

CAPACITY-BUILDING FACTORS CONTRIBUTING TO THE GOVERNANCE
OF NEPALI CIVIL SOCIETY ORGANIZATIONS

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A Thesis

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शोधसार

शिक्षा विषयमा विद्यावारिधिका निमित्त उत्तम उप्रेतीद्वारा २०८१ वैशाख २३ मा प्रस्तुत नेपाली नागरिक समाजका संस्थाहरूको सुशासनमा योगदान पुऱ्याउने क्षमता विकासका कारकतत्वहरू विषयक शोधपत्र

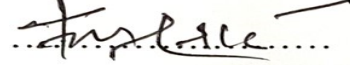
स्वीकृत



प्रकाश चन्द्र भट्टराई, पिएचडी

सहप्राध्यापक

शोध निर्देशक



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शोध निर्देशक

नागरिक समाजका संस्थाहरूको कार्यसम्पादन र सुशासन अभिवृद्धि गर्ने उद्देश्यले योजनाबद्ध रूपमा गरिने क्षमता अभिवृद्धिका कार्यक्रमहरू तब मात्र अर्थपूर्ण हुन्छन्, जुनवेला ती कार्यक्रमहरूले व्यक्तिगत, संगठनात्मक र संस्थागत क्षमताहरूको सृजना गर्दछन्। संस्थाहरूको कार्य सम्पादन र सुशासनलाई धेरै कारकतत्वहरूले असर पार्दछन्। यी कुराहरूलाई ध्यानमा राख्दै नागरिक समाजका संस्थाहरूको सुशासनमा योगदान पुऱ्याउने क्षमता अभिवृद्धिका कारकतत्वहरू अन्वेषण गर्ने उद्देश्यका साथ नेपाली गैरसरकारी संस्थाहरूमा यो अध्ययन सम्पन्न गरिएको छ। यस अध्ययनले नागरिक समाजका संस्थाहरूको सुशासनमा क्षमता अभिवृद्धिका कारकतत्वहरू र अध्यक्षहरूका शिक्षा लगायतका संस्थाका अन्य पक्षहरूबाट पर्ने असरहरू वीचका भिन्नतावारे पनि अनुसन्धान गरेको छ।

प्रस्तुत अध्ययन आवधिक सर्वेक्षण विधिअनुरूप सम्पन्न गरिएको छ। अध्ययनको शुरुवातमा उद्देश्यमूलक ढङ्गले छनौट गरिएका दशजना विज्ञहरूका सहयोगमा डेल्फी विधिबाट नागरिक समाजका संस्थाहरूको क्षमता र सुशासनका विषयसंग सम्बन्धित ८० वटा कथनहरू तयार गरिएको थियो। गैर सरकारी संस्था महासंघको सहयोगमा उक्त महासंघकासंग आवद्ध नेपाल सरकारमा दर्ता भएका र संस्थागत इमेल ठेगाना भएका १५०० संस्थाहरूमध्येबाट छनौट गरिएका ३६६ गैरसरकारी संस्थाहरूले उक्त सर्वेक्षणमा सहभागी भएर आफ्ना धारणाहरू व्यक्त गरेका थिए। अन्वेषणात्मक कारकतत्व विश्लेषण गर्दा अध्ययनले संस्थाहरूको क्षमता अभिवृद्धि सम्बन्धी ६ वटा कारकतत्वहरू र संस्थाहरूको सुशासन सम्बन्धी २ वटा कारकतत्वहरू कायम भए। जसमा नागरिक संस्थाहरूको सुशासन सम्बन्धि ८० वटा कारकतत्वहरू मध्ये ६० वटा कारकतत्वहरू समावेश छन्। नागरिक संस्थाहरूको क्षमता विकासका कारकहरूको नामकरण यस प्रकार गरिएको छ: क) आवश्यकतामा आधारित क्षमता विकास कार्यक्रम प्रति संस्थाको प्रतिबद्धता, ख) संस्थागत गरिएको सिकाइ प्रक्रिया, ग) निर्णय प्रक्रियामा कर्मचारीहरूको रचनात्मक संलग्नता, घ) वित्तीय व्यवस्थापन, ङ) उपयुक्त कानूनी वातावरण, र च) नेतृत्वको शैक्षिक योग्यता। नागरिक समाजका संस्थाहरूका लागि आवश्यक उपयुक्त वातावरणले दुईवटा

कारकतत्वहरूको प्रतिनिधित्व गर्दछ - उपयुक्त कानूनी वातावरण र नेतृत्वको शैक्षिक योग्यता । यी कारकतत्वहरूले संस्थाको आन्तरिक र बाह्य, दुवै आयामहरूको प्रतिनिधित्व गर्दछन् । त्यसैगरी, विधिको शासन र सुसूचित निर्णय प्रक्रिया जस्ता दुई नागरिक संस्थाहरूको सुशासनका कारकतत्वहरू पहिचान गरिएको छ ।

बहु प्रतिगमन विश्लेषणले के प्रष्ट पायो भने क्षमता अभिवृद्धिका ६ वटै कारकतत्वहरूले नागरिक समाजका संस्थाहरूको सुशासनमा समष्टि र व्यक्तिमा सकारात्मक प्रभाव पार्दछन् । यद्यपि, वित्तीय व्यवस्थापन र निर्णय प्रक्रियामा कर्मचारीहरूको रचनात्मक संलग्नता संस्थाहरूको सुशासनमा महत्वपूर्ण प्रभाव पार्ने दुई कारकतत्वहरू हुन् । यसका अतिरिक्त नागरिक संस्थाहरूका नेतृत्वको शैक्षिक योग्यता पनि नागरिक संस्थाहरूको सुशासनसँग सकारात्मक सहसम्बन्ध (correlation) भएको महत्वपूर्ण कारकतत्व हो ।

यस अध्ययनका क्रममा पहिचान गरिएका नागरिक संस्थाहरूको समग्र सुशासन र कार्यसम्पादनमा प्रभाव पार्ने आठवटा कारकहरूले गैर सरकारी संस्था महासंघ र समाज कल्याण परिषद्ले अवलम्बन गर्न सक्ने प्रारूप निर्माण गर्न सहयोग गर्दछ । प्रस्तुत अध्ययनको प्रतिफलले यसमा आधारित भएर अधि बढ्न वा यसलाई आवश्यकतानुसार सुधार/परिमार्जन गर्न अभिप्रेरित गर्दछ । यसैगरी, अध्ययनका निष्कर्षहरूले गैरसरकारी संस्थाहरूका कामको समीक्षा गर्न र अनुगमनका साधनहरूको विकास गर्ने काममा निरीक्षण र नीति निर्माणमा संलग्न सरोकारवाला संस्थाहरूलाई पनि सहयोग पुऱ्याउनेछ । नागरिक संस्थाहरूको सुशासन समग्र सामुदायिक विकास प्रक्रियाको प्रमुख पक्ष हो । ती संस्थाहरूको क्षमता अभिवृद्धिका कारकतत्वहरू नागरिक संस्थाहरूको सुशासनका महत्वपूर्ण पक्षहरू हुन् ।

प्रस्तुत अध्ययनका नीतिगत प्रभावहरू रहन सक्नेछन् । आवश्यकता केन्द्रित क्षमता अभिवृद्धिका कार्यक्रमहरू तर्जुमा गर्ने क्रममा यसले नागरिक संस्थाहरू र साभेदार दातृ निकायहरूलाई प्रेरित गर्नेछ, भने नागरिक संस्थाहरूलाई उपयुक्त कानूनी ढाँचाहरू तर्जुमा गर्ने र नियामक निकायहरूको क्षमता विकासमा थप जोड दिन सरकारलाई नीतिगत मार्गदर्शन गर्दछ । यस अध्ययनका निष्कर्षहरूको आधारमा पहिचान गरिएका कारकतत्वहरूको पुष्टिकारक विश्लेषण गरी प्रारूपको पुष्टि गर्न सकिन्छ, भने समान परिवेशहरूमा कालक्रमिक अध्ययनसमेत गर्न सकिन्छ । यसैगरी, संस्थागत सुशासनलाई असर गर्ने नागरिक संस्थाहरूका विविध पक्षहरूका अन्वेषण लगायत नागरिक संस्थाहरूको सुशासनमा सहयोग पुऱ्याउने योगदानका वावजुद केही कारकतत्वहरू सांखिकीय रूपमा महत्वहीन पाइनुका कारणहरूको अन्वेषण जस्ता कुरामा थप अध्ययन गर्न सकिन्छ ।



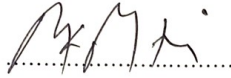
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शोधकर्ता

२०८१ बैशाख २३

AN ABSTRACT

of the thesis of *Uttam Uprety* for the degree of *Doctor of Philosophy in Education* presented on *5 May 2024* entitled *Capacity Building Factors Contributing to the Governance of Nepali Civil Society Organizations*.

APPROVED BY



Assoc. Prof. Prakash C. Bhattarai, Ph.D.
Thesis Supervisor



Netra Prasad Timsina, Ph.D.
Thesis Supervisor

As a planned intervention, capacity-building intended to improve the performance and governance of civil society organizations (CSOs) becomes meaningful only when it effectively generates individual, organizational, and institutional competence. In this context, various factors – external and internal to the organization – affect the CSOs' performance and governance. With this consideration, this study was conducted among Nepali non-governmental organizations (NGOs) to explore the CSO capacity-building factors contributing to CSOs' governance. It also investigated the differential contribution of those capacity-building factors and attributes of CSO's chairperson, including their education, on CSO governance.

Guided by a post-positivist paradigm/ approach, this study adopted a cross-sectional survey design. The Delphi process was applied from 10 carefully selected Delphi Experts, generating a scale of 80 statements of CSO capacity and governance factors. Three hundred sixty-six respondents completed the survey selected from the population of 1,500 registered NGOs associated with the NGO Federation of Nepal that have email addresses. Using the Exploratory Factor Analysis, the study retained six capacity-building factors and two CSO governance factors comprising 60 out of 80 items that describe CSO governance. CSO capacity-building factors were named: i) Organizational Commitment to Need-based Intervention, ii) Institutionalized Learning Process, iii) Creative Engagement of Staff in Decision-Making, iv) Financial Management, v) Legal Enabling Environment, and vi) Education of Leaders. An enabling environment comprises two factors – the legal enabling environment and the education of CSO leaders. These factors represent both internal and external

dimensions. Similarly, the Rule of Law and Informed-decision making were found as two CSO governance factors.

Multiple Regression analysis showed that all six capacity-building factors, collectively and individually, positively affect CSO governance with large effect sizes and high statistical power. However, financial management and the creative engagement of staff in decision-making are two significant predictors of CSO governance. In addition, the education of CSO leaders is a significant factor with a positive correlation with CSO governance.

Eight factors, identified during this study contributing to the overall good governance and the performance of CSOs will develop a model to be adopted by the NGO Federation of Nepal and the Social Welfare Council. This product will encourage future generations to build on it and review/ refresh it as needed. Study findings will also support policy-making and oversight institutions while developing monitoring tools to review the work of NGOs. CSO's good governance is core to the overall community development process. Factors building its capacity are core to CSO governance.

This study has policy implications for CSOs and donor partners in designing need-based capacity-building interventions and for the government in developing an enabling legal framework for CSOs functioning and further developing the capacity of regulatory authorities. Based on this study's findings, further studies can be expanded by studying the explored factors using Confirmatory factor analysis to confirm a model, conduct longitudinal studies in similar contexts, explore CSO's characteristics related to factors that affect CSO governance, explore reasons behind some factors being insignificant despite attributed contribution to CSO governance.

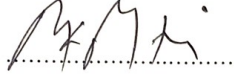


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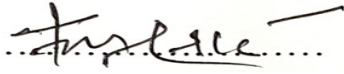
This thesis entitled *Capacity Building Factors Contributing to the Governance of Nepali Civil Society Organizations* presented by Uttam Uprety on 5 May 2024.

APPROVED BY



5 May 2024

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Thesis Supervisor



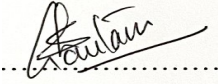
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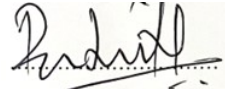
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I understand that my thesis will become a part of the permanent collection of the library of Kathmandu University. My signature below authorizes the release of my dissertation to any reader upon request for scholarly purposes.



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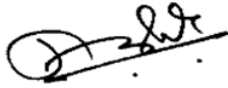
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DECLARATION

I hereby declare that this thesis has not been submitted for the candidature for any other degree.

A handwritten signature in black ink, appearing to read 'Uttam Uprey', written over a horizontal line.

Uttam Uprey

Degree Candidate

5 May 2024

DEDICATION

To my parents – Hima Uprety (mother) and Bharat Prasad Uprety (father)

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This thesis is an outcome of contributions from various personalities. I deeply respect them and would like to acknowledge their support in bringing this thesis to its present form.

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ABBREVIATIONS

ANOVA	Analysis of Variance
BoD	Board of Director
CB	Capacity Building
CBS	Central Bureau of Statistics
CEO	Chief Executive Officer
CESDM	Creative Engagement of Staff in Decision-Making
CFA	Confirmatory Factor Analysis
COVID-19	Corona Virus Disease 19
CSO	Civil Society Organization
CIVICUS	World Alliance for Citizen Participation
DAO	District Administration Office
DV	Dependent Variable
EE	Enabling Environment
EFA	Exploratory Factor Analysis
EL	Education of Leaders
FM	Financial Management
GESI	Gender and Social Inclusion
ICT	Information and Communication Technology
ILP	Institutionalized Learning Process
IV	Independent Variable
INGO	International Non-Governmental Organization
KMO	Kaiser-Mayer-Olkin
LEE	Legal Enabling Environment
M&E	Monitoring and Evaluation
NFN	NGO Federation of Nepal
NGO	Non-Governmental Organization
OCA	Organizational Capacity Assessment
OCAT	Organizational Capacity Assessment Tool
OCNBI	Organizational Commitment for Need-Based Intervention
OECD	Organization for Economic Co-operation and Development
PCA	Principal Component Analysis

SEE	Secondary Education Examination
SG	State of Governance
SLC	School Leaving Certificate
SOP	Standard Operating Procedure
SPSS	Statistical Package for the Social Science
SWC	Social Welfare Council
UN	United Nations
UNDP	United Nations Development Program
VIF	Variance Inflation Factor

CHAPTER I INTRODUCTION

Civil Society Organizations (CSOs) are under tremendous pressure to be governed well and seen as well-governed entities. There is growing attention in the CSO sector due to an ever-increasing resource constraint and diverse expectations of stakeholders (Salamon et al., 2017; Chen & Yu, 2018). Despite compliance with mandatory regulatory requirements, they are now moving beyond to prove public accountability (Rassart & Miller, 2013) in response to a reported trust deficit in the sector. Stakeholders demand that CSOs have a sound governance mechanism to increase their effectiveness and chances of offering long-lasting services to the community (Hamm, 2020; Zollo et al., 2019). While focusing more on impact measurement in the CSO sector (Polonsky & Grau, 2011; von Schnurbein, 2016), donor partners require grant applicants to be impact-oriented (Hersberger-Langloh & Stühlinger, 2021). Ensuring good governance in CSOs helps improve their evolving relationship with governments and other stakeholders (Piscitelli & Geobey, 2020). With the growing demand for governance, there is also a demand for enhanced managerial skills for adopting professionalism in CSOs (Maier et al., 2016; Stühlinger et al., 2020).

Effective governance is considered one of the organizational factors driving the success of NGOs (Mitchell & Berlan, 2018). Strong governance and organizational success are related (Abdalkrim, 2019; Jaskyte, 2017; Mason & Kim, 2020; Piscitelli & Geobey, 2020; Zhu et al., 2016), whereas trust also contributes to the growth and success of NGOs (Alejandro, 2021; Alhidari et al., 2018; Felix et al., 2017; Kim & Kim, 2018).

Given that CSOs seek to serve, protect, and advance the interests of their constituencies, who are already subject to expectations based on values, the issue of CSO governance becomes significant (Ivanyna & Shah, 2014). However, the peculiarities of any institution, whether public or private, influenced by their values, culture, and objectives pursued (Branson & Clarke, 2012), must be considered when assessing governance across institutions. This results in variations in the definition and meaning of governance (Quyên, 2014).

Since CSO capacity is positively correlated with CSO effectiveness (Cooper et al., 2017), capacity-building has remained a common approach to enable CSOs to achieve their mission, deliver quality results, and improve governance. There has also been an increased interest in the capacity of CSOs to deliver public services and their increasing role in providing such services (Herman & Renz, 2004). Thus, to make CSOs effective, various stakeholders invested in the organizational capacity of CSOs (Cornforth & Mordaunt, 2011; Meehan, 2021). A crucial challenge for CSOs today is building their capacity when funding has declined in recent decades. They are forced to invest all their available funds in mission-driven activities (Hersberger-Langloh & Stühlinger, 2021). Though it is unrealistic and often counterproductive, stakeholders demand immediate results from capacity-building (Meehan, 2021).

For CSOs, thus, gaining a deeper understanding of the capacity-building drivers is crucial (Hersberger-Langloh & Stühlinger, 2021) so that the resources may be better utilized. Similarly, knowledge of the key factors of CSO capacity-building and governance and the differential contribution of each capacity-building factor to the state of CSO governance is a central concern of this study.

Study Context

Growing criticism and concern about their governance demands that CSO actors adopt sound governance (World Economic Forum, 2013). The organizational characteristics that encourage adopting sound governance practices are contested. While some scholars believe that larger, more established CSOs are more inclined to follow good governance practices (Alexander & Weiner, 1998; Blackwood et al., 2014), others argue that older, existing non-profit organizations are more prone to do so. On the other hand, some scholars found that CSOs with government grants adopted better governance practices.

NGOs and CSOs are facing more regulatory backlash for allegedly poor internal governance. Though the trend to constrain civil society is global (Moore, 2006), the manifested rationale for restrictive laws and regulations is based on a broader perception among political actors, bureaucrats, and people that CSOs lack governance. The ‘Accountability deficit’ and ‘constituency deficit’ of NGOs, both key to good CSO governance, are considered responsible for restrictive laws (Mendelson, 2015).

Several attempts have been made to promote civil society governance since the concept has been explicitly tied up with development assistance, mainly because

governance is positively related to organizational effectiveness (Abdalkrim, 2019; Mason & Kim, 2020; Piscitelli & Geobey, 2020). As a key entity, civil society has significant links with various socio-political phenomena such as democracy, governance, poverty reduction, civic education, social justice, and development, to name a few (Girgis, 2007).

Through capacity-building, effectively achieving strategic and long-term objectives is a significant concern among academia and development organizations. Several scholars (such as Coule, 2015; Hersberger-Langloh & Stühlinger, 2021; Piscitelli & Geobey, 2020; Stühlinger et al., 2020) have studied this topic with different perspectives and at different scales. Many factors, such as board composition, skills of the CEO/Board of Directors (BoDs), and board leadership practices, including gender composition in a leadership position, impact the governance of CSOs (Berry, 2012). In addition, donor support in the capacity-building of CSOs, fund size, donor diversification, and the age of the organization itself determine the governance of CSOs.

Factors driving the success of CSOs are yet to be understood more. More clarity is needed in this area to improve CSO governance. Governance (Mitchell & Berlan, 2018) and trust (Felix et al., 2017; Alhidari et al., 2018; Kim & Kim, 2018; Alejandro, 2021) make CSOs effective. For this reason, researchers and practitioners strongly emphasize supporting the development of CSO capacities (Faulk & Stewart, 2017). For CSOs, public scrutiny has increased (Ostrander, 2007), resources are getting scarce (Kerlin & Pollak, 2011), and changing in programmatic focus is difficult. Hence, they must understand which capacity factors benefit the governance of CSOs & their eventual success so that resources can be wisely allocated (Hersberger-Langloh & Stühlinger, 2021).

Statement of the Research Problem

In Nepal, Civil Society Organizations (CSOs) often face scrutiny regarding their governance and effectiveness, despite significant investments in enhancing their capabilities. They are frequently criticized for issues related to donor accountability (Mishra, 2001) and perceived partisan political ties (Nazneen and Thapa, 2019), primarily due to their reliance on donors even for capacity-building initiatives. The increasingly complex landscape characterized by diminishing funding and restricted civic space (Moeller & Valentinov, 2012; Salamon et al., 2017; Chen & Yu, 2018)

drives CSOs to prioritize not just achieving good governance but also overall effectiveness.

While CSOs are under tremendous pressure to be effectively governed (Bish & Becker, 2016; Xiaodong et al., 2017; Williams, 2022), a lack of understanding of the different contributions of specific capacity-building interventions to CSO performance (Andersson et al., 2016) has hindered them from learning to adapt, change, and bring innovations to their practices (AbouAssi et al., 2019).

Research (Coule, 2015; Bruni-Bossio et al., 2016; Weis III, 2021) found that effective board governance contributes to CSO performance (Bradshaw et al., 1992; Nobbie & Brudney, 2003; Brown, 2005; Cumberland et al., 2015; Smith & Phillips, 2016; Zhu, Wang, & Bart, 2016; Gazley & Nicholson-Crotty, 2018; Herman & Renz, 2000). Similarly, improved governance contributes positively to accessing grants and donations from the government and other stakeholders (Harris et al., 2015). Organizations with more robust governance mechanisms follow ethical financial management (Hamm, 2020).

However, the number of factors of CSO governance is also contested. Scholars such as Harris et al. (2015) found seven governance factors. On the other hand, Mason and Kim (2020) identified three constructs – new board members' orientation, organized support for board members, and individual board knowledge. Some scholars highlight six different dimensions of CSO capacities (Williams, 2022) including leadership, internal structures and processes, human resources, financial management, external & board relationships, and organizational culture. Though other dimensions are critical, leadership is crucial at all stages of an organization's life (Andersson et al., 2016). The human resources dimension includes the team member's knowledge, skills, and abilities (Brown et al., 2016). Hence, how the organization makes efforts on recruitment is also a crucial part of organizational capacity building (Williams, 2022). Financial management involves how an organization uses monetary resources (Svensson et al., 2017). There is a lack of empirical study on how these factors are relevant to Nepali CSOs and their differential contribution to CSO governance.

CSOs are subject to both internal as well as external conditions. Leaders are responsible for putting structures and processes in place, enabling organizations to maximize their resources (Bae et al., 2020; Williams, 2022). Similarly, external factors also impact CSOs. Thus, external and board relationships entail the extent to

which stakeholders and the board are creatively engaged (Brown et al., 2016; Haber & Schryver, 2019). Moreover, existing literature fails to account if an enabling legal environment, external to the CSO's internal control, constitutes a capacity-building factor.

In addition, existing literature fails to see the role of staff, volunteers, and other stakeholders (Ostrower & Stone, 2007) in CSO governance. Studies on CSO governance have mainly looked into board functioning (Stone & Ostrower, 2007; Cornforth, 2012; Andersson, 2012). Equating board work with CSO governance ignores the role of crucial internal actors in organizational governance and wider (regulatory) governance pressures (Hadjievska, 2018). While focusing more on the demographic characteristics of board members and board structures (Jaskyte & Holland, 2015), extant CSO governance-related studies focus less on the professional attributes of CSOs, including their geography, number of years the organization has been working, sex, and educational credential of the CSO chairperson (Adhikari et al., 2023). The difference the other factors within the organization continuously make to the organizational governance has not been sufficiently discussed.

