasonable care by participating in decision making and doing so in good faith; And to prioritize organizational interests when making decisions that will affect the organization (Axelrod, 2005).

There are many studies on understanding the roles and responsibilities of non-profit board member. For example, agency theory developed by Fama & Jensen, 1983. The agency theory perspective emphasizes the vitality of separating ownership from control (Fligstein & Freeland, 1995). According to agency theorist, member of the board has the responsibility to select and evaluate appropriate administrator, and monitor actions to ensure that the interests of management are coordinated in such a way that it does not clash with the interests of the organization or society (Fligstein & Freeland, 1995). Another theory which describes the duties of board members is the resource dependence theory. The resource dependence approach explained that the ability to obtain and sustain resources is important for organizational survival (Pfeffer & Salancik, 1978). Because the organization does not control all the resources needed to survive, the board plays an important role in facilitating exchange reducing dependence within the organization's operating environment.

On the other side, Institutional theory developed by DiMaggio & Powell, 1983; Meyer & Rowan, 1977 describes that organizational structure and processes could help to understand institutional pressures, rules, norms, and sanctions. Institutionalization take place when boards follow alike behaviours such as self-assessment practices, structures like advisory committees, and/or processes such as Robert's Rules of Order because these activities and actions have become the accepted way of doing thing. The theory can be useful to understand why many non-profit boards of directors involved in similar activities, codify like practices, and develop comparable structures.

2.3.1 Board performance measures

Article published by Likierman (2008) identified 10 key measures to determine board performance. These 10 measures are separated into different categories such as the starting point, process and relationships, coverage, impact and sustainability.

a) The starting point

The starting point in measuring board performance includes a board's rating in the capability to select members, agreement about priorities of each role and agreement about ways to achieve company strategy. These aspects considered crucial for measuring board performance as quoted by Likierman (2008) because business needs constantly changes and the board members need to evolve accordingly. In order to meet the challenges of business evolution, board members must be able to renew their skills to sustain high level performance.

b) Process and relationship

Board performance is also measured through qualities needed for board success. These are measured through effectiveness of the board in board committees, meeting and following up about prior decisions. A board performance is defined as good when the internal board dynamic as well as the culture is in good condition. Likierman (2008) described examples such as managing dissent and relationship among the executives and non-executives. Besides the relationship among the executives, the relationship between the board and company's shareholders is used as board performance measure.

c) Coverage

In terms of coverage, board performance can be measured by identifying whether or not the board can detect and prioritise key issues and risks that the organization might face. At the same time, the performance of the board could be detected through the board's initiative in dealing with crisis and detect emerging issues.

d) Impact

In this aspect, board performance is measured by identifying the particular board's contribution for improving business. When an organization's objectives achieved, partial credits will be given to the board. However the credit entitlement to the board will be based on the actions taken by it in achieving organization's objectives.

e) Sustainability

The board is described as well performing when it displays awareness and interest in maintaining good practice. There is commitment from the members to sustain good practice.

2.3.2 Board Performance and NPOs Effectiveness

Non-profit organizations are competent and a reliable partner depends on not only the skills of the managers, employees and service volunteers in those organizations but on their boards of director's commitment and skills. There is a research supporting the hypothesis that the board's effectiveness relates to the adoption of some of the established board practices, and some research also supports the hypothesis that the board's effectiveness has contributed to the non-profit organization effectiveness in whole (Herman and Renz 2004). In addition to this, Bradshaw, Murray, and Wolpin (1992) studied the relationship between board performance and organizational effectiveness by developing a conceptual framework that incorporated many of the variables that have been used to assess board performance. The authors began by exploring the impact that various board practices had on stakeholders' perceptions of board effectiveness. The authors found that the practices associated with stakeholders' perceptions of board effectiveness included strategic planning, maintaining a common vision, and following good meeting-management practices. Ultimately, the authors suggested that a significant correlation existed between stakeholders' perceptions of board performance and their perceptions of organizational effectiveness.

In another study, Green and Griesinger (1996) also used a sample of organizations that provided services to people with developmental disabilities. After first exploring stakeholders' perceptions of the effectiveness of various board practices, Green and Griesinger (1996) concluded that a strong relationship existed between board performance and organizational effectiveness. He found a significant relationship between board performance and organizational effectiveness when the board involved in policy formation, strategic planning, program monitoring, financial planning and control, resource development, board development, and dispute resolution. Therefore, effective boards improve organizational performance (Herman & Renz 2000).

In line with this, Holland and colleagues also have developed the board self-assessment instrument, which also have supported that effective boards are related to effective organizations. Besides that, another study by Brown (2005) found higher rated organizations are also reported to have high-performance boards when the board is more contextual, education, interpersonal and strategic. Ostrower and Stone (2006) went further and identified four board traits which are the board composition, correlation between boards and staff, duties, and board effectiveness that positively impact organizational effectiveness. They found that, "board roles influence board effectiveness, and the board effectiveness probably does contribute to general organizational effectiveness" (p.902).

Similarly, Brudney and Murray (1998) found that 72% of their board has carried out intentional improvements efforts, indicating that many boards believe they could execute more effectively. They show proof that those non-profit organizations that involved in board improvement projects are financially successful, although the causal relationship is not clear. In accordance with the study conducted by Bright (2001) board performance

creates a framework for the success or failure of the organization. Similarly, Cornforth's (2012) suggested, "that board roles influence board effectiveness, and that board effectiveness probably does contribute to general organizational effectiveness" (p.902).

Moreover, when board members understand their roles and responsibilities, board performance and, subsequently, organizational effectiveness is enhanced (Drucker, 1990). Abben (2011) also has finalized in his study that a relationship exists between board performance and organizational success. Herman and Renz (1997) used the data gathered during this study to explore the relationship between stakeholders' perceptions of board performance and their perceptions of organizational effectiveness. While the authors found variability among the perceptions of different categories of stakeholders, the findings suggested that a strong relationship between stakeholders' perceptions of board performance and their perceptions of organizational effectiveness existed. Finally, in their study of college trustees, Chait, Holland, and Taylor (1993) also found a strong correlation between board performance and organizational effectiveness. Therefore, it is important to study the relationship between board effectiveness which is the independent variable in this study towards the non-profit organization's effectiveness.

Research conducted by Nobbie and Brudney (2003) presented relationship between board performance and organizational effectiveness in non-profit boards of directors. Data for this research were obtained from three sample categories whereby the first category was 32 non-profit organizations in the United States and Canada. The second category was control sample comprises of 309 non-profit organizations in the US. Third categories of sample were board of directors who in the past involved in board development and training activities with National Centre for Nonprofit Boards. The researchers collected data about

board performance through the survey feedback from board member, chairman and CEO. Feedback or the perceptions from board member, chairman and CEO in the change of board performance since policy governance model is implemented is gathered to identify potential relationship between the variables.

