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CHALLENGES IN DONOR–NPO RELATIONSHIPS IN THE CONTEXT OF CORPORATE SOCIAL INVESTMENT

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ABSTRACT

The purpose of this article is to highlight challenges in the relationship between corporate donors and recipient NPOs within the context of corporate social investment (CSI) in South Africa and to link the relational challenges to problems NPOs face in general. It is theoretically argued that CSI forms an important part of sustainable development and that NPOs, in turn, form an integral part of many organisations' social investment. The challenges faced by them need addressing for the sake of NPOs, donors and society as a whole. It was found that although the stakeholder relationship generally shows both positive and negative perceptions of the parties involved, the challenges that exist can be

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traced to challenges in the everyday functioning of NPOs, including resource limitations and dependence; staffing problems; and strategy, management and environmental challenges. These challenges facing NPOs manifest in their relationship with donors and can be seen in the power imbalance in the relationship that favours donors, the lack of transparency by NPOs, divergent views on commitment, the questioned competence of NPOs, time constraints in the execution of activities, a perceived incomprehension by NPOs of the realities of the business world, and an unwillingness on the part of donors to allow NPOs some decision-making power.

Keywords: corporate social investment, corporate social responsibility, development communication, NPO-management, participatory development, stakeholder relationships

INTRODUCTION

As an integral part of corporate governance and citizenship, corporate social investment (CSI) forms part of both the business and social development landscapes of South Africa. In a developing society like South Africa, this manifestation of the responsibility of the private sector in the fight against social ills and for sustainable development is increasingly important (Skinner and Mersham 2008, 239). One of the groups on the receiving end of CSI funding is non-profit organisations (NPOs) that often act as catalysts, partners and implementation agents for resources from donors (Lewis 2003, 333–334; Rossouw 2010).

NPOs are well positioned to act as a link between donors and recipient communities because they have grassroots contact and understand the community's needs and realities better than the donor ever could. Hence, NPOs are one of the main implementers of CSI funding (Shumate and O'Connor 2010, 578). When CSI funding is channelled through NPOs to recipient communities, a relationship between the corporate donor and the NPO is imminent – a relationship that represents the corporate donors' responsibility towards their community and survival for the NPOs (Padaki 2007, 70).

In an exploration of the relationship between corporate donors and recipient NPOs it became clear that relations are fraught with challenges that could be traced to complexities in the environment and the management of NPOs (Van Dyk and Fourie 2012a, 210). The article further highlights challenges in this unique stakeholder relationship that emerged from the perceptions which corporate donors and NPOs have of each other, as revealed in the research.

The research presented in this article will be introduced by outlining CSI as an expression of business towards the society in which it operates, followed by a discussion of the role of NPOs in the CSI landscape, the challenges they face and the relationship indicators used to describe the resulting challenges in the relationship.

A selection of the results from two corresponding surveys will be presented to illuminate relational challenges that can be related to the challenges faced by NPOs.

BUSINESS AND SOCIETY

In an effort to make the planet more sustainable, the three functions of sustainable development (economic, social and environmental) are interdependent and reinforce one another (UN 2005). The relationship between the three pillars was modelled by Pearce and Atkinson (1993, 106; 1998, 253) to represent both a weak and a strong view on sustainability. Weak sustainability views economic and social development, as well as environmental protection, as overlapping functions of sustainability, while strong sustainability views business as embedded within society, which is in turn part of the bigger ecology (Grossman 2011; PCE 2002, 7; Pearce and Atkinson 1998, 254). Figure 1 illustrates the place of business, society and the environment from the perspective of strong sustainability.

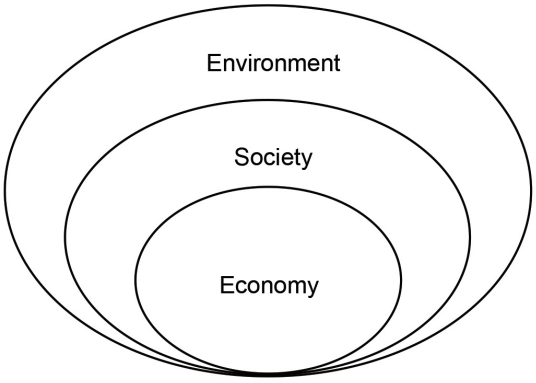


Figure 1: Strong sustainability (Grossman 2011)

When considering business–society relationships from the side of business, strong sustainability resonates with the main premises of various management paradigms and theories including the excellence theory, the reflective paradigm of organisational communication and ecological business–society relationships. The main premise of the excellence theory is that communication in organisations should be managed strategically, with a balance between the needs of the organisation and those of its stakeholders (Lindenborg 1994, 5; Wood 2006, 22). The reflective paradigm and ecological business–society relations imply open, harmonious and cooperative communication where parties mutually adjust to each other as part of the larger system

(Grunig and White 1992, 44; Littlejohn and Foss 2008, 40). The view further implies that some social and environmental issues could be important, without involving an economic opportunity or a threat to the organisation, but that the importance lies in the intertwined nature of business, society and the environment.

One such social issue that is important because it represents a business–society link is CSI, where business funds the development of the community in which it operates.

