REPUBLIC OF TURKEY
ÇUKUROVA UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION

A RESEARCH ON OPERATIONAL FUNDS AND ORGANIZATIONAL PERFORMANCE CORRELATION IN NONPROFITABLE ORGANIZATIONS

Jamil NSUBUGA

MASTERS THESIS

ADANA / 2018

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Supervisor: Dr. Lecturer Musa ŞANAL
Member of the Examining Committee: Prof. Dr. Kemal Can KILIÇ
Member of the Examining Committee: Assoc. Prof. Dr. Alpaslan YAŞAR

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Çukurova Üniversitesi Sosyal Bilimler Enstitüsü Müdürlüğüne;

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Üye: Prof. Dr. Kemal Can KILIÇ

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ABSTRACT

A RESEARCH ON OPERATIONAL FUNDS AND ORGANIZATIONAL PERFORMANCE CORRELATION IN NON PROFITABLE ORGANIZATIONS

Jamil NSUBUGA

Master Thesis, Department of Business Administration
Supervisor: Dr. Lecturer Musa ŞANAL
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Nonprofit organizations dedicate much energy to increase organizational performances so that it balances with the support they receive from donors in form of funds in order to achieve their own budgets. On much occasions, these achievements have been frustrated by huge funds allocated to mainstream projects yet inadequate or almost no funds dedicated as operational funds to carter for administrative costs, employee salaries, transport, office furniture, rent among others. Therefore, this study explores the deep impact of inadequacy of operational funds on organization performance in nonprofit organizations. It examines the relationship between operational funds and organizational performance in Nonprofitable organizations. A descriptive survey design was used to gather data from the randomly selected nonprofit organizations in Adana. Questionnaires were administered to 25 active nonprofit organizations which were randomly selected from the 2300 to participate in the study. Purposive sampling was used to select 50 respondents where for every organization there were 2 respondents to participate in the study. Data collected was analyized using SPSS and results indicate there is a correlation between operational funds and organizational perfromance in Nonprofit organizations. Finally, the study is concluded by interpreting the results.

Keywords: Non-government organization, nonprofit organization, organization management, funds, funding, operational funds.

ÖZET

KAR AMACI GÜTMEYEN ÖRGÜTLERDE OPERASYON FONLARI VE ÖRGÜTSEL PERFORMANS İLİŞKİSİ ÜZERİNE BİR ARAŞTIRMA

Jamil NSUBUGA

Yüksek Lisans Tezi, İşletme Anabilim Dalı
Danışman: Dr. Öğretim Üyesi Musa ŞANAL
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Kâr Amacı Gütmeyen Kuruluşlar, bağışçılardan aldıkları maddi destekler ile kendi bütçele hedefleri arasındaki bir dengeye dayalı olarak performanslarını artırmak için kayda değer ölçüde çaba gösterirler. Çoğu durumda büyük fonların ana projelere ayrılması buna karşın idari masraflar, çalışan maaşları, ulaşım, ofis mobilyaları, kira giderleri gibi masraflara yönelik yetersiz operasyonel fon ayrılması veya hiç operasyonel fon ayrılmaması sebebiyle bu hedeflere ulaşılamaz. Bu çalışmada, kâr amacı gütmeyen organizasyonların operasyon fonların yetersizliğinin, organizasyon performansı üzerindeki derin etkisi açığa çıkarılmaktadır. Bu bağlamda kâr amacı gütmeyen organizasyonlardaki operasyon fonları ve organizasyon performansı arasındaki ilişki incelenmeye çalışılmaktadır. Açıklayıcı bir anket tasarımı kullanılarak Adana'daki kâr amacı gütmeyen kuruluşlar arasından rastgele seçimle veri toplanmıştır. Anket, kâr amacı gütmeyen 2300 aday kuruluş arasından seçilen aktif 25 kuruluşa uygulanmıştır. çalışmalara katılmak için 2300'den rastgele seçilen 25 aktif olarak kâr amacı gütmeyen kuruluşa uygulamaktadır. amaçlı örnekleme yöntemiyle her organizasyondan 2 katılımcı olmak üzere toplam 50 katılımcı seçilmiştir. Toplanan veriler SPSS paket programı kullanılarak analiz edilmiştir. Sonuçlar, kar amacı gütmeyen kuruluşlarda operasyonel fonlar ve örgütsel performans arasında bir korelasyon olduğunu göstermektedir. Çalışma, bulguların yorumlanması ile sonuçlandırılmıştır.

<u>Anahtar kelimeler</u>: Kar amacı gütmeyen örgütler, organizasyon yönetimi, fon, finansman, operasyon fonları

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Jamil NSUBUGA SEPTEMBER 2018, ADANA

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ABBREVIATIONS

CBOs	Community Based Organizations
IDRC	International Development Research Centre
NGO	Non Government Organization
NPO	Non Profitable Organization
SPSS	Statistical Package for the Social Sciences

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CHAPTER I

INTRODUCTION

Nonprofit Organizations are private institutions primarily known to work for humanitarian objectives, rather than commercial objectives. These organizations majorly carry out activities aimed at relieving suffering of the underprivileged people, protecting the environment, providing basic social services to the poor and even promoting interests of the poor in the community, or undertaking community development most especially in developing countries. These nonprofit organizations are known to work both as independent entities or partner with other donor institutions from developed countries, self-sponsored associations, and local government structures. According to Werker and Ahmed (2007), their size ranges from an individual to a complex organization with annual revenue of approximately $1 billion.

They are normally formed for humanitarian, social or similar objectives. They take various forms like social service institutions, humanitarian, charitable organizations, religion affiliated, health care societies, cultural and educational organizations, environmental activists, sports and recreational organizations, support and funding foundations, business and professional organizations, political parties, among others. Generally they aim at bringing positive change in the lifestyle and standards of living of individuals and they focus more on society interests.

However, non-profit organizations have always found it had to achieve and keep up with good performance levels while serving the community. According to the Nonprofit Finance Fund survey (2009), only 16% of the nonprofit organizations can afford to finance their operating expenses for at least a period of 2 years. The survey further discovers that more than 31% cannot even find operating funds to run for at least three months. In a nut shell this explains the terrifying operational funds status of most nonprofits around the world.

According Hansmann's (1980) research findings, nonprofit organizations can be differentiated from for-profit organizations by the "non-distribution constraint" dimension. This means that nonprofits cannot distribute the revenues generated from any activity among the workers, they are restricted in their spending of revenues and funds they receive from all sources. However, due to this constraint, workers in nonprofit organizations have been left with no opportunity to attain well salary pays, thus they are less motivated to perform effectively to organization success. Most nonprofit organizations struggle to raise and piece together sufficient funds to sustain organizational presence and programming a cross a proliferation of funding mechanisms and this has affected the level of organization performance in nonprofit organizations.

Although these Nonprofit organizations have continued to concentrate on providing humanitarian support, igniting social and economic development, lobbying and delivering all types of goods for human survival and extending all types of services to people in both under developed and some developing countries with vast resource opportunities from the well off and developed countries, there has been less attention put on the internal funding and running of day to day organization activities thus affecting organization performance (Werker and Ahmed, 2007). According to many observations from many different researchers in the management of social sector, the relatively low amounts of operational support channeled to nonprofits hinder their efficacy and ability to make improvements in their performance.

1.1. Research Problem

For any organization to achieve its performance objectives must have adequate operational funds. However, operational funds at many organizations in Turkey and the world at large seem to be below, many funders and individual donors have always had an instinctive aversion to giving general operating funds to nonprofit organizations because of fear of funding overhead or administrative expenses. Due to this situation, organizations have faced challenges in hiring staff, paying rent, operating an office, supporting technology systems, buying furniture, even fund costs associated with fundraising. According to researches made by Brest (2003) the operational funds statistics in the year 2001 indicate that, irrespective of the big amounts of project funds released to various organizations, less than 16% of the donor organizations allocated funds for operations to take care of administration and other operational expenses when executing main projects. Therefore it is true to note that this relatively low portion of operational funds is responsible for the diminishing performance level of nonprofits and the sector as a whole. Many nonprofit organizations face serious difficulties in achieving set objectives, this mainly streams from lack of adequate operational funds. For instance, Ramadan and Pilo (2014) maintain that many nonprofits operate with financial constraints which make it hard for them to achieve their set objectives.

Throughout my study in Adana at Çukurova University as master's student of Business Administration, I managed to as well work as a volunteer in one of the nonprofit organizations in Adana. As a volunteer, I observed that there are inadequate operational funds to meet operational expenses. Fewer amounts of funds is allocated monthly for all administration expenses yet organization is projected to raise membership contributions every year, attract potential donors and funders, market and publicize its services both locally and international to attract government support and private donors but this hardly achieved. This is possibly due to inadequate operational funds to facilitate activities such as administration, fundraising, volunteer training and marketing, among others which are important inputs for organizational performance.

Organizational performance of NGOs is linked to the ability to access and have adequate operational funds for their progress and survival (Ramadan and Pilo, 2014). Nonprofit organizations are expected to achieve their pre-set goals, organization mission and objectives, and also improve their service delivery. However it is so challenging for these organizations to be in position to extend to their clients the required services and goods in required quantities and for them as service providers to maintain and develop their structures when there is no substantial operational support fund. This investigation shows that the poor organizational performance in nonprofit organizations is a result of inadequate operational funds.

In conclusion, from Ramadan and Pilo (2014) and Anheier (2005) 's views, this specific study area on organizational performance in nonprofits has become a concern of many academicians and researchers from both management and political science arenas beginning from 1990s. This has resulted into a rapid growth in research on nonprofit organizations, and researchers developing various nonprofit theories and organization frameworks. However despite all such development, there have been low efforts taken in carrying out studies to investigate the variables that affect organizational performance. This argument is also supported by Kareithi and Lund in their study (2012) when they emphasize the importance of publishing more studies particularly especially those investigating the relationships between operational funds and performance in nonprofits because the topic on performance cannot be separated from management. For this reason, this study examines a correlation between operational funds and organization performance in nonprofit organizations.

1.2. Importance of the Research

Since the early 1990s, most nonprofit organizations have faced many challenges from various stake holders especially those who directly contribute funds to organization, they demand these organizations to increase consciousness in the use of funds on projects and not on operational expenses, they demand for results achieved out of the resources entrusted with them. These funders not only demand to see the results of their support to organizations, but they always try to investigate to see if these funds are spent on other organization activities rather than main projects. In this respect, NGOs have been pressured to disclose the steps taken and results attained in reducing the social problems in society for example poverty, hunger or inequality of all sorts. This pressure has made managers to refrain from allocating donor funds to operational budgets leaving administration expenses, workers' salaries, capacity building programs, rent, etc not well attended to. The result has been poor performance due to poor administration, less motivation of workers leading to a failure to achieve even the complex social problems of poverty and inequality in the community.

According to Ibrahim and Ragan in their study (2014), out of the many funding organizations, only a few provide resources to organizational capacity building and internal operational funds budgets. This implies that organizations are forced to reduce on the employee capacity, cut overhead costs including wages for workers, health insurance facilities, and infrastructure including renting plus other benefits and only concentrate and use funds on main programs where funders can easily measure and see the results of their funds. This situation leaves organizations in a state where they cannot invest in human capital or even improve the capacity of their management systems so that they can achieve long term results. It should be noted that indeed it is very hard for an organization to operate strategically when it depends on only funders' support which most of the time comes with conditions and guidelines that organization has to follow if it is to benefit from it. These conditions in most cases divert the organization from its mission and goals in order to pursue the donor's goals and objectives. Therefore, the study proposes that NGOs need to create a sustainable source of funds to carter for organizations operational expenses that most donors are not willing to see their funds spent in.

The results of the study will benefit policy makers in NPOs, and CBOs among others to take decisions and allocate appropriate operational funds to improve on organizations' effectiveness and fundraising efficiency. Most organizations largely depend on financial support from funders of all types including government. This is where much emphasis should be put on policy makers in nonprofit to express the need to effectively and strategically allocate more resources to meet operational expenses which is key to achieving efficiency and organization continuity (Ebrahim and Rangan 2014). Therefore, if organizations are to reduce the gap between organization performance and operational funds, it will need for policy makers in NPOs to think more strategically about the allocation of funds to different internal organization activities in order to achieve positive impacts both in the management and society the organization serves.

The study helps grant makers and funders understand the reason why general operating funds are important to achieving high organizational performance. According to Ebrahim and Ragan (2014), effectiveness and fundraising efficiency are two scales used to mediate the relationship between organization and the role of its funders in achieving performance in NPOs. However, donor organizations and agencies do not want their funds to be spent on operational funds. Nonprofit organizations have well-defined goals but they lack enough operational funds to support their goals, this sets a big challenge in attainment of good organization performance. Often the funders influence expenditures of funds, and individual organizations can't exercise their management potentials and freedom to focus and achieve their own set goals and mission. Ebrahim and Rangan (2014) maintain that performance of NPOs does not occur from a vacuum, but it is a result of both the operating organization and its funders making good decisions on allocation of funds to both internal operational budgets and to the external main projects. Funders and donors must contribute in building capital for operation budgets that reward performance. Funding foundations have always faced less or no pressure to concern themselves with organization's internal budgets but rather concentrated on main projects. However, according to Ibrahim and Ragan (2014), it is important for donors to allocate and involve themselves with organization's internal budgets and affairs since impacts, and long-term sustained changes in society can be seen more at this funding stage. Organization effectiveness and fundraising efficiency cannot be achieved when organization moves on its own; it can rather be achieved more when funders and management of organization consider a sustainable operational fund that works towards a shared goal. Funders to nonprofit organizations have a great opportunity to play a role in improving performance in nonprofit organizations through integrating and carrying out various analyses to integrate programs, organization goals and the society goals. This can be done in a number of ways, which include allocating enough funds to improve on management capacity through better pays to employees, trainings among others. They should also view themselves as an indispensable part of the organizations by playing active roles in management; support the organizations even if they contribute huge funds to main organization projects and programs.

