

An Empirical Study on the Impact of HRD Practices on NPOs in Utilizing Foreign Contributions Received

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<i>Article History</i>	<i>Abstract</i>
<p>Article Submission 20 December 2021</p> <p>Revised Submission 15 January 2022</p> <p>Article Accepted 02 February 2022</p> <p>Article Published 09 February 2022</p>	<p><i>Nonprofit organizations in India represent a significant portion and they make a strong contribution to the economic wellbeing of our country. The human resources are vital for achieving the sustainable growth and development of organization. Firstly, objective is to analyze the workforce perception of NPOs towards the HRD practices of NPO. Secondly, the amount of FCR and FCU by NPOs are analyzed and compared. Thirdly, the efficiency of NPOs is measured based on their HRD practices. Lastly the impact of HRD practices on the efficiency of NPOs are measured. Based on the objective's hypothesis were formulated and tested. The study found that the NPO's workforce has positively perceived HRD practices followed in their organization. The respondents have agreed and given a positive opinion towards the HRD practices viz., appraisal system, Training and development, career development and recognition, and organizational environment followed in their organizations. The study found that HRD practices have a significant positive impact on the development of NPOs in Karnataka. Large-sized NPOs are generating larger amount, whereas small-sized NPOs are acquiring lesser number of foreign contributions. NPOs with better HRD practices are efficient in utilizing the foreign contributions received by them. The efficiency of the NPOs increases as they adapt better HRD practices, and the efficiency of NPOs decrease as they ignore HRD practices.</i></p> <p>Keywords: <i>Human Resource Development Practices; Non- Profit Organizations; Foreign contributions received; Foreign contributions utilized; Efficiency analysis</i></p>

I. Introduction

Nonprofit organizations play a vital role in the socio-economic development of a country. The importance of voluntary organizations is increasing over time. In a democratic system, the state's role is prime and most significant in formulating and implementing developmental projects and policies. However, in present society, people's problems, especially the poor, are much more complex. Such disparities are especially true in India, where numerous vulnerable sections are experiencing inequalities at all levels. Growth does not only indicate socio-economic development but also involves promoting equality. It is not possible for the Government alone to efficiently tackle such complex development ventures. So, there is a requirement for other groups or organizations to support the Government in various aspects. This essentiality tiled the way for the emergence of civil society. Nonprofit Organizations are a significant arm of civil society and thus have a crucial role in the country's development process. NPOs play an active role globally in strengthening communities, assisting governments, and promoting the wellbeing of citizens, along with many crucial dimensions (Weisbrod, 1988). For the development of NPOs human resources of the organizations play a significant role. The human resource of NPOs is the main stakeholders to be considered while formulating plans. The employees and volunteers of NPOs are affected by intrinsic values and motivated by these values. Human resources being the necessary

component of an organization's success, this study focuses on linking the HRD practices of NPOs with the development of NPOs and improving the efficiency of NPOs.

II. Theoretical Aspect

Human Resource Development (HRD): Human Resource Development (HRD) is the structure for helping employees in an organization to advance their personal and professional skills and expertise. HRD includes elements such as training and development, performance management, and career development. The focus of aspects of HRD is strengthening the workforce so that the organization and individuals can fulfill their aims. Organizations may possess resources for developing the human resources in their organization, but the challenging task is to identify such opportunities and utilize them appropriately and efficiently.

Non-profit organization: A Nonprofit Organization (NPO) is an organization established to achieve mission goals rather than profit. The NPO utilizes surplus revenues generated for accomplishing mission instead of distributing them as profits or dividends to shareholders.

III. Literature Review

A study by **Chang et al (2015)** focuses on the employee training in NPOs. They studied smaller NPOs in **Taiwan (China)**. They found that widely used linear training design, implementation, and methods are not appropriate for many non-profits due to organizational factors. Workforce learning has gained massive importance in non-profits. Due to the influence of organizational factors, training method has changed in NPOs, and diverse on-the-job approaches are adopted.

The study by Gyambrah (2017) examined the HRD practices of NGOs in Ghana, with a particular focus on NGOs in the health sector. The study combines mixed research methods. The author used a sample size of 30 NGOs registered with the Department of social welfare. Descriptive statistics was used to analyse the data. The study observed that although NGOs in Ghana's health sector employ some HRD practices, much attention is not given to these practices. Therefore, the study recommended that Human resource development be appropriately introduced to the NGOs as it helps maintain talents in workers due to the capacity training attended.