The effectiveness of capacity-building programs entails the extent to which the organization's capacity is increased and whether the increased capacity enhances the organization's effectiveness (Meehan, 2021). Given a chance to self-report increased usable knowledge post-capacity-building intervention (Kapucu et al., 2011; Sobek, 2007; Meehan, 2021; Minzner et al., 2014), it is imperative to know which capacity factors contribute to CSO governance and its effectiveness. The Swiss nonprofit sector's experience entails organizations investing more in related resource-attraction tasks (Hersberger-Langloh & Stühlinger, 2021). Despite the sustainability of the capacity has remained a concern (Meehan, 2021) most capacity-building efforts ignore identifying the differential contribution of capacity factors. It supports strategizing and rationalizing the investment in capacity-building initiatives.

Examining CSO sectors to explore the factors predictive of CSO capacity and success objectively is needed (Azuaje, 2021). It helps develop appropriate interventions to solve pertinent issues. Scholars such as Faulk & Stewart (2017) have emphasized the need to investigate further to objectively identify the predictive factors of the CSO capacity (Langer and LeRoux, 2017). Despite this, there is a common understanding that organizations that secure scarce and valued resources and manage them are likely to be effective (Meehan, 2021). Other scholars (von

Schnurbein, 2017; Lannon, 2019; Treinta et al., 2020; Alejandro, 2021) consider leadership, culture, human resources, structure, strategic planning, assessment of performance, communication, and goals as some factors in making an organization effective.

The discussion above suggests a dire need for research in CSO capacity-building to explore the extent to which different capacity-building factors impact CSO governance. Hence, this research aimed at bridging these research gaps.

Purpose of the Study

The main purpose of this study was to explore the CSO's capacity-building factors that contribute to the governance of Nepali CSOs, along with the extent to which CSO governance differs by the individual attributes of its leader and organizational characteristics.

Research Questions

To understand the differential impact of capacity factors on CSO governance, the research aimed to seek the answer to the following three research questions:

1. What capacity-building factors are associated to Nepali civil society organizations?
2. To what extent do capacity-building factors of Nepali CSOs contribute to their governance?
3. Does the governance in CSOs under study differ across personal characteristics and organizational characteristics?

Rationale of the Study

Various organizations offer capacity-building support to enable CSOs to perform better and develop systems to deliver services efficiently (Despard, 2017; Lee, 2020; Williams, 2022). Yet, how much such support has contributed to CSOs' effectiveness and governance has been unexplored empirically. Knowledge, systems, and procedures that support organizational effectiveness are included in organizational capacity (Kapucu et al., 2011). Context-sensitive multidimensional challenges impact CSOs' performance (Zhang et al., 2017). CSOs can consider different factors while building their capacity (Azuaje, 2021; Civitello et al., 2019). Given that the Nepali CSO sector lacks empirical study on the extent to which different capacity-building factors impact their governance, this research gains its rationale as it aims to explore what factors Nepali CSO actors perceive to have contributed to the promotion of governance in CSOs.

Though an enabling environment is considered to have a relationship with the democratization of CSOs and vice versa, there is no clear answer to a question such as ‘to what extent does the enabling environment contribute to CSO governance?’ Antlov et al. (2010) say that capacity is a function of contextual and internal factors. A few studies about Nepali civil society organizations have not even paid attention to the relationship between enabling environment and CSO governance taking empirical evidence as a reference (Pokhrel, 2017; Roka, 2012). Hence, civil society, the donor community, and the government benefit from properly conceptualizing and operationalizing factors contributing to CSO governance. Moreover, understanding those dynamics further contributes to assessing the program that aims to build CSO capacity to promote governance.

Similarly, CSO governance may differ across the personal and organizational attributes, such as sex and educational qualification of the CSO chairperson, locale, age, and type of organization, among others. This knowledge would be a new landmark for capacity-building providers and development partners to design differential capacity-building plans accordingly. Hence, this research gains further justification as it intends to identify and explore those environmental factors (external as well as internal) that affect the capacity and governance of CSOs in Nepal. The study further explores the extent to which CSO governance varies across the personal characteristics of CSO leaders (their education and sex) and organizational characteristics of CSOs (thematic focus, years of experience, geography).

Significance of the Study

This study holds its significance at different levels. The first significance lies at the individual practitioner’s level. The immediate beneficiaries of capacity-building are individual staff members, including executives, who remain interested in developing their capacities to cope with an ever-changing working environment (Veillard, 2012). Similarly, the individuals involved in designing and executing capacity-development programs need to know which aspect of capacity needs more investment than others (Andersson et al., 2016; Svensson et al., 2017). The findings from this study help them analyze which aspect of capacity-building is crucial for them in the given context. Since organizations invest for greater rewards (Hersberger-Langloh & Stühlinger, 2021), identifying key factors will help CSOs and their partners make a rational investment in capacity-building.

Similarly, the capacity-building service providers will benefit from the results of this study in that they understand the vital capacity-building factors that best contribute to CSO governance. This can guide capacity-building agencies in designing/redesigning capacity-building programs. Scholars such as Faulk and Stewart (2017) stress that further investigations be made to objectively explore the predictive factors of CSO capacity and assess their success. In this regard, the differential contribution of CSO capacity-building factors can help CSO leaders and development partners reflect on how their initiatives have improved CSO effectiveness and governance (Meehan, 2021). As Gazley & Nicholson-Crotty (2018) highlighted, anecdotal and subjective normativism are major driving forces behind contemporary CSO governance procedures. Hence, the findings of this study can also help the governance and organizational development experts to design appropriate capacity-building training, and it helps even the stakeholders in the policy and program reform process.

Likewise, this study holds particular importance to the government across levels. The government of Nepal and local governments are responsible for regulating CSO functioning through the formulation and enactment of the legal framework. Governance of the CSO sector and its capacity is a government concern. The government also partners with CSOs and thus expects CSOs to have the capacity to function well. This study can support government line agencies to review/revise their policy and other legal frameworks to create an enabling legal environment for CSOs. Similarly, the Social Welfare Council, the apex government body regulating donor partners' actions in Nepal, can design policies and programs to facilitate CSO capacity building and governance promotion.

This study holds significance for future researchers as well. Informed by this study, further research can be made from a longitudinal perspective on how the different capacity factors affect CSOs with varied characteristics. The limitations of this study can be an area for further exploration – for qualitative, quantitative, and mixed-method research.

Delimitations of the Research

With the consideration that the study's limits inform the scope (Locke et al., 2014) and some research shortcomings (Theofanidis & Fountouki, 2018), delimitation has been proposed for this study. The delimitation is that this study includes registered non-governmental organizations only. Nepal is a land of various civil society

organizations, including the Indigenous People's Organizations (IPOs) that continued to exist even before the modern form of CSOs came into being. The CSO landscape in Nepal includes, but is not limited to, social and cultural institutions (such as Guthi, Mithila Samaj, Manka Khala, Newa Khala, Nepal Tamang Ghedung, Tharu Welfare Society), relief and development associations (such as Self-help Groups, Federation of NGOs, Maiti Nepal, Nepal Red Cross Society, Rotary Club, Lions Club), advocacy groups (such as Nepal Federation of Indigenous and Nationalities, Nepal Dalit Association, Maajhi Mahila Mahasangh), public trusts (such as Lumbini Development Trust, Madan-Ashrit Memorial Trust, Mana Mohan Memorial Foundation, Ganeshman Foundation, B. P. Koirala Foundation, Tank Prasad Acharya Memorial Trust), private philanthropic associations (such as Buddha-Gandhi Foundation, Dilli Raman Regmi Foundation, Madan Puraskar Guthi, etc.), professional organizations (Federation of Nepalese Journalist, Nepal Press Institute, Nepal Institute of Mass Communication, Nepal Teachers Association, etc.).

Civil society organizations in Nepal operate under a diffused mandate, and many work as informal organizations without registration. Some CSOs (Nepal Press Institute, Nepal Bar Association, NGO Federation of Nepal, are registered under the National Directorate Act, and some CSOs are regulated under the sectoral legal framework. However, most CSOs are regulated under an umbrella legal framework called the Association Registration Act (1977), which requires all civil society organizations in Nepal to have mandatory registration for lawful activities. Since the Act considers all registered entities as NGOs irrespective of the differences in the nature and scope of their work, all CSOs in Nepal are legally NGOs.

Moreover, all INGOs and development partners work with CSOs registered with the Social Welfare Council, for which registration under the Association Registration Act is mandatory. Since the capacity-building support to CSOs primarily comes from INGOs and international development partners, this study only focused on registered non-governmental organizations (NGOs). Hence, this study represents the perspective of only those NGOs registered under this Act and associated with the NGO Federation of Nepal (NFN), an umbrella organization of registered NGOs in Nepal. Moreover, since informal and non-registered CSOs are not accessible as well and their numbers are unknown to be considered for sampling, this study chose registered CSOs only. CSOs such as indigenous peoples' organizations, public trusts,

private philanthropic foundations, and professional associations may have different experiences about the topic of this study.

Another delimitation of the study is related to the province-specific analysis. Despite the study ensuring representation of CSOs from all seven provinces, the purpose was not intended for province-wise comparison. In addition, while the study limited the personal characteristics of respondents to gender, age group, ethnicity, and educational status, personal characteristics of CSO's chairpersons are limited to sex and education, whereas the organizational characteristics of CSOs are limited to locale, types, and years of organizational existence only. These three delimitations shape the scope of the study.

Organizations of the Thesis

This thesis includes six chapters. The first chapter presents the study's background, research questions, and rationale. In this chapter, I presented how capacity-building is used as a strategic intervention to enhance CSO effectiveness without knowing which factor of CSO capacity better contributes most to CSO governance. In addition, the lack of understanding of how an organization's personal and organizational characteristics influence CSO governance is also explained as the research problem.

The literature review is presented in the second chapter. This chapter includes relevant constructs on civil society organizations, capacity-building factors, and governance as identified while undertaking the study to comprehend the concepts, develop research problems, and give the notions a theoretical perspective. The road map for the research process is presented in the third chapter, where I have focused on the methodology applied to the study. The chapter includes information about my philosophical underpinning, approach, survey strategy, ethics, and quality standard of the study.

The fourth chapter presents the quantitative findings of the research, particularly CSO capacity-building factors, and governance in Nepali CSOs. The internal and external capacity-building factors, including the enabling environment, are discussed. In the fifth chapter, I discussed the research findings using different theories. All four capacity-building factors and two enabling environment factors are fully discussed from two theoretical lenses – Principal-Agent theory and System theory. The sixth chapter presents an overview, conclusion, and implication of the

research for policy, programs, and further research on the topic. The references used in the study and annexes are presented at the end of this thesis.

Chapter Essence

The first section of the thesis outlines the formidable hurdles confronting Civil Society Organizations (CSOs) in their pursuit of showcasing effective governance amidst constrained resources and stakeholder demands. It underscores the transition from mere regulatory adherence to prioritizing public accountability and the establishment of robust governance mechanisms critical for bolstering operational efficacy and ensuring enduring service provision, essential for fostering stakeholder trust and securing essential resources. This segment also navigates the intricate terrain of CSO governance, addressing aspects like board composition, leadership prowess, financial stewardship, and external affiliations, while exploring diverse perspectives on effective governance elements. Additionally, it confronts the challenges CSOs face in capacity-building endeavors, especially amid dwindling funding and expectations for immediate results, stressing the significance of comprehending capacity-building drivers' differential impacts on CSO governance to facilitate informed resource allocation and strategic decision-making processes.

Moreover, this section contextualizes the research by highlighting the limited empirical studies on CSO capacity-building factors and their influence on governance in Nepal. It outlines the research problem, questions, and rationale, emphasizing the need to address these gaps to support CSOs, capacity-building providers, government entities, and future researchers effectively. The section also clarifies the study's scope and limitations, particularly focusing on registered NGOs under specific legal frameworks. Overall, this section lays the groundwork for the subsequent chapters.

CHAPTER II

LITERATURE REVIEW

In this chapter, I have reviewed various research studies, reports, journal articles, and dissertations/theses around my research topic, 'Capacity building factors contributing to the governance of Nepali civil society organizations'. During my journey, I encountered many facts about governance in different forms of civil society organizations, including NGOs. I found that the core of CSO discourse is governance, particularly transparency and accountability. It is prominent, mainly when a global trend of increased regulatory backlash against CSOs exists. I limited my study to governance in non-governmental organizations (NGOs) registered with the government line agencies at their respective district under the Association Registration Act (1977), irrespective of their work nature. The sources I went through taught me more about my research topic and gave me a framework to select appropriate theoretical lenses and methodologies. Moreover, the literature gave me insights into what was already done and where the gaps are in exploring CSO governance.

I was conscious that a thematic organization might oversimplify the complex nature of CSOs, potentially missing important nuances inherent in their multifaceted roles, when I arranged the literature review section only by themes, empirical studies, or policy documents (Edwards & Hulme, 1996; Fisher, 1997). Similar to this, implementing an empirical arrangement could unintentionally favor some research vantage points while ignoring the range of theoretical contributions made by authors (Bebbington et al., 2008; De Witte, 2001). Moreover, a policy-based organization could restrict its reach to normative frameworks, so compromising the thorough comprehension necessary for a sophisticated examination of NGOs and CSOs (Anheier, 2000; Edwards & Hulme, 1996). As a result, I went with an integrative framework that enables the synthesis of various viewpoints, including theoretical frameworks, empirical data, and policy implications. This holistic view supported me in grasping the complex interplay of factors influencing NGOs and CSOs (Anheier, 2000; Fisher, 1997). Hence, I have arranged the literature review in various subtitles as follows:

NGOs in the CSO Landscape

The concept of civil society, often associated with NGOs, is thought to have originated with a Western liberal democratic ideology (Baker, 1997). While Karl Marx considers civil society a bourgeoisie arena establishing itself against the state, Antonio Gramsci has a different view. He believes civil society is the hegemony of a class claiming to represent the nation (Swift, 1999). According to Tamang (2002), for Gramsci, civil society is a handmaiden to the state because it is where the capitalist state creates its hegemonic project. Since civil society may not carry a universal meaning (Tvedt, 1998), it is incorrect to assume that supporting NGOs yields similar results in gaining government legitimacy (Mercer, 2002). For Gramsci, it is not ‘economic structure’ but rather the ‘interpretation of it’ that governs political action. However, Kaldor (2003) suggested three different versions of usages of the term ‘civil society’ – an ‘activist’ version, a ‘neoliberal’ version, and a ‘post-modern’ version. She argues that civil society has to include all three versions – the relatively passive ‘third sector’ of the neo-liberal version, the social movements of the activist version, and the neo-traditional groupings of the post-modern version.

Dominant understandings of civil society in Nepal reflect the liberal/neo-liberal approach (Tamang, 2002), as is the global case (Lewis, 2002; Seckinelgin, 2002). Thus, NGOs are taken as prominent civil society actors (McIlwaine 1998; Kim 2000). As Tamang (2002) emphasized, a reason behind Nepal's troubled conceptualization of civil society is attributed to academic analyses of Nepali civil society to donor funding. Since Nepal's civil society dates back to the Vedic era (Dahal, 2001), it is concerning to what extent its unique historical experience accords with the ideas propagated by Western liberal democratic norms (Tamang, 2002).

CSO's broad landscape includes indigenous people's organizations (IPOs) (Shneiderman, 2009). However, opinions vary on the domestic origin of CSOs. While Maskey (1998) claims that various forms of CSOs existed in Nepal in the remote past despite not adopting the self-ascriptive civil society nomenclature (Shah, 2008), Dahal (2001) attributes the emergence of CSOs in Nepal to donors.

Nepali CSOs have been instrumental in resolving the nation's many social, economic, and environmental issues and have significantly aided the government in several sectors in accomplishing national development objectives (Government of Nepal, 2019). Additionally, they have played a crucial role in promoting social inclusion and meeting the needs of underprivileged populations (Acharya, 2018;

Subba & Banskota, 2015). Nepal's "National Social Inclusion Policy 2019" strongly emphasizes CSOs' role in advancing inclusion and equality. Their initiatives support the government's commitment to social inclusion, and their combined efforts have helped Nepal achieve more significant social equity (Government of Nepal, 2019).

The terms "non-governmental organizations" (NGOs) and "civil society organizations" (CSOs) are often used interchangeably in scholarly discourse, emphasizing their shared characteristics and functions. Both entities operate independently of government control, focusing on societal issues and promoting public welfare (Salamon et al., 1999). Despite nuanced distinctions, the fundamental similarities outweigh the purported differences. NGOs, traditionally associated with service delivery and humanitarian efforts, and CSOs, broadly defined as entities within civil society operating for public benefit, are frequently used interchangeably in academic literature (Edwards & Hulme, 1996). The World Bank acknowledges their overlapping usage, recognizing both as integral components of civil society contributing to social development and influencing public policy (World Bank, 2018).

The academic discourse treats NGOs and CSOs as synonymous entities, with scholars highlighting the more semantic than substantive nature of perceived distinctions (Edwards & Hulme, 1996). The interchangeable use of these terms is reinforced by a holistic perspective acknowledging the multifaceted nature of these organizations. The consensus among scholars and practitioners supports the idea that, despite nuanced differences, NGOs and CSOs are fundamentally aligned in their commitment to societal betterment, making them interchangeable contributors to civil society and agents of positive change.

CSOs in Nepal have come under fire for encouraging dependency. They are accused of considering western donors as their constituency rather than concentrating on their clearly defined areas (Mishra, 2001). As Hudock (1999) remarked, despite the rhetoric of "partnerships," donors reinforce northern NGOs' dominance and southern NGOs' dependence on them for resources. Nepali CSOs are held accountable for fostering regional divisions and bolstering patronage structures (Brusset & Regmi, 2002). It is believed that because they are divided by party political beliefs, they can no longer act as a unit to hold the state accountable (Nazneen and Thapa, 2019).

CSOs in Nepal are often accused of not being innovative enough. According to Skar and Cederroth (1997), funders' preferences for selecting the fundable activity

of their choice provide no room for CSOs to innovate. The fact that CSOs depend on donors for their legitimacy, as Tamang (2002) emphasizes, forces them to adhere to the standards set by the donors, and the donors also evaluate their credentials. Therefore, as long as CSOs can establish that reputation among funders, they are impervious to other criticism. Due to this, they cannot plan their actions in a novel way to address the current situation.

Despite some criticism, CSOs have a significant role. Moreover, I agree with what Michael Bratton (1989) argued: NGOs are significant civil society bolsterers. As one of the strongest actors in civil society, NGOs' effectiveness helps strengthen the civil society landscape.

Governance of CSOs: A Growing Concern

The CSO sector has received growing attention because of an increasingly complex environment (Moeller & Valentinov, 2012; Salamon et al., 2017; Chen & Yu, 2018). Moreover, growing attention on how the CSO sector functions resulted from the CSOs being considered a critical instrument of public policy implementation and increased funding to the sector (Cairns et al., 2005). While fulfilling their social and economic functions (Mpanza & Mashau, 2019), CSOs make a significant public contribution) benefiting their stakeholders (Young, 2017; Mitchell & Calabrese, 2019). Since CSOs are vehicles to hold the government accountable and serve their constituencies, their governance is gaining attention. It is the result of a growing understanding that better governance (Abdalkrim, 2019; Hamm, 2020; Jaskyte, 2017; Mitchell & Berlan, 2018; Piscitelli & Geobey, 2020; Zhu et al., 2016) and the trust of stakeholders (Alhidari et al., 2018; Felix et al., 2017; Kim & Kim, 2018) drive CSO's success.

Government, scholars, and CSOs demand NGOs to prove what they claim to be distinct in representing their constituencies and democratic governance (Glasius, Howell, Ishkanian, Obadare, & Seckinelgin, 2008). Ensuring good governance in CSOs is crucial since it strengthens the relationship with governments and other stakeholders (Piscitelli & Geobey, 2020). Scholars such as Yetman & Yetman (2012) found that CSOs with more robust governance mechanisms maintain financial records well. Better governance is claimed to increase access to government resources (Harris et al., 2015).

Donors considered the growth of NGOs as civil society (Eade, 2000; Howell & Pearce, 2002) necessary for democratization and good governance. As a result,

CSOs have been demanded to prove greater upward accountability to donors (Glasius et al., 2008), and even UN agencies are initiating the discourse of regulating CSOs. Some research about CSO governance (Coule, 2015; Bruni-Bossio et al., 2016; Weis III, 2021) demonstrated that good board governance and CSO performance are positively correlated (Brown, 2005; Cumberland et al., 2015; Gazley & Nicholson-Crotty, 2018; Smith & Phillips, 2016).

A robust civil society provides people the platform to raise their concerns and address pertinent issues (Rathjeb, 2008) and, thus, promotes democratic governance (Brinkerhoff et al., 2010). As Agostino and Kolby (2011) noticed, scholars agree that citizen participation in informed-decision making is necessary for democratic governance (Callahan, 2007; Cohn-Berman, 2005). Their participation builds capacity (Cuthill & Fein, 2005) and increases trust in the institution (Keele, 2007). It applies equally to CSOs' context, where they are expected to serve the beneficiaries (target groups/stakeholders). The state of citizen engagement determines the extent to which CSOs fulfill downward accountability.

Limited attention is paid to the constant exposure to increasingly complex reporting and accountability mechanisms from donors and government stakeholders (Hadjievska, 2018). This calls for a comprehensive conceptualization of CSO governance that goes beyond board behavior and recognizes that boards are elements of a more extensive governance system that may impose legal obligations that organizations fulfill accountability requirements (Cornforth, 2011). Hence, another concern is how CSOs' efforts in building community capacity bounce back by holding them to account (in terms of transparency, accountability, the rule of law, etc.). Agostino and Kloby (2011) consider that the reciprocal readiness of civil society and the community is vital for the effective engagement of the community in governance.

Concern about CSO's Governance: Theoretical and ideological background

Multiple perceptions about CSOs have evolved. Conflicting theoretical and ideological perspectives are responsible for the debate over civil society. Civil society has a long theoretical pedigree originating in different literature (Vinod, 2006). However, Hegel first used the term 'civil society' as a sphere distinct from the state (Kaldor, 2003). For Hegel, civil society constitutes "the realm of difference, intermediate between the family and the state." In addition, Hegel, Marx, and Engels believed that the state served as a tool for the affluent classes since it was subordinate

to civil society (Kaldor, 2003). Equated, in classical liberal democratic thought, to the ‘citizenship requirement’ such as knowledge, discourse, and participation, all of which are fundamentals to the governance, the Roman law tradition gave space for civil society. However, the emphasis was on the corporate group over individual rights. However, the concept of ‘individual rights’ in contrast to ‘group rights,’ flourished in the 16th century as a result of the Protestant Reformation, until when the ‘religion-driven’ concept of civil society was dominant for a long that was inherently ‘exclusionary,’ ‘hierarchical’ and ‘fixed’ (Vinod, 2006).

Kaldor (2003) suggested that all three different versions of the term ‘civil society’ constitute the CSO landscape. For him, the activist version includes social movements, nonprofit organizations represent the neoliberal version, and the post-modern version of CSOs are neo-traditional groups. For Willets (quoted in Dicken, 1998), nonprofits are "the conscience of the world," whereas Falk (2003) sees NGOs as vehicles for "Globalization from Below."

Leshchenko (2002) argues that democratization is complete only when democratic principles, values, and attitudes have become part of the outlook of its people and are adhered to in everyday activities. He further believes that this principle is applicable in the case of civil society as well. He claimed that circular logic should also apply whereby the social factors and democratization of the society will influence civil society. Democratization aims to change the ‘rule of the game’ that requires structural and contingent elements in the process. It is presumed to be a purely rationally-minded exercise (Leshchenko, 2002). Hence it is difficult to define the objective factors of governance since it is more about the ‘how’ part and is related not only to the behavior but also to the system and processes. Referring to Keane (1998), Leshchenko (2002) claims that a genuine civil society has never been practically achieved due to individuals' demand for pure rationality and objectivity. This claim calls for a systematic inquiry into CSO governance.