As Brest (2003) also puts it, the impact of funder in an organization's management cycle is significant and sustainability can be achieved when they can also afford to allocate grants to carter for operational expenses.

In conclusion, there are fewer theories put forward on performance in nonprofit organization and there is need to develop conceptual frameworks to clearly explain and provide more information about performance in nonprofit entities which of recent have gained attention of management practitioners. This can be supported by Ebrahim and Rangan (2014) who maintain that the academic research studies on nonprofits and their management is lacking in making clear theoretical and analytical judgments to this fast growing management area. Because of such arguments, our study results will be help to form a platform for making further research.

1.3. Purpose of the Study

The study examines the correlation between operational funds and organizational performance in nonprofit organizations. The research conceptual model used centers on examining the existence of a relationship between independent and dependent variables. The independent variable is operational funds with sub-variables; sources of operational funds, amount of operational funds, and timing of disbursement of operational funds while the dependent variable here organization performance with sub-variables; effectiveness and fundraising efficiency.

1.4. Scope of the Study

Sample size which has less than 10 participants is not highly desired (Roscoe 1975). In situations of tight controls especially with simple experimental research, small samples between 10 and 20 are desired in order to conduct a successful research. However, for most research studies, samples size ranging between 30 and 500 are the most appropriate for a more comprehensive research. Because this research is involving a sector which currently here in Turkey has tight controls especially after the 15th July events, a sample size of 10 nonprofit organizations was randomly selected to represent the population within Adana, Turkey. The study population comprises of all stake holders of the selected nonprofit organizations and the study sample size comprise of 50 respondents identified as key informants from the 10 different nonprofit organizations.

1.5. Research Method

Regardless of the existence of some nonprofit organization theories and a few conceptual frameworks developed, little emphasis has been put in investigating the correlation between operational funds and organizational performance of this sector thus creating a gap in literature concerning this field. According to Ramadan and Pilo (2014), most of the academic contributions on the topic of performance in NGOs are immature. For the few studies carried out, most of them were conducted using a single case study which cannot be used to generalize the findings because the organization performance in nonprofits and operational funds has multiple dimensions and measures.

Therefore, due to the lack of detailed studies and literature on operational funds and organizational performance, a conceptual model that centers on investigating a correlation between operational funds and organizational performance was established by determining the scales currently in the literatures. Using the variables in the research model, the results of the survey are examined using the hypothesis developed and SPSS used to analyze data taken from questionnaires. “Pearson Coefficient of Correlation”, “Reliability Statistics” and “Regression Analysis” are statistical methods that used for analyzes. Reliability Statistics was used as a tool to control ambiguity of the questionnaire, then, Pearson Coefficient of Correlation was used to determine direction of the relationship between variables while Regression Analysis was necessary to understand three variables’ effect on organizational performance.

For this research, specific respondents who could provide relevant information were needed, and for that reason purposive sampling technique was used to select the respective respondents. Primary and secondary data was used for the research study. Primary data collected from individuals of the organization, while secondary data from the existing reports and literature. Data was collected through key informants’ questionnaire methods.

1.6. Research Plan

The study has five chapters. Chapter one has research problem, importance of the research, purpose of the study, scope of the study, research method and lastly the Research plan. Chapter two covers the theoretical framework of the study; it explains and discusses theories on NGOs, operational funds, and organizational performance. Chapter three shows the research model and hypothesis developed to show relationships between variables.

Chapter four shows the selection of the sample to be tested for research hypotheses, Data collection tool, reliability analysis; distribution and application of the questionnaire, return rate and methods of data analysis during the survey. In this section, a correlation between operational funds and organization performance is analyzed. The fifth chapter is the section for results and after evaluation of the results, recommendations are made.

CHAPTER II

THEORITICAL FRAME

2.1. Definition of Nonprofit Organization

The definitions of nonprofit organization are always debated and contested on because a lot is no known about the sector (Kendall and Knapp, 2000). There are different approaches and definitions of nonprofit organization such as legal, functional definitions, economic definitions, and structural operational definitions. (Anheier K. Helmut 2005).

Legal definitions of nonprofit sector are those provided in a country’s laws and regulation. For an organization to qualify under this category it is tested and must meet the organizational standards, political standards and the asset set standards, all these tests must be meant in order for an organization to qualify under this category. On the other hand, the functional definition of nonprofit organizations looks at what function and purposes will the organization serve, here most commonly expected function is meeting the public’s interests or serving for the purpose of the public.

On the other hand, the economic definition maintains that nonprofits should acquire funds only from voluntary contribution, from members and well-wishers; they are not supposed to receive income from sale of goods or provision of services in exchange of money or through any form of taxation. According to many literatures, this view has been considered as the general guideline for defining nonprofits that the common characteristic among amongst nonprofits is that are not supposed to distribute their profits. Therefore, from the economic structure view, nonprofits are restricted from acting as a source of income to the founders or owners and they shouldn’t depend in any way on selling goods or services to earn revenues or even collect taxes from clients to sustain their activities.

For the case of structural operational definition, nonprofits are defined according to some criteria which include; formal organization i.e. institutionalized to some extent for example having a formal charter of incorporation or having meaningful organizational boundaries, they should be institutionally separate from government, it should be equipped to be in position to control its own activities and have a meaningful degree of autonomy and it shouldn’t distribute profits among its owners in case it makes profits but its obliged to use the profits to achieve the sole mission and goals and it must have some significant degree of voluntary practices (Kendall, 2000 and Anheier, 2005).

It is important to be explicit that using the above approaches of definitions of nonprofit organizations, many scholars and authors in public management have come up with various definitions and explanations. For instance, Werker and Ahmed (2007) view nonprofit Organizations as private organizations characterized primarily by humanitarian or cooperative, rather than commercial objectives that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development in developing countries. Epstein and Buhovac (2009) also refer nonprofits to institutions where ownership is not transferable and there is no doing business with aim of gaining profits for the members. The main purpose for such an organization is to bring change in lives of people.

2.2. Operational Fund

Nonprofit organizations have a wide range of ways to acquire funds and support to run organizational activities and projects. According to Dan Pallotta, 2013 and Brest 2003), there are two most common types of funds nonprofits base on, that is, program (or project) funds and general operating funds (also called general support or unrestricted funds). For purpose of our research, the main interest is on general operating funds, but it is imperative to have a deep understanding of both of the types of funding.

Project or program funds are those funds which are used in a more specific way and directed towards a particular work or project of the organization. For operational funds, it has various names given to it which include; core support, operating support, infrastructure support, and general purpose support. All these phrases are used in different ways but have the same meaning and are used for the same purpose of catering for operational expenses and not spent on direct main programs or projects of the organization (Enright and Shoemaker, 2017). These funds are those that support an organization’s overall activities, including operating expenses and overhead.

According to Enright and Shoemaker (2017), operational funds are those funds directed to an organization’s administration and management operations rather than to specific projects. Enright and Shoemaker (2017) further note that operational funds in nonprofit organizations are considered to be working capital which is used to help in running of daily operations in the management. Working capital is a key tool for success of any business just as for nonprofits it is very important in sustenance of operations and management of activities. Lack of operating or working capital may render an organization incompetent as it may not be able to pay its workers or provide other basic operational needs. The major source of working capital or operational funds for nonprofits is donors which come in form of general operational support (Brest, 2003).

Brest, 2003 further explains that this operation support is regarded as an investment made in the human resources of an organization, its strategy, and management. These operational funds are spent in discretion of management which means that management has full autonomy on how it should be spent. (Dan Pallotta 2013).

In the view of “the business dictionary”, organization operational funds are those funds or resources used to cover expenditures that come from running of daily administrative and managerial programs and activities. These administration activities may not necessarily be directly attached to production For Drive and Charleston (2011) operating funds refer to unrestricted current funds that help run nonprofit’s activities but the sources of the funds and there is under the control of the governing boards. They further note that, the principle sources of operational funds is the unlimited contributions from all types of donors. These operational funds carter different types of organizational expenses such as costs of implementing organization’s activities and providing services. They are used to meet administrative expenses, enable an organization to hire staff, pay rent, taxes, operate an office, support technology systems, transportation, travel, repairs, buy furniture, fund the costs associated with marketing, personal training, capacity building and fundraising plus general expenses (Drive and Charleston 2011, Dan Pallotta 2013, and Enright and Shoemaker, 2017).

Jacob (2011) argues that NPOs’ first priority should be to support and encourage it’s staff to contribute effectively to other people’s efforts through allocating sufficient operation funds to carter for allowances and wages. Especially frontline staffs are often the most important factor in delivering high quality work. NPOs depend on them to develop relationships with local people and other collaborators, make judgments about what to do and provide appropriate assistance. Therefore, proper facilitating and managing staff is crucial for NPOs’ performance. They will not be able to serve and support other people if the NPO is not supporting them financially so that they can work in a flexible and responsive way.

It is important to note that though the operational funds are unrestricted or unlimited in their mode of expenditure, it doesn’t imply that the funders cannot influence their expenditure or take track of the results of their expenditures, funders should still stay following up on their use (Enright 2007). According to Brest (2013), the use of operational funds can be monitored by the donor by continuously engaging in an exchange of ideas with management, which results into understanding with receiving management to discuss on the expected results and how they will be realized, the progress and evaluation process.

In conclusion, as Enright and Shoemaker (2007) put it, provision of enough operational funds is not the only solution to challenges that organizations face in improving performance and effectiveness, but sponsors and grant makers to nonprofits should ascertain a specific plan which is fit for the institution they support considering organization’s traditions and mission, it’s unique needs, characteristics and it’s resources available at hand. In executing projects, there are funds which come with project funds but left to carter for overhead costs within the project, these should not be taken to be general operating funds. Research indicates that, most donors hardly want to allocate resources to both direct and indirect costs involved in any program or project and thus this makes general operation funds such an important tool to achieve high performance.

2.2.1. Sources of Operational Funds

Nonprofit organizations depend on support from a number of sources which range from , individual contributions to government support services. In most cases, the support comes with guidelines and limitation in the mode of expenditure to the extent that organizations loose autonomy in the use of this money. There are various sources of funding to nonprofits, A practical guide for research and CBOs (2010) also included a diversity of funding sources such grants, income earned, among others.

Three Broad Categories (Froelich 1999, Guo 2006)	Seven Funding Sources (developed from Froelich 1999, and Pratt 2004)
Government Funding	**1. Government funds and Contracts**
Private Contributions	**2. Individual Donations**
	3. Foundation Grants
	4. Corporate Contributions
Commercialized Income	**5. Fee, sales, membership dues**
	6. Bank loans
	7. All other income (asset income, etc.)

Figure 1. Types of nonprofit sources of funds
Source: Weiwei Lin (2010)

Analyzing the table above, Poole (2014), contends that most financial support to nonprofits is made by government and government alone supports about 25% these organizations' annual budgets. Government being the greatest contributor to NPOs however has come with tight strings and control. As Poole (2014) notes that, flexibility in use of funds to suit organization needs is at risk due to growing reporting requirements and controls, which could reduce the capacity of organization performance. NPOs are also major recipients of private funding from individuals, trusts, foundations and corporate funders. Their contributions are accounted to 27 percent of the total international funding as per 2011 (Poole, 2014). Many NGOs argue that private funding underwrites their independence and removes their ability to use and respond to both organizational and societal needs in an impartial way. For most nonprofit organizations in Turkey, grants have not been emanate as a source of funding but relied on gifts or voluntary contributions and earned incomes a source of funding. The organizations looks forward to using other various sources in financing operation expenses after investment and regenerated capital acquired. The literature here therefore is expected to indicate a relationship between these sources of operational funds and organizational performance.

According to a survey by Buteau, et al (2013), 85% of nonprofit leaders prefer to have a sustainable source of funding for operational expenses ratherthan depending on untimely contributions from donors if organnization is to hike its performance.

Sponsorship to nonprofits may take various forms both from outside the organization and that which is directly attached to organization like its members. NPOs can acquire resources by collecting membership fees, charge service fees where necessary, sale goods, sale assets especially those which are not being utilized or they can carry out fundraising activities which bring in revenues. However it is important to note that most donors request that their cobtributions should only be used for the purpose they are solicited for not to be diverted into operational expenses. (Roshayani, Noorbijan Abu Baker, et al 2012). This leaves operation expenses like administration fees, and salaries not attended to yet it is a pre-requisite for project execution and success. This similar situation is evident in most nonprofit organizations in Turkey where activities leading to develop a sustainable fund are not funded because funders have contributed only to invest in long term ventures to regenerate more resources. The effect has been low motivation of administration due to poor facilitation to achieve this. The literaturtherefore detects the presence of a relationship between source of operational funds and organizational performance.

Poole Lydia (2014) also notes that though NPOs receive a lot of funding, they still face challenge of compliance with donor conditions on which departments and activities to spend the funds. This significantly impacts the ability of these organizations to undertake operations safely, effectively and in an impartial manner.