Kim and Park (2016) conducted a study on the performance appraisal system in Korean NPOs. The study links between performance appraisal and workers' motivation in NPOs. The study found that acceptance of a performance appraisal system (APAS) positively relates to workers' cause. Organizational characteristics that affect Korean non-profit employees are discussed in detail.

A study on Attitude difference between the paid employees and volunteers was conducted by Liao-Troth (2001). The study found that the psychological contract was substantially similar between paid employees and volunteers, except psychological contracts regarding benefits. In addition, organizational commitment and organizational justice was substantially similar between paid employees and volunteers, except the continuance dimension of organizational commitment. The study found similarity of job attitudes among volunteers and paid workers.

Taylor and Graw (2006) conducted a study on HRM practices in Non-profit Sports Organisations. The research focuses on adopting HRM practices by state sports organizations in New South Wales, Australia. Study results indicate that despite pressures to become more strategic in their people management, only a minority of sports organisations have formal HRM systems. The study states practical implications for HRM in sport organizations and discusses future challenges.

IV. Research Gap

In all the studies reviewed here it can be seen that NPOs play a prominent role in building nation. There are several studies on NPOs across different countries. In Indian scenario there are studies related to NPOs but very few can be related to the HRD in NPOs. Likewise, there are numerous studies on HRD in different sectors but very few on HRD in NPOs only. Hence the present study was undertaken to study the efficiency of NPOs based on HRD practices in Karnataka.

V. Objectives of the Study

In background of the research questions the following objectives are were framed.

1. To analyze the perception of the NPO's workforce towards HRD practices followed in their organization.
2. To compare the number of foreign contributions received and utilized by NPOs.
3. To compare the efficiency of large, medium, and small-sized NPOs based on their HRD practices.
4. To measure the impact of HRD practices on the efficiency of NPOs in utilizing foreign contributions.

VI. Methodology

The present study follows a research methodology to explore the HRD practices of NPOs in Karnataka. All Nonprofit organizations registered under the Foreign Contribution (Regulation) Act, 2010 (FCRA) of Karnataka State constitute the population. For the study purpose, only a sample of the population has been studied. Ninety NPOs registered on the FCRA website are chosen for the study. Five respondents from each NPO were selected, and the researcher collected respondents' perceptions of HRD practices. The responses from 450 respondents are classified into different groups and subgroups. Cronbach's Alpha test was conducted to measure the reliability of variables considered for the study. The test results indicated that all the variables had crossed the threshold value (>0.7) and were acceptable. The HRD practices adopted by NPOs are discussed in addition to perception analysis of employees and volunteers. Further, the impact of HRD practices on the development of NPOs is measured using regression. NPOs receive funds from several sources. Since the present sample is on the NPOs which receive foreign contributions, detailed analysis regarding the contributions is made. First, the FC Received and utilized by NPOs are analyzed in detail. Later, they are classified into large-sized NPOs, medium-sized NPOs, and small-sized NPOs based on foreign contributions received. In addition to the size classification, they are categorized into three levels based on their utilization level of contributions received. The efficiency of NPOs is measured based on the HRD practices followed by them. To measure the efficiency of NPOs ANOVA test was applied. Further, the impact of HRD practices on NPOs in utilizing contributions is analyzed. Regression analysis was conducted to test the hypothesis.

A. Sample design

A sample design is a definite plan or procedure adopted for obtaining sample from population. It is aimed at achieving a certain confidence level that the true characteristics of a population are well accommodated in the sample. Sampling design serves many purposes like saving time and money, more accurate measurement, and high feasibility when population contains infinitely many numbers. The sampling design mainly consists of population, distribution of sample units and sample profile.

B. Population distribution

There are several NPOs operating in the state, but the present study is confined to registered NPOs in Karnataka State. All Non-Profit organizations registered under FCRA of Karnataka State constitute the population. The base year for considering the population and sample is '2014-15'. From the FCRA website it is found that 1824 NPOs have registered in the base year. For the study purpose only a sample of population is studied.

C. Sample distribution

For the present study a sample of 90 NPOs are drawn from the population of NPOs registered under FCRA of Karnataka State. Judgment sampling method was used to select 90NPOs from the population. Based on the availability of data regarding the annual returns of NPOs of five years the sample NPOs were chosen. They were stratified by size and utilization capacity.

The sample consists of 90NPOs. 30 NPOs were large in size, 30 NPOs were medium in size and 30 NPOs were small in size. The base for stratification of NPOs into large, medium and small size was foreign contribution received by NPOs. Large NPOs were with contributions above Rs. 3.18 crore medium size NPOs were with contributions in between Rs. 40 lakhs to Rs. 3.18 crore and small size NPOs were with contributions below Rs. 40 lakhs.