THE CSI LANDSCAPE

Corporate social responsibility (CSR) forms part of the bigger movement of corporate governance and corporate citizenship that broadly implies that business takes responsibility for all its actions and policies, shows respect for all stakeholders, and treats all stakeholders and society fairly (Cooke 2010, 72; Phillips 2006, 34; Steyn and Niemann 2010, 117). In developing societies the abovementioned responsibilities are necessary and expected, as business has much to offer in the fight against poverty and other societal ills (Catalyst Consortium 2002, 1; Skinner and Mersham 2008, 239).

CSI is the manifestation of corporate social responsibility towards the society and environment in which an organisation operates (IoDSA 2009, 9). If business and society relations are viewed from a strong sustainability stance, a symmetrical view, namely CSI, represents this link between business and its stakeholders. Because business could bring financial resources to the relationship, CSI creates the opportunity for mutually beneficial relationships between business and societal stakeholders (Catalyst Consortium 2002, 2).

Various theoretical principles are associated with CSI. Garriga and Melé (2004, 51) differentiate between four groups of theories: instrumental, political, integrative and ethical. Instrumental theories are those in which the organisation is focused on profit-making and social investment is intended to yield economic results. Political theories are concerned with the power of organisations in society and how they use their power politically. Integrative theories centre on satisfying the demands of society, and ethical theories are about the responsibilities of business in society.

To align with strong sustainability and symmetrical stakeholder relations, the integrative and ethical theoretical perspectives are preferable. The integrative approach regards business as part of society, just like the strong sustainability model according to which business also depends on society for survival, and the ethical approaches which view CSI as an ethical obligation to the society in which the organisation operates (ibid.).

For some industries their responsibilities towards society and their communities are paramount to their business strategies. For example, pharmaceutical organisations cannot evade their responsibility towards the larger population, and mining

organisations cannot get away with being irresponsible towards the communities located around their operations (Smith 2003, 7). For most organisations, however, these responsibilities manifest in various ways, including cause-related marketing, HIV/Aids prevention, community development and outreach, employee volunteerism and tripartite alliances which also involve government (Catalyst Consortium 2002, 5; Lichtenstein, Drumwright and Braig 2004, 16).

A large part of CSI activities is implemented by funding non-profit organisations (Lichtenstein et al. 2004, 16). Catalyst Consortium (2002, 1) argues that realising the potential of the private sector and civil society together is fundamental to sustainability. In South Africa, corporate organisations are estimated to have invested R6.9 billion in CSI projects during 2011/12 (Trialogue 2012).

In this regard, authors such as Lantos (2001, 619) and Skinner and Mersham (2008, 241) emphasise the importance of thinking strategically about the impact and sustainability of CSI. One such strategic consideration is the management and maintenance of a relationship between a corporate donor and a recipient non-profit organisation. The importance of the relationship between business and its societal stakeholders is accentuated by researchers such as Hall (2006, 7) who emphasises the business value; Skinner and Mersham (2008, 249) who note the possibilities of partnerships between business and community contributing to social development; and Bruning and Ledingham (1999, 165) who argue that social as well as economic aspects stand to benefit from community relationships with stakeholders.

NPOs IN CSI

The focus of this article is on one societal stakeholder which is central to implementing CSI initiatives: the NPOs. Lewis (2003, 326–327) attributes the rise of NPOs to four factors, the first being that activists in the 1980s pushed for a more people-centred development and NPOs were regarded as ideal to fulfil such a mandate. The second reason was a realisation that development funding that flowed between governments opened the door to high levels of corruption, and NPOs were seen as ideal non-state actors to transfer international aid. The third reason for the rise of NPOs in the development sector was growing concern for social and environmental issues and for the movements driving these concerns. Lastly, governments' realisation that they cannot deal with development issues without the support of other sectors also turned the attention to NPOs as a possible solution. For South Africa specifically, all of these reasons seem plausible, but the inability of government to address social problems alone is central, as locally supported social development and the fight against poverty in South Africa only really started after 1994 (Aliber 2003, 473; Fourie and Meyer 2010, 8). This inability of government makes the private sector and civil society very important role-players in filling the void (Rossouw 2010).

NPOs fulfil various roles within social development, from being catalysts for development or partners of business and government, to being implementation agents for resources from donors (Lewis 2003, 333–334; Rossouw 2010). From these roles it is clear that NPOs link donors to recipient communities and vice versa, as they are close to the grassroots realities of their community. From a CSI perspective the ability of NPOs to link communities with donors and implement CSI initiatives makes them one of the main mobilisers for CSI expenditure (Shumate and O'Connor 2010, 578).

NPOs have a complex nature as they span different disciplines as well as a distinctive and challenging environment (Helmig, Jegers and Lapsley 2004, 101). The effectiveness of NPOs is multidimensional and cannot be measured using universal requirements (Herman and Renz 2008, 399). Despite their diversity and complexity, many NPOs face similar and distinctive management challenges (Lewis 2003, 329).