Determining crucial issues to CSO governance depends on the extent to which voting rights and decision-making processes on the boards are granted to its members (Nelson, 2000). However, as Nelson (2000) argues further, internal power dynamics are also important. He adds that the core of the accountability debate is a two-way accountability relationship between the organization and its stakeholders and members, as well as the government and the organization's policy framework. Regarding decision-making processes, formal governance arrangements in diverse

organizations and institutions may not accurately reflect the power relationships among its members (Hillman & Dalziel, 2003). This gap between formal institutions and actual power relations draws attention to the need for a more complex understanding of governance and accountability frameworks (Bovens, 2007). By highlighting the complexity of relationships inside organizations and the larger context in which they operate, this idea is consistent with the fundamental tenet of a system-based approach to governance (O'Toole & Meier, 2004).

Traditional hierarchies and governance structures typically only represent a portion of the decision-making environment, which is one of the fundamental tenets of the method. Informal power structures, interpersonal ties, and cultural considerations can significantly impact how decisions are made and implemented inside an organization (Pfeffer, 1981). To authentically depict the complex nature of governance and responsibility, a circular accountability connection that considers the dynamic interplay of various participants and factors is necessary (O'Toole & Meier, 2004).

The formal governance system may frequently suggest that specific individuals or organizations have the authority to make decisions, although this is not always true. Various factors, including resistance to change, conflicting interests, or the influence of outside stakeholders, may contribute to this mismatch (Harrison & Pelletier, 2007). Thus, a circular accountability relationship recognizes that decision-making power can be distributed within an organization and may involve feedback loops and interactions between various stakeholders, both internal and external. This approach more appropriately acknowledges how intricate and intertwined accountability and governance are in modern organizations and systems. This is because formal governance arrangements do not always reflect the power of members in decision-making. This form of a circular accountability relationship supports the basic premise of the system-based approach.

Capacity Building: A Widely Used Approach

Concern over CSO capacity has grown in tandem with CSOs' expanding involvement in providing an increasing variety of public services (Herman & Renz, 2004). As a result, various stakeholders invested in the organizational capacity of CSOs (Cornforth & Mordaunt, 2011; Meehan, 2021) to make the CSOs effective. CSOs are frequently pressured to spend their valuable and scarce resources on program-related activities rather than developing their competence (Hersberger-

Langloh & Stühlinger, 2021). It implies that most capacity-building interventions come from donors and other stakeholders, which may have unrealistic demands that capacity-building results be demonstrated soon (Meehan, 2021).

Capacity building is an important educational concern. Capacity development is the process of strengthening an organization's capabilities through enhanced processes, skills, and resources (UNDP, 1997). It includes educational components that go beyond the learning of skills. Fundamentally, it is a methodical approach to education that equips people and institutions with the know-how needed to successfully navigate changing circumstances (Caffarella & Daffron, 2013). The ideas of education that place a strong emphasis on critical thinking, problem-solving, and adaptability are in line with this transformative learning.

According to Merriam and Bierema (2014), capacity building is a pedagogical activity similar to formal education in that it imparts conceptual and practical tools for effective decision-making and problem-solving. It stresses experiential and interactive learning, fostering contexts for reflective practice, group problem-solving, and knowledge sharing. It is related to theories in adult education. Similar to formal education as a pillar of development, framing capacity building as an educational issue recognizes its potential for societal development (UNESCO, 2015). According to this perspective, capacity building is an educational investment that advances long-term organizational and human growth in addition to immediate performance, which is in line with larger social objectives.

Educational pedagogy is vital for building capacities by providing frameworks and strategies that improve learning outcomes and develop skills (Darling-Hammond & Richardson, 2009). Effective teaching practices promote critical thinking, problem-solving, and creativity (Darling-Hammond & Richardson, 2009). Educators enhance students' abilities to succeed academically and professionally by using diverse teaching methods and addressing individual learning styles (Darling-Hammond & Richardson, 2009). Ongoing professional development is also crucial, ensuring educators continuously adapt and learn (Darling-Hammond & Bransford, 2005). Pedagogical leadership fosters a culture of improvement and innovation (Fullan, 2007). This approach, along with feedback and metacognitive strategies (Hattie, 2009), supports the development of competencies and lifelong learning essential for personal and professional growth (Vygotsky, 1978). In conclusion, educational

pedagogy plays a fundamental role in capacity building, shaping the necessary competencies, knowledge, and skills for success in the modern era.

Capacity building is one of the most fashionable (Light & Hubbard, 2004) topics with growing interest (Petruney et al., 2014) across sectors and the nature of organizations. Though capacity building is massively used in civil society organizations, Kapucua et al. (2011) have noticed that even academia is increasingly interested in capacity building and its expected results.

Investment in an organization's capacity building is a deliberate effort to achieve a tangible result, notably improved performance. As Cox et al. (2018) argue, organizations usually do not develop capacity without purpose. Cairns et al. (2005) argue that most scholars interested in organizational capacity are more interested in the results. They further add that capacity building intends to increase the efficient delivery of quality results and deal with external and internal environments.

CSO capacities positively correlate with their effectiveness (Cooper et al., 2017). Enhanced capacity promotes organizational success (Andersson et al., 2016). However, in the absence of empirical evidence of which factor contributes more than others, there is a chance that many CSOs underinvest in strategic capacity-building activities (Svensson et al., 2017). Capacity building areas could be very contextual to the type of their work and the existing resources- specifically contributing to the performance and the governance. It is, thus, imperative to know the CSO capacity-building drivers (Hersberger-Langloh & Stuhlinger, 2021).

In addition to this understanding of taking capacity building within the scope of the organizational sphere, Hans et al. (2010) opine that enabling CSOs to deal with their capacity constraints is necessary to contribute to democratic consolidation and its continued progress. It implies that investment in capacity building contributes to organizations delivering effective and efficient services and strengthening democracy and governance. For Woodhill (2010), capacity determines the state of governance. He believes that the notion of governance deals with how stakeholders work together to make decisions for the common good. However, the extent to which the legal environment enables CSOs in a country determines the opportunities for cooperation and collaboration between the government and CSOs (Brinkerhoff & Brinkerhoff, 2002).

Organizational capacity determines the extent to which CSOs can accomplish their planned activities. Hence, organizational capacity is a means to an end, i.e.,

organizational performance (2001). As Ghezzi and Cavallo (2020) and Halalmeh (2021) highlight, an organization must guarantee that all capabilities are present and used within the organization to increase sustained performance. However, defining or operationalizing organizational capacities is difficult (Andersson et al., 2016; Hersberger-Langloh & Stühlinger, 2021).

Concerns like who initiates the capacity building and for what purpose determine the approaches, methods, and, subsequently, the effectiveness of the initiatives. Concerning the CSOs' capacity-building, donor-funded initiatives are primarily believed to be crucial. The approach to capacity-building varies, most of which fall somewhere in the middle of two approaches – the deficit model and the empowerment model (Meehan, 2021). However, deficit or empowerment models are appropriate for CSO capacity-building (Cornforth and Mordaunt, 2011). While the empowerment model intends to enable CSOs to recognize and address their challenges independently, the deficit model helps identify the gaps and supports them in filling them.

To build the capacity of CSOs, donors have designed and implemented various combinations of initiatives. Many funders of capacity building concentrate on various organizational resources or activities, including management, leadership, human resources, and technical or financial capability (Cornforth & Mordaunt, 2011). Other focus areas have included skills related to organizational objectives, such as adaptable, absorptive, inventive, entrepreneurial, and transformative capacities (Meehan, 2021). Some capacity-building interventions include creating a conducive environment, various partnerships for program implementation, and direct funding (Howell & Pearce, 2000). Growing concerns among donors that the failure of the projects and programs is due to the poor capacity of functionaries also encouraged them to invest in capacity-building (Aijaz, 2010). However, in some cases, donor investment in CSO capacity-building results from international legally-binding agreements (Harden-Davies & Vierros, 2020). As Petruney et al. (2014) argue, this type of capacity-building is a common phenomenon labeled as capacity strengthening, capacity development, or capacity enhancement (Potter and Brough, 2004) at different times by different scholars and practitioners.

Donors' initiative, however, is not free of criticism. Hans et al. (2010) are among those who made an even stronger argument that capacity building has

followed the 'supply creating demand' approach and that civil society organizations largely implement donor-designed programs, including capacity-building initiatives.

To improve performance, capacity-building is a widely used and deliberate approach. However, it has been more supply-driven and is manifested in varied approaches and interests of capacity builders and donor partners.

Capacity-Building Suffers Conceptual Contestation

The notion of capacity-building is used in different sectors and has different connotations. However, the term conceptualized in various sectors, including CSOs, shares some common features applicable to other sectors. The connecting thread among the many definitions focuses on how an organization accomplishes its objective (Bingle, 2019; Bryan, 2019; Sun & Asencio, 2019). CSO capacity-building is the initiatives, services, and programs that improve an organization's capability to achieve its goal. Furthermore, the capacity of an organization to use its resources (including individual experts, organizations, networks, and systems) to first define the mission before meaningfully, tangibly, and intangibly realizing the mission is another way of expressing CSO organizational capacity (Williams, 2022). For Agostino and Kloby (2011), capacity building constitutes developing the capacity to effectively work with the government and the community to address the needs. This notion of capacity considers the power of human competencies and organizational capabilities combined, which act in concert to promote an organization's objectives (Cairns et al., 2005).

Similarly, EuropeAid (2005) defines capacity as the power to carry out tasks, generate results, identify and address issues, and make informed decisions. This argument leads to a belief that the concept developed in other contexts also applies to CSOs since community-based organizations (CBOs), key players of the CSO landscape, constitute a group of people working for mutual and public benefits and consequently engage various stakeholders. They believe that organizational capacity-building does not only apply to nonprofit organizations.

Many terms in the development landscape suffer from contextual conceptualization, particularly concerning the politics and positioning of the concerned organization. Despite substantial effort and investment, capacity building has remained vague (Ubels et al., 2010). Since different sectors are motivated by various incentives, capacity is viewed differently across sectors and organizations.

Culture is crucial in operationalizing organizational capacity, for it is a multidimensional concept (Cox et al., 2018).

The use of seemingly similar terms has given an impetus to a concern about whether capacity building, capacity development, or capacity strengthening means the same thing. Despite being predominant in developing strategies for a long time, Potter and Brough (2004) believe that capacity development, strengthening, or enhancement are synonymous with capacity building. Cairns et al. (2005) also believe that capacity-building is a broad term and that building organizational capacity and capability at the individual, community, or institutional levels is often not distinguished. Instead, it is defined as any activity or process that enhances the capacity to accomplish tasks. However, 'capacity-building' is considered a more sophisticated and acceptable alternative to short-term training or skills building (Eade, 2007; Kaplan, 2000). The term capacity building is found to be organizational culture-sensitive as well. Where the UN agencies call capacity development, the European Union calls capacity building. Despite this, it is found that the word capacity-building is a generic term that refers to the development, improvement, and strengthening of capacity.

Another way to define capacity is to distinguish between individual, organizational, and institutional capacity. Besides these three levels, the United Nations Development Program (UNDP, 2008) differentiates capacity by types: "functional" versus "technical." This distinction is problematic because it is subject to the organizational context of operationalizing functional and technical skills. For example, some organizations might consider monitoring and evaluation (M&E) as technical skills, but for some, it might be functional skills. On the other hand, Ubels et al. (2010) consider the overall capacity of a system to constitute competencies (individuals' specific abilities) and capabilities (organizational sub-system's abilities).

Capabilities, competence, and capacity are somewhat synonymous, but scholars have elaborated on the distinction between these seemingly similar terms. The contrasts highlighted by Cairns et al. (2005) between the organization's capacity and organizational competencies or capabilities seem straightforward to apply to CSOs. Frank claims that although capacity more broadly refers to an individual's or group's overall ability to carry out the assigned obligations, capability refers mainly to an individual's or group's knowledge, skills, attitudes, and competence to do anything.

This distinction implies that capacity, not capability or competence, is more prominent for organizations to perform better. However, as Ubels et al. (2010) argue,

it is unnecessary to make this distinction between capacity building, capacity development, and capacity strengthening. Instead, they advocate emphasizing the ‘why’ part of capacity building. They believe capacity building should not be vague since it is an inherently relational and living phenomenon that constantly deals with ‘capacity for what?’ They argue that any living system interacts with its environment in a two-way relationship and thus becomes a part of politics.

Because many areas of capacity-building lack underlying performance measurements and are iterative, measuring organizational capacity's efficacy is challenging (Wing, 2004). Since the goals change over the period, a change in the work plan is likely (Meehan, 2021). Moreover, the contribution of the CSO executive in developing or maintaining the capacity over time is also an essential factor (Meehan, 2021).

The standard for CSO capacity measurement is a critical issue. Some tools exist to measure organizational capacity but with different parameters. CSO capacities can be evaluated using qualitative, quantitative, and mixed methodologies (Krishnaveni & Aravamudhan, 2013; Krause et al., 2014). There are several distinct areas for CSO capacity along the gamut of organizational activities that are, to a certain extent, mutually dependent since these capacities facilitate each other (Andersson et al., 2016).

Scholars such as Cooper et al. (2017) operationalize nonprofit capacities using eight themes: adaptive capacity, financial management, strategic planning, board leadership, operational capacity, mission orientation, staff management, and external communication. In addition, after studying 24 different tools for organizational capacity assessment, Krause et al. (2014) highlighted that an average capacity assessment tool measures nine “domains” and 11 “subdomains.” However, governance/leadership/management was common across all tools (Meehan, 2021). Another scholar empirically found board development, programs, resources, and management as four dimensions of CSO capacity assessed with 19 items (Despard, 2017).

Building and developing organizational capacity is frequently related to the idea of an "enabling environment" (Baser & Morgan, 2008). As it relates to the external elements and conditions that help or impede an organization's ability to fulfill its goals, some contend that it should be regarded as an essential component of organizational capacity (OECD, 2006). According to this perspective, its operating

environment as a whole and its internal resources and capabilities influence an organization's capacity.

The disagreement results from various viewpoints and definitions in the sector. As it focuses primarily on external elements like governmental laws, regulations, and cultural norms, some academics and practitioners may argue that the enabling environment is separate from organizational capacity (Brinkerhoff & Morgan, 2010). They can think that an organization's internal processes, structures, and people resources are more important in determining its organizational capacity. In contrast, some scholars consider capacity within the direct organizational influence. Yu-Lee and Tomas (2002) argue that an enabling environment is a part of organizational capacity. They believe that organizational capacity involves the factors that enable an organization to carry out its duties and accomplish its objectives. Enabling factors include a legal and regulatory framework that influences the capacity of CSOs to function (Hans et al., 2010). Specifically, since the CSOs' capacity to survive without ongoing donor support depends on how domestic philanthropy is valued, the legal framework on cross-border philanthropy influences the CSO capacity. On the other hand, according to Eisinger (2002), organizational capacity constitutes the set of procedures, managerial techniques, or other characteristics that help an organization accomplish its goals.

Capacity-Building Promotes CSO Governance

As a function and a process rather than a structure, the manifestation of governance in CSOs should reflect its core values, maintain accountability, and fulfill its responsibilities to its constituencies (Freiwirth, 2007). Referring to universities, Wonah et al. (2019) claim that building the capacity of an organization promotes good governance, the absence of which results in weak programs and poor service delivery. Similarly, Light and Hubbard (2004) argue that organizational capacity contributes to achieving programmatic outcomes. Proposing four governance competencies, such as strategic thinking, mutual accountability, shared facilitative leadership, and organizational learning, Freiwirth (2007) argues that organizations need both individual and organizational competence for their governance system to be effective. These four competencies cut across an individual and organizational sphere that supports what other scholars such as Kapucu et al. (2011) and Ghezzi and Cavallo (2020) have argued: competence and capacity across individual, organizational, and institutional levels are essential for an effective organization.

Capacity building is claimed to have contributed significantly to organizational performance and growth (Abdalkrim, 2019), and governance has a positive relationship with organizational performance (Hamm, 2020; Jaskyte, 2017; Mason & Kim, 2020; Piscitelli & Geobey, 2020; Zhu et al., 2016). It is thus plausible that capacity building has a causal relationship with organizational governance. However, there is a concern about under what circumstances capacity building significantly contributes to CSO governance.

Several challenges hinder capacity building itself. Poor attention to organizational readiness (Pearson, 2011) is one of the challenges in addition to the poor delivery of the capacity-building intervention (Eade, 2007). A lack of consensus on capacity-building approaches is also one of the challenges. It is prevalent among capacity-building practitioners and between its providers and recipients (Petruney et al., 2014). Similarly, failure to identify the real need for capacity building is another hindrance. Eade (2007) and Kaplan (2000) argue that many practitioners fail to differentiate between perceived or assigned and actual needs for capacity building. They consider the term's widespread misuse as a more sophisticated and appropriate substitute for training or short-term skill development presents a problem for capacity-building (Potter & Brough, 2004). As a result, most capacity-building initiatives focus more on technical knowledge (Acquaye-Baddoo, 2010). Hence, the 'deficit model' of capacity building helps identify the organization's actual needs so that appropriate means of capacity building can be adapted.

The extent to which learning informs capacity-building also determines its effectiveness (Petruney et al., 2014). As a model of shared beliefs and assumptions impacting the working atmosphere (Nugroho, 2018), organizational culture is a vital capacity factor (Svensson et al., 2017) that determines how organizations make decisions based on learning. However, scholars doubt if CSOs apply the learning from one capacity building in the next course of similar action. UNDP (2009) realizes that mistakes are as helpful to learning as achievements are in the continually changing cycle of the [capacity building] process, which demands that successes and failures are unpacked to ascertain what can be replicated, what cannot, and the rationale.

Most programs for building capacity are assessed in three key areas – effectiveness, impact, and cost-benefits (Meehan, 2021). The learning from the evaluation is meant to inform the next course of action. InterAction (2012) also emphasized that applying gained from capacity-building events is crucial to

improving similar activities. Since the capacity assessment tools are inherently reflective and the regular review and reflection on the status of organizational capacity are embedded into them, the learning from capacity-building efforts can easily be incorporated into the next phase of capacity-building initiatives.

The relevance of the capacity-building intervention also depends on how deeply it is rooted in the local context. Since there are several capacity areas along the continuum of organizational activities, not all of these areas are to be addressed in an identical stage of an organization's life (Andersson et al., 2016). The beneficiaries of capacity-building must have space to identify their needs (which inform the approach and content of the capacity-building intervention) and to capture the learning and experiences. However, Kaplan (2000) has experienced the opposite, where instead of what the situation demands, many times capacity-building practitioners deliver what is easiest for them to deliver. Petruney et al. (2014) consider this phenomenon a result of not devoting sufficient resources and time to objectively examine the capacity needs and building competencies of those involved. In addition, they have experienced that the beneficiaries are not consulted to share their experience with the capacity-building efforts; instead, it is the outsiders' views - capacity-building providers, external evaluators, or scholars. So, the engagement of key stakeholders in the systematic capacity assessment process is a must to avoid this challenge.

Context sensitivity, particularly linking the broader context to domestic issues (internal to the organization), enables organizations to perform well after capacity-building support. Capacity building is meaningful, effective, and resource-efficient when it best links local realities to international policies and practices to create synergy (Harden-Davies & Vierros, 2020). To enhance the effectiveness, most of the capacity-building support has gone toward one or more of the following five areas: organizational development, program development, revenue development, leadership development, and community engagement (Meehan, 2021). Since CSOs are susceptible to internal and external conditions, organizational leaders must possess the necessary skills to develop internal structures and processes (Bae et al., 2020; Williams, 2022). Performance depends on how well the organization's leaders interact with the board and external stakeholders (Brown et al., 2016; Haber & Schryver, 2019).

CSOs vary in size and hence require differential approaches and methods for capacity building (Kapucua et al., 2011). Thus, understanding what organizational

capacity-building assistance is necessary for various organizations requires understanding the situation (Cox et al., 2018). Understanding the context also includes understanding the agency's capacity for capacity building. Although CSOs need to enhance their capacity, the organization that stands to gain from it cannot do so since there isn't a strong desire or ability to use the information and skills gained (Kapucua et al., 2011) from the investment made in capacity-building.

The context sensitivity of capacity building requires that CSOs navigate external factors successfully. The extent to which the government has created political and operational space (Hans et al., 2010) becomes a critical external determinant towards ensuring horizontal and vertical accountability (Brinkerhoff, 2005). Hence, the ability to successfully analyze these factors ensures capacity building and its sustainability. In addition, external environmental factors (such as funding trends and beneficiaries' needs) affect the extent to which CSOs can participate in capacity-building interventions (Kapucua et al., 2011). So, there is a need to consider various interdependent dimensions of capacity (Cox et al., 2018) while planning capacity-building interventions.

The empowerment approach considers action learning as the best means for building capacity since it is believed to support an organization in gaining mastery of itself by reflecting on its actions and the environment. Cairns et al. (2005) further acknowledge that action research can best support organizations to transcend beyond building competencies and skills in individuals as preferred in the 'deficit model' of capacity building (Harrow, 2001). Further, action research empowers them in a true sense so that they will be able to retain their organizational autonomy from the powerful funders (Cairns et al., 2005).

An organization's readiness for change is one of the preconditions for longer-term capacity building since it requires developing sophisticated processes, functions, and structures for improved organizational functioning (Cairns et al., 2005). However, the short-term and project-based nature of capacity building fails to create that readiness among the recipient organization and donors for their absence of commitment to long-term external funding (Harden-Davies & Vierros, 2020). Whether capacity-building support comes from government agencies or non-governmental organizations, the issue of maintaining the independence and distinctiveness of CSOs (Cairns et al., 2005) is as important as developing their capacity through partnership.

The effectiveness of capacity building requires organizations to define their goals explicitly (Bishop, 2007) and the baseline performance measures (McKinsey & Company, 2001; Wing, 2004), along with an appropriate framework to evaluate capacity building. The absence of these will make capacity-building a risky venture for funders, who prefer visibility of their investment (Brown, 1980), and the organization, whose governance, including the results of capacity building, is under surveillance. In addition, the disconnect between providers of capacity building and the CSOs on what to invest in further makes it difficult to get a long-term perspective and, subsequently, the commitment to funding.

Assessing Capacity Deficit for Effective Capacity-Building

Understanding the options and consciously choosing them for capacity-building is not easy. This difficulty has political and practical dimensions (Cairns et al., 2005). CSOs are supposed to achieve radical social and economic changes for society, specifically for marginalized segments. Since achieving those changes is thought to be possible through capacity building, a poor understanding of the purpose of capacity building manifests that ideological and practical dilemma.

The Deficit model is a common capacity-building approach (Cairns et al., 2005). This approach considers that capacity building fills the gaps in existing organizational capacity irrespective of how different organizations have understood the organizational capacity. Some well-known tools for organizational capacity assessment aim to facilitate identifying the capacity deficit. However, the number of capacity domains varies among tools.