D. Reliability

The most popular test of inter item consistency reliability is the Cronbach's alpha (Cronbach, 1984), the value of alpha ranges from 0-1. The nearer the value of alpha to 1, the better the reliability is. If the value is low, either there are too few items or there is very little commonality among the items. Typically, reliability coefficient of 0.7 or more are considered adequate (Cronbach, 1984; Nunnally, 1978). Table 1 presents the reliability test results of the present study.

Table 1: Reliability test results

Variables	No. of items	Mean	Standard deviation	Cronbach's Alpha Score
Appraisal system	5	3.47	.91	0.94
Training and development	5	3.47	.86	0.93
Career development and recognition	5	3.46	.89	0.95
Organizational environment	5	3.48	.86	0.95
Overall HRD Practices	20	3.46	.80	0.96
Development of NPOs	6	3.50	.90	0.91

Source: SPSS Output

The Cronbach's Alpha Score values of the stated variables are greater than the prescribed threshold of 0.7 (Cronbach, 1951; Nunnally, 1978) hence the scale is sound and reliable. SPSS statistical software was used to measure the reliability.

VII. Analysis And Findings

The current HRD practices followed in NPOs have been studied and analyzed under four divisions viz., HRD Practice Appraisal system; HRD Practice Career development and recognition; HRD Practice Training; HRD Practice Organizational environment and overall HRD practices.

H0: The NPO's workforce has negatively perceived HRD practices followed in their organization.

H1: The NPO's workforce has positively perceived HRD practices followed in their organization.

Table 2: Hypothesis test results of Overall HRD Practice

Dimension	Mean value	Standard deviation value	t- value	p- value
HRD 1: Appraisal system	3.4711	.90930	10.991	.000
HRD 2: Training and development	3.4769	.86302	11.722	.000
HRD 3: Career development and recognition	3.4600	.88585	11.016	.000
HRD 4: Organizational environment	3.4782	.85975	11.800	.000
Overall HRD Practices	3.4561	.79935	12.103	.000

*Significance at 0.05 Source: Field survey (SPSS Output)

From the table 2 it is evident that the NPO's workforce has positively perceived HRD practices followed in their organization. Based on the mean values and Standard deviation values there is a positive perception of employees and volunteers towards the HRD practices in NPOs. The p values for all the HRD practices are .000. Therefore, the null hypothesis is rejected and alternative hypothesis is accepted.

VIII. Comparison of the Foreign Contributions received and utilized

Based on the contributions received and utilized a comparison is made between the two. It is important for NPOs to generate funds at the same time they are responsible for the appropriate utilization of contributions received. Table 3 compares the FC Received with FC utilized.

Table 3: Comparison of the Foreign Contributions received and utilized

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Balance b /f	17.06	212.03	243.80	269.01	315.33
Interests and other receipts	139.65	125.83	7.01	41.06	62.03
FC received during the current year	493.84	590.34	698.69	681.52	652.49
Total FC received	650.55	928.20	949.50	991.58	1029.85
FC Utilized	438.52	684.40	680.49	676.25	784.09
Unutilized amount c/f	212.03	243.80	269.01	315.33	245.76

Table 3 presents the comparison of FC Received and FC utilized. Both are depicting an increasing trend. The contributions received are not completely utilized. This trends analysis shows overall pattern of the funds received and utilized by NPOs. For better understanding the entire sample is divided into large size, medium size and small size NPOs based on Foreign Contributions received. To know the level of utilization of contributions, sample set is divided into three levels of utilization viz.; High level, medium level and low level of utilization.

A. Efficiency of NPOs Based on HRD Practices

To measure the efficiency of NPOs in utilizing the foreign contributions the HRD practices act as a base for analysis. The perception of respondents towards the various HRD practices followed in their organization is measured using a five-point Likert scale. Their agreement towards a statement is noted as five points and disagreement is noted as one point. The responses were classified into size categories and utilization categories for presentation purpose.

B. Comparison of efficiency of large, medium and small size NPOs based on their HRD practices.

First the overall comparison of large medium and small size NPOs is made. Further the comparison of large medium and small sizes is analyzed individually. The average score of all respondents (450 respondents) regarding HRD practices is combined to obtain the mean value of NPOs.

To compare the efficiency of large, medium and small size NPOs based on their HRD practices following hypothesis was formulated.

H_0 : There is no significant difference in the efficiency of large, medium and small size NPOs based on their HRD practices.

H_1 : There is significant difference in the efficiency of large, medium and small size NPOs based on their HRD practices.