According to Roshayani, et al (2012) nonprofit organizations that have their source of funds as collections from membership, rent or any other sustainable source are always in better position to enjoy effectiveness in performance. Therefore, this literature also clearly suggests that source of operational funds have direct relationship with organizational performance.

According to the International Development Research Centre (IDRC 2004), it was observed that, organization which depend more on international funding experience financial disturbances and these funds seem insufficient to continuously support both project and operational expenses. Thus, the viability or survival of operational activities and projects will depend on the potentiality of the organization to adjust to ever altering donor guidelines and conditions. IDRC (2004) further notes that, Nonprofits, Non-governmental organizations, and other CBOs have always found themselves uncertain about the sources of funds for their next budgets or how particular projects will be sustained or how its staff will be remunerated when donors restrict their donations to specific projects. Like in most nonprofit organizations in Turkey, the situation has been similar where funding institutions and individuals have restricted use of funds for only planned projects leaving operation expenses not catered for.

According to report by Venture for fundraising 2008, the major challenge of Nonprofit Organizations, roots from too much depending on support which is restricted in use. In reference to nonprofit organizations in Adana and probably many other charitable organizations in Turkey, contributors have been quoted commenting that administration should not consume our fund. It should be directed to main projects and programs not in operation expenses.

From a survey made by Buteau, et al (2013) it was found out that most of the nonprofit leaders are not aware of the challenges their organization face and more so the need of more funds to meet the demands for their operational expenses, programs and services. It’s further argued that even with those nonprofits that have investments and projects, from which revenue is earned, it’s believed that the need for more support still exists. This is a similar scenario in most nonprofit organizations in Adana which have money generating projects but less operation funds are allocated to the administrators who take charge of these projects. Suggestions of dropping the project are usually opted for by most organizations due to lack of operation funds to sustain administrators and personnel who implement the projects.

According to Werker and Ahmed (2007), majority of NGOs especially in developing countries and developing cities have very little revenue. From the research they carried out in the US, out of the 199 nonprofits, only 4 had enough revenue base and most of these organizations were recipients of funds from international donors whereas the small organizations largely depended on collections from membership fees, fundraising and small contributions and incomes acquired from small businesses that they engage in. This similar situation is present in most young and new organization in Turkey. Since they may not have received government support, most of their funds are generated from membership, incomes derived from other businesses. This leaves them with a problem of cutting expenditures on administration because of the limited sources of funds coming into the organization yet without money or staff, what can NPOs do?. Therefore, we can conclude that securing funding which is sufficiently flexible to enable response to the needs of organizations remains a major challenge for NPOs (Poole Lydia, 2014).

2.2.2. Amount of Operational Funds

According to the World Association of NGOs, it is stated that nonprofit organization performance is judged by how much it allocates to carter for operational expenses within its overall budget. It further suggests that, operational budgets should be allocated more than 86%. Given the percentage noted previously, De Vita and Fleming (2001) see that it’s already known that irrespective of the small size of nonprofits they have cannot to solve their own challenges due to limited resources

According to Hager, et al (2004) reducing operational funds in NPOs affects organizational effectiveness and performance by denying organizations means to setup infrastructure they need to deliver services in an efficient and effective manner. This situation may be also evident in some nonprofit organizations in Turkey due to lack of enough operational funds. Additionally, the amount of operational funds available is very important for assessing performance (Ramadan and Borgonovi 2015). It implies that there is a relationship between amount of funds for operational and organizational performance. It is expected that activities like administration, marketing, employee welfare will be well financed to result into organization effectiveness and efficiency when there is enough amount of operational funds. Therefore, this literature concludes that there is a direct relationship between amount of funds for operation and organizational performance.

According to Seifert (2002), lack of enough amounts of operational fees and lack of community involvement in social work are recurring problems for organizational performance in Nonprofitable Organizations. Improving organizational performance means finding ways to overcome the posed risk by the above condition of inadequate amount of operation funds.

According to James E. Rocco (undated) for an NPOs to successfully achieve its mission, and live up to the expectations of the public, it should afford to employ, motivate a competent and well trained staff which is only achieved through providing better and competitive salary base as operation salaries and other benefits. This is a direct indication that amount of funds to cater for operational expenses have a direct impact on performance.

As far as employee perquisites inform of appealing salaries, reduced hours of work and more comfortable working environment is concerned, non-governmental organizations in comparison with public and private sector perform poorly (Werker and

Ahmed, 2007). Fewer funds are allocated to employee salaries. In a study made at Harvard in 2004, it indicates that graduates working in NGO sector's salary were lesser than for the graduates working in other sectors. This is a clear indication that NGOs not only in Turkey but all over the world dedicate lesser funds to carter for operation expenses like salaries, administration and marketing which are crucial for improved organizational performance.

For most nonprofits, working conditions are characterized by low earnings compared to working in other sectors whereas the work in nonprofits demands more sacrifice in form of time, working for extended hours and spending personal resources for the sake of the organization (McMullen and Schellenberg 2003). Going by this view means that the only benefit of working for a nonprofit organization is working for the sake of God. This similar situation of low pays and directors continuously emphasizing working for the sake of God is also found in most nonprofit organizations here in Turkey which seems to have a high population of Muslims. However, it's imperative to note that this has drastically reduced the motivation of workers towards high commitment to their jobs and hence less organizational activities have been accomplished.

From statistics, the amount of funds that international donors channel to nonprofits has risen but this rise has not been reflected in the amount of operational support that organizations receive to carter for internal administrative and organization's operation expenses. This has left NGOs with great stress of paying its volunteers leading to poor service delivery affecting performance.

Most Nonprofit organizations channel their funding to direct activities leaving less attention to operation expenses and forget that without financial resources to run operational activities, there is no mission (Epstein and McFarlan, 2011). According to Lekorwe and Mpabanga, (2007), many nonprofits all over the world have fallen victims of poor structures because they don't have enough financial resources to enable them plan, organize design and set up well equipped offices which are well facilitated with adequate equipment.

The amount of funds in general released to NPOs to carry out activities doesn't match the organization needs. As Poole (2014) notes that funding allocations suffer from unresolved collective action problem, where by the individual choices of donors don't add up to coherent coverage of funding needs at the organization and global level. Most donors channel their funds as un earmarked or lightly earmarked contributions to organizations. This kind of funds exclude operation funds to carter for expenses like salaries, and wages plus other operational expenses that organization incur in the process. This impacts organization’s performance negatively, as volunteers and workers’ salaries, compensation and allowance are not included in the funding program.

2.2.3. Timing of Disbursement of Operational Funds

Little literature review has been found on this statement of relationship between timing of disbursement of operational funds and organizational performance. But for purposes of examining relationship, we shall base on the following reviews.

According to a survey by Maryland Association on how counties fund Nonprofit organizations (2012), disbursement of funds requires hard copy approval of signatures from all official offices for finance department to disburse funds. Before disbursement it may require submission of budgets showing evidence of coverage of expenditures. It implies that execution of activities will depend on the period between request and disbursement of funds.

The allocation and disbursement schedule of funds to carter for operational expenses of the organization is heavily dependent on timely and adequate donor contribution (Poole, 2014). However, it has been observed from various researches that in most instances contributions come in late and thus causes delays in allocations to operational expenses and by this organizations have struggled to remain viable and perform effectively.

In most NPOs, operation funds are not easily accessed due to poor processing and disbursement rates. For instance, Poole (2014) cites in order to access European Relief Funds (ERF), it takes 45 and 70 days which relatively narrows and slows down the operations and performance of the organization.

According to an operational performance assessment (OPA) report on National Agriculture Research Organization, in order to minimize interruption in organization’s activities, funds should be disbursed in lump sum to last at least six months (Kisauzi and Sengooba, 1999). It implies that the poor performance of organizations has been linked to the mode of disbursement of funds.

Just as Donovan (1995) contends, whenever operational funds are not released on time, the performance of organization will also fall respectively. Poole Lydia (2014) is too supports this view and adds that nonprofit organizations lack predictable and flexible funding and this is a barrier to effective and efficient response to its organizational activities. She further adds that much of the funds for operation are available on a 12-month basis. Many organizations after this period may not be in position to access funds for operational activities and activities which may require immediate and emergency responses.

2.3. Organizational Performance

Organizational performance in nonprofits has not been given due attention by scholars and researchers in management, the literature has remained lacking and a lot has been left demanding with no vivid explanations of theories and frameworks concerning organizational performance in nonprofit organizations. The few theories developed have not been developed in management perspective rather they are have been develop in social science or even political perspectives. Due to limited literature on this area, the citations quoted and materials based on are less more than from academic sources but instead much of the information used was cited from business and management journals, government agency publications and reports, and other reports and publication related to organizational performance in nonprofits.

Organization performance according to Carton B. Robert (2004) simply relates to creation of value. He further adds that as much as this value is either equal or more than the expectations of the contributors to the organization, these donors or funders will be motivated and will continue supporting the organization financially. This means performance will remain an important criterion for funders in deciding on whether or not to dedicate their resources to a particular nonprofit organization. At this point it is important to note that most empirical research has been concerned with how performance is created but on the contrary our research is concerned on how organizational performance is influenced by operational funds

For any organization, its stakeholders will judge the value of their contribution from its performance. For Jacob (2011) NGOs performance is simply how well an NGO contributes towards people’s well-being whereas Ramadan and Borgonov (2015) view performance of NPOs as degree to which an organization can access the required both financial and nonfinancial resources for its survival. If an organization is capable of maintaining performance, then its survival in the service sector is more guaranteed.

Organizational performance is multi-dimensional (Carton B. Robert, 2004). This means that performance measurement dimensions differ from organization to another, each organization develops its dimension construct depending on its mission and objectives. For purposes of this research two general organizational performance dimensions or measures are discussed.

Organizational performance dimensions and measures

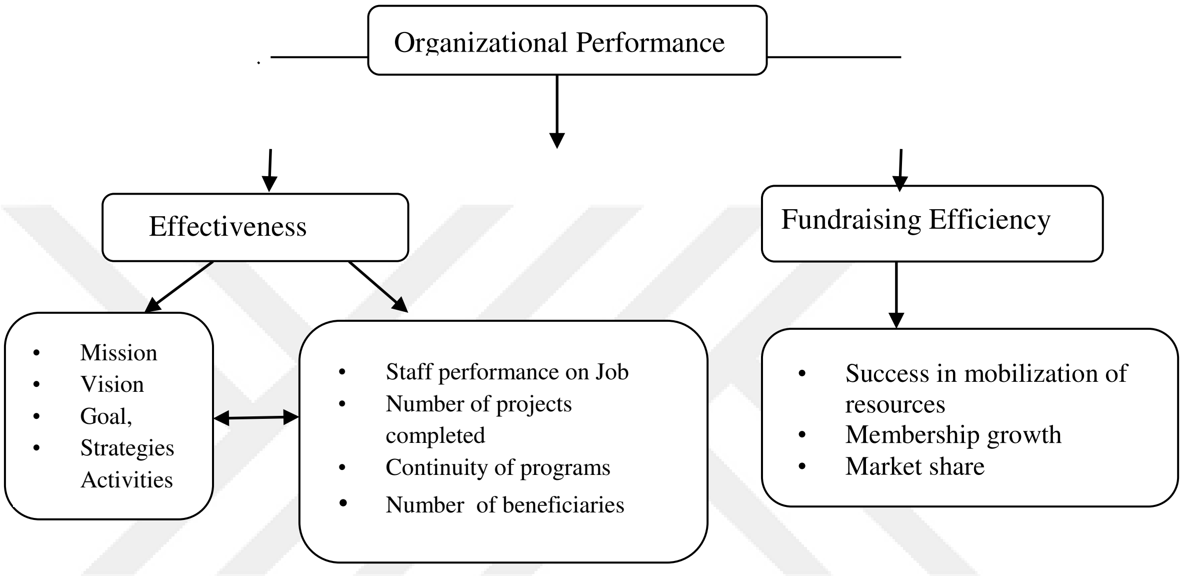

Figure 2. Organizational performance dimensions and measures

2.3.1. Effectiveness

An organization that is successful in achieving it's strategy, mission and vision which results in meeting it's planned goals and targets in considered to be performing effectively. This effectiveness can be measured in terms of quality and continuity of programs that an organization executes, the staff‘s effectiveness on the job, the number of people that a particular program it runs serves, and the number of projects completed (Mitchell Hugh 2002).

These measurement scales of organizational performance form the basic metrics that most nonprofit organization relies on to measure performance. However, the specific dimensions that each nonprofit adopts to measure its performance will differ depending on what type of the organization it is and the environment it operates and also on other various factors. Though considerably difficult but an important measurement for effectiveness of organization; mission achievement is quite crucial to nonprofit organizations irrespective of the nature, type or environment they operate in. This dimension may require an organization to invest in research in order to determine whether its activities are helping to overcome people's problems or promote the benefits that its mission states. Unfortunately it's on record that most nonprofits don't invest in research to measure their impact and influence of their activities and to determine whether the mission, goals and vision is being achieved.

A closer look at effectiveness in nonprofit organization, it involves management being in position to achieve organization objectives or goals and achieving both the organization's medium and long-term plans. It answers the question: Are we doing the right things?. An examination of NPO literature reveals emphasis on effectiveness as a key measure of NPO performance (Abdel-Kader and Billy, undated). Many other researchers equate effectiveness to organization performance. Therefore, generally speaking, effectiveness is concerned with "doing the right things." Furthermore, Scholey and Schobel (2016), effectiveness relates to the degree to which an organization achieves its mission. An NPO that is able to realize more of its mission critical objectives (i.e., creating a larger impact) can be considered more effective than an organization that realizes fewer of its mission critical objectives.