Although there are qualitative, quantitative, and mixed methods instruments for assessing organizational capability, no single assessment method is considered standard (Krishnaveni & Aravamudhan, 2013). According to Krause et al. (2014), the average instrument used to assess organizational capability online measures nine "domains" and eleven "subdomains," with governance/leadership/management serving as a common domain (Meehan, 2021). On the other hand, Williams (2022) found literature frequently highlighting human resources, leadership, financial management, internal structures and procedures, external and board interactions, and organizational culture as the six capacity dimensions of CSOs. Some scholars, such as Cooper et al. (2017), operationalized CSO capacities based on eight concepts: board leadership, mission orientation, strategic planning, financial management, adaptive capacity, external communication, operational capacity, and staff management. For

nonprofit organizations, Despard (2017) empirically offers four areas of capacity building: resources, programs, board development, and management, measured by 19 items. On the other hand, McKinsey's Organizational Capacity Assessment Tool (OCAT) includes ten capacity areas (McKinsey & Company, 2013). In addition, the capacity assessment methodology user's guide of UNDP (2008) contains 13 capacity domains (including eight core functional domains and five cross-cutting functional domains). One commonality exists between these tools, i.e., the proportional weightage of each capacity dimension is missing. Every dimension is essential for building CSO capacities. However, except leadership, all capacity dimensions are to be addressed in different stages of organizational life (Andersson et al., 2016).

Since capacity building is not invested just for doing it, its benefit is a crucial concern for all stakeholders. For some, capacity itself might be synonymous with organizational effectiveness. However, Kapucua et al. (2011) argue that capacity correlates with efficacy but should not be considered interchangeable. Kaplan (2000) and Mayberry et al. (2009) are cautious that there is enough evidence of its proven impact on the development progress. The capacity-building efforts make a significant positive impact (McKinsey & Company, 2001; Cairns et al., 2005; Kapucua et al., 2011) not just on organizational operation but also to sustain improvements (Eisinger, 2002; Millesen & Bies, 2005).

The focus of the capacity development intervention determines how much the expected effectiveness is achieved and whether the results will be sustainable. Though technical knowledge (expertise in knowing and doing) is essential, they are not enough to bring effectiveness (Acquaye-Baddoo, 2010). Acquaye-Baddoo (2010) further highlights those two things - knowledge of capacity-building practitioners, on which the intervention relies, and the relationship between the core capabilities areas that together make up the capacity determine the effectiveness of the capacity-building intervention.

Interplay Between Internal and External Environment is Important

Once the capacity is subject to the constant interplay with the external environment, the static framework may not best support capacity-building work. Kaplan (2000) argues that a paradigm shift is necessary to understand and develop an organization's capacity. The shift from a static framework to developmental reading indicates that the most remarkable outcomes from the capacity-building intervention require recognizing, appreciating, and considering its natural openness toward the

environment and dealing with complexity in human change processes. According to Fowler and Ubels (2010), it is essential to consider how much an organization's culture—which exists and operates unconsciously—exudes in its actions. However, they also firmly believe that the elements (vision, culture, structure, and skills) are necessary, but the mere presence of these elements is insufficient for making any organizational capacity. Thus, the capacity framework needs to observe both visible and invisible elements (that are observable only through the effects they have).

What framework better explains the organizational capacity also depends on the organization's key internal and external elements. When developing the framework, it is crucial to consider every complexity caused by the interactions between people and organizations. According to Kaplan (2000), individuals who make up an organization are complicated beings who deal equally with relationships. Fowler and Ubels (2010) think capacity building must equally consider this complexity with people, small groups, and the broader system. The locus of the capacity-building framework has to consider different levels of human organizing. The levels of such organizing vary in many ways. It could be dealing with individual capabilities, organizations, and the sector as a whole. It could further be distinguished across sectors and levels of governance, such as communities (micro), districts and provinces (meso), and the nation-state (macro). While highlighting the case from Bhutan, Visser (2010) suggests that capacity-building efforts be effectively linked across levels. He stated that it might be accomplished by adopting a broad perspective on how people could be helped to deal with larger organizational, network, or institutional elements and working with both formal institutions (regulatory frameworks) and informal institutions (cultural values). A framework proposed by Cuthill and Fein (2005) also emphasized capacity-building as a collaborative local action requiring local government engagement. Since the capacity dimensions do not exist in isolation and organizations have a clear purpose for capacity building (Cox et al., 2018), the capacity-building framework should be customized to the specific situation (Petruney et al., 2014), considering three levels of human organizing.

Whether it is explicit or implicit, the capacity dimensions also include governance. While conceptualizing organizational capacity, Cox et al. (2018) propose four key elements: governance, culture, leadership, and infrastructure. They have explicitly mentioned governance as one of the capacity dimensions. On the other hand, the European Commission considers that the six-box model best captures the

capacity dimensions: structure, leadership, strategy, rewards, internal relationships, and coordinating and control instruments. Though this definition doesn't explicitly mention governance as one of the capacity dimensions, the way the European Commission conceptualizes capacity as a key to translate inputs to outputs considers the governance of an organization a vital element to convert the resources to its deliverables, one of the critical elements of the governance. However, the extent to which these elements carry relative importance is subject to the organization's maturity, mission, priorities, portfolio, and stakeholder community (Cox et al., 2018).

In addition, geopolitical dynamics exert a significant influence on civil society organizations (CSOs) and civic space, shaping their operational environment and impact. Scholars such as Hachhethu (Year) have explored the intricate relationship between geopolitics and civil society governance in South Asia, including Nepal. Hachhethu's work emphasizes the role of global powers and international organizations in shaping civil society landscapes, funding patterns, and policy agendas. This intersection of global geopolitical interests with local civil society dynamics underscores the complexity of challenges and opportunities faced by CSOs in navigating changing geopolitical realities.

Moreover, Deepak Thapa (Year) has contributed insights into the influence of geopolitical shifts on civil society engagement and advocacy efforts in Nepal. Thapa's research discusses how changes in regional power dynamics and external influences impact the civic space, regulatory environment, and collaboration patterns among CSOs. These scholarly perspectives collectively highlight the multidimensional impact of geopolitics on civil society organizations, urging for nuanced analyses and strategic responses to safeguard civic space and promote effective CSO governance in Nepal.

Factors of CSO Governance and Capacity-Building

A governance system encompasses elements of organizational structure aiming to ensure accountability (Stone & Ostrower, 2007) and safeguard stakeholder interests (Speckbacher, 2008). So, each CSO has a governance system (Maier & Meyer, 2015). Such a system includes elements of both 'internal governance' (i.e., operation of the organizational board in the control of the organization) and external governance (i.e., processes and institutional mechanisms for societal-level regulation) (Donnelly- Cox, 2015). However, Aguilera and Desender (2012) prefer describing internal and external governance dimensions as a 'civil society governance chain.' The

chain connects societal governance to internal governance in CSOs and then relates to internal governance procedures and processes of CSOs, as these organizations are subjected to the "outside impulses" that result from chain reactions (Reuter & Wijkström, 2015). This proposition supports the claim that CSO governance is subject to the enabling regulatory environment. For example, changes in the state regulatory framework and its relationship with civil society are essential factors for CSOs to have knock-on effects on organizational governance (Donnelly-Cox, 2015), motivating them to adopt hybrid modalities in governance in response to uncertain funding and political environment (Smith, 2010).

Dimensions of CSO governance vary. Subedi (2021) highlighted the six CSO governance metrics in his study: BoardSize, BoardIndep, BoardReview, BoardAuditCom, AuditIndep, and WrittenPolicy. Of these measures, the first four are concerned with the traits of the board of directors. The role of social capital in enhancing CSO governance is also considered complementary. The magnitude of the networks in social capital corresponds to reputational capital (Javakhadze et al., 2016; Bhandari et al., 2018). Subedi (2021) found that high levels of social capital in a community make it harder for CSO managers to avoid adopting good governance practices. This is because CSO managers are subject to social disciplinary pressures, have strong social ties, and have a good reputation in their field.

In a move referred to as managerialism, CSOs progressively implement business strategies and techniques (Maier et al., 2016). From the governance perspective, the post-1980s thrust has adopted corporate managerialism forms (Alexander and Weiner, 1998), where the managing director carries out the strategic objective that the governing board sets. As Maier and Meyer (2015) argue, this adoption is done at the expense of democratic forms of governance. However, though the resource providers, including government and institutional donors, demanded accountability for their funding, Eynaud et al. (2015) argue that corporate governance has never been a perfect match for CSOs.

Theoretical work on governance in for-profit sectors is the root of corporate governance (Jegers, 2019), which aims to ensure their investment benefits funders (Molk & Sokol, 2020). From this perspective, all institutions can benefit from corporate governance (Alejandro, 2021; O'Boyle et al., 2019). Since the governance-related problems and challenges in CSOs are more or less similar to those in the for-profit sectors (Mason & Kim, 2020), corporate governance principles are relevant in

the CSOs context (Bruneel et al., 2020). However, CSO governance's aim, rationale, and structure are unique. The distinctiveness of CSO governance is focused on securing the organization's long-term viability and accomplishing its social aims (Prakash, 2019). Besides positive consequences, adopting business strategies and tools in CSOs could have adverse effects (Maier et al., 2016; Shirinashihama, 2018). Managerialism's impacts, however, rely on how an organization responds to opposing institutional norms, particularly its CSO status and specific for-profit tools or practices (Kravchenko & Moskvina, 2018).

Spanning sectoral boundaries (Billis, 2010) has been going on for a long time, perhaps accelerating now with the expansion of social enterprises (Dees & Anderson, 2003). The spanning of boundaries is fading sharp demarcation and blurring of boundaries, thus compelling CSOs to blend organizational modes (Donnelly-Cox, 2015). With the growing complexity in organizational forms, i.e., the hybridization of traditional forms, the interaction between government and civil society pushes the governance alteration at both levels. At the very least, CSO governing boards' "boundary-spanning" responsibilities become more crucial with time, changing the nature of CSOs' internal governance (Eynaud et al., 2015). From this approach, all NGOs can be considered hybrids (Beaton et al., 2020).

The hybridization, also known as isomorphism, includes coercive, mimetic, and normative forms as three driving forces behind its institutionalization. Though the simultaneous existence of these three mechanisms is possible, the conditions informing the institutionalization vary (DiMaggio & Powell, 1983). While political and regulatory pressures lead to coercive isomorphism, organizations responding to uncertainty adopt mimetic isomorphism. Moreover, normative isomorphism results from pressures from professions (Stühlinger et al., 2020). The merger of different sectors, identities, or logics could lead to hybridity (Battilana & Lee, 2014; Beaton et al., 2020).

The governance of nonprofit organizations can be described as a kaleidoscopic picture drawn from different disciplinary, theoretical, and empirical points of view (Chatelain-Ponroy et al., 2015). Other modes of governance are based on diverging normative assumptions. Managerialism gained popularity among five distinct understandings of organizational governance (managerial, domestic, professionalist, civic, and grassroots governance). As a result, the CSO governance system has no longer drawn its legitimacy from democratic participation. Still, the extent to which it

produces results where democracy is considered valuable provided it contributes to delivering results (Maier & Meyer, 2015). Maier & Meyer (2015) further highlight that the managerialist assumption of governance, informed by neoliberal political reforms and a shift of stakeholder expectations towards business-like forms, caused CSOs to formalize, streamline and professionalize. However, they argue that reliance on more than one rationality increases CSOs' adaptability to dynamic environments.

For CSOs to have better governance, the board of director's function is vital. The CSO's board of directors is accountable for setting the organization's strategic direction and providing fiduciary oversight without intervening in the organization's operations (Carver, 2006; Chait et al., 2011). CSOs are anticipated to benefit from the board of directors' independence (Blevins et al., 2020) and improve performance (Alejandro, 2021; Cornforth et al., 2017). However, examples from smaller CSOs demonstrate that their boards of directors are more involved in operations (Mel Gill, 2005; Piscitelli & Geobey, 2020). As a result, board members in CSOs struggle with blurred identities, roles, and functions (Jaskyte & Holland, 2015; Mason & Kim, 2020).

The available literature primarily discusses a few factors affecting CSO governance and capacity building as follows:

External Environment

CSO governance is external environment sensitive (Mason & Kim, 2020). Since CSOs depend on external environments for survival, they are constrained by external forces (De Corte & Verschuere, 2014). CSOs' operating environment is increasingly challenging (Lu et al., 2020; Almeida et al., 2021), given that most rely on outside financing sources (Peric et al., 2020). Organizations co-exist with external stakeholders in a given ecological context (Hillman & Dalziel, 2003; Hillman et al., 2009), often beyond the organization's control. However, an organization's ability to interact with external stakeholders and boards to improve performance determines how it responds to external pressures, including regulatory agencies, competition, networks, and resources (Brown et al., 2016; Haber & Schryver, 2019).

CSOs are subject to several regulatory restrictions from the state. In exchange, CSOs receive indirect advantages and organizational legitimacy (Hadjievska, 2018). Regulation affects CSO governance in two ways: Firstly, it influences the legal arrangements within the CSOs (constitutive function of law), and secondly, it imposes constraints to maintain indirect state benefits (regulatory function of law)

(Hadjievska, 2018). The tax benefits that CSOs are entitled to act as implicit controls and monitoring of the sector, partly because it is widely believed that the sector is inherently honest (Goodman & McDonald, 2020). So, understanding the legal framework for CSO functionality is important to know the underlying dynamic between players in civil society and the state (Adam et al., 2015).

In contrast to the three types of accountabilities proposed by Ebrahim (2010) such as upward (to the donors and government regulators), downward (to its constituency of beneficiaries), and inward (to the organization itself), Ostrower and Stone (2015) redefined the multiple accountability environments. The concept of numerous accountability environments replaces downward accountability with outward accountability. Ostrower and Stone (2015) believe that outward accountability better reflects the environment Ebrahim's notion of multiple accountabilities truly holds. Outward accountability is best addressed when legal, policy, resource, and normative environments are well addressed. Similarly, Benjamin (2008) added that growing accountability demands encompass more than vertical chains of principal-agent relationships and horizontal or non-hierarchical accountability demands (Gugerty & Prakash, 2010). With this backdrop, Ostrower and Stone (2010) have a two-fold proposition that the concept of the external environment is expanded further to incorporate legal and regulatory, policy, community, and normative environments in addition to the conventional scope focused on the funding environment. The external environment is integrated as an element of CSO governance research.

The legal framework in Nepal is responsible for homogeneity among CSOs (Ramanath, 2009; Stühlinger et al., 2020). When it comes to their governance systems, organizations that operate in the same institutional setting are homogeneous (Anheier, 2000). Irrespective of their work nature, the umbrella Act, known as the Association Registration Act -1977, counts all CSOs working in Nepal as NGOs. This is a form of coercive isomorphism experienced by CSOs in Nepal. Regulations and the pressure exerted on CSOs can have confusing consequences on organizations, as coercive isomorphism highlights (Prakash & Gugerty, 2010). CSO leaders' capacity to understand the rapid change in the external environment is vital for organizational success (Azuaje, 2021).

Staff Engagement

Work environment and management styles influence staff engagement (Gangwani & Sharma, 2017), exhibiting the degree to which employees are attached to and committed to the organization (Buny, 2016). Engagement is a psychological and behavioral outcome (Gangwani & Sharma, 2017), and it affects decision-making, performance, and the compensation system in a substantial way (Asad et al., 2011). The combination of various predictors raises staff engagement levels because staff engagement depends on several factors that are influenced by the type of organization, the prevalent work culture, support from employers and peers, learning and development opportunities, rewards and recognition system, and other factors (Gangwani & Sharma, 2017).

Management decisions are crucial to the organization's success. Hence, understanding the decision-making process and related issues is highly imperative. Managers' decisions depend on the manager's knowledge, experience, and the possibility of understanding the process and objective factors (Khakheli & Morchiladze, 2015). Bruce and Scott (1995) consider the decision-maker style as the ingrained, regular behavior pattern a person displays in a critical situation. Through power-sharing, empowerment, and reciprocal influence (Vroom & Yetton, 1973), participating leaders encourage and enable the participation of subordinates in decision-making (Koopman & Wierdsma, 1998). Since decision-making involves critical thinking skills in optimizing a decision, it allows for opportunities to address immediate concerns and problems (Balloun et al., 2005) that require encouragement and stimulation to use creative thinking skills and capabilities.

The uniqueness of CSO governance lies in the state of motivation. CSO management is less financially driven and more qualitative (Park et al., 2018; Moura et al., 2019). As a result, CSOs have more complicated human resource management and accountability systems than for-profit businesses (France & Tang, 2018; Reinhardt & Enke, 2020). Despite the low pay, CSO staff exhibit more dedication to the organization and job happiness (Blevins et al., 2020) the outcome of managers being personally motivated (Bruneel et al., 2020) by their affiliation with the organization and its objective (Mason & Kim, 2020). Hence, this characteristic impacts NGO governance variables (Mitchell & Schmitz, 2018). Internal democracy, which depends on its membership, is a component of staff engagement and is more or less significant for particular groups (Halpin, 2006). To mobilize CSOs' task force

and maximize their performance, as Laub (2018) argues, efforts that concentrate on fostering trust (transformative behaviors), controlling governance (ethical practices), and fostering partnership opportunities (establishing a culture of collaboration) are required.

Learning Organization

Organizational learning enables CSOs to resolve immediate issues (Andersson, 2019), strengthen internal governance, and enhance overall performance (Mason & Kim, 2020). Similarly, learning improves the innovation, knowledge management, and responsiveness of CSO leaders during times of transition (Wang & Zeng, 2017). Organizational learning manifests a CSO's capacity to take in, embed, and direct behaviors in an interactive process to change actions (Umar & Hassan, 2019). In doing so, organizations learn from opportunities and experiences, both internal and external (Nugroho, 2018), to further improve their capacity (Williams, 2022).

An organization can promote accountability by adapting learning when regular critical reflection and analysis opportunities are created (Edmondson et al., 2008). Adaptive learning focuses more on internal reflection than external (Ebrahim, 2016). As Levitt and March (1988) put it, learning aims to improve actions by enhancing knowledge and comprehension. Having a learning orientation in an organization demands that people not only engage in both adaptive (incremental) and generative (paradigm shift) learning but also remain open to many viewpoints and are dedicated to learning (Senge, 1990).

When correctly practiced, collaborative learning becomes the norm (Balloun et al., 2005). The fundamental managerial challenge is putting procedures in place that encourage rigorous critical reflection while remaining mission-focused (Ebrahim, 2016; Doz, 2020). In addition to flexibility and internal communication (Balloun et al., 2005), management must work on three critical elements to develop a learning organization. The first is a supportive learning atmosphere where staff members have time for reflection and feel emotionally comfortable discussing errors or voicing disagreements. The second consists of concrete learning procedures and methods that permit experimentation, analysis, capacity development, and information-sharing forums. Finally, CSOs require benevolent leadership that fosters education by promoting discussion and debate and offering resources for reflection (Edmondson et al., 2008).

Sound Monitoring and Evaluation System

As a backbone of a learning organization, monitoring and evaluation systems help organizations deliver the best to their constituencies. Effectiveness, quality, and efficiency are regularly captured and reported to gauge organizational success (Cestari et al., 2019; Alejandro, 2021). By nature, CSOs are not pressured by their stakeholders (Moura et al., 2020) to create value since their stakeholders are more concerned about success (McDonald & Masselli, 2019). Measuring and demonstrating success helps CSOs increase their funding base (Ma & Konrath, 2018), strengthen organizational cohesion, and create a positive public perception (Lannon, 2019; Alejandro, 2021).

The difficulties with performance measurement in CSOs are primarily technical or political (Treinta et al., 2020). Political obstacles include building methods for analyzing changes while considering the interests of many stakeholders (Alejandro, 2021). In contrast, technical issues involve assessing goals, objectives, and results defined in a complicated manner (McDonald & Masselli, 2019). One reason for CSOs lacking effective progress-tracking systems is a perception that such systems require administrative effort, which funders disfavor since they want program results (Lu et al., 2019; Sarikaya & Buhl, 2020).

Having been developed, functional monitoring and evaluation (M&E) help improve CSO performance (Munik et al., 2021). Goal attainment, system resources, and a range of stakeholders are some ways that CSO success can be assessed (Bryan, 2019; Strang, 2018). Though goal accomplishment is a common aspect of measuring CSO success, it is not free of challenges. When goals are vague, inconsistent, or unclear, measuring goal achievement is complex and distorted (Bryan, 2019; Williams, 2022).

Ethical Financial Management

CSOs must always behave ethically because they are charitable and focus on social development and enhancement (Rodriguez-Dominguez et al., 2009). Ethical behavior is believed to be embodied in CSO's core operational life (Pokhrel, 2017). This expectation is not only for social recognition and sustainability but also for its ultimate success (Verschoor, 2006). CSOs with more robust governance have higher financial reporting quality that helps various stakeholders, including donors and regulators, make their decisions (Yetman & Yetman, 2012).

Four of the CSO governance dimensions identified by Subedi (2021) are directly related to ethical financial management. These dimensions include BoardReview (the extent to which the board reviews its audited report before submitting it), BoardAuditCom (if the NPO has an audit committee), AuditIndep (if an independent auditor audits NPO's financial statements), and WrittenPolicy (policies for protecting whistleblowers, handling conflicts of interest, and keeping records).

The lack of internal controls makes CSOs vulnerable to unethical activity, and putting controls in place makes it easier to spot and stop fraud (Fish et al., 2021). CSO managers make wrong decisions when they rely on financial transactions based on incorrect information (Mitchell & Calabrese, 2019). So, a good governance practice is having an independent accountant create, review, or audit the annual financial statements (Blackwood et al., 2014; Cornforth, 2012; Desai & Yetman, 2015). Similarly, Molk and Sokol (2020) argue that CSO governance faces several difficulties, including lax governance oversight and erosion of CSOs' legal status. As Pilon and Brouard (2022) put it, unethical financial practices are caused by a lack of accountability.

The characteristics of organizations, such as size and age, also influence whether an organization follows a sound governance system. However, scholarly opinions also vary on this issue. While some scholars, such as Blackwood et al. (2014), consider larger and more established CSOs more likely to implement good governance practices, Subedi (2021) thinks CSOs receiving government funds are more likely to do so. On the other hand, Goodman and McDonald (2020) consider that the likelihood of dishonesty increases with nonprofit organization age and size. Furthermore, account manipulation and the financial health of an organization are related (Dechow et al., 2011). External oversight decreases the probability of financial manipulation (Goodman & McDonald, 2020).

Organizations run the risk of losing contributors once they perceive unethical financial management (Boydell et al., 2018), as well as suffering from reduced perceived quality, reputation, and donation behavior (Becker, 2018; Kennedy, 2018), endangering mission fulfillment (Chapman et al., 2021). When an agent's financial decisions impact the principal, it creates a principal-agent dilemma (Hargrave, 2022).

Since CSO top management is invested in the mission of their organizations and frequently serves as the board's interface (Hargrave, 2022), they need to maintain

integrity and transparency (Baird et al., 2022). To avoid the principal-agent problem in an organization, competent human resources are to be availed (Alias et al., n.d.). Adherence to the financial code of ethics prevents financial manipulation and misconduct (Ahluwalia et al., 2018). Senior management should implement internal controls to ensure accurate financial preparation and reporting following the organization's accounting structure (Herawaty & Hernando, 2021). Additionally, setting and enforcing good ethical standards requires leadership support (Teichmann, 2019). The degree of organizational ethics is determined by a leader's comprehension of ethical principles (Pokhrel, 2017).

Hiring qualified, experienced staff is essential for CSOs to improve governance (Hamm, 2020). Continuous pressure from donors for efficiency may harm CSOs' capacity. Donors want CSOs to devote more funds to programs and less to administrative costs (Lu et al., 2021). It forces CSOs to reduce investment in fundraising, pay lower wages, and reduce expenditures associated with administrative and infrastructure labor (Aydin et al., 2019). Though it may sound good, this affects CSOs (Cabral et al., 2019) since they limit training programs to staff to reduce costs and may fail to develop competent senior staff members and hire less-paid staff.