2.4 Marketing

Marketing is defined as an approach to improve a business and sustain the improvement. Therefore it is also often stated as the management process that is responsible to identify, anticipate and satisfy customer demands (Baker & Hart, 2016). From the perspective of Locander and Cocanougher (2011), marketing is a process in which goods and services move such as coordination of product, price, place and promotion. Therefore marketing is also defined as the techniques to promote, to sell and to distribute a product or service.

2.4.1 Marketing practices measures

According to the research by Lamberti and Noci (2010), marketing can be measured through marketing performance of a company. The study findings showed marketing performance is good when there is alignment between marketing activities and the investments spent on the business. Besides this, alignment between marketing activities and organizational objectives is an important measurement in marketing. Accountability also shown in this research as an indicator of marketing performance.

2.4.2 Marketing Practices and NPOs Effectiveness

Findings from the research by Pope, Sterrett and Asamoah-Tutu (2009), non-profit organizations that incorporated marketing as one of the skills able to develop brand image for their respective organizations and able to acquire funding, find diverse client market and efficiently use volunteers of the organizations. Dolnicar and Lazarevski (2009) found that non-profit organizations could improve the organization's effectiveness through customer-centred marketing strategies. This research also identified customer-centred marketing approach will increase competitive advantage of the organization.

Research conducted by Tabaku and Mersini (2013) showed marketing means adopted by non-profit organizations in Albania. Majority of the non-profit organizations' representative agreed that marketing is important for operational efficiency of the non-profit organizations. But in contrast to what they agree, only two organization have a marketing department. These are international organizations that operate from many years in different parts of the globe. Majority of non-profit organizations took part in this study reported that they don't have a marketing plan nor do they work based on a marketing and communications strategy. Even the non-profit organizations that have marketing face problems such as not properly followed plan, lack of budget, change in the environment that makes it impossible to follow one particular marketing plan.

Research conducted by Brace-Govan, Brennan, & Conduit (2011) showed there are several marketing strategy options available to all nonprofit organizations that can lead to an increase in organizational performance. This study uses Bennett's (1998b) study on MARKOR's marketing orientation study to get a better picture of marketing functions in

nonprofit organizations in Australia. It is clear that larger organizations seem to be more effective performers.

However, research recognizes that smaller, non-profit organizations can easily implement some activities to ensure their own performance improves. A key driver in this instance was the annual survey of donors which clearly made a difference to performance and is therefore worth considering in developing new models of operation. The outcomes suggest that should nonprofit organizations have knowledge generating systems that analyse their performance in marketing activities, this will improve outputs for them. Even though organizational size is strongly linked to marketing performance, there are key drivers that can aid even small organizations in their efforts.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The aim of chapter three is to describe research design that was adapted and also the other elements involved in the methodology. Therefore chapter three will inform readers on what to be expected during the examination of the following chapters. Research design adopted for the study described in this chapter since there are numerous research designs available in literature.

3.2 Conceptual Framework

Based on the discussion in the problem statement in chapter one, below is the research framework for the study with three independent variable; transparency, board performance and marketing practices and non-profit organization effectiveness represent the dependent variable.

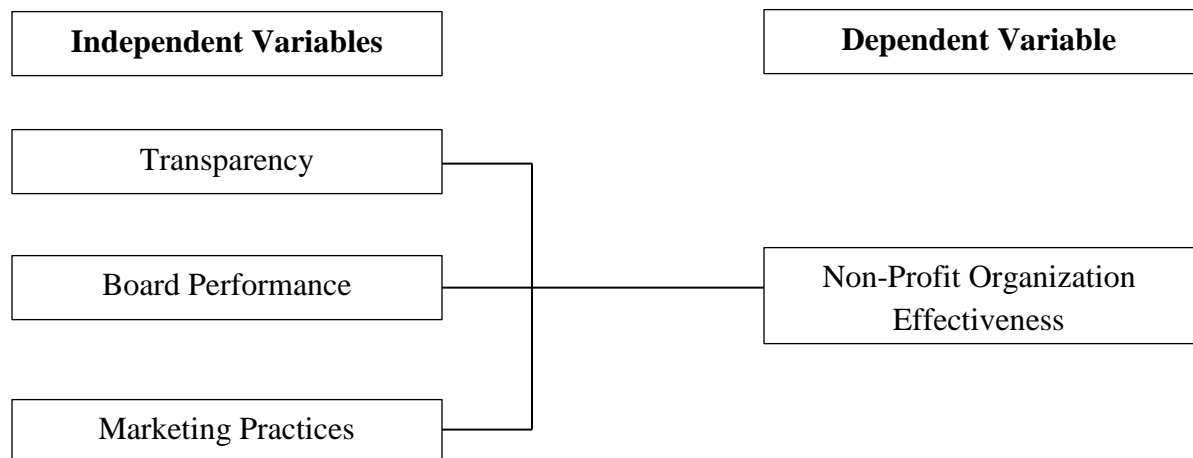


Figure 3.1 Research framework

3.3 Hypothesis Development

Based on the literature review discussed and the conceptual framework developed, the following hypothesis was developed:

- i. **H1:** There is a significant positive relationship between transparency and non-profit organization effectiveness.
- ii. **H2:** There is a significant positive relationship between broad performance and non-profit organization effectiveness.
- iii. **H3:** There is a significant positive relationship between marketing practices and non-profit organization effectiveness.

3.4 Research Design

This aspect is critical in any type of academic research. Research design will improve knowledge of the researcher and will widen their understanding. The origin of the types of research design is the theories that underline these designs. Therefore careful review of literature done before the plan and execute stage of this research design. The plan selected for the entire research process is described in this section. Due to the thoughtful research design, researcher was able to forecast possible barriers to complete the research (Myers, Well, & Jr, 2013).

The general aspect of non-profit organization's effectiveness narrowed down to three scopes. The study aims to examine the extent to which transparency, board performance and marketing practices impact the non-profit organizations' effectiveness. To examine this issue, quantitative method of study is decide in which data used to conduct this study

are the primary data obtained through the questionnaires. The questionnaires are distributed to the employees at managerial level and above as a representative of the organization.

The first reason to select this type of design is to allow the relation between the research variables to be examined (Exadaktylos & Radaelli, 2012). Since quantitative design is selected, researcher is able to conduct a pilot study to test the reliability index of the instrument used. The pilot study is aimed at a small percentage of the real sample that data will be collected from. There is a possibility of repeating and reviewing the pilot study. In the instance the reliability analysis return with lower reliability, the research instrument will be revised to identify questions causing the lower reliability and then the pilot study may be repeated. The revision of the research design is needed in the instance the questions do not measure the similar information compared to the other questions.