Initially effectiveness was largely related on goals i.e the goal model where by an organization to be considered effective depended on the level by which it achieves its goals, but of recent the factors which lead to effectiveness has gained concerned (Henri). Understanding organizational performance and effectiveness as it's measure may leave lots of questions and debate, as Mitchell Hugh (2002) notes in her research, to attain effectiveness, organizations should invest appropriate funds in leadership and management development, extend incentives and benefits to employees, invest in career management, provide employee knowledge of mission, values and strategy. All these processes are necessary to attain the goal, but this also requires appropriate al funds.

2.3.2. Fundraising Efficiency

Fundraising efficiency is considered among the major indicators of an organization's financial performance. Andreasen and Kotler (2008) describe fundraising efficiency as a procedure that nonprofit organizations go through to acquire funds for their survival. These procedures or processes involve organization arranging campaign to fundraise funds, making better marketing strategies so attract the attention of new potential donors and the maintaining a good public relation such that the organization doesn't lose its cliental. Therefore for most organization, fundraising efficiency dimension is measured total membership, public funding for projects, growth in private fundraising and market share.

In conclusion, while these nonprofits are struggling to accomplish their missions using the resources contributed from different sources, management should exercise a lot of transparency in using both general funds and project funds so that the final user of services their render get benefit. By focusing on improving fundraising efficiency, organizations should consider investing appropriately in administrative costs and ultimately increase the amount of funding they receive because well motivated staff is more effective on the job.

CHAPTER III

RESEARCH MODEL AND HYPOTHESIS

This chapter provides a conceptual research model for examining the correlation between operational funds and organizational performance. Specifically, it focuses on how independent variables; sources of funds operational funds, the amount of operational funds, and the timing of disbursement of operational funds - affect nonprofit organizational performance dimensions. In the study, independent variables comprise of sources of funds operational funds, the amount of operational funds, and the timing of disbursement of operational whereas dependent variables comprise of effectiveness and fundraising efficiency.

3.1. Research Model

This research model aims at establishing a relationship between operational funds and organizational performance in nonprofit organization. In the research model, operational fund is regarded as an independent variable; a total of 3 components were created. Organizational performance is considered as a dependent variable and a total of 2 components are formed.

RESEARCH MODEL 1: CORRELATION

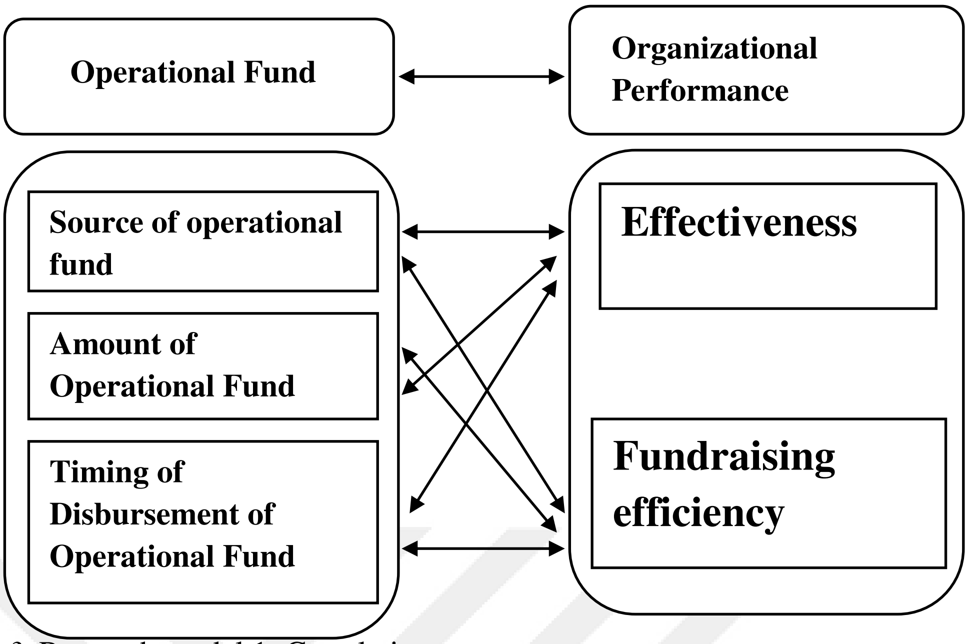

Figure 3. Research model 1: Correlation

The research model has five major components which were developed to aid an investigation on whether operational funds cause an effect on performance in nonprofits. In the due course, the impact of the three operational funds components i.e. source of operational funds, amount of operational funds and timing of disbursement of operational funds on organizational performance components i.e. effectiveness and fundraising efficiency is examined in the study.

According to the model, the hypotheses are formed in bidirectional way as negative and positive relation as shown in the following part.

3.2. Hypotheses for Correlation Analysis between Operational Funds and Organizational Performance

In this study, the relationship between operational funds and organizational performance is investigated by examining the relationship between the components of the two. A total of seven hypotheses were developed to determine the level of this relationship.

3.2.1. Relationship between Operational Funds and Organizational Performance

The first hypotheses; H1, is the general hypotheses developed to determine the correlation between operational funds and organizational performance.

H1: There is a positive correlation between operational funds and organizational performance

3.2.2. Relationship between Sources of Operational Funds and Organizational Performance

The second two groups of hypotheses (H2 and H3) were designed to determine the relationship between the source of operational funds on the organizational performance components (effectiveness and fundraising efficiency). According to Poole Lydia (2014), though NPOs receive a lot of funding from various sources, they still face challenge of compliance with donor conditions on which departments and activities to spend the funds. The source from which operational funds come from significantly impacts the ability of these organizations to undertake operations safely, effectively and in an impartial manner. Accordingly, H2 and H3 hypotheses are developed to examine the relationship between the source of operational funds and effectiveness and fundraising efficiency.

It is anticipated that there is no positive relation with the effectiveness component because service delivery does not depend on any source of funds but how the resources are utilized. The same applies to fundraising efficiency, a negative relation is anticipated.

H2: There is a positive correlation relationship between the sources of operational funds and the effectiveness.

H3: There is a positive correlation between sources of operational funds and fundraising efficiency.

3.2.3. Relationship between the Amount of Operational Funds and Organizational Performance

H4 and H5 hypotheses formed in this study are hypotheses designed to determine the relationship between the amount of operational funds on organizational performance components. According to Hager, et al (2004), reducing operational funds in NPOs may reduce organizational effectiveness and fundraising efficiency by denying the organization of the necessary infrastructure which is required for the organization to deliver services to the people in an efficient and effective manner. With provision of adequate operational funds, it is expected that activities like administration, marketing, employee welfare will be well financed to result into organizational effectiveness and efficiency. This analysis indicates that there is a direct relationship between amount of funds for operational and organizational performance.

H4: There is a positive correlation between the amount of operational funds and the effectiveness.

H5: There is a positive correlation between the amounts of operational funds and the fundraising efficiency.

3.2.4. The Relationship between the Timing of Disbursement of Operational Funds and the Organizational Performance

Hypotheses H6, and H7 have been developed to examine the relationship between time of disbursement of operational funds on the components of organizational performance. The allocation and disbursement schedule of funds to carter for operational expenses of the organization is heavily dependent on timely and adequate donor contribution (Poole, 2014). However, it has been observed from various researches that in most instances contributions come in late and thus causes delays in allocations to operational expenses and by this organization have struggled to remain viable and perform effectively. Therefore, a positive relationship is expected between timing of disbursement of operational funds and organizational performance components.

H6: There is a positive correlation between the timing of disbursement of operational funds and the effectiveness.

H7: There is a positive correlation between the timing of disbursement of operational funds and the fundraising efficiency.

RESEARCH MODEL 2: REGRESSION EFFECT

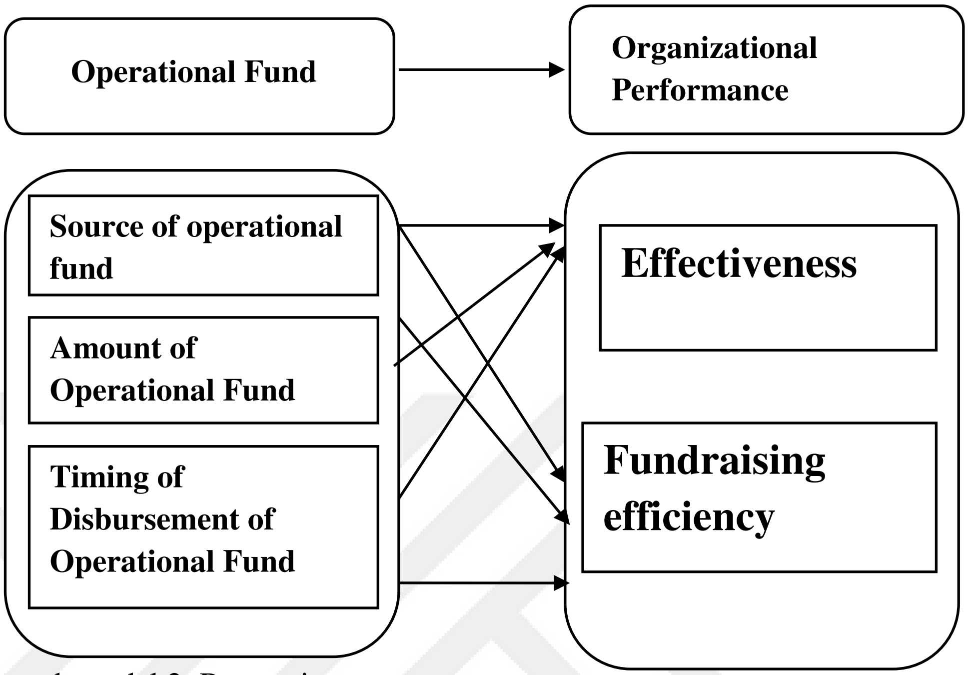

Figure 4. Research model 2: Regression

3.3. Hypotheses for Regression Analysis of Impact of Operational Funds and Organizational Performance

In this study, the impact of operational funds on organizational performance is also investigated. A total of seven hypotheses were developed to determine the extent to which operational funds impact on organizational performance.

H8: There is a positive impact of operational funds on organizational performance

H9: There is a positive impact of sources of operational funds on organizational effectiveness.

H10: There is a positive impact of sources of operational funds on fundraising efficiency

H11: There is a positive impact of the amount of operational funds on organizational effectiveness.

H12: There is a positive impact of the amount of operational fund on fundraising efficiency.

H13: There is a positive impact of the timing of disbursement of operational funds on organizational effectiveness.

H14: There is a positive impact of the timing of disbursement of operational funds on fundraising efficiency.

3.4. General Evaluation of Hypotheses

A total of 14 hypotheses were developed to in order evaluate the research data. These hypotheses predict a significant correlation between the components of operational fund and organizational performance and at same time predict that there is a positive impact of operational funds on organizational performance.

The first hypotheses; H1, has been developed to test the correlation between operational funds and organizational performance. The second set of hypotheses; H2 and H3 has been developed to examine the sources of operational funds on organizational performance dimensions. These hypotheses are hypotheses developed in the sense that sources of operational funds may have a positive relationship with organizational performance dimensions.

The third set of hypotheses is the hypothesis H4 and H5 which are hypotheses developed to test the correlation between amount of operational funds on the dimensions of organizational performance.

The third group of hypotheses is hypotheses H6 and H7 which have been developed to predict the correlation between timing of disbursement of operational funds and the organizational performance dimensions.

The last set of hypotheses; H8 up to H14 was developed to examine the impact of operational funds on organizational performance.

CHAPTER IV

RESEARCH METHOD, FINDING AND EVALUATION

In this section, the research methods used, instruments, the procedures taken to investigate the hypotheses are presented. A quantitative methodology was used because there is limited empirical research studies that have been found similar to this subject. Therefore, in order to find a model that well matches with the data collected, such a method was opted for to investigate the correlation between variables. This part of the study consists of the hypothesis and the selection of the sample group to be tested for the research model, the collection of the data, the survey return rate and the methods of analysis of data, findings and evaluations done on the collected data to test the research hypotheses.

4.1. Sample Selection

The sample used for this particular research was selected from a population of nonprofit organization located in Adana in the province of Seyhan. This population sample is made of organizations listed by Adana Provincial Associations Directorate (*Adana İl Dernekler Müdürlüğü*). Because of time constraints and the impact that 15thJuly 2016 event in Turkey caused on Non-government organizations, a small sample was selected due to issues of security and sensitivity as most organizations where not willing to provide information. According to the Adana Provincial Associations Directorate records, there are 2300 both active and non-active nonprofit organizations in Adana. These numbers have organizations that were not included in our research. With use of random sampling, only 25 active nonprofit organizations were selected. At this stage purposive sampling technique were opted for in selecting respondents to participate in the study because the required information needed respondents with sufficient understanding on organization affairs including financial status of the organization. In total with each organization providing 2 respondents, a sample size of 50 was reached.