Transparency in Organization

Transparency is one of the critical factors of organizational governance. Integrity and transparency are required by the CSO sector's nature, subject, and goal (Azuaje, 2021). For organizations to have strong governance, ethical leadership is essential, which manifests in integrity, fairness, transparency, and accountability (Fatoki, 2020). However, the governance gap between theory and practice is mainly caused by a lack of transparency (Weis III, 2021). Transparency advances accountability (Cornforth et al., 2017) and strengthens governance. Furthermore, it represents how much information an organization shares about essential parts of its internal operations (Alejandro, 2021). Transparent organizations gain more future contributions and add value to financial growth (Harris & Neely, 2021).

Transparency helps build organizational trust (Labella et al., 2020). In CSO governance, the perception of trust and the expectation of honesty are crucial (Hager & Hedberg, 2016; O'Neill, 2009). This expectation stems from the CSO's reliance on others for their financial support, reliance upon experts to guide the organization, and forced accountability (Goodman & McDonald, 2020). Although CSOs may be deterred from complete openness by the administrative expenses of producing the

requisite financial and performance reports (Licerán-Gutiérrez et al., 2020), they must balance winning stakeholders' trust with the financial implications of more transparency (Alejandro, 2021).

CSOs face issues with accountability due to stakeholders' differing levels of interests and aims (Slettli et al., 2018). However, organizations can increase their openness by emphasizing ethics and accountability (Ito & Slatten, 2020). Similarly, an organization's culture of commitment develops due to increased accountability brought about by a culture of integrity (Williams, 2022).

Fund Raising

Financial dependence significantly impacts CSO behavior, and organizations may change their missions and policies in response to favorable circumstances (Eger et al., 2015). Amidst the current global financial situation, CSOs are pushed further to ensure that they have enough resources to achieve high performance, sustainability, and progress (Chlebikova & Gresakova, 2020). Donors are even pushing CSOs for increased focus on impact reporting (Arvidson & Lyon, 2014; Polonsky & Grau, 2011; von Schnurbein, 2016), making it a prerequisite for funding (Hersberger-Langloh & Stühlinger, 2021). Thus, boards of directors in CSOs have an essential role in ensuring that organizations focus on the intended objective while generating funds (Blevins et al., 2020).

Having fewer funding sources challenges the stability of NGOs (Chang et al., 2018). Hence, developing multiple revenue sources could be a safety net for NGOs (Amin & Harris, 2022). While dependence on limited funders makes NGOs vulnerable (Antonelli et al., 2019), with multiple revenue sources, they gain more flexibility, self-reliance (Hung & Hager, 2018), and autonomy (Ecer et al., 2016). On the other hand, increased administration costs (Woronkiewicz & Nicholson-Crotty, 2017) and a need to create new departments and hire more expertise resulted in NGOs considering what to pay (Antonelli et al., 2019). An organization's capacity is vital since it enables CSOs to secure needed funding and gain public and donor trust (Gupta et al., 2021).

Leadership Skills

Depending on how CSO leaders use administrative systems and procedures in their operations (Tran, 2020), their traits can directly impact the firm's effectiveness (Bryan, 2019). The degree to which an organization thrives depends on its leaders' task- and relationship-oriented actions or orientations (Henkel et al., 2019).

Megheirkouni (2017) added to the argument that transactional and transformational leaders encourage their teams to succeed (Williams, 2022). Moreover, their principles, ethics, and leadership style influence their performance and those they lead (Weber et al., 2018). Clary (2022) argues that convening leadership, which is demonstrated in the capacity to unite, motivate, and guide stakeholders toward the common good in resolving challenging social and global issues, is essential to the success of organizations.

A leader's effectiveness strategically affects creativity and well-organized management (Azuaje, 2021; More et al., 2017). Their performance affects the organization's expansion, sustainability, and community impact. Two scholars, Azuaje (2021) and Weis III (2021) argue that it is the attitudinal barriers more than professional deficiencies that prevent CSO leaders from their best performance.

Who should be counted as a CSO leader is not uniformly understood. For some scholars, CSO leaders constitute the executive director (ED), chief executive officer (CEO), or another member of the leadership team (Kearns et al., 2015; Ng & Osula, 2014). To achieve the organization's objective, these leaders strategically lead and supervise most management duties (Clary, 2022). However, some scholars consider the board chair and executive director to perform leadership roles (Bernstein et al., 2016). Given the Association Registration Act -1977, an umbrella Act to regulate CSOs in Nepal, the executive committee (board of directors) exhibits leadership in CSO, and the chairperson is the individual leader.

The CSO sector is vulnerable and prone to the negative impact of unexpected external challenges (Maher et al., 2007). This calls for the ability of a leader to persuade and inspire constituents to form partnerships and assume responsibility (Azuaje, 2021). CSOs thus need professional leaders and managers with high levels of integrity. Hence, the CSO leader has a critical role in developing the capacity of staff members and the board. Leaders jeopardize their organization's relevance by failing to create and implement capacity-building strategies (Williams, 2022).

Leader's Education

Leaders must understand the organizational system thoroughly yet refrain from day-to-day activities to reflect and gain knowledge (Arbussa et al., 2017; Brooks & Ivory, 2018). The board of directors' failure to minimize the 'board capture' – a phenomenon where a board is just carrying out the executive's orders without much consideration or supervision – puts CSOs at risk (Mason & Kim, 2020). Similarly,

leaders need to be aware of financial management to avoid the dissolution of CSOs (Lu et al., 2020; Lu et al., 2021; Ortiz, 2022).

Given the chance of long-serving executive directors exploiting information asymmetries in their organizations (Tillotson & Tropman, 2014), the board of directors' ability to process all provided information is essential. Whether the board is unable or over-trusting the executive team is not empirically tested (Mason & Kim, 2020), it is agreed that learning allows leaders to improve organizational innovation, knowledge management, and change management (Wang & Zeng, 2017). Though the extant literature brings the knowledge and learning of CSO leaders to discourse, there is a gap in explicit discussion on how CSO leaders' education credentials influence CSO governance and effectiveness.

CSO Governance from the Perspectives of Principal-Agent Theory

The appropriateness of the Principal-Agent theory in describing the governance phenomenon in the CSO context is the premise of the theoretical perspective of this study. Governance deals with setting up structures to run an organization (Reuter & Wijkström, 2015). Whether the governance structure and approaches set up in profit sectors with the conventional, board-centered model (Ostrower & Stone, 2010) fit in a CSO context that is voluntary and more diverse is a prominent concern. The board is tasked with ensuring managerial compliance and monitoring and controlling management to ensure it acts in the organization's best interests, following the principal-agent theory (Kreutzer & Jacobs, 2011). There is some doubt, nonetheless, as to whether the board of a civil society organization can be regarded as a "principal" in the traditional meaning of agency theory (Chatelain-Ponroy, Eunaud, & Sponem, 2015). Understanding CSO governance remains incomplete if the study is focused exclusively on the board, undermining the potential influence of various actors, including the staff and external stakeholders, on its functioning (Ostrower & Stone, 2007). The Principal-Agent theory has a broader influence on CSO governance.

The theoretical work on governance in for-profit organizations, which aims to ensure that the funders see a return on their investment (Molk & Sokol, 2020), is where the origins of corporate governance may be found (Jegers, 2019). From this angle, all institutions can benefit from corporate governance (O'Boyle et al., 2019; Alejandro, 2021). Despite this, purpose, rationale, and structure in CSO governance

are unique in that the long-term viability and accomplishment of the organization's social goals are priorities for CSO governance (Prakash, 2019). Although the body of literature on CSO governance is smaller than that in the context of for-profits (Alejandro, 2021), the governance principles remain relevant irrespective of sectors. Since the governance-related problems and challenges in NGOs are primarily similar to those in for-profits (Mason & Kim, 2020), the fundamentals of corporate governance still apply to NGOs (Bruneel et al., 2020).

Though the Principal-Agent theory inherently focuses more on the “internal” governance of CSOs (Reuter & Wijkström, 2015), internal and external governance must be closely intertwined. The CSO's position and actions within the external governance environment are influenced by internal governance and vice versa (Eynaud et al., 2011). The contractual arrangement between the principal and agent is the source of this theoretical viewpoint. While enabling the agent to run the organization (Hargrave, 2022), the agent may indulge in opportunistic behavior since they are more informed than the principal (Albertini & Rouault, 2022) and have ultimate control over resources (Ibrahim, 2016).

Agency problems cut across all organizations. Since everybody involved in an organization does not necessarily share similar interests, all organizations face agency problems (Subedi, 2021). Although the CSO sector can benefit from agency theory, there may not be the same connection as in the public sector (Hamm, 2020). Because CSOs continue to have the same fundamental roles and organizational structures as other organizations (Alejandro, 2021). Some elements and ideas associated with the success of the for-profit sector, such as corporate governance, could be applied to CSOs (De Rynck et al., 2019; Mitchell & Berlan, 2018). Although CSOs' goals differ from those of for-profit organizations, the principal-agent dilemma still exists in governance. This does not deter staff members or leaders from mismanaging the organization's business or finances (Alejandro, 2021). All CSOs have financial functions, and thus they, in some ways, look like for-profit organizations. As a result, CSOs may occasionally be handled similarly to for-profit organizations (Mitchell & Berlan, 2018). Weaker oversight may also contribute to possibly more severe agency problems in the CSO sector (Newton, 2015).

Agency theory examines legal arrangements in which a principal hires an agent to work on their behalf, and the agent makes choices on the principal's behalf (Hamm, 2020). Based on Agency theory (Fama, 1980; Fama & Jensen, 1983), it can be

argued that CSO stakeholders (such as donors, regulators, and the media) are the principals who want CSOs to maximize expenditure on programs and adhere to ethical financial procedures. In contrast, CSO managers are agents whose interest is to optimize their salary, career prospects, and job security (Subedi, 2021). The agency's key concern is whether the executive manager's interests remain compatible with those of principals. It depends on how an organization governs itself (Weis III, 2021).

Instead of dichotomizing power and control aspects, some scholars argue that the governance mode must mainly be based on partnership and a deliberative process that balances power and involvement (Chatelain-Ponroy et al., 2015). This democratic perspective of governance enhances transparency, improves governance accountability (Ferretti & Steffek, 2009), and facilitates expressive accountability (Knutsen & Brower, 2010) based on values and beliefs (Chatelain-Ponroy et al., 2015). This perspective demands a 'facilitating' board that defines and reviews the mission of the CSO and establishes working relationships with staff to support CSO managers (Kreutzer & Jacobs, 2011). With this approach, the board fulfills its three legally binding fundamental duties: care, loyalty, and obedience (Renz, 2016). It is in the best interest of the CSOs since it is proven that the chair's performance and effectiveness significantly influence the board's efficiency (Cornforth et al., 2013).

Governance structures mainly intend to resolve the agency problem (Bruneel et al., 2020). They aim to ensure the decisions made by all employees, especially leaders, best serve the organization's interest (Alejandro, 2021). Agency theory focuses primarily on conformance and compliance handled by centralized leadership through oversight and control (Coule, 2015). Organizations can ensure that their board of directors is independent by implementing conflict of interest, whistleblower protection, document retention, and independent financial auditing rules. With these mechanisms, organizations can align the interests of agencies and principals (Yetman & Yetman, 2013).

However, contrary to the principal-agent issue, scholars such as Piscitelli and Geobey (2020) argue that there is no actual conflict between managing CSOs and representing member interests. They think that by balancing these two interests, there may be some ways to increase organizational accountability. In addition, they consider that the board of directors is an agent of their principles, and through their election process, the principals exert their control over the board. This idea aligns with what Hofmann and McSwain (2013) argue – they view executive directors of

CSOs as the representatives of two principals, namely the donors and the beneficiaries.

An executive director's role is also important from a governance point of view. As long as the executive director is committed to the organizational mission, it is likely that they are on the same page with the stakeholders' interests (Blevins et al., 2020; De Rynck et al., 2019). They have three essential duties. Making wise decisions on the organization's behalf is part of the duty of care; a duty of obedience involves ensuring the organization stays aligned with its mission. The duties of loyalty and fiduciary duty to the organization (Piscitelli & Geobey, 2020) require acting in the organization's best interests (Bielefeld & Tschirhart, 2012). The executive director is a liaison between the staff, the board of directors, and the staff and stakeholders (Cornforth et al., 2017). They can best align the stakeholder's interest with the organizational team by bridging them. Sandwiched between two different principals, executive directors may see increasing information asymmetry and ignore services and products that beneficiaries (powerless stakeholders) require, instead aligning the strategy and actions as the donor wishes.

CSO Governance from the Perspectives of System Theory

Another lens to see the effectiveness of CSO governance and capacity-building is the System theory. A systematic approach to comprehending the connections between and effects of human behavior, system theory first appeared in social and organizational research in the 1960s and 1970s. This theory is similar to the 'Cultural Ecological Theory' that emphasizes the interconnectedness of the network of actors, their complexity and diversity, and the flows between systems and the environment.

Although it originated in natural sciences, system theory is utilized in management theory. Concerning how leaders react to internal and external stimuli, this theory explicitly encompasses various interdependencies between diverse components. The idea behind open systems is that the environment impacts every organization through its operations and structure. Systems theory aims to make sense of the organization's parts, relationships, and entirety (Iwu et al., 2016). As a holistic approach, when an organization is viewed as a social system of interconnected sub-units, systems theory helps us better understand how that system works.

The interaction of internal operational components and the results of those interactions are the central focus of systems theory (Williams, 2022). As a result of

the intricate connections between organizations, their ecosystem, and their stakeholders, CSOs are open systems that take in external inputs and change them into outputs that are then returned to the environment (Davis & Scott, 2007). Changes in the status of external forces may impact how CSOs engage with their environment and function while also requiring adjustments to the organization's internal processes (Frayne, 2014). Distinct from the 'Cultural Ecological Theory,' the systems theory may treat the interplay of CSOs with donors and government line agencies as a 'task environment' whose influence in management and strategic decisions on CSOs will be essential factors to be analyzed. The idea of a "CSO governance chain" and the relationship between "internal" and "external" governance requires an understanding of CSO players to comprehend CSO governance within a holistic system approach. CSOs are considered parts of a much broader system governing society (Reuter & Wijkström, 2015).

CSO Governance in Nepal: Much to be Explored Yet

Different scholars in Nepal have other ideas about where the name "CSOs" came from. CSOs were present in Nepal in the past, even before the country's written history (Maskey, 1998). Donors who want to fulfill their aspirations for Nepal's ideal development model are responsible for the birth of NGOs in Nepal (Dahal, 2001). The term 'NGO' was first used by the UN Charter in 1947 as an 'international NGO' in response to the Trade Union's demand to have its say in the UN system (Maskay, 1998). He opines that indigenous voluntary organizations predate induced non-governmental organizations.

Civil society's governance is influenced by its specific features and its specific form of evolution. As Mishra (2001) argues, this influence equally applies to Nepali CSOs. He opines that Nepali NGOs are mainly based on highly intense familial, kinship-related, community-based, and other primary-group relationships. This poses a threat to good governance. Shrestha (2001) also shares a similar view with Mishra (2001). He considers that rooted in Hindu orthodoxy, the structure of the Nepali society itself leads to a highly skewed distribution of productive resources and other attendant benefits and is, therefore, a bedrock for poor governance. However, he argues that compared to the government machinery, which generally is corrupt, unaccountable, and non-transparent, self-help groups – one form of civil society organizations – have immense advantages regarding good governance.

Most NGOs in Nepal lack autonomy and transparency (Dahal, 2001) in membership and internal democracy and are not publicly accountable – all critical fundamentals of good governance (Mishra, 2001). Mishra (2001) further added that transparency is not a matter that pertains to the financial domain alone. Instead, it has distinct political dimensions as well. Irrespective of its constituency, from the grassroots level to higher orders, democracy and the essential conditions of good governance are important factors for organizational management (Shrestha, 2001). Non-transparency in both INGOs and NGOs indicates that external factors directly influence the governance of contemporary CSOs in Nepal (Bhattachan, 2001).

On the other hand, membership is considered another critical issue of CSO governance. While the narrow base of membership restricts democratic determination by the members with the increment in membership, CSOs in Nepal have seen increasing criticism, primarily related to governance. However, despite such criticisms, there is a strong opinion that at least ‘activist NGOs,’ not ‘service delivery NGOs,’ will have their space as long as both the hierarchs and the market continue their unfair practices that require critical rationality in challenging the existing order of things (Gyawali, 2001).

The study of Nepali CSOs from their governance perspective is limited. Roka (2012) examined the efficacy of NGOs in Nepal using a community-based approach and concluded that inadequate management and a mismatch between local demands and NGO programs were the main reasons NGO operations didn't meet long-term aims. Khanal (2006) investigated the issues surrounding the management of NGOs for improved results and sustainability and concluded that Nepalese NGOs could not affect social change. Citrin (2013) researched the performance of NGOs working in the health sector in rural Nepal and concluded that the government of Nepal lacked the expertise necessary to manage the contributions received from NGO activities correctly.

There are some prominent governance issues with the CSOs in Nepal. Ethical behavior is a critical issue in Nepal (Bhattarai, 2013; Bhattarai & Gupta, 2023) though the ethical behavior of CSO leaders is considered a significant determinant of success (Pokhrel, 2017; Racovita-Szilagyi, 2015). Nepali CSOs, particularly in far-flung rural areas, are criticized for benefiting selected elite groups of individuals or political leaders (Pokhrel, 2017). As Asad et al. (2011) highlighted, false progress reports, embezzlement of property, misappropriation of funds, and cases of fake project

papers have all been observed as a phenomenon of nonprofit operations in Nepal. Such practice has harmed those organizations linked to immoral behavior and severely damaged the entire sector's reputation (Pokharel, 2017). Additionally, some corruption scandals have endangered philanthropic endeavors in Nepal (Gnwali & Pokharel, 2006). The predominance of the monopolistic decision-making process, poor participation of staff members and target population in planning, and donor-driven policy formulation are some of the additional issues with Nepali CSOs (Pokharel, 2017).

Ideally, CSOs in Nepal are primarily considered NGOs. As discussed in detail in previous sections, there is an agreement that effective governance is vital to the viability of CSOs (Kreutzer & Jacobs, 2011). However, there is disagreement on how well CSO governance fits the prevailing Principal-Agent relationship model (Chatelain-Ponroy et al., 2015). It requires investigation on the most efficient and effective way to produce tangible outcomes while strengthening participation and inclusion at the same time. New knowledge needs to be generated through empirical inquiry that supports the development of multifaceted governance arrangements so that distinctive strengths of alternative governance can be discussed (Maier & Meyer, 2015). Since multiple concepts or models regulate various CSOs, as Reuter and Wijkström (2015) argue, understanding or explaining CSO governance needs to go beyond the existing standardized models of CSO study.

Chapter Essence

CSOs' governance is a growing concern. Since CSOs are recognized as an essential contributor to democratic governance, they are expected to prove their accountability and thus prove to have been well governed. There is a need to see CSO governance beyond board behaviors and to recognize that the external environment also influences CSO governance. Numerous elements associated with CSO governance, including external environment, staff engagement, learning organization, and ethical management practices, have been studied. Capacity building has been a widely used approach since it has been found to have a positive relationship with organizational performance and governance. However, context sensitivity and iterative nature pose challenges to see the extent to which capacity-building is effective. Differences in defining capacity influence how capacity-building is designed and implemented across individual, organizational, and institutional levels. Despite having capacity-building efforts been considered failing to recognize CSOs

unique needs, a common understanding is absent about the number of CSO capacity-building factors as well as their differential contribution to CSO governance. In addition, there is a lack of understanding of whether an enabling environment for CSO, including the leader's education, constitutes a capacity-building factor. CSO landscape in Nepal includes organizations of varying sizes and nature, though they are regulated under an umbrella legal framework. Though context sensitivity promotes isomorphism among CSOs, understanding the factors of CSO capacity building and their differential contribution to CSO governance may be instrumental in designing an appropriate capacity-building program and promoting governance among CSOs in Nepal.

CHAPTER III METHODOLOGY

This chapter outlines how the study was designed and carried out. Mainly, it covers the philosophy adopted in the research and the methods by which I explored the factors contributing to the capacity building of CSOs and the extent to which these factors influence CSO governance. This chapter first highlights the research paradigm informed by philosophical assumptions and its elements. Then, it discusses its research design focused on a quantitative research approach. This study includes two phases: i) the Delphi method to design the survey tool and ii) the survey to gather data. This chapter further discusses the population for the survey and the rationale behind choosing them, together with the sample size and sampling technique. Then, the data collection tools, techniques, and procedures are explained. How the data has been analyzed constitutes another segment of this chapter. Moreover, this chapter is concluded following the discussion on reliability and validity, two important dimensions of research.

Research Paradigm

This research design depicts a road map of my research process to enable me to get the answer to specific research questions, from data collection to analysis and interpretation. As a worldview, the research paradigm I have chosen for the study manifests in the beliefs guiding me (Guba & Lincoln, 1990). It refers to the pattern of thought that the entire research depended on. Post-positivism guided this study that sought to explore objective reality. Since the positivist philosophy of inquiry seeks absolute truth, the post-positivist paradigm adapted in the study challenges the notion of absolute truth and emphasizes that knowledge can be falsified (Creswell, 2012). The enabling factors that constitute legal and environmental issues, including the policies, systems, and capacity of regulating bodies, all external to the organization, are believed to have some level of influence on organizational governance and are also taken as objective parameters for the study.

Moreover, the factors that have been considered prominent for CSO capacity, as well as governance, may or may not be equally applicable in the context of Nepal. Further, as a post-positivist, I believe in causal relations, i.e., outcomes result from causes. It means careful observations and examinations of objective reality (available

in the form of data or evidence) in the research field yield knowledge. This philosophy requires developing and using numeric measures to test the hypothesis that helps the researcher either accept or reject these hypotheses objectively to come to a plausible conclusion from the study. The sections below discuss this research paradigm's ontological, epistemological, methodological, and axiological positions.

Ontology, to me, is the study of being i. e., the nature of an existing object or phenomenon and what constitutes reality (Gray, 2014). My research operates under the premise that reality is unbiased and independent of the researcher. It means various factors may affect the state of governance in any civil society organization. Hence, my ontological position is based on the objective reality of civil society organizations. I viewed the knowledge of what contributes to the governance among Nepali CSOs objectively. The capacity of any civil society organization may or may not contribute equally to the state of governance.

Furthermore, environmental factors beyond the direct influence of CSOs may have a differential impact on organizational governance. So, this study was guided by the belief that knowledge exists objectively. Despite being concerned with the nature of being and social entities, ontology seeks to answer whether the truth is objective and external to social actors or subjective, i.e., built up from the perspectives and actions of social entities (Bryman, 2016). I carried out this study by putting myself independent of the research settings and took the contribution of capacity building and its contribution to governance as the objective construct.

To me, epistemology is the study of knowledge acquisition. It concerns knowledge creation and concentrates on how we know what we know or the most reliable means of discovering the truth (Neuman, 2014). I believe all scientific research works should follow two core areas of philosophy: ontology and epistemology. Epistemology helped me deal with how I justify knowledge as acceptable (Lewis et al., 2016). In this respect, this study has the epistemological postulation that factors of organizational capacity, its differential impact on organizational governance, and the environmental factors are subject to empirical observations and can be measured objectively. Based on the philosophical underpinning discussed above, I considered this an appropriate choice for the study. I used the Modified Delphi method to develop a survey tool and review existing capacity assessment tools and the survey methods to ensure that the knowledge this

research generates remains acceptable. These ontological and epistemological underpinnings informed my research.