Challenges generally faced by NPOs include the ever-present limitations in resources (Boafo 2006; Connely and York 2002, 33; Hailey 2006, 1). Due to the non-market nature of NPOs they cannot generate funds using the standard economic model (Helmig et al. 2004, 101). Linked to the limitations which many NPOs experience regarding resources, are their dependence on others for those resources (Byrne and Sahay 2007, 71; Hodge and Piccolo 2005, 175). This dependence is usually on donors for funding (Lewis 2003, 332; Helmig et al. 2004, 107). Also related to resource limitations are consequential staffing problems (Coffman 2005). NPOs find it difficult to obtain and retain competent staff and board members (Coffman 2005; Van Dyk and Fourie 2012a, 211), possibly because they cannot afford to pay competitive salaries and because staff members are culturally diverse (Kaplan 2001, 358; Lewis 2003, 330). Partly due to staffing issues, another dominant challenge cited by researchers and NPOs themselves is difficulty in defining a clear strategy and in managing the process followed to attain those goals (Helmig et al. 2004, 102; Kaplan 2001, 358). These difficulties challenge NPOs to stay accountable to and to manage expectations from those stakeholders (Coffman 2005; Connely and York 2002, 33). The volatile environment in which numerous NPOs function is another issue that hinders their success (Connely and York 2002, 33). Environmental concerns include isolated geographical environments, rapid changes and duality in the funding environment, and unstable and conflict-prone political environments (Lewis 2003, 330).

When considering the challenges faced by NPOs that work in social development, it is only fair to assume that these will also challenge their relationships with stakeholders. For the purpose of this article, the unique and important relationship between social development NPOs and their corporate donors is of interest, and the challenges faced by NPOs might allude to some relational issues.

DONOR–NPO RELATIONSHIPS IN CSI

Relationships are usually described in accordance with the extensive literature on the stakeholder theory. Since the main premise of the aforementioned theory is that organisations should be attentive to the needs of all their stakeholders (Freeman et al. 2010, 50) it seems a suitable starting point for the context of business–society relationships. The management and maintenance of stakeholder relationships, when viewed as ecological relationships, are about balancing the interests of the parties by using two-way communication to create value for both (Freeman, Wicks and Parmar 2004, 364; Ledingham 2003, 181; Steyn and Puth 2000, 210).

As an extension of the excellence theory, Hon and Grunig (1999) identified a set of relationship outcomes that could be used to measure and describe stakeholder relationships. Based on the perceptions of the parties in a relationship, the indicators are used to distinguish positive stakeholder relationships from negative ones, thereby also indicating management problems in the relationship (Broom, Casey and Ritchey 2000, 17; Hon and Grunig 1999, 38).

The relationship indicators defined by Hon and Grunig (1999) are control mutuality, trust, commitment and satisfaction. The two types of relationships they refer to are exchange and communal relationships. Using these relationship indicators, Van Dyk and Fourie (2012a; 2012b) explored donor–NPO relationships and ultimately contextualised the indicators to describe this specific relationship more accurately. The relevant and contextual relationship indicators are subsequently summarised.

Hon and Grunig (1999, 3) refer to control mutuality as representing the balance of power in the relationship. Perceptions of power and control are important for describing stakeholder relationships (cf. Jahansoozi 2002, 8). The context of donor–NPO relationships which only focus on power-sharing (as in other relationships) will give an incomplete picture of this relationship, since donors are always in the more powerful position (Van Dyk and Fourie 2012b, 360). The responsible use of power and attempting to secure sustainability for NPOs are part of donors' definition of control, while the possibility of being independent in the future also fit the NPOs' definition (Van Dyk 2014, 121).

The relational indicator trust is complex and can be operationalised as consisting of a combination of integrity, dependability and competence (Hon and Grunig 1999, 3). In donor–NPO relationships, trust was seen to include perceptions about the intention of the other party, consideration of the other, and a willingness to allow the other some decision-making power (ibid.).

Hon and Grunig (1999, 3) define commitment as the extent to which parties believe their relationship is worth spending time and energy on. In the donor–NPO relationship no single redefinition of commitment exits, as the indicator is viewed differently by the two parties involved: while NPOs define commitment as a combination of affection and desire they perceive from the donors, donors view

the combination of loyalty and the perceived importance of the relationship as commitment. Both parties include the obligation to relate as part commitment to this relationship. NPOs also value cause commitment, i.e., the degree to which they believe their donors are committed to social causes (Van Dyk 2014, 121).

Satisfaction is seen by Hon and Grunig (1999, 3) as the extent to which parties perceive the relationship as positive. Van Dyk and Fourie (2012b, 358) claim that satisfaction as an indicator is less applicable to the context of this relationship, based on the initial exploration. In the interviews participants made it clear that they viewed feelings of positivity and fulfilment as part of other relational dimensions, and not as a stand-alone indicator of the relationship.

The two types of relationships, exchange and communal, were also considered unsuitable for describing donor–NPO relations. Van Dyk and Fourie (ibid.) argue that the context dictates that elements of both communality and exchange are found in donor–NPO relationships, but that the type of relationship (donor–NPO) is implied and the differentiation unnecessary.

To further explicate, Van Dyk (2014, 122) identifies context-specific relational realities experienced by the parties in this relationship that should be considered in a description of the state of the relationship. These realities include the specific importance of transparency, accommodation of the other, understanding of the differences between the parties, the requirements of reporting, and a grasp on the insatiable needs that come from communities served by this relationship.