4.2. Collection of Data

The validity of the hypotheses was tested by collecting both numerical and non-numerical data using the questionnaire prepared in accordance with the research model. These questionnaires were taken physically to the persons who manage daily activities in the organizations, these included presidents and executive directors of organizations or administrative officers. The questionnaire, which will be dealt with in more detail in the following section, consists of four sections designed to gain insight into the participants' views on operational funds and organizational performance. The first section addresses demographic information which includes a few characteristics of the organization, the estimated operational budget of an organization plus points to determine gender, level of education and position of respondent in the organization. From the second up to the third section, the research model variables and their components are included. The second section covers items on the source of operational funds, effectiveness and fundraising efficiency. The third section covers amount of operational funds, effectiveness and fundraising efficiency while the forth part cover timing of disbursement of operational funds, effectiveness and fundraising efficiency. The last section of the questionnaire aims to explore an overall performance of each of the organizations in the study.

4.3. Reliability Analysis

The assessment of the questionnaire was performed in accordance to the standards suggested by Sekaran (2000). In order to reduce and minimize obscurity, and ensure that it is reliable, a pretest was conducted. For reliability, Cronbach coefficient Alpha was used to test internal consistence of the research's 7 scales. Commonly, Alpha value greater than 0.7 is preferred but it is also acceptable when the Alpha value is greater than 0.5. The results of the reliability analysis of the variables measured in the study are shown in Table1. All the latent variables had alpha values higher than 0.70, the lowest of all seven is "operational funds" and Amount of operational funds" had the lowest alpha values but still higher than 0.70. Adding a few items may improve the alpha value of these variables. The average reliability value is 0.837. The outcomes from the tests indicate that there's internal consistence in the all scales used in this research and thus reliable

Table 1

Reliability Analysis

Variable	Anchor	Cronbach
Operational funds	**28**	**.797**
Source of operation funds	10	.828
Amount of operational funds	09	.793
Time of disbursement of operational funds	09	.803
Organizational Performance	**09**	.807
Effectiveness	06	.815
Fundraising efficiency	03	.843

4.4. Distribution of Surveys and Return Rate

The distribution and collection of the questionnaire prepared for collecting data for the research was carried out under the supervision of the researcher in order to minimize the mistakes and challenges which may arise from the application conditions. This questionnaire originally was developed in English language and translated to Turkish language under the control of the supervisor. Dr. Musa ŞANAL to enable the sample population easily understand and give their responses. Questionnaires where personally distributed to the persons with greater understanding of organization activities who are directly involved in active management of organizations such as presidents, directors, executive directors and administrative officers. The researcher explained verbally to the participants the purpose of the study, and it took on average 10 minutes to complete the questionnaire. In order to ensure confidentiality of the participants' responses, the questionnaire clearly stated that respondent's views were to be held confidential and purposely for making academic conclusions. After the evaluation of all completed questionnaire, it was found that out of the 50 questionnaires, 48 were filled well and eligible to be used, only 2 questionnaires were not eligible, and the researcher decided to drop them. Therefore, there were 48 questionnaires returned for evaluation and used for statistical analysis.

4.5. Method of Analysis of Data

For data analysis, the researcher used both quantitative and qualitative techniques . Qualitative technique is used to explain in detail the information on the subject obtained from various literatures reviewed whereas quantitative analysis deals with attaching numbers to data to come up with different scores from different respondents in the questionnaire. This process involved data collection, then descriptive statistics were developed, and then conclusions were made depending on the statistical results got, all these were carried out using a statistical Package for Social Sciences (SPSS). The results of that analysis were presented in form of tables, and graphs for interpretation

The relationship between variables was determined using the Pearson Coefficient of Correlation. For understanding the effect of three independent variables effect on organizational performance, it was essential to carry out a regression analysis.

4.6. Demographic Characteristics of Participants

This section of the survey will include information on the gender status of respondents, their education level and ages.

4.6.1. Distribution of Participation by Age

Table 2 shows the distribution of participants by age. Out of the 50 questionnaires administered a total of 48 were fully and correctly answered by the respondents. It is the data of these 48 survey questionnaires that was applied in the analysis. According to the findings, 13 respondents were under the age range of (30-40), 6 respondents applied to the age range of (40-50), and 29 were under the age range of (51-60). Although included among the options, there was no respondent in 20 years and below age range. A large majority (29 participants) were between the ages of 51-60.

Table 2

Distribution of Participants by Age

Age range	**Frequency**	**Percentage**
Below 20	0	0
30-40	13	27.1
40-50	6	12.5
51-60	29	60.4
Total	48	100.0

The majority of the age group of 51-60 shows that the respondents have enough experience in management of nonprofit organizations. This also implies that they have quite enough knowledge in the nonprofit organization sector. However, the results may also indicate that the youth have not showed a lot of interest in management of nonprofit businesses and organizations. This may be because of the less or no payments involved in working with nonprofit organizations. One of the major aims of looking at operational funds and organizational performance in nonprofits is to devise means to adapt changing management trends in nonprofits from a voluntary setting to a more responsible view by availing incentives to workers to increase on their performance.

4.6.2. Distribution of Participants According to Gender

Table 3

Distribution of Participants by Gender

Gender	**Frequency**	**Percentage**
Men	37	77.1
Women	11	22.9
Total	48	100.0

Table 3 shows the distribution of participants by gender. According to this, while gentlemen constituted the majority (77.1%) with 37 participants, the ladies consisted of 11 participants (22.9%). When the tabulated data are analyzed, less women are involved in management of nonprofit organizations especially where the organization activities are not directly centered on women. The 11 respondents almost where from organizations that are dealing with women affairs. There were less than 5 organizations which had women working alongside men in the same organization.

4.6.3. Distribution of Participants According to Education Level

Table 4

Distribution of Participants According to Education Level

Education level	**Frequency**	**Percentage**
High school	21	43.8
Graduate	18	37.5
Postgraduate	7	14.6
PHD	0	0
Not applicable	2	4.2
Total	48	100.0

Table 4 indicates that 21 of the respondents where high school graduates forming the majority (43.8%). This is followed by 18 respondents with bachelor's degree (37.5%) and only 7 participants had completed postgraduate studies with (14.6%). There were 2 participants who were noticed to have no education level attained and these responded not applicable. There was no respondent with a PHD. With majority of respondents having attained high school qualifications suggests that, people with degree and postgraduate have involved much in working with nonprofit organizations not leaving them to the mercy of unqualified people to manage this sector. This explains the recent growth of interest by academician and scholars in the in the management of nonprofit organizations.

4.6.4. Position of Respondents in the Organization

Table 5

Position of Respondents in the Organization

Position in the organization	Frequency	Percentage
President	3	6.3
Vice president	5	10.4
Board member	21	43.8
Staff	19	39.6
Total	48	100.0

Table 5 reveals that most respondents of the survey identified themselves as board members of their organizations with 43.8%. Only 6.3% of the respondents reported their positions as President of their organizations, 10.4% Vice President and 39.6.3% of them where staff. These statistics imply that most of the respondents had knowledge of organizations affairs and were involved in decision making in the organizations. The fact that there were a good number of staff as respondents means that internal management situations in organization were reflected as these staff involve in day to day management of the organizations.

4.7. Characteristics of Organization

The survey sample is exclusively from Adana and it comprises of organizations whose variations are presented in organization characteristics as type of organization, and organization's annual operational budget.

4.7.1. Description of Organization

Table 6

Description of Organization

Type of organization	**Frequency**	**Percentage**
Government agency	0	0
Non governmental Organisation	6	12.5
Faith based Organisation	5	10.4
Community Organisation	2	4.2
Social movement	35	72.9
Total	48	100.0

Table 6 reveals that most respondents identified their organizations under the category of Social movement organizations. Social movement organization are those institutions which advocate and work for collective efforts to help the poor, the powerless, the unprivileged through extending tangible good, extending poverty alleviation programs and improve their standards of living. This suggests that in Adana, the growth rate of organizations that organize people, resources and ideas for social change is high and this is of advantage to government because these organizations apart from employing the youth in various management positions, they provide opportunity to attain experience through offering voluntary managerial services. There was no government agency which means that, the research was carried out in the right sample population of Non-government organizations.

4.7.2. Organization's Budget for Operational Funds

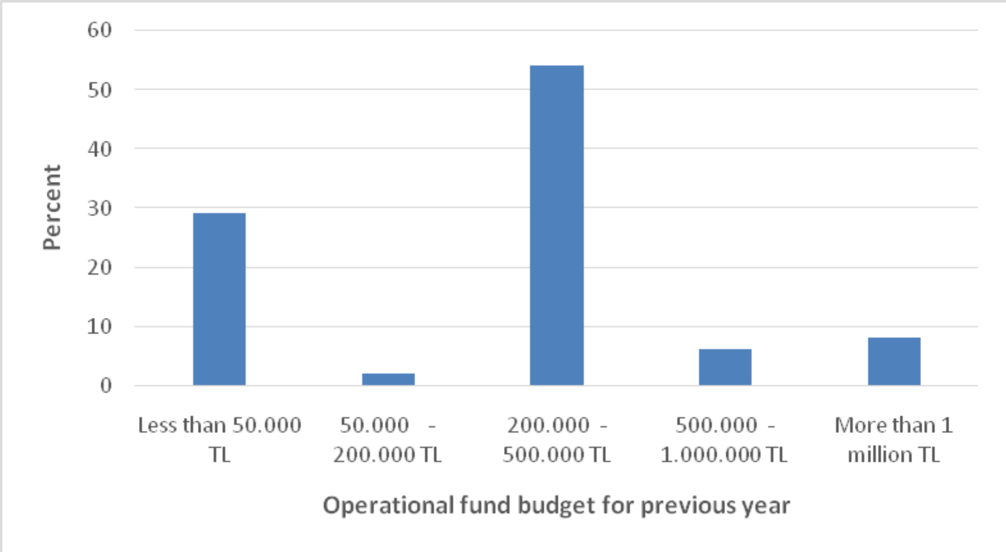

Figure 5. Size of Organization's budget for operational funds

The size of operational budget is evenly distributed across all organizations included in the survey. The median annual previous operational budget for most of the organization is 200.000 - 500.000 TL. Only 14.6% of respondents have an annual budget higher than this figure and 85.4% have are lower than it. These results imply that most organizations have just minimum operational funds to cover their operational expenses. This reflects the low quality of services, poor remuneration, poor infrastructures which all have contributed to poor performance of nonprofit organizations. This is strong agreement with De Vita and Fleming (2001) view that most of these organizations may be small in capacity but still they cannot acquire enough resources to address the problems they encounter in the line of service delivery.

4.8. Correlation Analysis between Variables

The study centered on the correlation between operational funds and organizational performance. This formed the structure for measuring and establishing the relation between the variables. These independent and dependent variables were paired in the following way; source of operational funds in relationship with effectiveness and fundraising efficiency, amount of operational funds in relation with effectiveness and fundraising efficiency and timing of disbursement of operational funds in relation with effectiveness and fundraising efficiency. For all the set of relationships mentioned above, respondents gave their responses and the results are discussed in details in the section that follows.

Regression analysis was run to ascertain the extent to which operational funds impact on organizational performance.

4.8.1. Hypothesis Testing: Correlation Analysis between Variables

Correlation analysis measures the degree of linear relationship between any two variables. The Correlation analysis run in this study discloses the relationship between variables and for matter of our research, the key independent variables are; operational fund as the main independent variable and sub-variables are; Source of operational fund, amount of operational fund, and timing of disbursement of operational funds. The key dependent variables are; organizational performance as the main dependent variable and the sub-variables are; effectiveness and fundraising efficiency. The results are summarized in the table below.

Table 7

Correlation Analysis

		Operational Fund	Organizational performance	Organization type	Size of operational fund budget	Source of operational funds	Amount of operational funds	Timing of disbursement of operational funds
1	Operational Fund		.530**	.125	.520**	.689**	.873**	.797**
2	Organizational performance	.530**		.163	.312*	.238	.445**	.503**
3	Organization type	.125	.163		.393**	.034	.215	-.001
4	Size of operational fund budget	.520**	.312*	.393**		.583**	.411**	.167
5	Source of operational funds	.689**	.238	.034	.583**		.420**	.221
6	Amount of operational funds	.873**	.445**	.215	.411**	.420**		.664**
7	Timing of disbursement of operational funds	.797**	.503**	-.001	.167	.221	.664**	
8	Effectiveness	.589**	.925**	.251	.392**	.234	.567**	.517**
9	Fundraising efficiency	.322*	.843**	-.077	.112	.137	.208	.380**

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

* . Correlation is significant at the 0.05 level (2-tailed).

4.8.1.1. Hypothesis H1

Ha: There is a positive correlation between operational funds and organizational performance

The results of correlation analysis in table 7 show that under the Pearson correlation, operational fund is statistically and significantly correlated with organizational performance given the results ($r=.530$, $p \leq .001$). Since p-value is less than 0.01, we conclude that there is a positive and significant correlation between operational funds and organizational performance.

4.8.1.2. Hypothesis H2

H2: There is a positive correlation relationship between the sources of operational funds and the effectiveness.

The results of the analysis indicate that there is no statistical significant correlation between sources of operational fund and effectiveness ($r = .234$, $p>0.05$). This is because the correlation had p-values more than 0.01 and therefore the hypothesis H2 is rejected.

4.8.1.3. Hypothesis H

H3: There is a positive correlation between sources of operational funds and fundraising efficiency

Source of operational funding was also not significant and statistically correlated with fundraising efficiency ($r = .137$, $p > 0.05$) because the p value was greater than 0.05 significance level. Because of this result, hypotheses H3, “There is a positive correlation between sources of operational funds and fundraising efficiency” was rejected.