Based on the mean value is evident that large size NPOs are having higher mean value compared to small size NPOs. ANOVA table shows that there is no significant difference in the efficiency of large, medium and small size NPOs based on their HRD practices. The p-value $<.05$ hence the research hypothesis is accepted. Here the overall comparison is made between the NPOs of different sizes. But to analyze the efficiency of NPOs in utilizing the foreign contributions the sizes are further classified into levels of utilization and are analyzed separately.

Table 4: Comparison of HRD practices of large medium and small size NPOs.

Size of NPOs	N	Mean value	Standard deviation
Large size	150	3.82	.74
Medium size	150	3.47	.70
Small size	150	3.07	.78
Total	450	3.46	.80

Table 5: ANOVA table for comparison of HRD practices of large medium and small size NPOs.

	Sum of squares	df	Mean square	F –value	Significance
Between groups	42.28	2	21.14	38.63	.000
Within groups	244.62	447	.55		
Total	286.90	449			

Table 6: Comparison of HRD Practices in Large, medium and small Size NPOs

HRD Practices -Dimensions/Variables	Large		Medium		Small	
	Mean	Std dev	Mean	Std dev	Mean	Std dev
Appraisal system	3.86	0.80	3.51	0.77	3.04	0.95
Promotion decisions are based on the suitability of the promotee	3.97	0.74	3.61	0.78	3.15	0.87
Performance appraisal reports are based on objective assessment and adequate information and not on any favoritism.	3.94	1.02	3.57	0.94	2.88	1.24
The appraisal data are used by the HRD department for taking development decisions.	3.58	0.90	3.31	0.91	3.05	0.85
Managers and supervisors regularly supervise their subordinates	4.06	0.98	3.59	0.96	2.96	1.32
Performance appraisals are done at regular intervals	3.75	0.98	3.46	0.81	3.18	0.89
Training and development	3.77	0.93	3.47	0.86	3.12	0.98
Top management encourages employees/volunteers for training	3.82	0.90	3.51	0.84	3.32	0.87
Employees/volunteers are sponsored for training programs based on genuine training needs.	3.80	1.16	3.47	1.11	3.03	1.35
NPO organizes training programs for employees/volunteers	3.57	0.96	3.41	0.80	3.11	0.84
Training programs are organized regularly	3.83	1.15	3.43	1.10	3.09	1.38
Trainees are given opportunities to try new methods learnt in the training program	3.83	0.98	3.54	0.86	3.25	0.91
Career development and recognition	3.86	0.79	3.52	0.80	3.06	0.98
Career opportunities are pointed out to subordinates by seniors	3.83	0.89	3.57	0.78	3.17	0.91
Seniors guide their juniors and prepare them for future responsibilities	4.05	0.96	3.59	1.05	3.01	1.35
Job performed is valued appropriately	3.55	0.92	3.40	0.79	3.01	0.82
There are mechanisms in this NPO to reward any good work done or any contribution made by employees/volunteers	4.05	0.94	3.51	1.05	2.97	1.30

Top management recognizes and appreciates the good work of employees/volunteers	3.84	0.94	3.51	0.84	3.17	1.00
Organizational environment	3.78	0.94	3.42	0.88	3.01	0.95
When seniors delegate authority, the juniors use it as an opportunity for development	3.82	0.91	3.47	0.86	3.19	0.86
When behavior feedback is given to employees/ volunteers they take it seriously and use it for development.	3.85	1.15	3.39	1.11	2.77	1.24
People in this NPO are helpful to each other.	3.55	0.96	3.34	0.84	3.07	0.80
There is a high degree of team spirit in this organization.	3.93	1.13	3.45	1.11	2.89	1.35
Organization plans and policies are clear and well communicated to employees / volunteers	3.76	1.02	3.45	0.89	3.13	0.86

C. Comparison Of HRD Practices in Large Size NPOs

The HRD practices of large size NPOs are presented in table 7. Here the NPOs are not classified into different utilization levels. All the 150 responses belonging to large size NPOs are considered. The HRD dimension 'Career development and recognition' has the highest mean (3.864) with standard deviation 0.79. Overall training has least mean of 3.77. This implies large size NPOs are providing adequate benefits to employees but they lack in training the employees.

Efficiency of large size NPOs

H0 : There is no significant difference in the HRD practices of large size NPOs belonging to different utilization levels.