These redefined indicators were used to describe the stakeholder relationship between corporate donors and recipient NPOs, and to highlight the challenges emerging from the data.

RESEARCH PROCESS

The research for this article fell within the interpretative paradigm and aimed to provide a description of the relationship challenges as perceived by both parties in the donor–NPO relationship. An understanding of the relationship from the point of view of both the donors and NPOs was mainly based on the results from two corresponding survey questionnaires and supplemented by partially structured interviews conducted during the exploratory phase of the study.

For the initial exploration, partially structured interviews, using an adapted version of the Grunig (2002) interview schedule, were conducted with six key informants who shared their insight and experience regarding donor–NPO relationships. Two major findings came from the interviews: (1) the relationship between donors and NPOs is challenging; and (2) the relationship indicators used to measure and describe stakeholder relationships should be contextualised to make them better suited for measuring in context. The findings of the partially structured

interviews are not discussed in full in this article, but have been published in Van Dyk and Fourie (2012a and 2012b).

Questionnaire development

The development of the survey questionnaire was based on a review of the literature on stakeholder relationships in the context of CSI and the link between corporate donors and recipient NPOs, as well as the findings of the partially structured interviews. Informed by the literature and qualitative findings, preliminary relationship indicators were defined, operationalised and Likert-scale items formulated to represent those preliminary constructs. The well-known Hon and Grunig (1999) relationship questionnaire served as the basis for the compilation of two separate questionnaires (one for each party in the relationship), with adaptation, and to which newly formulated items were added. The term 'corresponding surveys' is used because the two surveys were intended to measure the same relationship from two sides by using corresponding items, some of which were identical and some similar (specifically where contextual differences made it impossible to use identical items). After review by an expert panel consisting of communication researchers, and pilot-testing among five donor respondents and five NPO respondents, the questionnaires were considered ready for administration.

Sampling

Separate samples were drawn for the two populations: managers of South African NPOs that receive corporate funding and CSI representatives of organisations operating in South Africa that interact with NPOs that receive funding. The NPO sample was drawn with a simple random sampling method from the *Prodder NGO Directory* of 2008. This directory was deemed suitable (1) because it was available to the researcher and (2) because all of the NPOs listed provide e-mail addresses and were presumed to have Internet access. Of the 413 questionnaires sent to e-mail addresses, and after various follow-ups (both via e-mail and telephonically, where possible), 106 questionnaires were completed and returned. The sample intending to select CSI representatives of donor organisations proved to be challenging due to the relative inaccessibility of the population. The researcher reverted to various non-probability sampling methods including conveniently accessing contact details from the *Trialogue CSI Handbook* and a client list from a Black Economic Empowerment consultancy firm. A combination of purposive and snowball sampling techniques (Babbie and Mouton 2001, 166; Du Plooy 2009, 123–124) was applied in Internet searches focused on obtaining contact details for CSI representatives of South African organisations listed on the Johannesburg Stock Exchange. Of the total of 137 survey questionnaires distributed, 67 donor respondents responded.

Research procedure

The data collected from the corresponding surveys were analysed with IBM SPSS with two aims in mind: (1) to identify relationship indicators as perceived by the respondents in these surveys as being important for describing the specific stakeholder relationship; and (2) to conduct a descriptive analysis of the relationship.

The definition of contextual relationship indicators was done by means of an exploratory factor analysis at construct level, and reliability testing of the factor groupings for both sets of survey results. The factor groupings were named and described as contextual relationship indicators for both parties in the relationship. The relationship was subsequently described using contextual relationship indicators and items measuring the perceptions of the survey respondents on those items. For the purpose of this article, the description of the relationship by both parties is used to identify challenges in the relationship that could possibly relate to challenges faced by NPOs in the execution of their development work. Only results focusing on these challenges have been selected and will be presented in this article.

DISCUSSION OF RESULTS

Although all the findings of the surveys are not reported below, and even though this article focuses on problematic aspects of the donor–NPO relationship, on the whole the parties did not perceive the relationship as being greatly negative. The perceptions of both parties include both positive and negative reflections about the donor–NPO relationship's dimensions of control/power, trust, commitment and contextual realities. A summary of the results of the corresponding surveys is provided in Figure 2, which indicates the mean scores for each indicator as well as the contextual elements.

For the purposes of this article, the focus is on those survey results that indicate possible relational difficulties. Reference is also made to some of the findings of the partially structured interviews, as published in Van Dyk and Fourie (2012a, 2012b), as they suggest links between the relational problems and managerial and environmental challenges reportedly faced by NPOs.

The findings all relate to the relationship indicators discussed above, but arranged as they link to the challenges generally faced by NPOs, namely resource limitations and dependence; problems with staffing; strategy; and management and the realities of working in a volatile environment. In the presentation of findings, the respondents who selected the Agree/Strongly agree and Disagree/Strongly disagree options will be discussed together, by referring to being in agreement or being in disagreement. Furthermore, in the tables the options selected by respondents are indicated with the following key: SD (Strongly disagree), D (Disagree), N (Neutral), A (Agree) and SA (Strongly agree).