4.8.1.4. Hypothesis H4

H4: There is a positive correlation between the amount of operational funds and the effectiveness.

Amount of fund and effectiveness were positively, statistically and significantly correlated at ($r = .567$, $p<0.01$). Therefore, hypotheses H4 “There is a positive correlation between the amount of operational funds and the effectiveness” is accepted.

4.8.1.5. Hypothesis H5

H5: There is a positive correlation between the amounts of operational funds and the fundraising efficiency.

The results in table 7 of ($r = .208$, $p > 0.05$) show that there is no significant correlation between amount of operational funds and fundraising efficiency. This implies that hypotheses H5; There is a positive correlation between the amounts of operational funds and the fundraising efficiency is rejected.

4.8.1.6. Hypothesis H6

H6: There is a positive correlation between the timing of disbursement of operational funds and the effectiveness.

According to the results shown in table 7 above ($r = .517$, $p < 0.01$) indicate that, timing of disbursement of operational funds was positively and significantly correlated with effectiveness. This allows us to accept hypotheses H6 that "There is a positive correlation between the timing of disbursement of operational funds and the effectiveness".

4.8.1.7. Hypothesis H7, a-b

H7a: There is a positive correlation between the timing of disbursement of operational funds and the fundraising efficiency.

The results in table 7 further indicate that timing of disbursement of operational funds is positively and significantly correlated with fundraising efficiency ($r = .380$, $p < 0.01$). This implies that hypotheses H7; "There is a positive correlation between the timing of disbursement of operational funds and the fundraising efficiency" is accepted.

4.8.1.8. Other Correlation Analyses

In the table 7, when we examine other correlation analyses made, operational fund is positively and significantly correlated with size of operational fund budget, source of operational funds, amount of operational funds and timing of disbursement of operational funds ($r = .520$, $p<0.01$), ($r = .689$, $p<0.01$), ($r = .873$, $p<0.01$) and ($r = .797$, $p < 0.01$) respectively. However operational fund was not correlated with organizational type ($r = .125$, $p>0.05$).

Organizational performance significantly correlated with size of operational fund budget, amount of operational and timing of disbursement of operational funds (r

=.312, p<0.01, r =.445, p<0 and r =.503 p<0.01) respectively. However Organizational performance did not correlate with the type of organization and source of operational fund (r =.163, p>0.05, r =.238, p>0.05).

The other analysis indicates that, the type of organization has a positive and significant correlation with size of operational fund budget (r =.393, p <0.01) but it did not have a correlation with all the other variables.

Size of operational fund budget is significantly correlated with organizational performance, organization type, source of operational fund, amount of operational fund, organizational effectiveness (r =.312, p<0.01), (r.=.393, p<0.001) (r =.583. p<0.01), (r =.411 p<0.01) and (r =.392, p<0.01) respectively whilst the analysis found no correlation between size of operational fund budget and timing of disbursement of operational fund and fundraising efficiency (r =.167 p>0.05), and (r=.112 p>0.05) respectively.

Source of funding is not significantly correlated with timing of disbursement of operational funds (r =.221, p>0.05) and Amount of funds appears to be positively and statistically correlated with organizational performance, timing of disbursement of funds (r =.445 p <0.01), (r =.664, p <0.01),

In summary, when we examine the hypotheses in line with the correlation analysis; independent variables, operational fund, amount of operational fund and timing of disbursement of operational funds had high significant relationship with organizational effectiveness (r =.530, p ≤ .001), (r =.567, p-value ≤ 0.1) and (r =.517, p-value ≤ 0.1) respectively. Timing of disbursement of operational funds showed positive and significant correlation with both dependent sub-variables (effectiveness and fundraising efficiency). However, source of operational funds didn’t have a significant correlation with both organizational performance dependent sub-variables (effectiveness and fundraising efficiency). These analyses mean that operational funds may determine organizational performance in nonprofits. This opened way to proceed to analyze independent variable and sub-variables (Operational fund - source of operational funds, amount of operational funds, and timing of disbursement of operational funds) against dependent variable and sub-variables (Organizational performance - Effectiveness and fundraising efficiency) to establish the regression models of each of the pairs.

4.9. Testing Regression Analysis between Variables

A Regression analysis was run to establish the level of significance that exists among the variables. As it will be explained below in the following sections, our regression analysis specially centered on finding beta values, adjusted square values, Variance Inflation Factor (VIF) and Condition Index (CI). The Beta values here showed standardized regression coefficients which compared the strength of the effect of each individual independent variable to the dependent variable and the higher the beta value the higher the effect. The Adjusted square value indicated percentage of the variance in the dependent variable that the independent variable explains collectively in the model. Normally 0% indicates that the model does not explain any change in the variable whilst results between 1-100% will indicate that the model explains a change in variables by that percentage, therefore it measures the strength of the relationship between the model and the dependent variable on a convenient 0-100% scale. The Variance Inflation Factor and Condition Index detect presence of multi-collinearity problem in model. Basing on the rule of thumb, when Variance Inflation Factor is less than 3 (VIF<3), it means there is no multi-collinearity problems but if VIF is more than10, (VIF>10) it indicates that there is multi-collinearity problems. Looking at the results of the analyses, all the VIF values are less than 3 i.e. (1.223, 2.079 and 1.800) respectively and CI is 3. 976 implying that there are no multi-collinearity problems.

4.9.1. The Impact of Operational Funds on Organizational Performance

In table 8, the impact of operational funds on organizational performance is analyzed, the P value given as P (0.001) at 5% level of significance means that organizational performance is statistically dependent on operational fund. The β value (0.530) indicates that operational funds effects organizational performance by 53%. Adjusted square is (0.265) which means that the change in one unit of operational fund will cause a change on organizational performance by approximately 27 %. This may imply that other factors will explain a change in organizational performance by 73%. The VIF is 1.000 and CI is 3.976 meaning that there are no multi-collinearity problems in the model.

Table 8

Regression Analysis of Impact of Operational Funds on Organizational Performance

Dependent variable	Independent variable	Standardized Coefficients β	t	Adjusted R Square	Std. Error	P value	VIF	Condition Index (CI)
Organizational performance	Operational Funds	.530	.070	.265	.065	0.0001	1.000	3.976

a. Predictor (Constant): Operational funds.

b. Dependent Variable: Organizational performance

According to the results in the table above, the hypothesis *H8; "*There is a positive impact of operational funds on organizational performance" is accepted.

4.9.2. The Impact of Source of Operational Funds on Organizational Effectiveness

Table 9 analyses the impact of source of operational funds on organizational effectiveness, the P and beta values are recorded as P (0.041) and β (0.296) respectively. At 5% level of significance, the analysis reveals that organizational effectiveness is statistically dependent on source of operational fund. Adjusted square is (0.067) indicate that strength of the relationship between independent and dependent variables and the percentage that source of operational funds impact on organizational effectiveness is small and only contributes 6.7 %, Because of this other factors are considered to have a higher effect on organizational effectiveness by almost 93.3 %. The VIF is 1.223 and CI is 3.976 meaning that there are no multi-collinearity problems in the model.

Table 9

Regression Analysis of Impact of Source of Operational Funds on Organizational Effectiveness

Dependent variable	Independent variable	Standardized Coefficients β	t	Adjusted R Square	Std. Error	P value	VIF	Condition Index (CI)
Effectiveness	Source of operational Funds	.296	.296	.067	.119	0.041	1.223	3.976

c. Predictor (Constant): Source of operational funds.

d. Dependent Variable: Effectiveness

According to the results in the table above, the hypothesis *H9; "*There is a positive impact of sources of operational funds on organizational effectiveness" is accepted. However, the significance of the impact is small implying that other factors that affect organizational effectiveness more.

4.9.3. Impact of Source of Operational Funds on Fundraising Efficiency

In Table 10, the impact of source of operational funds on fundraising efficiency is shown by regression analysis. Basing on the results from the analysis, VIF value is 1.223 and CI value is 3.976 which indicate no multi-collinearity problems found in regression the model. The P value is (0.661) meaning that at 0.05 level of significance, fundraising efficiency is not statistically dependent on source of operational funds. The analysis also shows a negative R square (-.017) indicating that the model doesn't explain any change in variance of the dependent variable caused by the independent variable.

Table 10

Regression Analysis of Impact of Source of Operational Funds on Fundraising Efficiency

Dependent variable	Independent variable	Standardized Coefficients β	t	Adjusted R Square	Std. Error	P value	VIF	Condition Index (CI)
fundraising efficiency	Source of operational Funds	.065	441	. -.017	.101	.661	1.223	3.976

a. Predictor (Constant): Source of operational funds.

b. Dependent Variable: Fundraising efficiency

At 0.05, level of significance we conclude that, source of operational funds had no significant effect on fundraising efficiency. In this case, H*10* which states that "There is a positive impact of sources of operational funds on fundraising efficiency" is rejected. These research findings therefore indicate that there is no impact of sources of operational funds on fundraising efficiency. However, it can also be mentioned that fundraising efficiency is known to depend on source of operational fund but the study design used to come up with data may not have had enough power to detect the effect.

4.9.4. Impact of Amount of Operational Funds on Organizational Effectiveness

Table 11 shows the analysis of impact of amount of operational funds on organizational effectiveness. The results of the analyses indicate VIF of 2.079 and CI of 3.976 which means no multi-collinearity problems with the variables. The P value is (0.001), the β value is (0.595), and Adjusted square (0.339) respectively. The P value of (0.001) means that, organizational effectiveness is dependent on amount of operational funds. The Adjusted square was (0.339) indicating that a unit change in amount of operational brings a change in organizational effectiveness by approximately 40%. This supports presence of a positive and significant impact of operational funds on organizational effectiveness.

Table 11

Regression Analysis of Impact of Amount of Operational Funds on Effectiveness

Dependent variable	Independent variable	Standardized Coefficients β	t	Adjusted R Square	Std. Error	P value	VIF	Condition Index (CI)
Effectiveness	Amount of operational funds	.595	5.015	.339	.110	.000	2.079	3.976

a. Predictor (Constant): Source of operational funds.

b. Dependent Variable: Effectiveness

Accordingly, H11 hypotheses expression, “There is a positive impact of the amount of operational funds on organizational effectiveness”, is accepted.

4.9.5. Impact of Amount of Operational Funds on Fundraising Efficiency

In Table 12, the value of P was (0.892) at 0.05 level of significance. The results show that fundraising efficiency is not dependent on amount of operational funds. The beta value of 0.02, shows a very low contribution of just 2% that operational funds has on fundraising efficiency. The model has no multi-collinearity problems since it has VIF of 2.079 and CI 3.976. The reason why the dependence of fundraising efficiency on amount of operational fund is not detected may be due to the set of data used does not support such a relationship statistically. Though statistically this research shows no impact of amount of operational fund on fundraising, normally there is always an effect of amount of operational funds on fundraising efficiency though not detected by this study.

Table 12

Regression Analysis of Impact of Amount of Operational Funds on Fundraising Efficiency

Dependent variable	**Independent variable**	**Standardized Coefficients β**	**t**	**Adjusted R Square**	**Std. Error**	**P value**	**VIF**	**Condition Index (CI)**
Fundraising efficiency	Amount of operational funds	.020	.892	-.021	.124	.892	2.079	3.976

a. Predictor (Constant): Source of operational funds.

b. Dependent Variable: Fundraising efficiency

Accordingly, there is no significant impact of the amount of operational funds on fundraising efficiency detected in the study.

4.9.6. Impact of the Timing of Disbursement of Operational Funds on Organizational Effectiveness

Table 13 contains the regression analysis findings developed to examine the impact of timing of disbursement of operational funds on organizational effectiveness. The VIF of 1.800 and CI show that there are multi-collinearity problems in the regression pair. The P value of (0.002) indicates that organizational effectiveness significantly depends on timing of disbursement of operational funds. The adjusted square (0,177) implies that there is some minimal effect approximately 18% that timing of operational funds exerts on organizational effectiveness.

Table 13

Regression Analysis of Impact of the Timing of Disbursement of Operational Funds on Effectiveness

Dependent variable	**Independent variable**	**Standardized Coefficients β**	**t**	**Adjusted R Square**	**Std. Error**	**P value**	**VIF**	**Condition Index (CI)**
Effectiveness	Timing of disbursement of operational fund	..441	3.332	.177	.142	.002	1.800	3.976

a. Predictor (Constant): Source of operational funds.

b. Dependent Variable: effectiveness

Therefore, we conclude that there is a positive impact of the timing of disbursement of operational funds on organizational effectiveness.

4.9.7. Impact of the Timing of Disbursement of Operational Funds on Fundraising Efficiency

In Table 14, the impact of the timing of disbursement of operational funds on fundraising efficiency is analyzed by regression analysis. When the data in the table is examined, P value was (0.159) at 0.05 level of significance indicating no significant dependence of fundraising efficiency on the timing of disbursement of operational funds. The adjusted square of (0.022) shows that the timing of disbursement of operational funds impacts on fundraising efficiency by only 2.2% which can be considered to be negligible. However, the models reveal a fairly strong effect of this change in timing of disbursement of operational funds has on fundraising efficiency by close to 21%. We can conclude that much of the effect on fundraising efficiency is caused by other factors. The model has no multi-collinearity problems since it has VIF of 1.800 and CI of 3.976

Table 14

Regression Analysis of Impact of the Timing of Disbursement of Operational Funds on Fundraising Efficiency

Dependent variable	**Independent variable**	**Standardized Coefficients β**	**t**	**Adjusted R Square**	**Std. Error**	**P value**	**VIF**	**Condition Index (CI)**
Fundraising efficiency	Timing of disbursement of operational fund	.207	1.432	.022	.138	.159	1.800	3.976

a. Predictor (Constant): Source of operational funds.

b. Dependent Variable: fundraising efficiency

Considering the 2.2% amount of change between variables and 21% effect that timing of operational funds has on fundraising efficiency, we can conclude that independent variable has an on the dependent variable and thus regression hypothesis H14 is accepted. However, the impact is not significant implying that there are other factors that impact on fundraising efficiency.