Axiology is also an important aspect of research. As a philosophical study of value (Lewis et al., 2016), it is highly important in empirical research. To maintain the value of the study, I chose post-positivism as the appropriate ontological stance for my research. I have given it a high priority and thus maintained neutrality while gathering and analyzing the data collected. Despite my long exposure and engagement with various civil society organizations in different capacities, I have separated myself from the subject and introduced myself just as a scholar with Kathmandu University School of Education to avoid any likelihood of respondents' bias towards their opinions. In the introduction section of the survey questionnaire (in Nepali and English versions), the purpose of the research was clearly articulated, and my professional engagement with CSOs was purposefully hidden. I put my best effort into minimizing any influence on the respondents and the research process, which will make the study results credible.

Research methodology, as a framework, helped me define the procedures for research. In contrast, the research method allowed me to choose the method of carrying out a well-accepted scientific and systematic study (Singh, 2007). I used a survey design as a viable methodology for this inquiry that informed the preparation of a detailed account of the rationale and ways of using the method in a study (Flick, 2011). Since the research questions demand a quantitative approach, I used a cross-sectional survey to systematically study the sample representative of the population to collect the description of its phenomena and attitudes at a point in time (Creswell, 2014). Thus, the research questions were answered through data collection and analysis of variables using applicable statistical tools under the survey in this research.

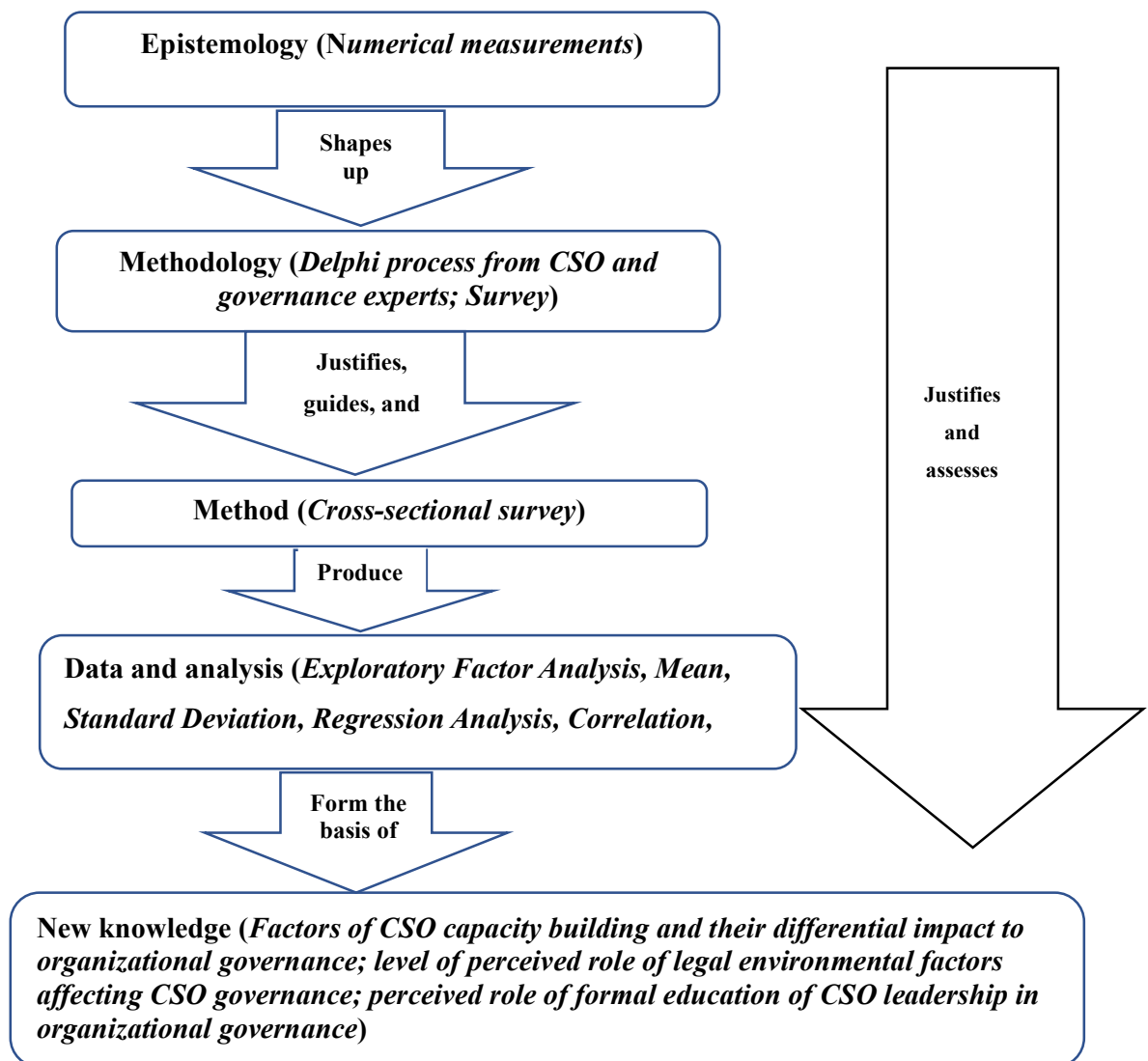
Research Design of the Study

Research design is a guide that offers the researcher a framework to collect and analyze data (Bryman, 2016). Given the nature of my research questions, I found the survey research design appropriate, which, as Creswell (2012) explains, is a procedure enabling quantitative researchers to administer a survey to a sample or a population to analyze the trends or test the research questions depending on their research objectives. I have framed this study as a cross-sectional survey design. It is one of the most popular designs, and with survey designs, the notion of the

questionnaire and structured interviews are deeply embedded (Bryman, 2016). I conducted an online survey with NGO leaders, board members, and staff members who know more about the programs and organizational management. They were selected to enable them to reflect on the existing capacity-building principles, practices, and the state of governance in their workplace, along with considering how the legal and environmental factors have affected governance in their organizations. Then, I analyzed the collected data and discussed the results using suitable statistical tools to generate new knowledge. The figure below depicts the design of this study, referring to Carter and Little (2007) taking into consideration its research philosophy.

Figure 1.

Research Design



(Adapted from Cartel & Little, 2007)

The figure above shows how this research design was informed by various essential steps – from epistemological underpinning to the generation of new knowledge. It shows epistemology is the bedrock of the research design, and the preceding stage has a linear influence on the next step.

Instrument Construction Process Using Delphi Method

The existing instruments, including the Organizational Capacity Assessment Tools (OCAT), are problematic for various reasons. The problems with existing measures exist at two scales - firstly, the tools are empirically not validated (Cooper et al., 2017), and secondly, the absence of self-evaluation tools for the CSOs (Despard, 2017). When the tools are not empirically validated, it becomes difficult to produce reliable evidence. Similarly, the absence of self-evaluation tools discourages them from improving organizations. Many organizations do not have the budget for external evaluation, preventing them from hiring external facilitators (Gupta et al., 2021). It is imperative to develop a robust measurement so that CSOs can self-assess their capacity and contribute to their governance, a most demanded phenomenon. Hence, this study developed a self-guided instrument so that CSOs can assess the state of their capacity and governance without needing external facilitation.

The Delphi expert survey method is appropriate and valuable for several studies to construct, identify, select, and validate factors and indicators (Baumfield et al., 2012; Davies et al., 2011). Since there is a substantial difference between measuring the state of being and the state of perceptions of it (Thomas, 2010), developing measures for concepts such as governance as well as organizational capacity should be carefully carried out that include subjective perception of the concepts and variables to measure other qualities not based on the perceptions (Kaufmann & Kraay, 2008), such as rules-based indicators and outcomes-based indicators.

In this pretext, mere reliance on the available literature to conduct factor analysis to confirm all the factors, including the legal and environmental factors and their contribution to the organizational governance among Nepali civil society organizations, carries a great risk to content validity. The potential risk has two significant reasons: i) all the previously identified factors may not be replicable in this study's context, and ii) there might be additional factors affecting the governance of CSOs, but they remained unnoticed due to insufficient empirical evidence. In case of a dearth of sufficient empirical data, Delphi is an appropriate method (Farrell and

Scherer, 1983). Thus, I designed and conducted the Delphi method to develop a comprehensive research instrument that ensures its content validity. This chapter begins with the conceptual clarification of the Delphi method, followed by its application in my study.

Numerous papers are available that describe the basics of the Delphi method, its usefulness, design, and the way it is executed in research (Avella, 2016; Hsu & Sandford, 2007; Okoli & Pawlowski, 2004). Delphi is a method of facilitating a group of experts in a particular field to make communication effective in handling complex conceptual problems (Linstone & Turoff, 2002). Similarly, the Delphi technique facilitates group communication to get a consensus on the expert panel's ideas and opinions (Hasson et al., 2011). So, in brief, Delphi is a consensus-building method where a carefully selected panel of subject experts shares their ideas, opinions, and judgments on a specific field of research. They collectively scrutinize those ideas, opinions, or arguments and develop a consensus or way forward.

Delphi helped gather ideas from a panel of experts through a questionnaire or interview guideline, and the ideas were discussed, compiled, and summarized first. Results of the first round informed the questionnaires developed to collect their ideas and judgments in the second round, which went on iteratively until a common consensus was made (Bobeva & Day, 2005; Hasson et al., 2011). Four characteristics of Delphi, such as iteration, anonymity, controlled feedback, and statistical aggregation (Rowe & Wright, 1999; Hurdley et al., 2001), make this a unique method. However, the judgemental inputs of experts also serve as an additional characteristic of the Delphi method (Crews & Stitt-Gohdes, 2004; McKenna, 1994).

The iterative process (Hsu et al., 2010; Linstone & Turoff, 2002) differentiates the Delphi method from other group communication processes. Either a panel of experts shares their ideas in response to questionnaires/guidelines compiled and summarized, or experts are given a pre-developed tool or list of factors to prioritize the important ones among the given factors. Another survey was created in light of the first round's findings to collect again their ideas and judgments, which goes on iteratively until a common, reliable consensus is made (Powell, 2003).

Anonymity, the second proposed principle of the Delphi method, is achieved. Averaged individual ideas of the expert panel working anonymously are more productive than individual experts or conventional groups having face-to-face discussions regarding accuracy (Dalkey & Helmer, 1963; Rowe & Wright, 2001).

Since a virtual panel of experts responds to questionnaires (either in printed form or electronic copy), the likelihood of conflict based on the expert's personality becomes low. The anonymity allows experts to vote their ideas freely. Individual experts can also re-evaluate and even change their answers without fear of being commented on or judged by other panel members (Rowe & Wright, 1999).

Controlled feedback, one of the characteristics of the Delphi method (Hasson et al., 2011), was provided to the expert panel at the beginning of the next round (Hurdley et al., 2001). The feedback process continued after each round in a consolidated and analytical manner until a consensus was achieved. While giving controlled feedback sometimes, additional information, such as arguments, which are outside the criteria but ensure the representation of every virtual panel member's voice, was also provided (Rowe & Wright, 1999). While providing controlled feedback, statistical aggregation helps develop consensus among Delphi experts. Final judgment was observed as an equal weighting of the group members in the Delphi process. This reflects that process, and the results are both confirmed by statistical aggregation.

Since Delphi is carried out by using judgmental inputs of the content experts, it is deemed appropriate in the areas where previous research is limited, and there is a need to identify and prioritize an area of concern or to develop a concept, framework, or a model (Okoli & Pawlowski, 2004). The experts' opinion blends evidence-based knowledge and speculation (Dalkey & Helmer, 1963). Yang et al. (2012) state that Delphi is suitable in cases where the causal model cannot be established or validated. Further, it has also been used to identify elements that would contribute to a model in a given context (Palo & Tahtinen, 2011). So, Delphi was considered essential in this study because the factors of CSO capacity and governance are sometimes found contradictory. Those factors need customization for them highly influenced by the profit-making sectors while studying civil society in Nepal. Thus, guided by the key characteristics and principles of the Delphi technique, I applied this method in my study to prepare the instrument for an actual survey among the CSO staff members.

Execution of Delphi Method

In this research, I used the modified Delphi method. Based on the literature, I sent factors for CSO capacity building, governance, and the enabling legal environment for the CSOs in the Nepali context. The literature varies on the number of steps to be followed while executing the Delphi method. In his work, Beech (1999)

listed 11 stages ranging from panel selection to distribution and use of findings. So, based on this thoroughly studied literature, I used four phases in Delphi execution: i) Exploring subject matter and allowing experts to contribute information; ii) Exploring how the expert panel views the topic; iii) Exploring disagreements, if any, and their causes; and iv) Evaluating collected information.

Phase One: Preparation

I completed this step in four stages. First, I comprehended the issue and objective of choosing the Delphi method based on my long-time engagement with CSOs in different capacities. Initially, I conducted a literature review, discussed it with my thesis supervisor, and consulted with subject experts who were not part of the Delphi process.

To ensure the quality of the final result, I chose a panel of experts carefully (Bobeva & Day, 2005). So, after listing the potential experts who have a deeper understanding of the issue and sufficient experience, I formed a virtual panel. I reviewed the list to ensure that knowledge, competence, and independence are well represented (Reid, 1988). I tried to ensure that the proposed panel of experts brought various perspectives and ideas about the issue (Heras, 2006). I purposely prepared a list and selected those experts with long experience working with civil society organizations, participated in designing and delivering capacity-building initiatives, and had experience in organizational governance concerning the Nepali CSO landscape. The selected experts had more knowledge than most of the population (Hasson et al., 2011).

I thought about whether experts were accessible and eager to take part in the Delphi process (Powell, 2003), a standard criterion to determine the number of panel experts. A varied number of experts, from 10 to 18 (Okoli & Pawlowski, 2004), 5-20 (Rowe & Wright, 2001), and 10-15 (Crews & Stitt-Gohdes, 2004), is considered adequate. However, to strike a balance between the number of panelists and the quality (Czinkota & Ronkainen, 1997), I chose ten experts as panelists from a list of 15 until the factors were agreed upon to avoid the potential risk of premature withdrawals and fewer than expected knowledge level of experts (Reid, 1988). Heterogeneity by profession, gender, and geographical representation was also prioritized. Among ten expert panelists, six were male, and four were female, representing three different provinces of Nepal with varying levels of experience

(donors, independent consultants on capacity building and governance, and CSO members).

I facilitated the Delphi consultation myself. The selection of a facilitator or a team of facilitators is a critical issue since the quality of the process affects the output quality. Thus, before conducting the first round, a facilitator must be chosen, and s/he must be impartial, competent, and possess the necessary information (European Commission, 2006, as cited in Horan, 2010). While facilitating various group events for a range of organizations for more than two decades, I have gained a significant understanding of the essence of facilitating, which I believed would help maintain operational neutrality, as the axiological stance demanded. Moreover, as a professional, I have gained a good understanding of CSO capacity building, governance, and enabling legal environmental issues.

Lastly, I prepared an interview guideline that included the broader theme and the factors identified through the literature. I completed the preparation step by refining a plan for unstructured interviews with basic interview guidelines and intensive probing techniques.

Phase Two: Facilitation

There is no definite answer to how many rounds of Delphi are enough to give a consensus (Rowe & Wright, 2001). Since it depends upon how stable the ideas emerged over the rounds, how the consensus is achieved, or when the researcher finds the saturation of ideas, I found two rounds enough when experts bring enough practical experience and are open to learning from others.

In the first round, i.e., generating ideas (Reynolds et al., 2008), I conducted in-depth interviews with ten experts that lasted an hour on average. Experts added up the issues and factors and rephrased some factors identified from the literature. I followed all the ethical considerations – confidentiality, informed consent – to audio record the interview. In addition, I noted the ideas that helped to dig down the discussion further. Each interview ended up with information about the next step.

I used content analysis to identify factors by issues (Hasson et al., 2011). I used Mindjet MindManager software and listed all items generated from the individual interviews. After removing duplicate items and the items giving similar meanings, I clustered them under similar themes. This exercise gave three major dimensions i) civil society capacity building with 56 items and 13 themes, ii) CSO governance with 51 items and 17 themes, and iii) enabling environment with 36 items

and seven themes. Altogether, there were 143 items and 37 themes. For example, under the Capacity Building (CB) dimension, staff competence is one of the themes with five statements, known as Items in the Factor Analysis. Hence, items represent a situation in which Delphi expert panels were to assess the extent to which these statements were applicable to the Nepali CSOs. So, items and statements are interchangeably used in this thesis.

Those items were phrased as statements to be assessed against a six-point Likert Scale. The scale development allowed other experts to see the extent to which they feel the statement holds in different contexts and select those statements that were generalizable to all the Nepali CSOs' contexts. Furthermore, it helped remove the statements with some disagreement and reduce the number of items.

In the next round, I printed the questionnaire and met the experts individually. Before the face-to-face meeting, I emailed them the questionnaire and called them over the telephone to get their insight. After a week of sending them the questionnaire, I started meeting them. Some experts helped rephrase some statements and provided their comments and scores for those statements they considered worth dropping. To measure the reliability, the Cronbach Alpha test was conducted. Item analysis showed no statement needed to be removed.

I then forwarded a few carefully chosen items to a few respondents whose answers did not align with the majority's. I considered the median score when doing this. For example, I would be upset if an expert received a score of one but the median was four. I would then encourage them to reconsider their earlier response and allow for personal justifications. This was carried out under the tenet of "controlled feedback." A few participants updated their scores, but one expert stuck with their first assessment and provided a strong justification. I used this to gather updated responses in preparation for the following round.

Round three became the last round in my Delphi process as I obtained consent on most of the items from the experts in the round two. Referring to Sumison (1988 as cited in Keeney et al., 2011), I selected the items, which received the consent of less than 70 percent and returned to them the e-copy. Nine experts completed this final round since one was out of the country for health reasons. It made the response rate 90 percent in the overall Delphi process. By the end of this round, there were 80 items under the three dimensions of my study.

Phase Three: Instrument Construction

Of 80 items retained, organizational capacity building (CB) had 48 items (seven themes), enabling environment (EE) with 16 items (three themes), and state of governance (SG) with 16 items (four themes). After my supervisor's suggestion, I refined the statements to make their phrasing consistent and compatible with the six-point Likert Scale (for details of the tools, see Annex II). While refining the items, utmost care was taken to keep the items' intent and relevance under the specified themes unchanged.

Phase Four: Research Instrument Development

To develop a comprehensive research instrument, I first set the frame of a questionnaire in a standard format. In the first part, I included demographic variables, professional profiles, and the research introduction. The second part included the final product of Delphi, i.e., 80 items under 14 themes measuring three dimensions of research significance.

The second part of the instrument used a 6-point Likert Scale ranging from 'Disagree' to 'Strongly Agree' with no option of neutrality (DeVellis, 2017). In addition, the Likert Scale was phrased to avoid a 'strongly disagree' scale. It is because all CSOs have made efforts in capacity-building (De Vita et al., 2001; Brinkerhoff, 2005), their governance mechanism is somehow working (Cornforth, 2003; O'Toole Jr. & Meier, 2004), and CSO governance is impacted by a favorable legal environment, with legal frameworks playing a significant role in deciding their operations and impact (Fowler, 2000; Moyo, 2009). So, I thought expecting an 'absolute zero' state for any of the 80 item-related statements was highly unrealistic. Instead, I added 'Not Applicable' as one option in the instrument to allow respondents to opt for it if they feel any statement does not apply to their organization. Based on the feedback from my supervisor, I double-checked the phrasing of the statements so that they corresponded naturally to the Likert Scale.

I translated the instrument into Nepali and then back-translated it into English to ensure the items had a similar meaning (Chauhan et al., 2017). During the two-way translation, I tried to make the statements clear yet short to measure what they intended to measure. Moreover, serious attention was paid to not making the statement sound theoretical. An added phrase like 'I have experienced that...' increased the likelihood that survey participants could link the statement to their organizational context. With this, I consolidated the scale containing 80 items for the

second part of the questionnaire to conduct piloting on the studied population. The items generalizable to the population have been explored through a survey using exploratory factor analysis, which is explained in the subsequent chapter.

Study Population

My study's universe of research (Guthrie, 2010) was NGOs registered under the Association Registration Act (1977) and associated with the NGO Federation of Nepal. Though NGOs are registered with the District Administration Office, a focal agency, i.e., the Ministry of Home Affairs, doesn't have an aggregate and updated database on how these organizations are distributed throughout the country. However, the Social Welfare Council (SWC), another government entity to which registration is mandatory for the Nepali CSOs to be able to mobilize any foreign funding, states that there are about 49000 NGOs in Nepal. Though the number seems high, active NGOs are significantly lower than registration since renewal with SWC is not mandatory. Finding the number of active NGOs, at least for the last few years, was thus a challenge. However, as an umbrella organization of Nepali NGOs, the NGO Federation of Nepal (NFN) has a strong membership base. Since my research aims to investigate the capacity building, status of governance, and enabling environment for NGOs, those NGOs in the population should be active for the last couple of years to be able to provide actual situations related to these three key aspects of research. Hence, I considered those NGOs associated with the NGO Federation of Nepal as the population for my study to generalize the research findings (Muijs, 2004). The population includes NGOs with a legal identity (registered under the Association Registration Act) and is associated with the NGO Federation of Nepal until the fiscal year 2022.

Sampling informal non-governmental organizations (NGOs) for research introduces distinct challenges given their elusive and often unregistered status. Informal NGOs operate beyond the typical regulatory frameworks governing registered entities, making them less visible and challenging to pinpoint for research purposes (Anheier, 2000). These organizations may lack an official online presence, documented records, or identifiable locations, rendering them inaccessible through conventional sampling approaches (Bebbington, Hickey, & Mitlin, 2008). Additionally, the fluid and dynamic nature of informal NGOs, frequently arising in response to specific local issues, contributes to their transient existence, presenting difficulties in maintaining sustained contact for research (Edwards & Hulme, 1996).

Research studies focusing on informal NGOs underscore the inherent difficulty in locating and engaging with these entities due to their decentralized and often covert operations (De Witte, 2001; Fisher, 1997). The absence of a centralized directory or comprehensive database further compounds the challenge, leaving researchers without a unified source for identification and access to these organizations. Furthermore, the sensitive and grassroots character of many informal NGOs means that they might operate in marginalized or politically sensitive contexts, imposing additional limitations on the researcher's ability to establish contact and glean insights (Bebbington et al., 2008; Edwards & Hulme, 1996).

I requested the NFN secretariat for their database to identify the exact number of populations. The NFN database indicates that it has about 6500 NGOs as members. Hence, this study's population is characterized by nature, the date of their registration (acquiring legal identity, without which the existing legal framework considers their action illegal and subject to legal action), and the number of years for their association with NFN. Adopting the random sampling method helped me ensure that my sample was representative of the population I wished to generalize (Babbie, 2016). Since gathering numerical information from several respondents only enables the researcher to generalize the findings (Creswell, 2012), I consider this population sufficient to generalize my research findings.

Study Sample and Sampling Procedure

Since reaching out to all registered NGOs associated with NFN was difficult within a specified time, I conducted the study based on the sample, a small subset drawn from the population that represents the entire population (Conrad & Serlin, 2006; Creswell, 2014). As confirmed by the NGO Federation officially, there are 6500 NGOs associated with the NFN. The sample size was calculated according to the formula:

$$n = \frac{z^2 * p * (1 - p) / e^2}{1 + (z^2 * p * (1 - p) / (e^2 * N))}$$

Where: $z = 1.96$ for a confidence level (α) of 95%, $p =$ proportion (expressed as a decimal), $N =$ population size, $e =$ margin of error.