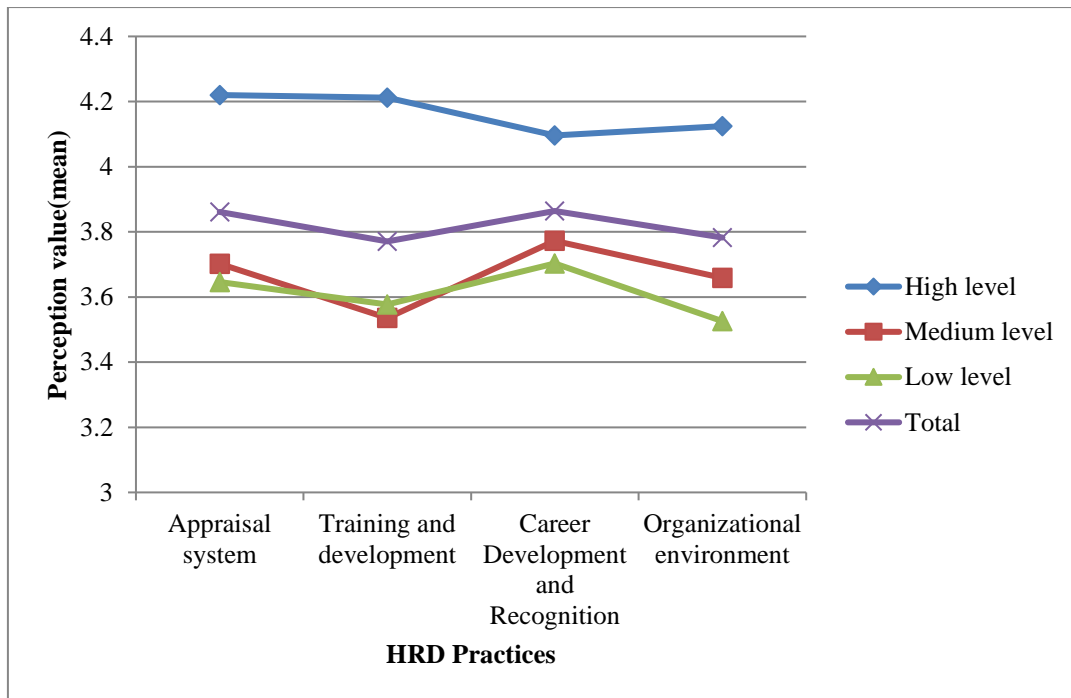
H1: There is significant difference in the HRD practices of large size NPOs belonging to different utilization levels.

To test the formulated hypothesis ANOVA test was performed. The results are presented in table 7.

Table 7: ANOVA Table for Large Size NPOs

HRD Practices/ Dimensions	Level of utilization	N	Mean	Std dev	F	Sig.
HRD1 Appraisal system	Low level	35	3.6457	.68785	8.287	.000
	Medium level	65	3.7015	.75674		
	High level	50	4.2200	.82635		
	Total	150	3.8613	.80233		
HRD2 Training	Low level	35	3.5771	.68043	9.416	.000
	Medium level	65	3.5354	.96443		
	High level	50	4.2120	.89297		
	Total	150	3.7707	.93044		
HRD3 Career development and recognition	Low level	35	3.7029	.49318	3.409	.036
	Medium level	65	3.7723	.78253		
	High level	50	4.0960	.92515		
	Total	150	3.8640	.79235		
HRD4 Organizational environment	Low level	35	3.5257	.68956	5.493	.005
	Medium level	65	3.6585	.85493		
	High level	50	4.1240	1.10057		
	Total	150	3.7827	.93921		

Source: SPSS Output



Source: Field survey (SPSS Output)

Figure 1: HRD practices of large size NPOs

From the ANOVA test results it is evident that HRD practices play a prominent role in utilizing the foreign contributions received by NPOs. The p value is < 0.05 in all the cases. Therefore, the null hypothesis is rejected and the research hypothesis stands accepted. It can be observed from the table that when the HRD score is less the level of utilization is low and when the HRD score is high the utilization level is high. This implies for the better utilization of foreign contributions HRD practices are essential. Large size NPOs should adapt better HRD practices to utilize the contributions to the full extent. Overall, from the hypothesis testing it is clear that better HRD practices leads higher utilization of contributions and increases the efficiency of large size NPOs.

D. Comparison Of HRD Practices in Medium Size NPOs

The HRD practices of medium size NPOs are presented in table 8. Here the NPOs are not classified into different utilization levels. All the 150 responses belonging to medium size NPOs are considered. The HRD dimension ‘Career development and recognition’ has the highest mean (3.51) with standard deviation 0.8. Overall **Organizational environment** has least mean of 3.42. This implies medium size NPOs are giving importance to ‘career development and recognition’ of employees and volunteers but they lack in maintaining favorable organizational environment.