The relation between the non-profit organizations' effectiveness with transparency, board performance and marketing practices in the perspective of non-profit organization staffs, those who are at managerial level and above was deduced. One step in reflecting the earlier-made deduce is identifying research questions. The instrumentation created or identified based on the statement of the research problem and the deduced relationship between research variables.

Due to the quantitative research design, time was not a critical issue because researcher able to collect multiple sets of data in the same time period by distributing the questionnaires and collect them back. With this advantage, researcher was able to complete the pilot study data collection process in less than a month time. Adherence to research ethic is important to be included in the research methodology.

Since some of the questions in the questionnaire require the respondents to evaluate the management teams' practices, their identity is kept anonymous as an ethical consideration towards those willing to assist the research completion. Respondents stating perceptions about the operations of their respective organization may not prefer to expose their identities. In order to respect their decision to do so, researcher did not probe the respondents about their identities.

Researcher also needs to abide to the research ethic in ensuring data preservation. The information provided by the respondents is their own opinions. Researcher is advised not to manipulate the responses for his or her own convenience. Another ethic to be implemented is to respect the respondents' choice in taking part in the research. It is important for the respondents to take part in the survey on their own will in order to contribute to the research. Giving incentives to encourage them to take part will not yield accurate findings.

On top of that findings from the survey intended only for the researcher for data analysis purpose. As such, the researcher did not expose the responses from the respondents to any third parties. Inquiry to read the data should be declined regardless who and why such inquiry is made. Researcher is recommended to abide to research ethic. The ethical behaviour includes analysing and report the findings as how respondents answered the questions. Modification of the feedback to obtain the researchers' preferable result will result in void of the findings because this is a non-ethical research procedure.

3.4.1 Sources of data

The sources of information for this study will be gathered from both primary and secondary data. The primary data will be collected through distribution of which will be directly gathered from the respondent's. Data collection of secondary data being collected and retrieved from interpretation of empirical study, past research, scholarly journal articles and many more.

3.4.2 Unit of analysis

According to Bhatti and Sundram (2015), unit of analysis can be classified into 5 which are individual, groups, dyads, culture and organization. Therefore, in this study, data is collected from the staff at managerial level and above as a representative of the organization to answer the questionnaires on the determinants of non-profit organization effectiveness. Thus, the unit of analysis for this study is organization.

3.5 Population and sampling technique

Research population selected for this study are the non-profit organizations registered under the Registry of Society (ROS) from the year 2013 –to- 2015 in Malaysia. In total, the number of non-profit organizations registered from the year 2013, 2014 & 2015 are 26600 (www.ros.gov.my). The mentioned population is opted for due to the reason it can provide the needed sample for the current research. Since there are large number of non-profit organizations in Malaysia and huge number of employees in this sector, therefore an appropriate sampling made to select the survey participants.

The research method includes simple random sampling techniques. In this sampling, of non-profit organizations to be part of the research is selected from the population. Sampling done is ensured to be free from both intentional and unintentional biasness. Therefore the uniform work processes are ensures to be existence in the selected of non-profit organizations. Results will not be biased or sided to one particular sample and therefore the sampling process is very critical (Silver, 2007).

Based on the principles of simple random sampling technique, each of non-profit organizations is picked purely by chance and randomly. Simple random sampling is a type of sampling which is quite free from biasness threat because the selected sample was not chosen based on any particular demographic characters.

Simple random sampling also has the advantage of none-order of the sample selection process. Therefore, researcher faces lesser restriction to conduct the sampling activity and offers convenient way of data collection.

3.6 Sample Size

Based on the data obtained from the official website of Registry of Society (ROS), there were total of 26600 non-profit organization registered from the year 2013-to-2015. Hence, as per Kriejcie and Morgan sample determination table, 377 organizations were selected to serve as the sample. The questionnaires are distributed for these selected non-profit organizations to get appropriate responses. To obtain the correct responses through questionnaire the researcher believes that distributing the questionnaire to the staffs at

managerial level and above as a representative of the organization would be appropriate to this study.

3.7 Instrumentation/Measurement of Variables

Design of the instrument is also equally critical as the other segments of research method. Stated as the questionnaire, research instrument should reflect clarity and the instructions to the respondents should be simple and create easy understanding (Chow & Liu, 2013). The research instruments must have correct association to the objectives of the research developed during the initial stages of the research and connects to the research questions. Each factor reviewed in the literature review was included in the instrument. Therefore, the instrument is separated into few sections with the aim to create easiness for respondents to understand the instrument before they start to state their responses. It also provides convenient for researcher's work to make data compilation during the final stage of the survey process.

The questionnaire as per attached in (Appendix A) is divided into five sections. Section A of the research instrument consists of questions about the background information of the organization. The staffs are required to answer on the questions about the gender, age, education level, job position, years worked in the current position, the category of their organization, age of the firms and number of volunteers.

Sections B of the questionnaire assess the level of transparency in the organization. There were nine questions adapted from Liket & Maas (2013). Respondents were requested to provide their feedbacks on a five points Likert scales from <1–strongly agree; 2–agree; 3–

neither agree nor disagree; 4–disagree; 5–strongly disagree>. Section C of the questionnaire includes questions of various board performance measures. There were ten questions which were adapted from Jackson & Holland (1998). Respondents were requested to provide their feedbacks on a five points Likert scales from <1–strongly agree; 2–agree; 3–neither agree nor disagree; 4–disagree; 5–strongly disagree>.

Section D of the questionnaire required respondents to provide their opinion on the level of marketing that is being practiced by their organization. There were nine questions which were adapted from Pope, Sterrett & Asamoah-Tutu (2009). Respondents were asked to provide their feedbacks on a five points Likert scales from <1– not important at all; 2– slightly important; 3– important; 4– quite important; 5– very important > for question number one (1) and to provide their feedbacks on a five points Likert scales from <1–strongly agree; 2–agree; 3–neither agree nor disagree; 4–disagree; 5–strongly disagree> for questions number two(2) to ten(10).

The last section of the questionnaire required the respondents to measure the dependent variable of this study which is the non-profit organization effectiveness. There were nine questions which were adapted from Herman & Renz (2004). Respondents were requested to provide their feedbacks on a five points Likert scales from <1–strongly agree; 2–agree; 3–neither agree nor disagree; 4–disagree; 5–strongly disagree>.