In Tables 15 and 16, hypotheses, research findings and evaluations developed to determine the relationship between operational funds and organizational perfromance are summarized. Accordingly, it shows that all the three variables affect effectiveness and fundraisng efficiency of nonprofit organizations.

Table 15

Summary of Research Findings and Evaluation For Correlation Analysis

Hypothesis : Correlation analysis	**Research finding**	**Evaluation**
H1: There is a positive relationship between operational funds and organizational performance.	There is a positive and significant relationship between operational funds and organizational performance	Hypothesis is accepted
H2: There is a positive relationship between the sources of operational funds and the effectiveness.	There is no significant relationship between the sources of operational funds and the effectiveness	H2 hypothesis is rejected
*H3:*There is a positive relationship between sources of operational funds and fundraising efficiency	There is no relationship between sources of operational funds and fundraising efficiency	The hypothesis is rejected
H4: There is a positive relationship between the amount of operational funds available and the effectiveness.	There is a positive relationship between the amount of operation funds available and the effectiveness.	Hypothesis is accepted
H5: There is a positive relationship between the amount of operational funds available and the fundraising efficiency	There is no relationship between the amount of operational funds and the fundraising efficiency	H5 is rejected.
H6: There is a positive relationship between the timing of disbursement of operational funds and the effectiveness	There is a positive relationship between the timing of disbursement of operational funds and the effectiveness	Hypothesis is accepted
H7: There is a positive relationship between the timing of disbursement of operational funds and the fundraising efficiency	There is a positive relationship between the timing of disbursement of operational funds and the fundraising efficiency	Hypothesis H7 is accepted

Table 16

Summary of Research Findings and Evaluation for Regression Analysis

Hypothesis: Regression Analysis	**Research finding**	**Evaluation**
H8: There is a positive impact of operational funds on organizational performance	There is a positive and significant impact of operational funds on organizational performance	Hypothesis accepted
H9: There is a positive impact of sources of operational funds on organizational effectiveness	There is postive but not significant impact of sources of operational funds on organizational effectiveness	H9 hypothesis is accepted
H10: There is a positive impact of sources of operational funds on fundraising efficiency	There is no significant impact of sources of operational funds on organizational effective fundraising efficiency	Rejected
H11: There is a positive impact of the amount of operational funds on organizational effectiveness	A positive and significant impact of the amount of operational funds on organizational effectiveness was detected	H11 accepted
H12: There is a positive impact of the amount of operational fund on fundraising efficiency	No significant impact of amount of operational fund on fundraising efficiency	H12 was rejected
H13a: There is a positive impact of the timing of disbursement of operational funds on organizational effectiveness	There is a positive impact of the timing of disbursement of operational funds on organizational effectiveness	H13 is accepeted and
H14: There is a positive impact of the timing of disbursement of operational funds on fundraising efficiency	There is an impact of the timing of disbursement of operational funds on fundraising efficiency	H14 is accepeted

CHAPTER V

RESULTS AND RECOMMENDATION

This section of research discusses the research findings that were deduced from the data presented in the previous section, it shows an analytical comparison between the theoretical findings from literature review and the findings found from this study and also points out the possible reasons for the findings. It concludes by suggesting some of areas for further study in the management of nonprofit organizations.

5.1. Results

The study aimed to establish the correlation between operational funds and organizational performance in nonprofit organizations by carrying out a correlation analysis. The study further analyzed the impact of operational funds components (source of operational funds, amount of operational and timing of disbursement of operational funds) on organizational performance components (organizational effectiveness and fundraising efficiency) through a regression analysis.

In order to examine the correlation and determine impact between the variables, 37-item questionnaire was developed to reflect operational funding and performance in nonprofit organizations. With the reliability tests carried out and expert judgment of the supervisor, all items were found reliable and applicable to the study.

The questionnaire form developed for the research was administered in the randomly selected nonprofit organizations in Adana which are registered under the Adana Provincial Associations Directorate (Adana İl Dernekler Müdürlüğü). A Pearson correlation analysis was performed to establish a correlation between operational funding independent variable with organizational performance. The results gave way to perform Regression analysis to establish the extent of the impact operational funds exert on organizational performance in nonprofit organizations. In this study, the correlation and impact are discussed schematically in line with the hypotheses developed in the research model. In the study, demographic characteristics where included for purpose of getting general information but they were not analyzed in reference to the operational funding and organizational performance.

5.1.1. Operational Funds and Organizational Performance

After carrying out all the necessary analyses, the correlation analysis showed that there is a positive and statistically significant correlation between operational funds and organization performance because of ($r=.530$, $p \leq .001$) values obtained at 0.01 level of significance. The results imply that since operational funds play a role in an organization's performance, organizational performance also is considered important in determining operational fund to be allocated.

The regression analyses revealed that organizational effectiveness depends significantly on operational funds because the P values were obtained as P (0.001) at 5% level of significance. More regression analyses found high and strong extents of impact of operational funds on organizational performance. This implies that changes in operational fund accounts for change in organizational performance in nonprofits.

5.1.2. Source of Operational Funds

Research results on source of operational funds indicate that, source of operational fund is not significantly correlated with organizational effectiveness and fundraising efficiency. The reason for this finding may be that, the study design used to generate the data was not sufficient enough to reveal a correlation.

The other reason for no correlation is that, source of fund and fundraising are more to be a similar variable. Fundraising efficiency involves growth of nonprofit revenues just as source of funds contributes to an organization's revenue base thus no correlation is expected since there is a lot of similarity in the variables.

Statistically the research discovered no significant correlation between source of operational funds and effectiveness and fundraising efficiency, but the regression analysis obtained P (0.041) meaning that at 0.05 level of significance, organizational effectiveness is dependent on source of operational funds and its effect is approximately 30%. However, the same analyses found no impact of source of operational funds on fundraising efficiency.

Despite a minimal impact of source of operational funds on effectiveness discovered in the research, it is known that various sources of funds prevent organization to freely use the funds on operational expenses which negatively affects staff effectiveness on job, achievement of mission, or completing of projects. Organizations that rely on resources acquired from member contributions, revenues from income generating activities are in a better position to manage and run marketing and fundraising activities, support administration and carter for operational costs without many hindrances. On the other hand, organizations that rely on government funding are liable to encounter difficulties in implementing good administration practices and may lack autonomy in making managerial decisions. This is because such funds have strings attached to them and always have inconsistence in flow.

5.1.3. Amount of Operational Funds

A positive and significant correlation between the amount of operational funds and effectiveness was observed. Regression analysis also found that organizational effectiveness is statistically dependent on amount operational funds at 0.05 level of significance. Amount of operational funds contributes to change in organizational effectiveness at rate of 40% while the strength of the effect is approximately 60%. This implies that increase in the amount of operational funds will cause an increase in organizational effectiveness and any decrease in amount of operational funds will lead to a decrease in organizational effectiveness. These findings are supported by Seifert (2002) who maintains that, lack of enough amounts of operational funds is the leading cause of low organizational performance in non-profitable Organizations.

However, research found no correlation between amount of operational funds and fundraising efficiency. This may be due to the similarity that exists between the two variables. Similarly, the regression analysis found no impact of amount of operational funds on fundraising efficiency. This can be explained by the fact that financial performance of an organization is measured by its ability to reduce overhead costs or general expense but not how much it spends on marketing and fundraising activities. Therefore, amount of operational funds found to be neither correlated nor have no impact on fundraising efficiency.

5.1.4. Timing of Disbursement of Operational Funds

Though there is little literature review on timing of disbursement of operational funds and organizational performance, the available theories maintain that organizational performance is greatly influenced by the timing of disbursement of operational funds. According to Donovan (1995), the expected performance results from management will always be below whenever donors, or management under looks operational funds and allocations are not made in an efficient and effective way.

The findings of this research also are in agreement with the theories that timing of disbursement of operational funds has a significant impact on organizational effectiveness in nonprofits. The findings also detected a positive and significant correlation between the timing of disbursement of operational funds and organizational effectives and fundraising efficiency.

From the regression analysis, much as the strength of the effect of timing of disbursement of operational funds on organizational effectiveness is only 18%, it accounts for a 44.1% change that occurs in organizational effectiveness. Furthermore, the results reveal a fairly strong effect of about 21% timing of disbursement of operational funds exerts on fundraising efficiency.

In conclusion, the study reveals a positive significant correlation between operational funds and organizational performance. When independent and dependent sub-variables are analyzed, each dependent variable responded differently to the independent variable paired with as discussed in the previous sections.

5.2. Recommendations

The significance of operational funding in improvining organizational performance in nonprofits should be much emphasized to funders and the management. This should consisder all the various sources of funds including governemnt donations which according to research findings are restricted from cartering for operational expenditures yet management of organization runs on a well facilitated administration. Therefore this should consider the amount aslo to be allocated, and the timing of the disbursement. In most cases, funders and donors overlook operational costs and eye main organization project while the impelementation is done by management. Operational funding should not only be used as tool for effective management, but it may also be considered as a more practical instrument that nonprofit organizations can use to improve both effectiveness and strengthen the financial effiacy.

This research showed that funds disbursement has significant effect on performance of nonprofit organizations. It is an indication that for managemnt to achieve its mission and goals, resources should be made available in required time. There is always a tendency in noprofits to over exagurate volunteerisim which leaves workers getting either low salaries or no pays which forces them to reduce the quality and quantity of services their render, such instances of distaffication causes management ineffectiveness which spreads even to the organization's goals.

The research points out that most organizations have inadequate operating funds, this should be put into consideration by various donors, funders and more esspecially government funding agencies when sponsoring projects through these nonprofit organizations. Instead of government and donors staking millions of money to make onetime big projects, investment in human capital through well administration facilitation, infrastructure, and setting up sustainable resource generation projects need to be incorporated.

Another recommendation for this research is that, there should be exchange of ideas between the management of organization and the providers of financial support or funds to nonprofits in order for each party to understand its differences and perception about operational funds should be emphasized. This should include funders made aware of the importance of operational funds in achieving projects they fund. The exchange of ideas must specially involve sharing ideas on the issue of the costs incurred in carrying out administration actives which costs are always hidden that most funders may not realize that management incurs such costs. Since they are hidden in nature, there importance is not seen by funders yet they are the ones use to carter for payment of stuff salaries, daily administration expenses both on projects and office setting, facilitate fundraising activities, project coordination and evaluation costs and costs for supervision and maintenance in case projects include physical assets

There is more demand for comprehensive research on operational funding in line with organizational performance in the human service nonprofit sector. Most the researches explore factors that influence organizational performance without considering the operational resources. With more research on operational funding and performance, we can be sure that various stake holders in nonprofits will pay more a concern to operational funds which in return will lead to an improvement in effectives of organizations.

In conclusion, organizational performance is not easy to measure given the various dimension and measures involved and they vary from organization to organization, this study decided to look at how operational funds affect organizational performance. This kind of research design forms smooth grounds for carrying out further deep studies on performance with other variables beyond effectiveness and fundraising efficiency.

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APPENDICES

Appendix 1. Questionnaire

Questionnaire

Dear Participant,

This questionnaire was given by Çukurova University, Institute of Social Sciences, Department of Business Administration. It was prepared to provide data support to the research under the title of " A RESEARCH ON OPERATIONAL FUNDS AND ORGANIZATIONAL PERFORMANCE CORRELATION IN NONPROFITABLE ORGANIZATIONS" under the supervision of Assist. Prof. Dr. Musa ŞANAL. The information you provide will not be used for any other purpose apart from reaching general conclusions about NGOs, and the results will be used only for publications of scientific materials. Thank you in advance for your interest and your answers to the questions, we wish you success and well-being in your work.

PERSONAL DATA

Please tick or circle the most appropriate answer to identify yourself.

Ages

(a) Below 20 years (c) 30-40 years

(b) 20-30 years (d) Above 40 years

Gender

(a) Male

(b) Female

Education level

(a) High certificate - Diploma (c) Masters

(b) Bachelor’s degree (d) PHD

(c) Not applicable

SECTION 1

Basic back ground About organization

1. Please choose one of the following that best describes your organization.

Government agency ☐
Community Organisation ☐
Non governmental Organisation ☐
Social movement ☐
Faith based Organisation ☐
Other (please specify) ☐

2. What is your position in the organization?.

Director/ President ☐
Board member ☐
Vice president ☐
Staff ☐
Other (please specify) ☐

3. Approximately what was the total budget for operational funds (in Turkish lira) of your organization in your last complete financial year?.

Less than 50.000 TL ☐
200.000 - 500.000 TL ☐
50.000 - 200.000 TL ☐
500.000 - 1.000.000 ☐
More than 1 million TL ☐

SECTION II

In this section of the questionnaire there are statements aiming to determine how sources of operational funds impact organization effectiveness and fundraisng efficiency. Please indicate by [X] on the scale how much you agree or disagree with each of the statements.