Efficiency of medium size NPOs

H0 : There is no significant difference in the HRD practices of medium size NPOs belonging to different utilization levels.

H1 : There is significant difference in the HRD practices of medium size NPOs belonging to different utilization levels.

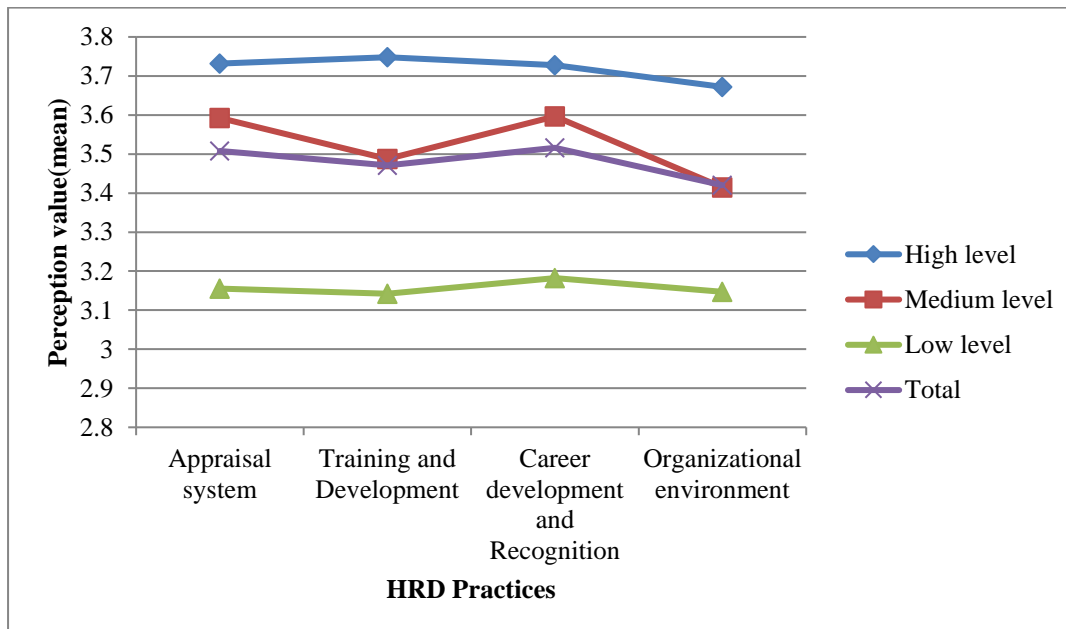
To test the formulated hypothesis ANOVA test was performed. The results are presented in table 8

Table 8: ANOVA Table for Medium Size NPOs

HRD Practices/ Dimensions	Level of utilization	N	Mean	Std dev	F	Sig.
HRD1 Appraisal system	Low level	45	3.1556	.48409	7.73	0.001
	Medium level	55	3.5927	.56038		
	High level	50	3.7320	1.04480		

	Total	150	3.5080	.77395		
HRD2 Training	Low level	45	3.1422	.57307	6.334	0.002
	Medium level	55	3.4873	.73913		
	High level	50	3.7480	1.08029		
	Total	150	3.4707	.85864		
HRD3 Career development and recognition	Low level	45	3.1822	.53737	6.315	0.002
	Medium level	55	3.5964	.59441		
	High level	50	3.7280	1.07723		
	Total	150	3.5160	.80377		
HRD4 Organizational environment	Low level	45	3.1467	.58837	4.366	0.014
	Medium level	55	3.4145	.83076		
	High level	50	3.6720	1.08403		
	Total	150	3.4200	.88469		

Source: Field survey (SPSS Output)



Source: Field survey (SPSS Output)

Figure 2: HRD practices of medium size NPOs

From the ANOVA test results it is evident that HRD practices play a prominent role in utilizing the foreign contributions received by NPOs. The p value is < 0.05 in all the cases. Therefore, the null hypothesis is rejected and the research hypothesis “There is significant difference in the HRD practices of medium size NPOs belonging to different utilization levels” stands accepted. It can be observed from the table that when the HRD score is less the level of utilization is low and when the HRD score is high the utilization level is high. This implies for the better utilization of foreign contributions HRD practices are essential. Medium size NPOs should adapt better HRD practices to utilize the contributions to the full extent. Overall, from the hypothesis testing it is clear that better HRD practices leads higher utilization of contributions and increases the efficiency of medium size NPOs.