3.8 Data Collection Process

Gathering in the perspective of this research regarded as the approach that will be employed to collect the feedbacks from the sample. The researcher launched two methods for data

collection process. Face to face is the first method in which the researcher require randomly identified sample to fill in the questionnaire. One is face to face confrontation where the researcher approaches randomly identified sample .Through the face to face method, questionnaires will be provided to the sample and they will receive brief explanation regarding the aim this research is conducted and the period of time the sample need to spend in answering the survey questions. In this method of data gathering, researcher will spend his or her time with the sample until every individual staff complete the instrument. By doing so researcher will be able to personally collect instruments the sample finish answering.

Researcher also intends to collect data via emails. The extra caution is taken to ensure adequate numbers of sample will provide their responses. The precaution is executed because the research requires a minimum of 377 organizations to complete the research. Through email data gathering approach, the researcher will email the questionnaires to the staffs. Researcher gathered the staffs' email address from directories and from other staff members that the researcher had passed the survey forms.

A total of 410 sets of questionnaire were distributed to the staffs at managerial level and above as representative of non-profit organizations registered under ROS. The questionnaires were distributed based on randomly selected sample. Respondent was attached with a cover letter regarding the purpose and objective of the current study. In the end of data collection process, only 386 questionnaires were returned which represents about 94% response rate. The sample size indicates that it is able to make general statement and valid to represent the population of non-profit organization in Malaysia.

3.9 Data Analysis Procedure

The study consists of both the primary and secondary types of data. The outcomes acquired through literature review were the secondary type of data. Even though the secondary data not analysed quantitatively, it was useful to make comparison with the primary data of the research.

Primary data that will be obtained from the sample must be subjected to data screening, cleansing before processing stage (Elliott & Woodward, 2007). The various stages are crucial because raw data from the sample are big and will be communicated separately based on the individual's feedbacks. Process of data analysis is a necessary work in the research which allows the freshly collected data to be worked on and made simple that can be useful with more efficiency. The final outcome will become more understandable by the researcher as well as the readers. Analysis conducted on the collected data is done in different stages and as such the results of the analysis will be communicated following a structure.

Data from surveys were received and has been analysed by using SPSS V22.0. The data been organised accordingly by labelling the respondents according to the selected item. Upon keying in the data, descriptive analysis as well as variable statistic analysis performed. Descriptive statistic is used to analyse the mean and standard deviation, frequency and percentage where else for inferential statistic method is applied to find the correlation between the variables.

3.9.1 Reliability and Validity

A reliability analysis is suggested to be the initial segment of the data analysis section. It is explained before that the instrument is adapted and produced from a scholar with good expertise in the research area. However the present research still use reliability test to find Cronbach alpha value. The aim of this analysis is to identify whether or not the developed questionnaire can show the reliable measure of more than 0.6, the cut-off point.

Even though the reliability analysis is only centred at a minor group during the period of pilot testing, the test is regarded as a part of data analysis framework because the findings from the test offers meaningful guide for following stages of analysis (Field, Miles, & Field, 2012). The outcome will inform if the elements in the research instrument measure consistently the responses by referring to the value of Cronbach alpha.

Following the reliability analysis, the background information of the sample categories will be analysed in depth via the frequency analysis. This step is suggested to analyse the numerical and categorical data of the background factors. Frequency analysis is conducted on the demographic data to correctly identify the demographic proportion of the sample.

The third stage of analysis is descriptive analysis of the questions in the research instrument sections B, C and D.

The next part of data analysis is correlation analysis. Correlation analysis is conducted to test the Pearson's correlation coefficient needs to be weak, zero or negative. The classifications of Pearson's correlation coefficient are 1 for perfect, 0.7 to 0.9 strong correlations, 0.4 to 0.6 moderate correlations, 0.1 to 0.3 weak correlations and 0 or lesser no correlation. Based on this classification, the research questions will be answered in the

next chapter (Hinton, McMurray, & Brownlow, 2014). The correlation is tested for significant at 95% confidence interval.

3.10 Summary

Chapter three presented brief information about the way the research is to be done. Data analysis procedure is expected to complete this research up to 85% to 905%. Outcomes from analysing the primary data will be shown in chapter four. Besides the finding, the suitable interpretation of the analysis results that suits the research questions and hypotheses will be provided in chapter four of the report.



CHAPTER 4

RESEARCH FINDINGS

4.0 Introduction

The chapter is presented to communicate results of data analysis performed using SPSS version 20. The analysis done in few stages to accommodate research questions and research objectives.

4.1 Rate of responses

A total of 450 survey questionnaires were distributed to the research target via online survey and face-face guided questionnaires. Among the 450 distributed online and face-face guided questionnaires, there were responses from 386 NPO organizations which are completed and usable. As such the respond rate for this data collection process was 94%. The quantity 377 is sufficient and valid to be used for analysing the data using various stages of SPSS. As such data analysis techniques used on these 377 responses are presented in the below sections.

4.2 Demographic profile of the respondents

The demographic information of the respondents comprises the following seven major features: (1) gender, (2) age, (3) education level, (4) position, (5) years worked in the current position, (6) category of the organization, (7) age of the organization, and (8) number of volunteers. The findings of the analysis of the aforementioned variables are

presented in Table 4.1 and Appendix A. The frequency and percentage of the findings are demonstrated.

Table 4.1

Background of the respondents

Gender	Frequency	Percentage
Male	167	44.3
Female	210	55.7
Age		
20 - 25	69	18.3.0
26 – 30	93	24.7
31- 40	164	43.5
Above 40 years old	51	13.5
Study level		
Foundation studies	84	22.3
Bachelor's degree	140	37.1
Master's degree	75	19.9
PhD	78	20.7
Position		
Manager	156	41.4
Manager and above	221	58.6
Experience		
5 – 10	83	22.0
11 – 15	91	24.1
15 – 20	155	41.1
More than 20	48	12.7
Organization Category		
Religious	102	27.1
Welfare	152	40.3
Social and recreation	12	3.2
Women	21	5.6
Culture	24	6.4
Mutual benefit societies	5	1.3
Trade associations	5	1.3
Youth	5	1.3
Sports	3	0.8
Education	6	1.6
Political	3	0.8
Employment associations	4	1.1
General	35	9.3
Age of organization		
5 years	143	37.9
4 years	131	34.7

3 years	103	27.3
No. of volunteers		
less than 5	56	14.9
5 to 19	127	33.7
20 to 50	89	23.6
50 to 150	78	20.7
More than 150	27	7.2

According to the summary shown in table 4.1, majority of the respondents are female staffs with 55.7% of them. The rest of the 44.3% of the sample consists of male staffs. The bigger part of the samples is in the age range 31 to 40 years old. This proportion is 43.5% of the total respondents. The subsequent majority age group is 26 to 30 years old staffs with 24.7% of them. Those in the age group 20 to 25 years old consists of 18.3% of the sample while there is just 13.5% of the respondents belong to the age group above 40 years old.