	Source of operational funds	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly**
1	Government sources restrict spending on general costs which affects resources mobilzation programs for organization’s finanacial stability					
2	There is bureaucracy involved with government funds which slows the rate of service delivery to the community.					
3	Due to restrictions attached on government funding, organization may lose administrative autonomy causing goal displacement.					
4	Governement funds requires maintenance of political relationships which may change organizations mission and programs.					
5	Individual donations are not restricted, this strengthens the organization's resource mobilization process and financial situation					
6	Fundrasing programs are more successful with individual contribitions.					
7	Individual contributions allow organization to invest in human capital leading to employee satifications.					
8	Continuous improvement in programs to meet mission is higher with individual donations due to their flexibilty.					
9	Individual donations to NGOs allows investment in organizations physical asset needs.					
10	Immediate administration needs are more likely to be solved with unrestricted individual donations.					

SECTION III

In this section of the questionnaire there are statements aiming to determine how amount of operational funds impact organization effectiveness and fundraisng efficiency. Please indicate by [X] on the how much you agree or disagree with each of the statements

	Amount of operational funds	**Strongly**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
1	Good governance in our organization is a result of appropriate funds spent on general cost.					
2	Resource moblization campaigns are strengthened and energiesed by allocating adequate operation funds.					
3	With enough operation funds provided, the monitoring and reporting system of the organization improve.					
4	Adequate operational fund is neccessary for successful implementation of organization projects.					
5	Organizations with a large operational fund budget are more likely to maintain the level of programs and services.					
6	Failure to access sufficient operational funds bring delays in remuneration causing staff retention problems affecting quality of service delivered.					
7	Organiztions with a large operational funds budget are more likely to enjoy funding success					
8	İnadequate operating funds is responsible for our organization failure to meet most of its objectives					
9	Investment in administration capcity building to attain better results from all projects is limited by insufficient operational funds.					

SECTION IV

In this section of the questionnaire there are statements aiming to determine how the timing of disbursement of operational funds impact organization effectiveness and fundraisng efficiency. Please indicate by [X] how much you agree or disagree with each of the statements

	Time of disbursement of operation funds	**Strongly**	**Disagree**	**Neutral**	**Agree**	**Strongly**
1	Delays by the board of directors to approve general expense budgets contributes to delays in service delivery to in our organization.					
2	Timely release of operational funds fastens management decsion making.					
3	Monitoring and evaluation processes of projects depend on timely availablility of operational funds.					
4	Timely provision of operational funds influences the organization's long term planning strategies					
5	Less time between request for and release of operational funds helps to strenghten the organization resource mobilization capacity.					
6	Time of disbursement of operational funds affects management's efforts to prepare funding proposals.					
7	Delays in disbursement of funds disturbs organizations cash flows.					
8	Implementation of work plans and execution of work schedules on time relies on in timely release of operating funds.					
9	Delays in release of operational funds cause organizational difficulties like delays in workers' salaries causing employee disatisatifaction.					

SECTION V

Please indicate by [X] how much you agree or disagree with each of the statements that describes your organization a present

	Overall organizational effectiveness	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
1.	Our organization is responsive to clients needs					
2.	The organization is accountable to clients, staff, board, general public.					
3.	The organization has a good relationship with principle sources of funds					
4.	NGO has suffificient human resources (volunteer and staff) to deliever services, attract resources, and promote mission					
5.	NGO has enough leadership resources to provide vison and strategic direction.					
7.	NGO has programs to develop financial resources					
8.	Organization has physical resources and infrastructure to meet service needs.					
9.	Our organization achieves its own goals					

Thank you very much for your participation

Appendix 2. Araştırma Anketi

Araştırma Anketi

Sayın Katılımcı;

Bu anket Çukurova Üniversitesi İktisadi ve İdari Bilimler Fakültesi İşletme Bölümü tarafından uygulanmaktadır. Anket, Yrd. Doç. Dr. Musa ŞANAL'ın danışmanlığında "**Kar Amaci Gütmeyen Örgütlerde Operasyonel Fonlar ve Örgütsel Performans İlişkisi Üzerine Bir Araştırma**" başlığı altındaki tez çalışması için veri kümesi desteği sağlamak hedefi ile hazırlanmıştır.Tarafımıza verilen bilgiler kâr amacı gütmeyen örgütler hakkında genel sonuçlara ulaşmak dışında herhangi bir amaç için kullanılmayacaktır. İlginiz ve sorulara vereceğiniz cevaplar için şimdiden teşekkür eder, çalışmalarınızda başarılar dileriz.

Jamil NSUBUGA Yrd. Doç. Dr. Musa
ŞANAL
Yüksek Lisans Öğrencisi TezDanışmanı
Ç.Ü.İ.İ.B.F. İşletme Bölümü Ç.Ü.İ.İ.B.F. İşletme
Bölümü
jamilzzana@gmail.com
msanal77@hotmail.com

KİŞİSEL VERİLER

Lütfen kendinizi tanıtan en uygun cevabı işaretleyiniz.

Yaş

(c) 20'den az (c) 30-40 yaş arası
(d) 20-30 yaş arası (d) 40'tan fazla

Cinsiyet

(c) Erkek
(d) Kadın

Eğitim Seviyesi

(a) Lise (c) Yüksek Lisans

(b) Lisans (d) Doktora

(c) Söz konusu değildir

I.BÖLÜM

1. Lütfen kuruluşunuzu en iyi tanımlayan ifadeyi seçiniz.

Devlet Kurumu ☐ Topluluk Örgütü ☐

Sivil Toplum Kuruluşu ☐ Sosyal Hareket ☐

İnanca Dayalı Kuruluş ☐ Diğer (Lütfen belirti☐

2. Kuruluştaki pozisyonunuz nedir?

Başkan ☐ Kurul Üyesi ☐

Başkan Yardımcısı ☐ Personel ☐

Diğer (Lütfen belirtiniz)) ☐

3. Son mali yılda operasyonel fonlara ayırdığınız toplam bütçe ne kadardır?

₺50.000'den az ☐ ₺200.000 – ₺500.000 arası ☐

₺50.000 – ₺200.000 arası ☐ ₺500.000 – ₺1.000.000 TL arası ☐

₺1 milyon TL'den fazla ☐

II. BÖLÜM

Anketin bu bölümünde operasyonel fon kaynaklarının, kuruluş verimliliğini ve fonlama performansını nasıl etkilediğini belirlemeyi hedefleyen ifadeler bulunmaktadır. Lütfen her bir ifadeye ne kadar katıldığınızı gösteren kutucuğa [X] işareti koyunuz.

	Operasyon fonların kaynağı	**Kesinlikle**	**Katılmıyo**	**Kararsızı**	**Katılıyoru**	**Kesinlikle**
1	Devlet kaynaklarının kullanılması için gereken şartlar, kurumun finansal istikrarı için üstlendiği ve kaynak mobilizasyonu (sosyalhareketlerinbaşarısının, onlar için ayrılankaynaklarabağlı olduğunu savunanteoridir) için gereken genel maliyetlerle ilgili harcamaları kısıtlar.					
2	Devlet fonları bürokrasiyetakıldıkçakamuyayapılanhizmetlerdeaksamaya da yavaşlamaolabilir.					
3	Devletin finansman sağlamak için getirdiği şartlar (kısıtlamalar) kurumun özerklik kaybına ve hedef kaymalarına neden olabilir.					
4	Devlet fonlarını kullanabilmek için kurumun misyon ve programlarını değiştirebilecek politik ilişkilerin sürdürülmesi gerekebilir.					
5	Bireysel bağışlar, sınırlandırılmamış oldukları için mali durumu ve kaynak mobilizasyon süreçlerini güçlendirir.					
6	Bireyselbağışlararttıkçafonlamaprogramlarıdahabaşarılı olur.					
7	Bireysel kaynaklar, kurumun beşeri sermayeye yatırım yapmasına imkân sağlar, bu nedenle çalışan memnuniyetine yol açar.					
8	Bireysel bağışların kullanımı esnekleştikçe, kurumun misyonuna ulaşmak için hareket alanı genişler.					
9	Siviltoplumkuruluşlarınayapılanbireyselbağışlarkurumunfizik ivarlıklarınayatırımınıarttırır.					
10	Kullanımalanıdaraltılmayanbireyselbağışlar, anidenortayaçıkanyönetselihtiyaçlarınkarşılanmasınısağlar.					

III. BÖLÜM

Anketin bu bölümünde, operasyonel fonların miktarının organizasyonun verimliliğini ve fonlama performansını nasıl etkilediğini belirlemeyi amaçlayan ifadeler bulunmaktadır. Lütfen her bir ifadeye ne kadar katıldığınızı gösteren kutucuğa [X] işareti koyunuz.

	Operasyon fonların miktarı	**Kesinlikle**	**Katılmıyoru**	**Kararsızım**	**Katılıyorum**	**Kesinlikle**
1	Kurumdabütünpaydaşlar arasında karşılıklıilişkilerintesisedilmesinisağlayan ve verimliliğiarttıranyönetişiminolması, uygunfonlarınbuamaç için olanharcamalaraaktarılmasınabağlıdır.					
2	Operasyon fonlarının yeterliliği kaynak mobilizasyonunu güçlendirir.					
3	Yeterli operasyon fonları sağlandığında, kurumun izleme ve raporlama sistemi gelişir.					
4	Kurumunprojelerininbaşarıylayürütülmesi için, operasyonel fonlarınyeterliolmasıgerekir.					
5	Operasyonel fon bütçesibüyükolankurumların program ve hizmetkalitesinisürdürmeolasılıklarıdahayüksektir.					
6	Operasyonel fonların yetersiz olması, ödemelerin gecikmesine, personel kaybına ve hizmet kalitesinin düşmesine neden olur.					
7	Yetersizoperasyon fonları, kurumun bir çokhedefineulaşmasınaengelolur.					
8	Operasyonel fon bütçesibüyükolankurumlarınbaşarılıolmaihtimaliyüksektir.					
9	Yetersiz operasyonel fonlar kurumunidariyeteneğiniköreltererek, projelerinbaşarısınıengelleyebilir.					

BÖLÜM IV

Anketin bu bölümünde, operasyon fonların tahsisinin zamanlanması kurumsal etkinliği ve fonlama verimliliğini nasıl etkilediğini belirlemeyi amaçlayan ifadeler bulunmaktadır. Lütfen her bir ifadeye ne kadar katıldığınızı gösteren kutucuğa [X] işareti koyunuz.

	Operasyon fonların tahsis zamanlanması	**Kesinlikle katılmıyorum**	**Katılmıyorum**	**Kararsızım**	**Katılıyorum**	**Kesinlikle Katılıyorum**
1	Yönetimkurulunungenelgiderbütçelerinionaylamasınıng eciktirilmesi, kuruluşumuzun hizmet sunumunda gecikmelere neden olur.					
2	Operasyon fonlarının zamanında tahsis edilmesi sonucunda yönetimin karar verme süreci hızlanır.					
3	Operasyon fonlarınınbulunabilirliğiprojelerinizlenmesi ve değerlendirmesüreçlerinietkiler.					
4	Operasyon fonlarının zamanında sağlanması, kurumun vadeli planlama stratejilerini etkiler					
5	Operasyon fonlarının talep edilmesinden sonra fon tahsis sürecinin kısaltılması, kaynak mobilizasyon kapasitesinin güçlenmesine yardımcı olur.					
6	Operasyon fonlarının tahsilat zamanı, yönetimin finansman önergelerini hazırlama çalışmalarını etkiler.					
7	İş planlarının uygulanması ve zamanında iş programlarının icra edilmesi, operasyon fonlarının zamanında tahsilatına dayanır.					
8	Fon tahsilatında gecikmeler, kuruluşun nakit akışlarını aksatır.					
9	Operasyon fonların tahsilatında yaşanan gecikmeler, çalışanların memnuniyetsizliğine neden olan işçi ücretlerinde gecikmeler gibi bir takım örgütsel zorluklara neden olur.					

V. BÖLÜM

Genel Organizasyonel Verimlilik

Lütfen, kuruluşunuzun mevcut durumunu açıklayan ifadelerden her birine ne kadar katılıp katılmadığınızı gösteren kutucuğa [X] işareti koyunuz.

Genel Organizasyonel Verimlilik		**Kesinlikle katılmıyorum**	**Katılmıyorum**	**Kararsızım**	**Katılıyorum**	**Kesinlikle Katılıyorum**
1.	Kuruluşumuz müşterilerin ihtiyaçlarına yanıt vermektedir.					
2.	Kuruluşumuz,müşterilere, personele, yönetim kuruluna ve halka karşı sorumludur.					
3.	Kuruluşumuz, temel fon kaynakları ile iyi ilişkiler içindedir.					
4.	STK'mız, hizmet sunmak, kaynakları çekmek ve misyonu geliştirmek için yeterli insan kaynağına (gönüllü ve personel) sahiptir.					
5.	STK, vizyon ve stratejik istikamet sağlamak için yeterli liderlik kaynaklarına sahiptir.					
7.	STK'mız, mali kaynaklar geliştirmeye yönelik programlara sahiptir.					
8.	Organizasyon, hizmet ihtiyaçlarını karşılamak için fiziki kaynaklara ve altyapıya sahiptir.					
9.	Kuruluşumuz hedeflerine ulaşır.					

Katılımınız için çok teşekkür ederiz.