In the study, population proportion was represented by the p-value, which was 50 percent or 0.5, to ensure a maximum sample size (Krejcie and Morgan, 1970). So, half of the population was assumed to rate statements positively while the other half would rate negatively ($q = p-1 = 0.5$). The significance level was determined at 95 percent ($\alpha = 0.05$); the z score shows the confidence level, a constant value needed for

equation = 1.96 (Cochran, 1977). Bartlett, Kotrlik, and Higgins (2001) also state a z-score of 1.96 for a sample size above 120. An acceptable margin of error or standard error at 95 percent confidence level (e) equals 5 percent, i.e., 0.05. Using this formula, the sample size was calculated as follows:

$$z = 1.96, p = 0.5, N = 6500, e = 0.05$$

$$n = [1.962 * 0.5 * (1 - 0.5) / 0.052] / [1 + (1.962 * 0.5 * (1 - 0.5) / (0.052 * 6500))]$$

$$n = 384.16 / 1.0591 = 362.723$$

$$n \approx 363$$

Data Collection Procedure

Data collection intends to gather data from the sample to answer research questions (Bryman, 2016). Before collecting data through an online survey, I piloted the survey instrument among 10% of the sample size, i.e., 36 NGO staff members from different parts of the country. The selection of the sampling size ensured a small standardized effect size, i.e., 0.2 (Browne, 1995; Whitehead et al., 2015). Piloting the instrument helped me to assess the extent to which the phrasing of the statements is clear, how accessible is the online form made in the COBO toolbox from the administration point of view, and how compatible the tool is with different devices (personal computers, tablets, and mobile phone). Similarly, it helped assess reliability and validity (Hertzog, 2008). Once the survey instrument was found reliable (discussed later in this chapter), I approached a sample of the population from the randomly selected list of NGOs associated with it. I got the district-disaggregated email ID of those NGOs from NFN.

With a total population of 6500 CSOs and an available list of 1500 CSOs with official email IDs, achieving a balanced and representative sample was paramount. To ensure a proportionate representation of CSOs across the seven provinces of Nepal while also meeting the minimum sample size requirement from each province, I employed a stratified sampling technique based on the population distribution across provinces. This approach involved dividing the total population of CSOs into seven strata corresponding to the seven provinces of Nepal. Each province was treated as a separate sampling frame, allowing for proportional allocation of the sample size based on the relative size of CSOs within each province. This ensured that larger provinces with a higher number of CSOs contributed a larger proportion of the sample, while smaller provinces were represented proportionately to their population size.

I adopted an online survey using the COBO toolbox to quickly reach out to the highly dispersed sample NGOs through different mediums. Creating links to the survey and sending them with an introductory cover request was easy through email and social media such as Messenger, Viber, and WhatsApp. I wanted to reach out to almost all sampled respondents through at least two platforms. So, I sent them the survey link of the self-administered questionnaire through more than two platforms. Since sending the survey link would be insufficient motivation, I called many of them over the telephone numbers received from the NFN database. Given the scant research culture in Nepal, I found that talking to the potential respondents personally effectively increased the response rate.

Though it was previously expected that one month would be sufficient for the data collection through the survey, it took more than two months to gather data from the sample population following the survey's field procedures and time schedules for distribution (Singh, 2007). For some respondents, sending reminder emails worked, whereas a one-time telephone call was not enough for many of them.

To ensure that the right people from the responding organization were involved in the survey, I reminded them through the introduction section of the survey tools and the follow-up call. All the responses were received through the official email ID of those NGOs. The demographic characteristics of survey respondents (coordinators, executive directors, chairperson) involve those responsible leaders (executive committee leads) and senior management whose opinion was expected in the survey.

I chose to employ email surveys in the research to take advantage of the benefits of electronic communication for effective data collecting (Dillman, Smyth, & Christian, 2014). The fact that 366 replies were received—three more than anticipated—despite the original goal of obtaining responses from 363 organizations during two months highlights the fluid nature of email survey responses and points to an unanticipated but advantageous increase in the sample size. The excess replies showed that email surveys are flexible enough to accommodate differences in response rates, as they were not the product of intentional selection bias but rather an inevitable consequence of the survey's outreach (Couper, 2011).

The choice to stop collecting data after the intended sample size was exceeded was in accordance with accepted survey technique guidelines (Groves et al., 2009). According to the theory of diminishing returns in survey research, this procedure

makes sure that more responses are unlikely to materially change the research conclusions (Groves et al., 2009; Dillman et al., 2014). Consequently, the small oversampling was a deliberate choice to maximize resources without compromising the survey's methodological integrity rather than a sign of a non-random process.

I carefully considered sample strategies, data collection procedures, and statistical methodologies to ensure the validity and usefulness of my online survey data. To make my survey more random, I had to use well-known probability-based sample techniques such as random digit dialing and stratified random sampling (Couper, 2011). To maintain the accuracy and dependability of the data gathered, I employed strict quality control procedures during the administration of the survey, such as attention checks and validation questions (Bethlehem, 2010).

I ensured that the sample population accurately mirrored my target population to ensure inferability. The generalizability of my findings was much enhanced by the application of probability sampling techniques (Groves et al., 2009). Furthermore, to improve the external validity of my survey results, I had to include a thorough description of the characteristics of my sample, including demographics and pertinent features (Dillman, Smyth, & Christian, 2014).

Data Analysis

Data analysis is a process where variables are linked to answering specific questions. In other words, it is a meaning-making process, where collected data (qualitative and quantitative) serves as inputs. Four factors influence the survey data analysis: i) the number of variables, ii) the level of measurement of variables, iii) the nature (descriptive and inferential) of analysis, and iv) ethical responsibilities (De Vaus, 2002). I carried out different statistical analyses – descriptive and inferential- to answer key research questions. All the data gathered through the survey was first exported to Statistical Package for Social Sciences or SPSS® as appropriate software for data analysis (Field, 2017).

This study used various statistical tools ranging from simple descriptive tools to tools for multivariate analysis. SPSS version 25 was used mainly for analysis, and Microsoft Excel 2016 was used to facilitate data analysis. Various descriptive tools were used to analyze the respondents' demographic and other professional attributes and the CSOs' existence-related information.

I conducted exploratory factor analysis (EFA) to answer the first research question. Since my survey consisted of several variables requiring reduction to a

group of variables (i.e., factors), exploratory factor analysis was considered appropriate (Pearce & Yong, 2013). It was expected to explore factors of CSO governance and capacity building. To answer the second research question, I used correlation and mainly Regression Analysis meeting the necessary assumptions. The regression analysis intended to assess the differential impact of the independent variable(s), i.e., CSO capacity factors, on the dependent variable, i.e., CSO governance factors. Since the impacts of capacity factors and external enabling factors were measured on the perceived state of CSO governance, I used multiple regression as an appropriate tool. Lastly, to address the third research question, i.e., whether CSO governance is subjected to the personal characteristics of respondents and organizational characteristics, I used a non-parametric correlation test.

Table 1

Research Questions and Analytical Tools

R.Q.	Research Questions	Research Tool/s
1	What capacity-building factors are associated to Nepali civil society organizations?	Exploratory Factor Analysis
2	To what extent do capacity-building factors of Nepali CSOs contribute to their governance?	Regression Analysis & Correlation
3	Does the governance in CSOs under study differ across personal characteristics and organizational characteristics of the organization?	Non-parametric Correlation, Chi-Square, Regression Analysis

Validity and Reliability

To make the study credible, I put efforts so that the research ensures quality measures that depend on the validity of the data, results, and interpretation (Creswell & Clark, 2011). Because high-quality data guarantees that research questions are answered accurately (Teddlie & Tashakkori, 2009), I ensured that the instrument is reliable and valid, two significant concerns in quantitative research. Though validity and reliability are used as synonyms, these two concepts have different meanings from a statistical point of view (Singh, 2007).

Reliability

Reliability measures the degree of consistency (Bryman, 2016). To ensure the consistency of the construct, I used the Cronbach Alpha test to check internal reliability to see if the tools give similar results even when other persons administer the tool (Drost, 2011). Cronbach Alpha is a newer method for split-half reliability (Kline, 2016). Literature indicates that in a test score that ranges from 0 to 1, Cronbach's Alpha's value of 0.7 or above ensures that the items on the scale measure the same thing (Kline, 2016; Lewis et al., 2016). While piloting the tools developed from the Delphi method, I chose Cronbach's Alpha test, where I planned to discard any construct with less than a 0.7 Alpha value in the final data collection. However, the Cronbach Alpha test in this instrument score ranged from 0.834 to 0.899 in all the three studied constructs, viz. organizational capacity building, organizational good governance, and external enabling environment. The Cronbach Alpha score is shown in the table below.

Table 2

Cronbach's Alpha Test

Dimensions	Items	Cronbach's alpha coefficient
Organizational capacity building	48	0.899
Organizational good governance	16	0.834
External enabling environment	16	0.878

Table 2 shows Cronbach's alpha coefficient of three major dimensions to measure their reliability. For all three dimensions, Cronbach's alpha coefficient shows values above 0.80, indicating high reliability in their items. It helped ensure that the measures piloted were clear to the respondents. With this, the study confirmed that the developed instrument measured the same thing each time it was used (Singh, 2007).

Validity

When an assessment tool measures what it is supposed to measure, it is said to be valid, reflecting the extent of evidence pointing to the intended interpretation (Creswell, 2012). While carrying out this research, I considered maintaining all three types of validity – content, construct, and criterion validity as applicable.

Content validity is the degree to which elements within a construct match that concept or summarized scale (Anderson et al., 2014). Content validity indicates the degree to which the contents of the manifest variables or statements in the questionnaire are suitable to measure the latent construct or factor (Muijs, 2004). Hence, content validity could be ensured only when it is proved that the items are complete and correct to measure the latent concept. In this study, I confirmed content validity both qualitatively and empirically. Qualitatively, it was ensured by taking into account the opinion of CSO and governance experts from Nepal during the Delphi process that helped identify a comprehensive list of items and dimensions and phrasing them to ensure that it measures what it intends to measure. Because of the set of rules and its systematic process, the Delphi process helped ensure content validity (Hasson et al., 2011). Additionally, existing literature on CSO capacity building and governance was also referred to triangulate the instrument for pilot testing. Similarly, unidimensionality and convergent validity (Anderson et al., 2014) were also ensured empirically. Removal of all the cross-loading of factors during exploratory factor analysis helped ensure unidimensionality.

Construct validity is another crucial type of validity. It ensures how well a test or tool measures the construct it was designed to measure (Bryman, 2016; Smith & Strauss, 2009). Construct validity overarches content and criterion validity, making it critical and used to validate a measure and a theory. Conceptualizing the ‘construct,’ which is an unobservable or latent concept that can be explained conceptually but cannot be directly measured (Hair et al., 2014), is essential to ensure construct validity. Construct validity has systemic and observational meanings (Kaplan, 1964, cited in Peter, 1981). While systemic meaning refers to the construct being theory-based, observational meaning refers to the construct being capable of being used if it possesses explanatory power. Construct validity is explained by convergent validity and discriminant validity. Convergent validity assesses if the magnitude of inter-correlations within a construct is substantial and that construct is not contaminated with items from other constructs. In contrast, discriminant validity assesses if the inter-correlations among the different constructs measuring different concepts are not too high (Kline, 2016).

Meticulous attention was paid to methodological procedures to account for extraneous variables and support the internal validity of our research. Social desirability biases that could ordinarily influence survey replies were lessened by the

anonymous and iterative character of the Delphi technique (Hasson et al., 2000). To further reduce the possibility of confounding variables, strict variable selection and operationalization techniques were used (Cook & Campbell, 1979). The internal validity of the research findings was improved by the use of statistical tools like EFA, which helped identify and keep just those elements with high communalities and theoretical significance to CSO governance (Fidell & Tabachnick, 2019).

I used the correlation coefficient in this study to assess construct validity (Carlson & Herdman, 2010). The factors in my research were found with a sufficient factor loading above 0.45 for each item, with most items above 0.5 meeting the parameters to ensure that the factors were not contaminated with items from other factors (Peter, 1981). Similarly, the value of 0.45 explained discriminant validity because there was no cross-loading. It proved that all the items were loaded on only one of the six factors. It demonstrates that no items were observed in multiple constructs. Moreover, the correlation coefficients among the factors were less than 0.7 (See chapter V). This explained the role of the theory that one construct measures one theme of concept, and so it is outlined as different from other constructs (Peter, 1981).

Ethical Considerations

Throughout the research journey, I tried my best to maintain research ethics. As long as the individuals were the primary source of information, I prioritized safeguarding their rights and welfare (Hollway & Jefferson, 2000). Their prior informed consent (Leedy & Ormord, 2005) was also ensured before they joined the research activity – the Delphi process or the online survey.

The content of the instrument was designed to not sound offensive to the survey participants. To avoid the instrument sounding theoretical, I carefully phrased the statements that survey respondents would link to their work environment better and feel confident in providing accurate data (Dooley, 2007). I adhered to the code of ethics by exhibiting social, professional, and scientific responsibility, respect for respondents' rights and dignity, and maintaining integrity (Guthrie, 2010). Hence, communication, consent, confidentiality, and courtesy (popularly known as the four Cs) of research ethics were strictly maintained in the study.

I tried to ensure both the researcher and participants benefitted from the research (Creswell, 2009). I sent the questionnaire with clear information about the purpose, a request for voluntary participation, and an assurance of confidentiality. In addition to the standard introductory section in the research instrument (i.e., survey

questionnaire), I emailed all the sampled NGO staff members a customized email. I fully respected their right to decline the request to take part in the research. All the respondents voluntarily participated and had their consent to submit their answers. To maintain confidentiality, no identifying information was revealed at any point (i.e., Delphi, Piloting, and Survey).

Chapter Essence

This chapter highlighted that post-positivism, as a philosophical foundation, guided the study, which adopted a survey design to gather data. This chapter further sheds light on the modified Delphi method used with 10 CSO capacity-building and governance experts from different parts of Nepal to identify the CSO governance and capacity-building items with particular reference to Nepal. That process informed the development of a survey instrument contextual to Nepali CSOs' governance and capacity-building, which consisted of 80 items under three broad themes: i) capacity-building (48 items), ii) enabling environment (16 items), and iii) state of governance (16 items). The instrument was piloted among 10 percent of registered NGOs, and it was found that the instrument was reliable. Out of 1500 NGO Federation of Nepal members with institutional email IDs, an online survey was conducted among 366 NGOs nationwide using a simple random sampling technique. The data were analyzed with SPSS software using Exploratory Factor Analysis, and Regression Analysis was carried out after fulfilling all the preconditions. The chapter thus elaborated on all the steps to analyze the data and how the ethical requirements were met.

CHAPTER IV
DEMOGRAPHIC VARIABLES OF RESPONDENTS, THE CHARACTERISTICS
OF THEIR ORGANIZATIONS, AND FACTORS OF CSO CAPACITY AND
GOVERNANCE

This chapter consists of demographic characteristics such as gender, years of association with the organization they represent in the survey, entitlements, years of professional experience, and the educational status of the respondents. In addition, this chapter portrays the characteristics of the organizations the respondents represented. This includes years of organization in operation, gender and educational status of the chairperson, types of service provided by the organization, and geographical representation of the organization. Overall, the section illustrates how representative and inclusive the study has been to best describe the CSO capacity-building factors and their contribution to organizational governance.

Demographic Characteristics of CSOs and Survey Participants

This part presents the demographic variables of the CSO representatives (management leaders and program leaders). Demographic characteristics have been grouped into personal and professional characteristics. Their characteristics have been discussed first, followed by the organizational characteristics.

Respondents' Characteristics

Within demographic characters, the personal characteristics of CSO professionals, such as their gender, age group, marital status, and ethnic background, are first discussed. I received 366 responses from survey participants. The data on these characteristics are shown in Table 3 below.

Table 3

Respondents' Gender, Age group, and Marital status

Category	Frequency	Percent
Gender		
Female	119	32.5

Male	243	66.4
Other	4	1.1
Age Group (Years)		
20-30	61	16.7
30-40	142	38.8
40-50	107	29.2
50-70	56	15.3
Total	366	100.0

Almost two-thirds of survey respondents were male, whereas slightly less than one-third were female. The survey represents 1.1 percent of sexual and gender minority groups as well. Concerning the age group, a majority, i.e., 55.5 percent of respondents, were below 40 years. Almost four in every ten respondents (i.e., 38.8%) belonged to the 31-40 age group, followed by 29.2 percent of respondents from the 41-50 age group. Almost seven respondents out of each 10 (i.e., 68% of total respondents) belong to the 31-50 years age group. Interestingly, there were survey respondents up to 70 years of age.

Table 4

Respondents' Caste/Ethnicity

Caste/Ethnicity	Frequency	Percent
Madhesi Brahmin/ Chhetri	19	5.2
Madhesi Dalit	6	1.6
Madhesi others	24	6.6
Newar	27	7.4
Pahade Brahmin	156	42.6
Pahade Chhetri	59	16.1
Pahade Dalit	21	5.7
Pahade/ Himali Janajati	36	9.8
Terai Janjati	11	3.0
Muslim & Others	7	1.9
Total	366	100.0

The survey also tried to explore the caste/ethnicity of the respondents based on the criteria that the Central Bureau of Statistics (CBS) has used in the recent population census. Pahade Brahmin and Chhetri were 58.7 percent of the survey respondents, the highest group. Pahade Brahmin alone makes up 42.6 percent of the respondents. Combined with Newar, these three casts comprised more than two-thirds of the respondents, 67.1 percent. The survey, however, represents all categories enlisted in the survey tools. The survey respondent's ethnicity-specific data indicates that there is just a limited number of senior staff members and CSO leaders from marginalized categories such as Terai Dalit, Pahade Dalits, Janajati, and Muslims.

Respondents' Professional Characteristics

Within demographic characters, the professional characters of survey respondents are discussed as well. The respondents' professional characteristics, educational status, years of professional association with the current CSO, and positions have been discussed. The data on these characteristics are shown in Table 5 below.

Table 5

Respondents' Educational Status and Professional Experience

Category	Frequency	Percent
Education		
Grade twelve or less	33	9
Bachelor level complete	115	31.4
Master level complete or higher	218	59.6
Years of Association with Current CSO		
1 year to 5 years	151	41.3
6 years to 10 years	102	27.8
11 years to 15 years	47	12.9
16 years to 20 years	34	9.3
21 years to 25 years	21	5.7
26 years and above	11	3
Total	366	100.0

Most survey respondents were found to be educated with a minimum Bachelor's degree. Ninety-one percent of survey respondents had a Bachelor's degree or more. Almost six out of each ten respondents were found to have completed a Master's level or higher degree, followed by 31.4 percent with Bachelor's degrees. About 8.7 percent of staff have completed school-level education (SEE, SLC, or 10+2). Respondents' association with the organization they represent in the survey also matters a lot since increased exposure to the issues raised in the study increases the likelihood of them responding to the survey fully informed. Almost 60 percent of respondents have more than six years of association with the organization they represent in the survey. There were 41.3 percent of respondents with 1-5 years of engagement with the organization, which is already enough time to understand the capacity-building initiatives and the organization's governance – two key areas of concern in the survey.

Table 6

Respondents' Education Level and Positions in CSOs

Education level	Designation		Total
	Operational Management	Program Management	
Grade twelve or less	14	19	33 (9.00%)
Bachelor	61	54	115 (31.42%)
Masters or above	137	81	218 (59.56%)
Total	212 (57.9%)	154 (42.1%)	366 (100%)

Most respondents were found to have earned a Bachelor's degree or above. Almost 60 percent of respondents were found to have acquired a Master's Degree education or above. Similarly, 31 percent of respondents were found to have completed a Bachelor's degree. A majority, i.e., about 58 percent of respondents, were engaged in operational management, such as chairperson, coordinator, network manager, and Office Director, whereas 42 percent of the survey respondents were engaged directly with the program management, most of whom were program managers or program officers.

Characteristics of Participating CSOs

Since the study is all about the capacity-building of CSOs and their governance, some characteristics of the CSOs play an important role in ensuring the survey's varieties of CSOs are represented. While describing the attributes of CSOs, the nature of their work (i.e., the thematic focus), geographical representation, years of organizational existence, gender, and education level of the current chairperson are discussed. The data on these characteristics are shown in Tables 7, 8, and 9 below.

Table 7

Responding CSOs' by Province

Category	Frequency	Percent
Province		
Koshi Province	27	7.38
Madhesh Province	52	14.20
Bagmati Province	180	49.18
Gandaki Province	23	6.28
Lumbini Province	30	8.19
Karnali Province	24	6.55
Sudur Paschim Province	30	8.19
Types of Municipalities		
Metropolitan City	134	36.61
Sub-metropolitan City	62	16.94
Municipality	146	39.89
Rural Municipality	24	6.56
Total	366	100.0

Table 7 depicts the distribution of CSOs in the survey across the country. The highest number of respondents was from Bagmati province. This province alone constitutes 49.18 percent of CSOs, followed by Madhesh province, with 14.20 percent of CSOs. This distribution well represents the spread of CSOs by province. NGO Federation database demonstrates that Bagmati province has remained ahead of other provinces regarding CSOs' presence, followed by Madhesh province (K.C. & Lorsuwannarat, 2019). Despite the significant presence of CSOs in Gandaki province,

the survey represents the lowest number (only 6.28%), closer to the representation from Karnali province (6.55%). The survey represented almost all districts in the country. I received survey responses from 75 districts. Furthermore, the survey respondents represented all tiers of the federal governance structure. The majority (i.e., 39.89%) of CSOs were from municipalities, followed by the metropolitan city with 36.61 percent CSO representation. While 16.94 percent of CSOs were from sub-metropolitan cities, 6.56 percent of CSOs were from rural municipalities.

Table 8

Responding CSOs' by Years of Existence and Thematic Focus

Category	Frequency	Percent
Years of Existence (Years)		
1-5	20	5.5
5-10	47	12.8
10-15	82	22.4
15-20	67	18.3
20-25	72	19.7
25 and above	78	21.3
Thematic Working Areas		
Working on 1 thematic area	68	18.6
Working on 2 thematic areas	43	11.7
Working on 3 thematic areas	40	10.9
Working on 4 thematic areas	64	17.5
Working on 5 or more thematic areas	151	41.3
Total	366	100.0

The number of years of existence of any CSO is important for it to have institutionalized a governance system and policies. With growing maturity in organizational and program management, organizations continue to make better efforts to build institutional capacity and ensure better governance. So, the study assessed the number of years of existence of participating CSOs. Interestingly, 94.5 percent of CSOs participating in the survey were found to have more than five years of working experience. Similarly, 59.3 percent of CSOs were found to have more than

15 years of existence. Even 7.92 percent of CSOs with more than 30 years of professional existence participated in the survey.

Table 9

Gender and Educational Status of Responding CSOs' Sitting Chairperson

Category	Frequency	Percent
Gender		
Female	116	31.7
Male	245	66.9
Other	5	1.4
Education		
Plus Two or below	60	16.4
Bachelor level complete	126	34.4
Master level complete or higher	180	49.2
Total	366	100.0

Since the study intended to see if the organization's chairperson and their educational attainment influence organizational governance, the survey assessed the gender and education status of the sitting chairperson of the CSOs. Males lead the vast majority of CSOs. About two-thirds (66.9 percent) of sitting chairpersons in the CSOs are male, and females head 31.7 percent of CSOs. A negligible number of CSOs, i.e., only 1.4 percent of those responding to the survey, have chairpersons from sexual and gender minority communities. It portrays the social reality that limited CSOs are working on sexual minority issues, and only NGOs working on this issue are likely to have chairpersons from the same community.

Regarding education status, most sitting chairpersons of surveyed CSOs are well-educated. About nine of ten CSO chairpersons have completed a Bachelor's degree minimum. Almost half of participating CSO chairpersons have completed a Master's Degree or higher, followed by the second group who completed a Bachelor's degree, which makes up about a third of CSOs.