Majority of respondents are qualified in Bachelor's degree with 37.1% of them. The summary also shows those with foundation studies is next highest majority with 22.3%. Respondents with Master's degree qualification consist of 19.9% of the total respondents while respondents with PhD qualification are 20.7%.

Majority of the respondents are holding position as manager and above with 58.6% of them. At the same time, those holding position as manager are 41.4% of the total respondents.

Most of the respondents have working experience from 15 to 20 years. This proportion is 41.1% of the total respondents. The subsequent highest category is those with working experience from 11 to 15 years with 24.1% of the total respondents. Those with working

experience from 1 to 5 years make up 22.0% of the sample while 12.7% of the respondents worked more than 20 years.

In terms of the organization category, welfare based non-profit organization has the highest number with 40.3% and followed by religious categorized organization with 27.1% of the total respondents. Sports and political category non-profit organizations have the lowest respondent rate which is about 0.8% from the total respondents.

In terms of years of establishment of the organization, the majority of the respondents are from the organization established 5 years with 37.9% of them. The rest of the respondents which are 34.7% of the respondents are from organization established 4 years and followed by 103 respondents which is about 27.3% from the organization established 3 years in the industry.

Majority of the respondents are belongs to the non-profit organization with the number of 5-19 volunteers with 33.7% whereas 89 or 23.6% respondents were from organization with the range of 20-50 volunteers. 78 or 20.7% of respondents indicated organization with 50-150 volunteers and 56 or 14.9% respondents indicated organization with volunteers of less than 5. The least number of respondents which is 27 of the total sample are those from the organization with the volunteers more than 150.

4.3 Variables statistics

Analysis in this section aimed to present statistics of all the variables measured in this study. Descriptive statistics of the variables are shown in table 4.2 below.

Table 4.2: Descriptive statistics of variables

Variables	Number	Mean	Standard deviation
Board Performance	377	3.42	0.433
Transparency	377	3.47	0.568
Marketing practices	377	3.51	0.588
Non-profit organizations effectiveness	377	3.54	0.570

Based on the summary shown in table 4.2, all the variables have a mean value between 3 and 4. The mean value of board performance is 3.42 while the variable transparency recorded mean value of 3.47. Marketing practices obtained mean of 3.51 and non-profit organization's mean is 3.54 which are the highest of all the variables. Since the likert scale used in the research was 3 for neutral and 4 for agree, it can be concluded that respondents are at the perception between neutral and agreeing for all these variables. Standard deviations closer to 0 indicates the responses lie closer to the mean value while higher standard deviation indicates responses scatter far from the mean value. All of the variables' standard deviation is quite low indicating that responses for these variables lie closer to their respective mean values.

Table 4.3: Skewness and kurtosis of variables

Variables	Skewness	Standard error	Kurtosis	Standard error
Board performance	-0.641	0.126	0.116	0.251
Transparency	-0.271	0.126	-0.198	0.251
Marketing practices	-0.410	0.126	0.037	0.251
Non-profit organizations effectiveness	-0.206	0.126	-0.955	0.251

Results in table 4.3 shows the summary of normality test performed on the research variables. In the skewness column, the values are in between -1.0 and 1.0 which indicates that none of the values are greater than either 1.0 or -1.0. Therefore the responses for all the four variables are not skewed on either side but represents normal distribution. Similar results found for kurtosis of the variables because the values are in between -1.0 and 1.0. Therefore the findings are normally distributed and less likely to have impacts of outliers.

4.4 Reliability test

In this section, analysis of reliability is presented. The summary of each variables' reliability level is shown in table 4.4. Each variable in the study was accommodated with certain numbers of questions which are referred as "number of items" in table 4.10. Cronbach's alpha will need to be greater than 0.7 to reflect internal consistency among these items. Therefore the items in used for each variable has high internal consistency whereby they measure similar concept as the rest of the items in that particular variable.

This conclusion is made because all the variables acquired Cronbach's alpha value greater than 0.7 as seen in table 4.4 below.

Table 4.4: Reliability test results

Variables	Responses	Number of items	Cronbach's alpha
Board performance	377	10	0.762
Transparency	377	9	0.775
Marketing practices	377	9	0.815
Non-profit organizations effectiveness	377	9	0.787

4.5 Pearson Correlation

Objective of performing Pearson's correlation analysis is to test the relationship strength between the independent variables of the research, board performance, transparency and marketing practices and the dependent variable of the research NPO's effectiveness. Results of correlation analysis are presented in table 4.5. All the independent variables positively correlated with the dependent variable because the Pearson's correlation coefficient is with positive magnitude.

Based on the result in table 4.5, it has revealed that board performance showed the positive relationship with non-profit organizational effectiveness ($r=0.561$, $p=0.00$). Positive correlation coefficient indicated the direct relationship occurred between the variables. Likewise, transparency showed the positive relationship with non-profit organizational

effectiveness ($r=0.870$, $p=0.00$). Positive correlation coefficient indicated the direct relationship occurred between the variables. Following this, marketing practices showed the positive relationship with non-profit organizational effectiveness ($r=0.813$, $p=0.00$). Positive correlation coefficient indicated the direct relationship occurred between the variables.

Among the three independent variables, transparency has the strongest association with non-profit organization effectiveness because the correlation coefficient is 0.870, which is the highest. Following this, the variable marketing practices shows 0.813, correlation coefficient with the dependent variable. Correlation between board performance and non-profit organizations' effectiveness is at moderate level. All the correlations between the variables are at significant value lower than 0.05 indicating that the relationship is not from casual.

Table 4.5: Pearson's correlation analysis

Dependent variable	Independent variables	Pearson' correlation coefficient	Sig. (2-tailed)
Non-profit organizations effectiveness	Board performance	0.561	0.00
	Transparency	0.870	0.00
	Marketing Practices	0.813	0.00

**. Correlation is significant at the 0.01 level (2-tailed).

4.6 Data screening

Data screening is conducted as a part of the regression analysis whereby the multicollinearity test is performed. Results of collinearity test are shown in table 4.6. The findings in the table shows variance inflation factor (VIF) and respective tolerance values.

Table 4.6: Collinearity statistics

Variables	Tolerance	VIF
Board performance	0.810	1.234
Transparency	0.328	3.049
Marketing practices	0.335	2.983

According to the summary in the table above, the VIF values are between 1 and 10 with tolerance not exceeding 1. Therefore, these variables can be subjected to multicollinearity.