E. Comparison of HRD Practices in Small Size NPOs

The HRD practices of small size NPOs are presented in table 9. Here the NPOs are not classified into different utilization levels. All the 150 responses belonging to small size NPOs are considered. The HRD dimension ‘**Training**’ has the highest mean (3.16) with standard deviation 0.99. In particular HRD practice

‘Encouragement for training’ has highest mean (3.32). Overall **Organizational environment** has least mean of 3.01. This implies small size NPOs have better training system but they lack in maintaining favorable organizational environment.

Efficiency of small size NPOs

H0 : There is no significant difference in the HRD practices of small size NPOs belonging to different utilization levels.

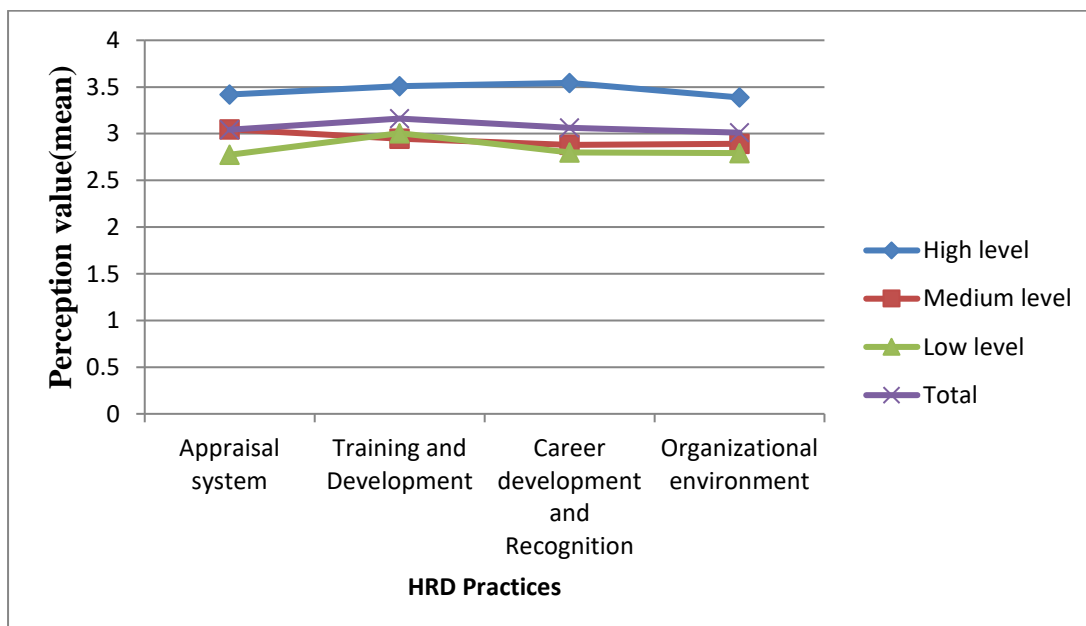
H1: There is significant difference in the HRD practices of small size NPOs belonging to different utilization levels.

To test the formulated hypothesis ANOVA test was performed. The results are presented in table 9

Table 9: ANOVA Table for Small Size NPOs

HRD Practices/ Dimensions	Level of utilization	N	Mean	Std dev	F	Sig.
HRD1 Appraisal system	Low level	70	2.7743	.78532	7.237	.001
	Medium level	30	3.0467	.62518		
	High level	50	3.4200	1.19198		
	Total	150	3.0440	.95422		
HRD2 Training	Low level	70	3.0057	.82284	4.956	.008
	Medium level	30	2.9467	.61685		
	High level	50	3.5100	1.26204		
	Total	150	3.1620	.98633		
HRD3 Career development and recognition	Low level	70	2.8000	.85262	10.109	.000
	Medium level	30	2.8800	.48877		
	High level	50	3.5440	1.19115		
	Total	150	3.0640	.98317		
HRD4 Organizational environment	Low level	70	2.7914	.85698	6.415	.002
	Medium level	30	2.8933	.50578		
	High level	50	3.3880	1.16718		
	Total	150	3.0107	.95448		

Source: Field survey (SPSS Output)



Source: Field survey (SPSS Output)

Figure 3: HRD practices of small size NPOs

From the ANOVA test results (Table 32) it is evident that HRD practices play a prominent role in utilizing the foreign contributions received by NPOs. The p value is < 0.05 in all the cases. Therefore, the null hypothesis is rejected and the research hypothesis “There is significant difference in the HRD practices of small size NPOs belonging to different utilization levels” stands accepted. It can be observed from the table that when the HRD score is less the level of utilization is low and when the HRD score is high the utilization level is high. This implies for the better utilization of foreign contributions HRD practices are essential. Small size NPOs should adapt better HRD practices to utilize the contributions to the full extent. Overall, from the hypothesis testing it is clear that better HRD practices leads higher utilization of contributions and increases the efficiency of small size NPOs.