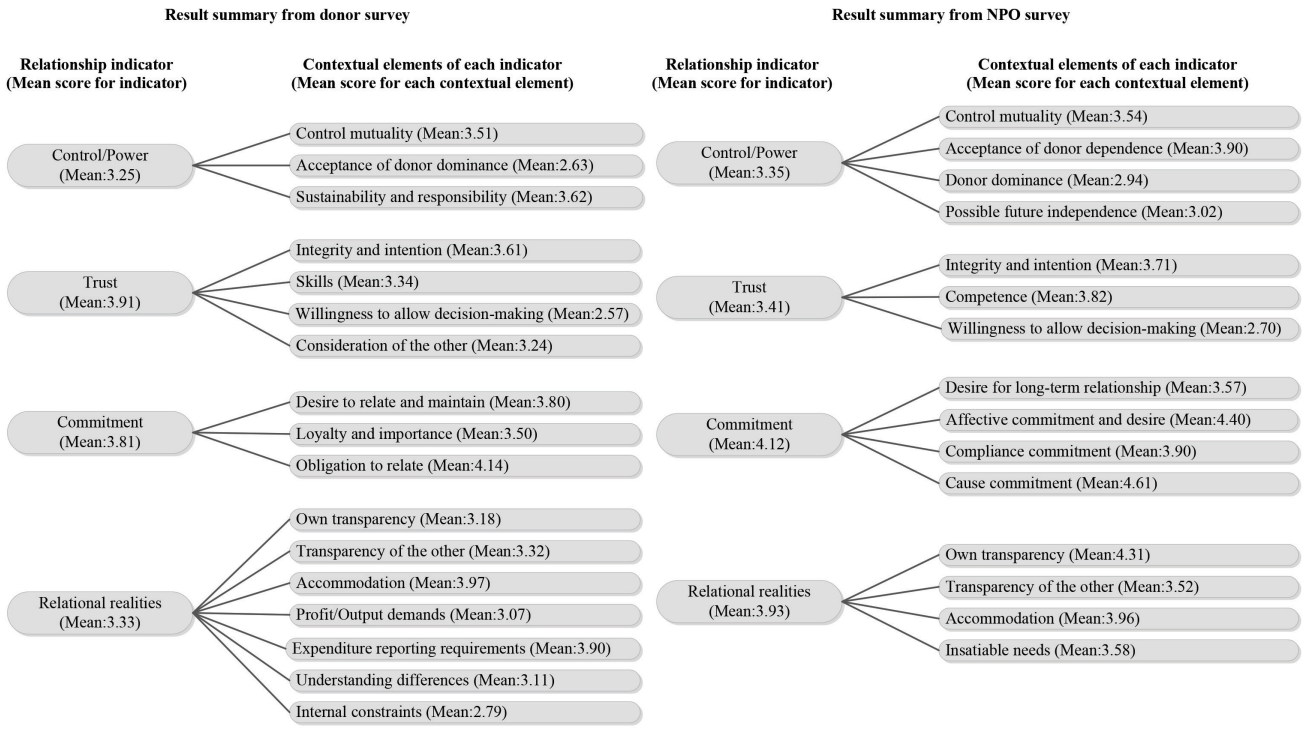


Figure 2: Summary of results from both donor and NPO surveys

When considering the overall mean scores for the relationship indicators for both donors and NPOs (see Figure 2), it is evident that the relationship is generally positive with all mean scores higher than 3. A closer look at the mean scores of the contextual elements indicates some problem areas that are further explored in this article.

Table 1: Summary of relationship challenges and possible link to NPO challenges

Relational challenges	Possible link to challenges of NPOs
Power imbalance in favour of corporate donors	Dependence on and limitations of resources such as funding and infrastructure
Lack of transparency on the side of the NPOs	
Divergent views on commitment in the relationship	
Questionable competence of NPOs	Problems with recruiting and retaining of competent staff
Time constraints in project execution	
Perceived incomprehension of NPOs of the business world	Strategy, management and environmental challenges regularly associated with NPO management
Unwillingness from donors to allow NPOs decision-making power	

For the donor survey, lower mean scores are indicated for the contextual elements named 'Acceptance of donor dominance' (Mean: 2.63), 'Willingness to allow decision-making power' (Mean: 2.57), 'Profit/output demands' (Mean: 3.07), 'Understanding differences' (Mean: 3.11) and 'Internal constraints of NPOs' (Mean: 2.79). These lower mean scores allude to problems in the relationship, from the perception of the donors.

From the NPO survey the following contextual elements have lower mean scores: 'Donor dominance' (Mean: 2.94), 'Possible future independence' (Mean: 3.02) and 'Willingness to allow decision-making power' (Mean: 2.70). The lower mean scores indicate problem areas in the relationship that need further investigation.

The lower-scoring contextual elements and the way these elements were grouped by the respondents indicated the relationship challenges and their possible root causes (see Table 1). They are subsequently further explored.