4.7 Multiple regressions

Regression analysis conducted to create a model that can relate all the three independent variables simultaneously with the dependent variable. Summary of regression analysis shown in table 4.7. Based on the regression table, the R² is recorded as .802 where it shows that the independent variables of the study (board performance, transparency and marketing practices) have 80.2% of variability on the dependent variable (non-profit organization). Based on the results in table 4.15 of F-Test for overall significance of the model, (502.746, $p < .05$), this revealed that there is a linear relationship between

independent variables and dependent variable. The adjusted R2 of .800 means that 80% of NPOs' effectiveness is explained by the variation in board performance, transparency and marketing practices.

Table 4.7: Regression model

Variables	Unstandardized coefficient	Standard error	t	Sig
Constant	-0.208	0.113	-1.845	0.066
Board performance	0.305	0.034	9.040	0.000
Transparency	0.748	0.040	18.511	0.000
Marketing practices	0.031	0.039	0.813	0.417
Dependent variable: NPO effectiveness				

Table 4.8: ANOVA (b)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	97.795	3	32.598	502.746	.000 ^b
	Residual	24.185	373	.065		
	Total	121.980	376			

a. Dependent Variable: NPO Effectiveness

b. Predictors: (Constant), Board effectiveness, Transparency, Marketing practices

Table 4.9: Model summary of the regression analysis

R	R square	Adjusted R square
0.895	0.802	0.800

By combining the outcomes from table 4.8 and table 4.9, mathematic model that can contribute 80% towards NPO is given as below:

$$\text{NPO Effectiveness} = 0.305\text{Board performance} + 0.748\text{Transparency} + 0.031\text{Marketing practices} - 0.208.$$

Thus, summary of hypothesis testing is given in table 4.10 below.

Table 4.10: Summary of hypothesis testing

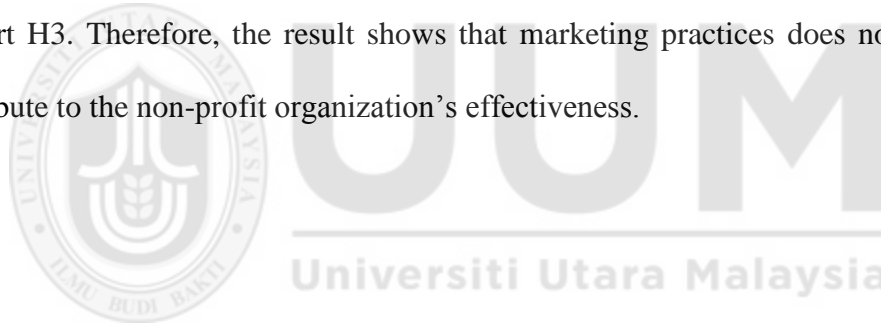
Hypothesis	Statement	Decision
H1	There is a significant positive relationship between transparency and non-profit organization effectiveness	Supported
H2	There is a significant positive relationship between broad performance and non-profit organization effectiveness	Supported
H3	There is a significant positive relationship between marketing practices and non-profit organization effectiveness.	Not Supported

Hypothesis 1 proposed that there is a significant positive relationship between transparency and non-profit organization effectiveness. Table 4.10 exhibits that ($B = 0.748$,

$t = 18.511$, $p = 0.00$). Hence, Hypothesis 1 was accepted. This means that transparency contribute significantly to non-profit organization effectiveness.

Hypothesis 2 proposed that there is a significant positive relationship between broad performance and non-profit organization effectiveness. Result in Table 4.10 exhibits the coefficient = 0.305, $t = 9.040$, $p = 0.00$ and hence H2 is accepted. This means that broad performance contribute significantly to non-profit organization effectiveness.

Hypothesis 3 proposed that there is a significant positive relationship between marketing practices and non-profit organization effectiveness. Table 4.10 exhibited that the coefficient = 0.031, $t = 0.813$, $p = 0.417$, due to the ($P > 0.05$) hence, this study does not support H3. Therefore, the result shows that marketing practices does not significantly contribute to the non-profit organization's effectiveness.



CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Objective of this chapter is to deliver the closure of present study by offering summary of the research findings and providing an overall conclusion for the findings. Chapter five also delivers summary relating to research questions and literature review findings.

5.1 Summary of findings

The analysis made on 377 responses showed that demographic profiles of the respondents had subtle variation. In fact there was no particular demographic factor found to be non-existent among the respondents. Each aspect of the demographic such as age, education status, working experience, nationality and job position had certain numbers of respondents regardless how little or more. Variable statistics tested the responses given by the respondents on a five-pointer likert scale. It was observed that respondents quite agreeable and most of them were agreeable with the roles of board effectiveness, transparency and marketing management towards NPO's effectiveness. This result reflected through all the mean values that fell between 3 and 4 as well as lower values of standard deviations. The normality of the response distribution further confirmed by skewness and kurtosis values.

Since each variable was measured using few items or questions in order to get in depth information, reliability test was necessary to ensure all these items are consistence in measuring the respective variable. Reliability test on all four variables found to greater than

0.7 implying that the variables measured with high consistency. Pearson correlation analysis showed positive relationship between the variables. Results from regression analysis presented positive and significant relationship between the board effectiveness and transparency and NPO's effectiveness. In contrast to this, marketing management showed positive and insignificant relationship with NPO's effectiveness.

5.2 Discussion of the results

The discussion will be hypothesis oriented whereby it is presented to support the developed hypothesis. There are three hypotheses in this research. Each will be discussed in relation to the findings made via SPSS analysis.

5.2.1 Relationship between transparency and non-profit organization effectiveness

Results showed that transparency will create NPO effectiveness. This result explain that practice of transparency could allow NPOs to take decision without fearing any protocol. This practice might improve NPO's effectiveness through their spontaneous acts. In being transparent, NPOs do not have any practice to be concealed from their own members or from the public. Since they can present and communicate information as the way it existing, there is possibility of offering service with high effectiveness.

Past researches reviewed in the literature review chapter supported the above finding though different methods and scopes were used in those studies. Baapogmah, Mayer, & Chien (2015) showed that transparency act such as financial accountability creates NPO

effectiveness. Liket and Maas (2013)'s study also supported transparency in financial reporting will improve NPO's effectiveness.