F. Impact of HRD practices on efficiency of NPOs in utilizing contributions.

To measure the impact of HRD practices on efficiency of NPOs in utilizing Foreign Contributions regression analysis were performed.

Regression analysis

For regression analysis, this study used the percentage scores of NPOs in utilizing FC received as dependent variable. The average of HRD scores is considered as independent variable. Accordingly, four simple regression models were developed in this study. One for large size NPOs, second for medium size NPOs, third for small size NPOs and fourth for all NPOs.

To measure the impact of HRD Practices on Efficiency of NPOs following hypothesis was formulated.

H₀ : There is no significant impact of HRD practices on the efficiency of NPOs.

H₁ : There is significant impact of HRD practices on the efficiency of NPOs

Table 10: Results of simple Regression Analysis

Type of NPOs	Beta	t-value	p-value
Large size NPOs	.421	2.453	.021*
Medium size NPOs	.411	2.388	.024*
Small size NPOs	.324	1.811	.081**
All NPOs	.154	4.309	.000*

*p-value is significant at 0.05level, **p-value is insignificant at 0.05 level

The results of the simple regression analysis are present in table 10. The simple regression results reject the null hypothesis and accepts the research hypothesis as the p-value is <0.05 in large and medium size NPOs. in case of small size NPOs the p-value is >0.05 hence the null hypothesis is accepted and research hypothesis is rejected. The results show that there is a significant impact of HRD practices on the efficiency of NPOs in utilizing the foreign contributions. It is evident that HRD practices of large size and medium size NPOs have significant impact of efficiency, whereas the HRD practices of small size do not have a significant impact on efficiency of NPO in utilizing the foreign contributions.

IX. Major Findings

The NPO’s workforce has positively perceived HRD practices followed in their organization. The respondents have agreed and given a positive opinion towards the HRD practices viz., appraisal system, Training and development, career development and recognition, and organizational environment followed in their organizations. The mean values of all the variables were compared with hypothesized t-values and significant results are obtained to support the research hypothesis. Over five years, the average amount of Foreign Contributions received by NPOs is increasing. Large-sized NPOs are generating a larger amount, whereas small-sized NPOs are receiving fewer foreign contributions.

NPOs with better HRD practices are efficient in utilizing the foreign contributions received by them. The efficiency of the NPOs increases as they adapt better HRD practices, and the efficiency of NPOs decrease as they

ignore HRD practices. The efficiency of large-size NPOs is high with better HRD practices and low when HRD practices are not emphasized. The medium-sized NPOs that follow HRD practices are efficient. The small size NPOs with enhanced HRD practices is reporting high-level efficiency in utilizing foreign contributions. From the regression analysis it is found that the HRD practices have a significant impact on increasing the efficiency of NPOs in utilizing foreign contributions.

X. Suggestions

It is suggested that large size NPOs should improve training system to increase their efficiency in utilizing foreign contributions received. A good training system also ensures that employees and volunteers develop in areas corresponding to their career plans. Training cannot be a one-time event; it is essential to define and support continuous learning paths. Trainees should be given ample time and support to try out new things with the required tools and technologies. Overall medium size NPOs lack maintaining the favorable organizational environment. Hence it is suggested to improve the workplace environment to increase efficiency. Overall, small-sized NPOs have a better training system, but they lack a favorable organizational environment. Hence, it is suggested that small size NPOs should continue their existing training system to increase their efficiency in utilizing foreign contributions received. But they should improve in maintaining the organizational environment. NPOs should encourage volunteers and other employees to work with enthusiasm. Recognizing the efforts of employees and volunteers will increase their job satisfaction. Organizations with high levels of employee job satisfaction are able to recruit better talent in the long run.

XI. Conclusion

HRD practices have a substantial influence on the operation of NPOs. There exists an extensive body of knowledge and recommendations which were originally developed for profit-oriented organizations that can be applied to NPOs as well. But while adopting such methods special characteristics of NPOs must be considered. It is necessary that the implementation process taps into the competence and creativity of employees and helps in increasing the efficiency of NPOs. It is known from the literature that NPOs are practicing different HR strategies, but they lack professionalism when compared to profit-oriented organizations. Through proper implementation of best HRD practices NPOs can increase their efficiency in utilizing the foreign contributions received.

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