RESOURCE LIMITATIONS AND DEPENDENCE

NPOs do not generate funds in the same way as organisations in the private sector, and limited resources and lacking infrastructure are realities they face in their daily operations. Together with the constraints facing NPOs in terms of access to limited resources, it also implies that they are dependent on others, usually donors, for

their resources. Resource limitations and donor dependence are at the root of many relational challenges between donor and recipient, and these challenges include an imbalance in power between the parties, a lack of transparency on the side of the donors, and divergent views on commitment in the relationship.

Power imbalance in favour of corporate donors

From the partially structured interviews it emerged that NPOs settle for a position of powerlessness in their relationship with their donors, because they believe it can help them secure funding for the future (Van Dyk and Fourie 2012b, 354). This belief links their dependence on their donors for funding and the sensitivity that comes with resource limitations, with power in their relationship with their donors.

The NPO survey supported the qualitative findings as reflected by the responses to the selection of items reported in Table 2.

Table 2: Perceptions on power and control in the relationship (NPO survey)

Item	N		SD	D	N	A	SA
We are dependent on our donors for survival	88	n	2	6	7	45	28
		%	2.3	6.8	8.0	51.1	31.8
Our donors hold a powerful position in our relationship	87	n	—	6	19	47	15
		%	—	6.9	21.8	54	17.2
We cooperate with our donors because we want to secure future funding	88	n	—	10	15	43	20
		%	—	11.4	17	48.9	22.7
In the future, we will be able to survive without our donors	86	n	13	36	23	11	3
		%	15.1	41.9	26.7	12.8	3.5
Independence from donors is an important long-term goal for us	88	n	4	15	18	30	21
		%	4.5	17	20.5	34.1	23.9

The vast majority of NPOs (82.9% / N = 88) believed that they depend on their donors for survival, and the majority (71.2% / N = 87) were in agreement that their donors hold a powerful position in their relationship with them. The dependence on donors and the perceived power of donors in the relationship with those they fund are also reflected in the 71.6 per cent (N = 88) of NPOs that cooperate with their donors in order to secure future funding. As a further expression of control in the relationship, NPOs grouped together responses depicting their perception of the future and their possible independence from donors. Although the respondents' reactions were varied, large proportions of them disagreed that they would be able to survive without donors in the future (57% / N = 86), while 58 per cent (N =88)

agreed that donor independence is a long-term goal. The antithesis in the responses to these two statements shows that while NPOs seem to want to be independent, they do not believe that independence is a possibility.

The survey showed that the NPOs perceived their donors as being powerful and that they know they are dependent on their donors for survival. They reported that independence from donors is important, but unlikely. On considering these survey results, together with the responses from participants in the partially structured interviews, a more complex picture emerges. NPO participants in the interviews reported that CSI is a donor-driven process where donors control all decisions and processes. The NPOs feel that they must perform at every command of their corporate donors, and that they do not even attempt to gain control of certain situations in their relationship with their donors. When citing the reasons for this, they reported that they adhere to donor demands because they are dependent on their funding.

Lack of transparency on the side of the NPOs

Issues of transparency also seem to burden the relationship between the two parties. The participants in the partially structured interviews emphasised the transparency of NPOs more than that of the corporate donors (Van Dyk and Fourie 2012a, 209). Similarly, the survey results show that NPOs perceive themselves as being more transparent and open than their donors perceive them to be.

The NPO survey supported the qualitative findings as reflected by the responses to the selection of items (see Table 3).

Table 3: Perceptions on their own transparency (NPO survey)

Item	N		SD	D	N	A	SA
Our donors are free to access our financial reports	78	n	—	—	—	29	49
		%	—	—	—	37.2	62.8
Our donors require us to be transparent regarding our operational expenses	78	n	—	—	2	43	33
		%	—	—	2.6	55.1	42.3
We openly share information with our donors	77	n	—	2	2	38	35
		%	—	2.6	2.6	49.4	45.5
We are financially transparent to the donors	78	n	—	2	5	39	32
		%	—	2.6	6.4	50	41

As reported in Table 3, when questioned about their own transparency in their relationship with their donors, the vast majority of NPO respondents, 97.4 per cent (N = 78), indicated that they believe they are financially transparent; 94.9 per cent (N = 77) reported that they share information openly with their donors; 100 per cent

(N = 78) indicated that their donors are free to access their financial reports; and 91 per cent (N = 78) believed that they are open about their situation when interacting with their donors.

Regarding the transparency of recipient NPOs, as perceived by their donors, the majority were neutral when asked to respond to the statement 'The [NPOs] are truthful about funding issues', while only 39.3 per cent agreed with the statement. Almost the same proportion as for the above statement (45.9% / N = 61) reacted neutrally about the openness of recipient NPOs as regards their real situation and whether they felt the NPOs share information openly (44.3%). The responses of the donors reflect that they were generally unconvinced that the NPOs are open and truthful and they could possibly be viewed as suspicious in this regard.

The donor survey responses are reflected in the selection of items reported in Table 4.