5.2.2 Relationship between broad performance and non-profit organization effectiveness

The above hypothesis was also supported by outcomes from this research. The board appeared to have huge responsibility in maintaining NPO's effectiveness through their performance. This may include the attributes and efficiency of board members. Their working skills could create successful projects that the NPO can deliver to its clients. Apart from these, the decisions board members make from time to time can increase the NPO's effectiveness due to effective decisions. Findings from Bradshaw, Murray, and Wolpin (1992) showed that board members' practices such as planning, maintaining common vision and good practices of meeting create board effectiveness and in turn create NPO's effectiveness. Even though Herman and Renz (2004) found relationship between board effectiveness and overall non-profit organizational effectiveness, there was no further explanation on how this relationship was validated. Similarly, Green and Griesinger (1996) discovered strong relationship existed between board performance and organizational effectiveness. Brown (2005) found that contextual, educational, interpersonal, and strategic characteristics of board created NPO's effectiveness.

5.2.3 Relationship between marketing practices and non-profit organization effectiveness

Marketing practice such as marketing management found to provide NPO's effectiveness. However this was the insignificant relationship compared to the earlier two independent variables. The relationship was strengthened by both the Pearson's correlation coefficient and coefficient in the linear regression model. Based on the values obtained from these two

tests, when there is increase in the marketing practices or increase of quality in marketing management, the NPO will function with more effectiveness. However, due to the insignificant relationship between marketing and NPO's effectiveness, there is no valid ground to make decision that the NPO's effectiveness resulted from marketing alone or that it is a casual relationship. Marketing efforts such as creating feasible marketing plan, use relevant marketing materials to communicate and select accurate target to communicate marketing plans.

Past researchers Pope, Sterrett and Asamoah-Tutu (2009); Dolnicar and Lazarevski (2009) supported the findings that non-profit organizations could improve the organization's effectiveness through customer-centred marketing strategies. Tabaku and Mersini (2013) also showed that marketing is important for operational efficiency of the non-profit organizations. Among the findings made by previous authors, Brace-Govan, Brennan, & Conduit (2011) showed choices of marketing strategies such as annual survey of donors and knowledge generating systems resulted in efficiency of the non-profit organizations

5.3 Research implications

One of the implications of this research is creating board performance because this variable was proven to create NPO effectiveness. Board of NPOs should define the organization's priorities in order to act according to the importance of each plan. Therefore important task will not be left unattended. As a board with high efficiency, it should consider each of its members in every action. This is because the board's action will impact the entire organization members.

Results also implied that board of NPOs should move according to the need of the operation to increase efficiency. The results from this study implied that board effectiveness measures such as reviewing organizational strategies, forming supportive committees, better decision-making and involve everyone in the organization could potentially create NPO's effectiveness.

Results implied importance of transparency practice to achieve board effectiveness. Practicing transparency in NPOs could reflect the NPO's respect towards its employees and the clients. With the opportunity to observe NPO's business operation from outside, clients develop respect towards the NPO. This it is helpful for creating more donated fund from the public. NPOs then will have more resources to operate with efficiency.

Results from this research implied that NPOs can use board transparency to increase effectiveness because their transparency practice attracts positive perception from the public. When NPOs practice transparency, the public will understand that these NPOs have nothing to conceal from them. Public will have positive perception towards NPOs that implements open communication about their corporate information. When there is fund

channelled from public to NPOs, the public will know that they can observe how the funds are utilised in NPOs' operations. Therefore NPOs might receive uninterrupted public donations to operate more effectively.

Transparency's role in NPOs' effectiveness as shown in the findings could potentially exist because transparency practice will involve entire NPO's employees in every move. There will be transparency between the operations' of each department. This has a benefit of delivering undelay works because one department do not have to wait for the other department to provide update. With the transparency practice, everyone will have access to view and learn the entire operation and able to work faster. Therefore NPOs can function with better effectiveness.

The research findings implied that marketing practices can improve NPOs effectiveness. This could happen due to capability of marketing tool to promote NPO, create brand image of it and identification of client needs. Via promotion, more clients will be aware of the NPO's operation and seek the service. Promoting a NPO using marketing management could improve effectiveness by creating huge client market. At the same times, clients need to remember an image of the NPO in order to seek their service or refer their service to others.

5.4 Limitation of the research and recommendation for future research

The study limitation is lack of availability to conduct qualitative research whereby an in-depth interview could be done using qualitative method. However with the time constraint, this method was not able to be used for data collection process. In-depth interview requires

time dedication of both the researcher and the sample because this method of data collection obviously needed face-to-face time between them. Absence of qualitative method is discussed as study limitation because researcher not able to gather justification for each responses provided by the respondents.

Therefore, the recommendation to improve this study is to implement time management in order to conduct qualitative research. Researcher will be able to understand the reasons for each response gathered during data collection process.

5.5 Conclusion

The research able to highlights the main variables that will increase NPOs' effectiveness. The board performance and transparency were identified as main variables in influencing the non-profit organization effectiveness. The results have shown that the board transparency and board performances are positively correlated to NPO's effectiveness form context of Malaysia. Findings revealed the important implications for NPOs to increase their operational effectiveness; the organization has to pay more attentions in operational policies and code of ethics (integrity) in daily operation. Furthermore, the top management of NPO shall ensure the board members are performing their duties and aligned with organization's vision and missions. Among the three variables, transparency practice found as the strongest variable for NPO's effectiveness followed by board performance and finally marketing practices. Thus, the study recommends NPOs in Malaysia to improve their transparency work policies and procedures.

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Appendix A: Questionnaire



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APPENDIX



GRADUATE SCHOOL OF BUSINESS

OTHMAN YEOP ABDULLAH

QUESTIONNAIRE

**THE RELATIONSHIP BETWEEN TRANSPARENCY, BOARD PERFORMANCE AND
MARKETING PRACTICES ON THE EFFECTIVENESS OF NON-PROFIT
ORGANIZATION IN MALAYSIA**

Universiti Utara Malaysia

Dear Respondent,

The researcher is carrying out a study whose main objective is to examine The Relationship between Transparency, Board Performance and Marketing Practices on the effectiveness of Non-Profit Organization in Malaysia. You have been selected as one of the respondents for the study and the information you will give will be treated with utmost confidentiality and used purely for academic purposes. The findings and recommendations from this study are likely to benefit the funders in the selection of a correct non-profit organization to provide their funds. This study will also help the grant-makers to identify the indicators for effective non-profit organization and to provide better information to their management on the selection of a grantee.

Thank you.

Yours Sincerely,

Sivasankari Letchimanan
Master of Science in Management
University Utara Malaysia

Section A: Background Information

Please tick (x) in the appropriate box or fill the space provided.

NO	Item	Description
1.	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
2.	Age	<input type="checkbox"/> Under 25 <input type="checkbox"/> 31 - 40 <input type="checkbox"/> 20 - 25 <input type="checkbox"/> 40 above <input type="checkbox"/> 26 - 30
3.	Study Level	<input type="checkbox"/> Foundation studies <input type="checkbox"/> Ph.D. <input type="checkbox"/> Bachelor Degree <input type="checkbox"/> Master's Degree
4.	Position Level	<input type="checkbox"/> Manager <input type="checkbox"/> Above Manager
5.	Years worked at current position	<input type="checkbox"/> Below 5 <input type="checkbox"/> 16 - 20 <input type="checkbox"/> 5 - 10 <input type="checkbox"/> Above 20 <input type="checkbox"/> 11 - 15
6.	Organization Category	<input type="checkbox"/> Religious <input type="checkbox"/> Trade associations <input type="checkbox"/> Welfare <input type="checkbox"/> Youth <input type="checkbox"/> Social and recreation <input type="checkbox"/> Sports <input type="checkbox"/> Women <input type="checkbox"/> Education <input type="checkbox"/> Culture <input type="checkbox"/> Political <input type="checkbox"/> Mutual benefit <input type="checkbox"/> Employment <input type="checkbox"/> General

7.	Age of Organization	<input type="checkbox"/> 5 years <input type="checkbox"/> 4 years <input type="checkbox"/> 3 years
8.	No. of volunteers	<div> <input type="checkbox"/> Less than 5 <input type="checkbox"/> 50 - 150 </div> <div> <input type="checkbox"/> 5 - 19 <input type="checkbox"/> More than 150 </div> <div> <input type="checkbox"/> 20 - 50 </div>



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Section B: Transparency

Please tick (/) in the appropriate box to indicate your level of agreement for each statement below.

1-strongly disagree 2-disagree 3-neither agree nor disagree 4-agree
5-strongly agree

Item	Statement	1	2	3	4	5
1	Everybody can request the strategic plan via post or email.					
2	Everybody can request the annual report via post or email?					
3	The annual report contains results achieved in relation to formulated goals, financial report, and next year's financial budget.					
4	The organization can be contacted via postal mail, phone, or email.					
5	There are systemic procedures in place to deal with questions, feedback and critiques.					
6	The organization has a website with at minimum its contact information and various forms of reporting.					
7	The strategic plan of the organization published online.					
8	The annual report of the organization published online.					
9	The identities (names) of at least 3 of the board members published online.					

Section C: Board Performance

Please tick (✓) in the appropriate box to indicate your level of agreement for each statement below.

1-strongly disagree 2-disagree 3-neither agree nor disagree 4-agree
5-strongly agree

Item	Statement	1	2	3	4	5
1	The board sets clear organizational priorities for the year ahead.					
2	The board communicates its decisions to everyone who is affected by them					
3	The board delays action until an issue becomes urgent or critical.					
4	The board has made a key decision that I believe to be inconsistent with the mission of this organization.					
5	Within the past year, the board has reviewed the organization's strategies for attaining its long-term goals.					
6	The board reviews the organization's mission at least once every five years.					
7	The board has formed ad hoc committees or task forces that include staff as well as board members.					
8	The board has, on occasion, evaded responsibility for some important issue facing the organization.					
9	Before reaching a decision on important issues, the board usually requests input from persons likely to be affected by the decision.					
10	At times, the board has appeared unaware of the impact that its decisions will have within our service community					

Section D: Marketing Practices

Please tick (✓) in the appropriate box to indicate your level of agreement for each statement below.

For Question 1: 1-not important at all 2-not important 3-neither important nor not important
4- important 5-very important

For the rest of the questions: 1-strongly disagree 2-disagree 3-neither agree nor disagree
4-agree 5-strongly agree

Item	Statement	1	2	3	4	5
1	How important is marketing to your organization?					
2	Marketing plan is important for NPO.					
3	Specific marketing goals in NPO's strategic plan are important.					
4	Using printed marketing materials is important for NPOs marketing.					
5	It is important to select target to distribute the printed marketing materials.					
6	NPOs must customize the printed marketing materials according to the target group.					
7	Updating marketing materials from time to time is important.					
8	Organization's website is one of the marketing tools.					
9	Each NPO must have a marketing team to manage the NPO's marketing activities.					
10	It is important to assess the marketing services conducted in the past 24 months by surveying the target market.					

Section E: Non-profit organization effectiveness

Please tick (/) in the appropriate box to indicate your level of agreement for each statement below.

1-strongly disagree 2-disagree 3-neither agree nor disagree 4-agree

5-strongly agree

Item	Statement	1	2	3	4	5
1	The organization involved actively in fund raising activities.					
2	The organization has a correct financial management system.					
3	The organization able to deliver effective programs.					
4	The organization has a 'good' public relations					
5	The organization able to gain community collaboration.					
6	The organization able to work with volunteers to achieve its organization mission.					
7	The organization practices a correct human resource management.					
8	The organization has good governance relations.					
9	The organization has good board governance.					

Appendix B: Statistical Analysis for Variables



a) Descriptive Statistics of Variables

Descriptive Statistics

	N	Mean	Std. Deviation
Boardeffectiveness	377	3.4231	.43280
Transparency	377	3.4686	.56755
Marketingmanagement	377	3.5063	.58848
NPO	377	3.5388	.56957
Valid N (listwise)	377		

b) Multiple Regression Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.208	.113		-1.845	.066
	Boardeffectiveness	.305	.034	.232	9.040	.000
	Transparency	.748	.040	.745	18.511	.000
	Marketingmanagement	.031	.039	.032	.813	.417

a. Dependent Variable: NPO

c) Pearson Correlation Result

Correlations

		Boardeffectiveness	Transparency	Marketingmanagement
Boardeffectiveness	Pearson Correlation	1	.424**	.402**
	Sig. (2-tailed)		.000	.000
	N	377	377	377
Transparency	Pearson Correlation	.424**	1	.813**
	Sig. (2-tailed)	.000		.000
	N	377	377	377
Marketingmanagement	Pearson Correlation	.402**	.813**	1
	Sig. (2-tailed)	.000	.000	
	N	377	377	377
NPO	Pearson Correlation	.561**	.870**	.731**
	Sig. (2-tailed)	.000	.000	.000
	N	377	377	377

Correlations

		NPO
Boardeffectiveness	Pearson Correlation	.561**
	Sig. (2-tailed)	.000
	N	377
Transparency	Pearson Correlation	.870**
	Sig. (2-tailed)	.000
	N	377
Marketingmanagement	Pearson Correlation	.731**
	Sig. (2-tailed)	.000
	N	377
NPO	Pearson Correlation	1
	Sig. (2-tailed)	
	N	377

** . Correlation is significant at the 0.01 level (2-tailed).