Table 4: Perceptions on the transparency of NPOs (donor survey)

Item	N		SD	D	N	A	SA
The [NPOs] share information openly with us	61	n	—	6	27	27	1
		%	—	9.8	44.3	44.3	1.6
The [NPOs] are open about their real situation	61	n	—	7	28	24	2
		%	—	11.5	45.9	39.3	3.3
The [NPOs] are truthful about funding issues	61	n	1	7	29	24	—
		%	1.6	11.5	47.5	39.3	—

When comparing the survey results in Table 4 with the views of participants in the partially structured interviews, it is clear that donors experienced NPOs as sometimes untruthful about funding issues, with anecdotes of embezzled funds and double-funding for projects. The reasons for this perceived lack of truthfulness and transparency lie in the challenges of managing an NPO. Participants defended the actions of NPOs by saying they understood that being transparent is not always in the best interests of the NPO, because transparency would pose risks to their funding or could cause them to forfeit the money they need.

Divergent views on commitment to the relationship

Regarding commitment, the survey results show that 51.4 per cent (N = 85) of the NPO respondents disagreed with the statement about their donors committing to funding for longer than three years, while the largest proportion (37.7% / N = 61) of donors were of the opinion (agreed) that they do commit to long-term funding, while a lesser 27.9 per cent disagreed and 18 per cent responded neutrally when questioned about long-term funding.

The qualitative findings show that the participants criticised the practice of using 12-month financial cycles for CSI funding, as the needs of NPOs generally call for a longer-term commitment. Commitment is not only perceived differently by the two parties in the relationship, but (from both quantitative and qualitative stances) the limited resources to fulfil their mission could also be linked to their need for a longer-term commitment, plus their critique of organisations that do not commit on a long-term basis.

STAFFING PROBLEMS

Challenges regarding skilled staff and board members are evident from the literature on NPO management. These challenges can be related to limitations in resources (see above). These challenges can also be seen in the qualitative inquiry's focus on the perceptions of the competence of NPOs and frustrations linked to time constraints in the execution of CSI-funded projects.

Questionable competence of NPOs

In the interview phase of the research, the participants generally indicated that they regard NPOs as incompetent and the donors as generally competent. Challenges in attracting and retaining skilled staff and a dependency on volunteers were given as reasons for the perceived incompetence of NPOs by the participants in the partially structured interviews.

The competence of NPOs was further explored in the survey, and although the perceptions were not as strongly expressed as in the interviews, it was apparent that the donors are not convinced of the competence of the NPOs.

A selection of the donor survey results pertaining to NPO competence is reflected in Table 5.

Table 5: Perceptions on the competence of NPOs (donor survey)

Item	N		SD	D	N	A	SA
The [NPOs] can be left to work unsupervised	67	n	2	17	18	27	3
		%	3	25.4	26.9	40.3	4.5
I feel confident about the skills of the [NPOs]	67	n	1	12	31	30	3
		%	1.5	17.9	31.3	44.8	4.5
The [NPOs] are known to be successful at the things they try to do	67	n	—	5	25	34	3
		%	—	7.5	37.3	50.7	4.5

Although the majority of donors perceived the NPOs to be competent and skilful, a large proportion was undecided on these issues. Of the donor respondents, 26.9 per cent (N = 67) were undecided whether NPOs can be left to work unsupervised, 31.3 per cent (N = 67) neither agreed nor disagreed that they are confident about the skills of NPOs, and 37.3 per cent (N = 67) were neutral about a statement pertaining to the known successes of NPOs. Thus, while few respondents strongly disagreed, some ambivalence is clear in the responses: large proportions of respondents reacted neutrally or negatively to statements pertaining to the skills of the NPOs.

The ambiguity in the survey results supported the qualitative findings that donors sometimes question the competence and dependability of NPOs, and confirmed literature that cites issues of lacking infrastructure and human resources as part of their constraints (cf. Boafo 2006).

Time constraints in project execution

Time constraints in the execution of CSI-funded activities could also be blamed on the challenges faced by NPOs due to limited resources. The idea that NPOs themselves cause many of their operational problems emerged from the qualitative data.

The responses to the surveys were not as strong as the views of participants expressed during the partially structured interviews, but the responses nonetheless expanded the exploration of the relationship. A selection of the results from the donor survey is shown in Table 6.

Table 6: Perceptions on time constraints in the relationship (donor survey)

Item	N		SD	D	N	A	SA
The [NPOs] are slow when acting on promises made to us	61	n	2	23	27	8	1
		%	3.3	37.7	44.3	13.1	1.6
The [NPOs] themselves are the main cause of time constraints when it comes to implementing funded projects	61	n	4	14	27	15	—
		%	6.7	23.3	45	25	—

The survey responses indicate divergent views, with the largest proportion of donors (45% / N = 61) reacting neutrally to the statement about the recipient NPOs being the main cause of time constraints when it comes to implementing funded projects, whereas 25 per cent (N = 15) of donors agreed that they are the main cause of such constraints. Similarly, the largest proportion (44.3% / N = 61) of donors responded neutrally when indicating whether they perceive NPOs as being slow in acting on their promises. Yet, a large proportion of donors do not experience the NPOs as being slow in acting on promises.

The NPO survey further revealed that 60.2 per cent (N = 78) of respondents believed their needs were greater than what donors could satisfy, and 59.8 per cent (N = 77) perceived their needs to be never-ending. During the partially structured interviews the donor participants cited the reason for NPOs not being able to honour commitments timeously as them overpromising on funding applications in order to project an image of sufficiency, but then not being able to deliver. The many neutral responses could mean that donors are generally not convinced of the real cause of time constraints, but when put into perspective with the qualitative responses and the NPOs' perceptions of their insatiable needs, it seems possible that time constraints in the donor–NPO relationship are linked to the challenges and needs of the NPOs.

STRATEGY, MANAGEMENT AND ENVIRONMENTAL CHALLENGES

Associated with both resource limitations and staffing problems, the strategic and management difficulties experienced by many NPOs and the volatile environment in which they work also have a bearing on their relationship with their donors. Furthermore, isolated, politically unstable and conflict-ridden environments are where NPOs are most needed, and where they are expected to operate. Environmental pressures (reported in the literature as one of the predominant challenges facing NPO management) also have a negative impact on their relationship with corporate donors.

Although no direct questions about strategy, management or environmental pressures were put to the donors and NPOs in the surveys, a substantial proportion of the donors were not certain that NPOs understood the business world. In addition, it was clear that donors are not willing to entrust NPOs with decision-making power in the relationship. Both of these perceptions could be indicative of relational challenges caused by management and environmental challenges facing the NPOs.

Perceived incomprehension of the business world

Survey responses regarding the comprehension the parties show for each other's realities could further clarify perceptions of the relationship in terms of the challenges NPOs face in the execution of their work.

A selection of results from the donor survey, about their perceptions of NPOs' understanding of the business environment, is illustrated in Table 7.

Table 7: Perceptions on the NPOs' understanding of the corporate context (donor survey)

Item	N		SD	D	N	A	SA
Both parties in a corporate [NPO] relationship understand the difference in organisational goals between them	61	n	—	12	22	25	2
		%	—	19.7	36.1	41	3.3
The [NPOs] understand the realities of the corporate world	61	n	1	17	30	10	3
		%	1.6	27.9	49.2	16.4	4.9

Close to half of the donors (49.2% / N = 61) responded neutrally to the statement 'The [NPOs] understand the realities of the corporate world', with a substantial 29.5 per cent disagreeing. The largest proportion of donors at least agreed that both parties in the donor–NPO relationship reported that they understand the difference in organisational goals between them. A large proportion (36.1% / N = 61) also reacted neutrally.

From these responses it is clear that the donors were not convinced that the NPOs understand their reality, nor were they confident about their own understanding of the realities of NPOs. The survey responses could be linked to perceptions of both parties, voiced during the partially structured interviews, where NPOs claimed to understand what their donors expected of them, but indicated that they are constrained by their day-to-day realities.

Unwillingness to allow NPOs decision-making power

Another relational constraint that could be linked to problems of environment, as well as the management of NPOs, is the unwillingness of donors to trust their recipient NPOs with the power to make decisions within the relationship.

A selection of the results from the donor survey is presented in Table 8.

Table 8: Perceptions on the willingness of donors to share decision-making power (donor survey)

Item	N		SD	D	N	A	SA
I am willing to let the [NPOs] make decisions for us	66	n	8	26	19	11	2
		%	12.1	39.4	28.8	16.7	3
We are willing to allow the [NPOs] to take decisions that could affect us	66	n	5	32	17	12	—
		%	7.6	48.5	25.8	18.2	—

The survey responses clearly illustrate that donor respondents were not willing to allow recipient NPOs decision-making power, with 56.1 per cent (N = 66) disagreeing that they are willing to let NPOs make decisions that could affect them and 51.5 per cent (N = 66) disagreeing that they are willing to let NPOs make decisions on their behalf. Large proportions of respondents (25.8% and 28.8% respectively) responded neutrally to the statements, but generally the donors indicated that they are not willing to let NPOs take important decisions in the relationship.

CONCLUSION

The research on which this article is based, together with the qualitative results published in Van Dyk and Fourie (2012a, 2012b), shows that some relational difficulties between corporate donors and recipient NPOs within the context of CSI could be linked to the management and environmental challenges facing the NPO. Understanding the relationship challenges experienced in the donor–NPO relationship in the context of CSI can assist donors' understanding of the NPOs which they fund. It may also enable them to better deal with the challenges involved when funding NPOs.

The relational difficulties experienced by the participants and respondents in the study reported on in this article revealed the following:

- Power imbalances in the relationship, a lack of transparency on the part of the NPO and differing views on commitment are part of the relationship, because NPOs are generally tight on resources and dependent on others for those resources;
- Questions about the competence of NPOs and time constraints in project execution are linked to the staffing problems experienced by many NPOs;
- The perceived incomprehension of NPOs about the realities of the business environment and the reluctance of donors to allow NPOs to make decisions in their relationship are associated with the management and environmental difficulties which NPOs sometimes experience.

Bearing in mind these relational challenges and their probable roots, donors could ultimately enhance the quality of their CSI practices and the evaluation thereof, and in so doing make them more accountable for their responsibility towards their society. With almost R7 billion invested in CSI in 2011/12, a more effective and accountable CSI is not something to be taken lightly – it should rather be seriously considered as a vehicle for sustainable change in South Africa.

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