Exploration of Capacity Building Factors that Contribute to Organizational Governance

This study intended to explore the factors of CSO capacity building as well as CSO governance. There were eighty items extracted from the modified Delphi process in which three broad dimensions were explored: i) capacity building, whose item names start with 'CB' ii) CSO governance, whose items start with 'SG', and iii) enabling environment, whose items start with 'EE'. These items were used in the instrument for the survey (See Annex II). After the data collection procedure through an online survey, data was entered into SPSS and cleaned.

Exploratory Factor Analysis helps explore previously unknown groupings of variables to seek underlying patterns, clustering, and groups (Cohen et al., 2018). Moreover, EFA is commendable if the purpose of the study is to 'explore' the nature of scale and inter-item relationships rather than to test the hypotheses or confirm certain ideas (Osborne & Fitzpatrick, 2012). I considered EFA an appropriate tool for analysis to meet my study's purpose. I carried out EFA, particularly the Principal Component Analysis, to explore the factors of CSO capacity that explain CSO governance. During the research, I used the terms factor and construct interchangeably (Anderson, Babin, Black, & Hair, 2014). Before conducting EFA – a multivariate analysis, critical assumptions were assessed and met as expected (Bühner et al., 2021).

Safety Checks for Factor Analysis: Preparatory Phase

Here are the main points that I respond to the safety check concerns (Cohen et al., 2018) before conducting EFA.

The first criterion of the safety check is that data should be continuous. The Likert scale is suitable for factor analysis (Pillai, 2015). However, deciding on the appropriate point of the Likert scale is an important issue. A small number of categories restricts options for the respondents and thus is unlikely to get a reliable response (Tarka, 2015). The 5- or 7-point Likert scale is considered to provide more options, increasing the response's reliability from survey respondents (Joshi et al., 2015). The 6-point Likert scale tool I developed for my study helped meet this condition.

The second criterion is that the sample size is enough. Some prefer a sample size of 100 or more (Anderson et al., 2014), whereas 200 is considered fair, 300 good, 500 very good, and 1000 or more excellent (Comrey & Lee, 1992). Another strategy

for deciding on the appropriate sample size for the Factor Analysis is the ratio of variables to the sample size. Generally, more than three times of variables in the study are considered a good sample size. Cattell (1978) prefers the sample size ratio to the number of variables in the range of 3 to 6, whereas some scholars (Anderson et al., 2014; Cohen et al., 2018; and Gorsuch, 2015) consider five should be the minimum ratio. This research, with 366 responses and 80 variables, and a ratio of 4.6 variables per sample, met the recommended criteria well.

The third criterion that needs to be fulfilled during the preparatory phase is carefully selecting relevant variables only (Cohen et al., 2018). After a rigorous literature review and the modified Delphi process, all the items generated for the survey were ensured to be relevant only. In addition, ensuring no missing value is also an essential precautionary step (Field, 2017) taken in the preparatory phase. This issue was carefully addressed while designing the survey tool. No survey respondent could respond to the following variable and jump to the next page with any missing value in the preceding question. So, in 366 responses, there was no missing value.

The normality of the data is considered an essential aspect of the Factor Analysis (Kline, 2016). The normality of the data was tested with its mean and standard deviation, as shown in the table below.

Table 10

Statistics for Normality Test of the Data

SGDep		
N	Valid	366
	Missing	0
Mean		4.0968
Median		4.1250
Std. Deviation		.97810
Range		4.63
Minimum		1.38
Maximum		6.00

The mean is four times greater than the standard deviation, an essential condition for the data to be distributed normally (Hozo et al., 2005). It means the data gathered in the research satisfied the normality test. Meeting all those conditions, I performed safety checks while running Factor Analysis in SPSS.

Safety Checks for Factor Analysis: Analysis Phase

As suggested by Cohen et al. (2018), Field (2017), and Kline (2016), further safety checks were conducted, as briefly explained below.

The correlations between variables must fall within a specified range to qualify the condition before running Factor Analysis. Firstly, the correlations between variables should not be high, i.e., they should not exceed 0.8 (Fei et al., 2018). All the variables were tested for correlations and found to satisfy this condition. In addition, variables with correlations with most other variables below 0.3 are worth excluding from the analysis (Floyd & Widaman, 1995). The variables in this study were found to have inter-variable correlations lower than 0.3.

The adequacy of the sample is another essential condition for Factor Analysis. Kaiser-Mayer-Olkin (KMO) is a common measure of sample adequacy. A KMO measure of 0.6 at the minimum is required to ensure that the sample of the study is adequate for the analysis. If the KMO measure is greater than 0.50, the factor ability is assumed to exist in the data set (Field, 2009; Kaiser, 1974; Zulkepli et al., 2017). In this study, KMO was 0.965 (see table 11 below).

Table 11

KMO and Bartlett's Test

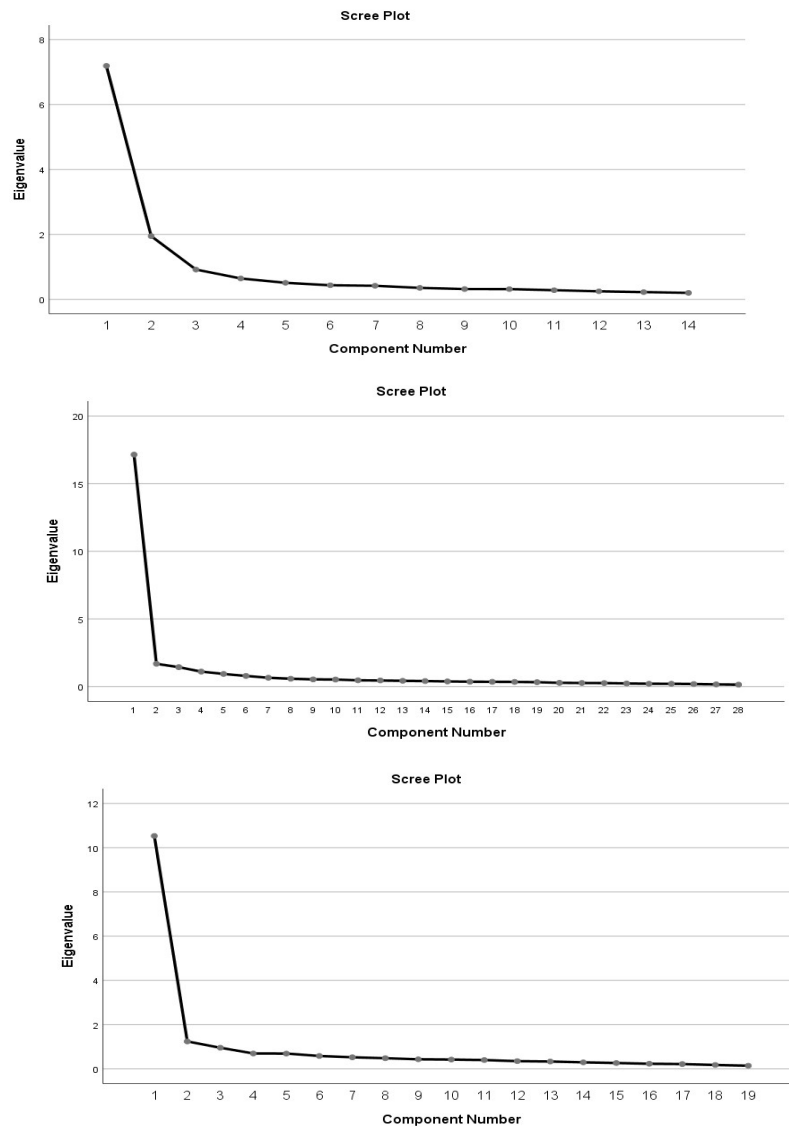
KMO and Bartlett's Test ^a	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Capacity building)	.965
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Enabling environment)	.929

Another condition the study fulfilled is related to the Eigenvalues. Retaining a factor with Eigenvalues greater than one is one of the most widely used conditions (Field, 2009; Fei et al., 2018). In this study, eight factors (four factors on capacity building, two factors on enabling environment, and two on CSO governance) had Eigenvalues greater than 1. As a widely accepted graphical tool (Cattell, 1966; Jolliffe, 2002), the scree plot displayed the eigenvalues of each principal component

in descending order, and the ‘elbow’ of the plots helped me determine the number of components to retain. As demonstrated in three Scree Plots below, eight of the factors, represented by dots in the elbow shape, with an Eigenvalue of greater than one, were retained. In the first scree plot, of 28 factors, two with an Eigenvalue greater than one were retained, whereas, in the second scree plot, of 14 factors, four with an Eigenvalue greater than one were retained. Similarly, in the third scree plot, of 19 factors, two with an Eigenvalue greater than one are retained.

Figure 2.

Scree Plots



The average communalities or extraction value of variables is supposed to exceed 0.5 (Fidell & Tabachnick, 2007). The average extraction of all variables in my study scored 0.5, thus meeting this criterion.

Another criterion suggests that there should be at least three items loading for a factor to be considered valid (Fidell & Tabachnick, 2019; Kline, 2016). This criterion was also met during the Factor Analysis. There was a minimum range of three to fourteen items under each factor retained for further analysis. For example, two items under the enabling environment were rejected as a factor despite having a strong loading coefficient of more than 0.6. In this way, the reliability of factor analysis was tested.

After satisfying all the criteria of the factor analysis, I retained 61 items under eight factors. The following sections discuss the nomenclature of these items under each factor.

Naming the Capacity Building Factors that Contribute to the CSO Governance

The nomenclature of factors in the Exploratory Factor Analysis facilitates communicating the EFA results and contributes to accumulating knowledge (Watkins, 2021). As a construct operationalized by its factor loadings, a factor helps understand the underlying dimensions by unifying the variables that define the factor. Hence, conceptual underpinning is at the heart of the factor's nomenclature (Reio & Shuck, 2015). However, naming a factor is a subjective process (Watson, 2017). So, as Bong and Larsen (2016) suggested, I tried to avoid the construct identity fallacy. Factors were neither considered the same for them holding the same name (jingle fallacy) nor different simply because they have other names (jangle fallacy). Symbolic, descriptive, or causal approaches support naming the factors. I have used two approaches since descriptive names give clues to factor content, and causal names consider reasoning from the salient loadings to the underlying influences that caused them (Rummel, 1967).

Factor One: Organizational Commitment to Need-Based Intervention

Organizational Commitment to Need-Based Intervention is the first factor that included eight items in the Exploratory Factor Analysis. The factor loading values for these eight items range from 0.525 to 0.867, exceeding the minimum required factor

loading value of 0.5. The rotated component matrix of this factor is given in Table 12 below.

Table 12

Rotated Component Matrix: Factor One (Organizational Commitment to Need-Based Intervention)

Items	Factors			
	1	2	3	4
Active implementation (CB36)	.863	.339	.225	.244
Assessment-informed plan (CB35)	.867	.413	.191	.169
Mobilize appropriate human resources (CB37)	.805	.227	.180	.346
Ensuring results (CB39)	.771	.244	.375	.268
Appropriate methods and resource materials (CB38)	.762	.281	.242	.272
Systematic and periodic capacity assessments (CB34)	.766	.376	.336	.262
Appropriate participants (CB40)	.716	.141	.354	.162
Rule of law (CB46)	.525	.343	.371	.293

The above table shows the rotated component matrix of the first factor with eight loaded items. After carefully reading those eight items, I identified the key descriptive words in each item before clustering and re-clustering them in a Mind map to see how these items share a commonality regarding causality and the descriptive nature embedded in them.

After going through them inductively, I named the factor Organizational Commitment for Need-Based Intervention since it consists of items related to organizational readiness in periodically identifying the needs to inform interventions and implementing the plan with the best available resources. Essential items included in the factor are associated with the systematic organizational capacity assessment, and identified capacity deficits inform the intervention. As Kaplan (2000) argues, a paradigm shift is required to understand and develop an organization's capacity if it is intended to yield the best results of the capacity-building intervention. Shifting 'from static framework to developmental reading' needs a full-fledged commitment toward its inherent openness to the environment and working with the complex processes of human change. Other items are related to the effective implementation of the capacity building intervention by mobilizing the best resources – human, technological, and

others as appropriate – to cater to the trainee-friendly methods during the capacity building to ensure the best possible results in organizational performance. The essence of all these items is related to the extent to which a CSO is committed to making capacity-building interventions based on needs and mobilizing appropriate human resources to execute the plan.

This factor is close to the commonly understood aspect of ‘needs-based capacity building intervention’ (Herman & Renz, 2008; Meehan, 2021). However, ‘organizational commitment for need-based intervention’ goes beyond this since identifying the need through a systematic process is not enough to design and execute the capacity-building intervention. Many practitioners fail to differentiate between perceived or assigned and actual needs for capacity building (Eade, 2007; Kaplan, 2000). The generalization of the term as a more acceptable and sophisticated synonym for mere training or short-term skills-building poses a challenge to capacity building (Brough & Potter, 2004). With organizational commitment, there is a chance of periodic assessment of the capacity needs and then the design of the appropriate intervention. Akol et al. (2014) consider this phenomenon a result of the failure to objectively assess capacity needs and see if those engaged in the process have competencies in building the capacity. In addition, they have expressed that the beneficiaries are not consulted to share their experiences with capacity-building efforts. Instead, outsiders' views (such as capacity-building providers, external evaluators, or scholars) are considered. So, the engagement of key stakeholders in the systematic capacity assessment process is a must to avoid this challenge. Moreover, the commitment further manifests in selecting competent human resources for the intervention and selecting the right staff so that the resource person chooses and uses staff-centered methodologies for capacity-building training.

Factor Two: Institutionalized Learning Process

Institutionalized Learning Process is the second factor. This factor consists of **ten items** representing mechanisms, processes, and competence, all internal to CSO, with the factor loading ranging from 0.507 to 0.778, as presented in Table 13 below.

Table 13

Rotated Component Matrix: Factor Two (Institutionalized Learning Process)

Items	Factors			
	1	2	3	4

Measurable objectives of the program (CB5)	.243	.778	.190	.241
Set performance indicators (CB6).	.166	.739	.209	.310
Track progress regularly (CB7)	.054	.653	.225	.390
Learning embeddedness (CB9)	.354	.640	.337	.116
Use ICT in learning sharing (CB11)	.450	.712	.138	.274
Investment in staff capacity building (CB4)	.484	.658	.266	.029
Share learning regularly (CB10)	.434	.642	.224	.213
Informed decision-making (CB14)	.323	.523	.428	.205
Activities aligned strategic plan (CB18)	.472	.534	.139	.404
Commitment to vision (CB12)	.439	.507	.372	.304

Table 13 shows the rotated component matrix of factor two, named the Institutionalized Learning Process. This factor represents ten items that are all internal to the organization. This factor concerns the extent to which a CSO is committed to developing a system aligned with its vision, periodically reflecting on its endeavor to learn, and making an informed decision. Reflecting on the strategic plan indicates the organizational commitment to its vision, a lack of which is likely to cause missing the opportunity to systematically examine the potential pitfalls of any proposed decision, thereby potentially derailing the organization (Gagné, 2018).

Similarly, measuring and tracking progress is as essential as setting measurable performance indicators for any program. While setting measurable performance indicators for its objective helps an organization track progress objectively, it is a necessary but insufficient condition for the organization to track progress. Without measurable indicators, measuring change is unlikely to yield the expected results from the effort. Hence, the availability of objective performance indicators and the regularity in measuring progress over planned intervals are two mutually reinforcing elements of a robust learning process.

However, the sporadic monitoring and evaluation practices don't fulfill their learning function unless institutionalized. The extent to which learning informs capacity-building also determines its effectiveness (Akol et al., 2014). However, scholars doubt if the learning from one capacity-building initiative has been applied in the next course of similar action. Since mistakes are as useful as successes, both need

to be unpacked to determine if the practices are replicable and the rationale (UNDP, 2009).

Since learning is considered one of the essential M&E functions, it is not necessarily embedded unless the core learning agenda of the organization guides the designing and implementation of the M&E system. The empowerment approach considers action learning the best means for building capacity since it is believed to support an organization to master itself by reflecting on its actions and the environment (Cairns et al., 2005). Action research can best support organizations to excel beyond building competencies and skills in individuals as preferred in the 'deficit model' of capacity building and empower them in a true sense so that they will be able to retain their organizational autonomy from the powerful funders.

Internal and external communication is essential to benefit all the stakeholders from the learning captured through a rigorous M&E system. Hence, an annual performance review and reflection on learning are expected to be followed by sharing the learning through various modes of communication, including ICT.

Factor Three: Creative Engagement of Staff in Decision-Making

The third factor is named the Creative Engagement of Staff in Decision-Making. This factor comprises five items with factor loading ranging from 0.559 to 0.819. Though all five items in this factor are internal to the organization, items CB22, CB23, and CB24 are related to creative problem-solving. In contrast, items CB21 and CB15 are associated with the engagement of staff members in the decision-making process. The rotated component matrix of factor analysis is given in Table 14 below.

Table 14

Rotated Component Matrix: Factor Three (Creative Engagement of Staff in Decision-Making)

Items	Factors			
	1	2	3	4
Conflicts resolution (CB22)	.338	.271	.819	.199
Collaborative problem solving (CB23)	.267	.280	.755	.337
Mutual support among staff (CB24)	.223	.198	.729	.386
Staff engagement in decision-making (CB21)	.373	.303	.675	.300

Table 14 presents the rotated component matrix of the third factor, Creative Engagement of Staff in Decision-making since it best carries the essence of those five items clustered by EFA. One of the items in this factor is related to the decision-making process across organizational levels. Whether the board makes decisions informed by learning from failure and successes or the engagement of staff members in decision-making processes, both conditions manifest democratic and informed decision-making processes internal to the organization. According to Carmin (2010), staff engagement in decision-making is an important aspect of a capacitated organization. Engagement of staff members in decision-making not only promotes a learning culture among the team members but increases the likelihood of developing their confidence and competence. Since learning from both success and failure is equally important, the confidence of staff members in sharing failures would enable leadership (board members) to learn from failures.

Other items in this factor are related to constructive and collaborative problem-solving in the organization. Conflicts are inevitable in any organization. Moreover, conflicts are not essentially destructive or harmful, provided an organization resolves the conflict productively. Despite its varying sources and nature, the people in an organization ultimately feel the conflict and are responsible for fixing it. However, the extent to which the organization creates an enabling environment for those staff members to resolve the dispute through collaborative problem-solving determines how supportive the staff members are of each other. Their engagement in collaborative problem-solving entails individual competence and willingness and the collective capacity of an institution that is even linked to organizational governance.

Factor Four: Financial Management

The fourth factor was Financial Management, a composite of five items with factor loading ranging from 0.582 to 0.783. The rotated component matrix of factor analysis is given in Table 15 below.

Table 15

Rotated Component Matrix: Factor Four (Financial Management)

Items	Factors			
	1	2	3	4
Periodic financial reports (CB29)	.198	.239	.200	.783

Qualified finance staff (CB27)	.283	.228	.307	.705
Financial reports inform decisions (CB28)	.402	.274	.248	.657
Comply with financial rules & regulations (CB31)	.222	.327	.422	.695
Preparation of annual budget (CB26)	.477	.296	.220	.582

Table 15 exhibits the rotated matrix component of the fourth factor loaded with five items in EFA. All five items are related to having financial rules, regulations, and procedures to inform financial decision-making or having a qualified professional in the team to manage financial matters. Hence, the factor named Financial Management captures the essence of these two core elements.

Financial management is considered an essential capacity domain of an organization for transparent transactions, the rule of law, and achieving efficiency for an organization that is usually under resource pressure. Compliance with financial rules and regulations has always remained essential to the organizational audit. However, better financial management rests not only on the availability of a robust financial system (rules, regulations, guidelines) but also on the availability of qualified professionals. Professionals are needed to make the available system work in addition to leading the advancement of the system as necessary to deal with internal and external requirements. Accountability is also an essential element of financial management. Many criticisms are related to CSOs being more concerned about upward accountability (i.e., accountability towards donors and government agencies) for compliance. Thus, financial reports must be prepared periodically and used in management decision-making. Hence, financial management has been explored as a critical capacity-building factor contributing to organizational governance.

Factor Five: Legal Enabling Environment

Legal Enabling Environment is the fifth factor, external to the organization's direct control. The factor loading of the seven items clustered in EFA ranges from 0.740 to 0.845. These seven items illustrate two major dimensions – government rules and regulations and the capacity of regulatory authorities to facilitate the civil society organization's functioning. The rotated component matrix of factor analysis of an enabling environment is presented in Table 16 below.

Table 16*Rotated Component Matrix: Factor Five (Legal Enabling Environment)*

Items	Factors	
	1	2
Legal environment shapes 'rule of law' (EE10)	.845	.244
Legal environment shapes inclusion (EE11)	.835	.258
Legal environment motivates self-regulation (EE13)	.796	.208
Legal environment shapes resource mobilization (EE12)	.770	.270
Legal environment promotes transparency (EE8)	.748	.271
Capacity of regulatory authority promotes governance (EE14)	.742	.208
Legal environment promotes accountability (EE9)	.740	.265

The table above exhibits the fifth factor's rotated component matrix with seven items clustered by EFA. It is named Legal Enabling Environment since all seven items represent the quality of regulatory authorities, including the availability of legal policies, rules, and programs concerning the CSO functioning constitutionally guaranteed. Several documents published by development organizations and academia have highlighted that a conducive environment is necessary for CSOs to function (Yeshanew, 2012). Despite the claim, this literature was confined to the qualitative argument. There was no quantitative study to claim the enabling legal environment as one of the CSO capacity domains that impact their governance.

This study explored the extent to which the government rules and regulations contribute to the rule of law, inclusion, self-regulation, resource mobilization, transparency, and accountability in a CSO, all of which manifest CSO capacity. There is ample theoretical and empirical backup for these elements to have been considered a part of the enabling legal environment (Svanemyr et al., 2015). Thus, it is a valid claim that the enabling legal environment becomes a part of the CSO capacity that influences CSO governance.

Factor Six: Education of Leadership

The Education of Leadership is the sixth factor of CSO capacity-building influencing their governance. All seven items loaded from EFA for this factor are related to the educational level of organizational leadership, a conditionality that is

entirely internal to an organization. The factor loading of these seven items ranges from 0.606 to 0.825. Table 17 below exhibits the rotated component matrix of the sixth factor.

Table 17

Rotated Component Matrix: Factor Six (Education of Leadership)

Items	Factors	
	1	2
Leader's education determines transparency (EE4)	.172	.825
Leader's education determines the rule of law (EE5)	.210	.812
Leader's education determines accountability (EE3)	.226	.789
Leader's education determines participation (EE6)	.306	.778
Leader's education determines gender equality and social inclusion (EE7)	.326	.735
Leader's education determines integrity (EE2)	.254	.715
Educated leaders motivate staff members toward integrity (EE1)	.198	.606

Table 17 above has seven items, all implying the Education of Organizational Leadership factor. The formal educational attainment of the CSO leader, which primarily includes the chairperson, coordinator, or convenor, depending on the organization's nature, is the sixth factor concerning CSO capacity-building that has implications for their governance. Literature suggests that the better is the education level of organizational leaders, the higher is the likelihood of organizational capacity and commitment to the rule of law, transparency, inclusion, and integrity (Haggard & Tiede, 2011; Sarker et al., 2017).

State of CSO Governance Factors

The study aimed to identify critical factors of CSO governance, a dependent variable. The EFA identified two factors of CSO governance, as presented below.

Factor Seven: Rule of Law

Table 18

Rotated Component Matrix on the CSO State of Governance: Factor Seven (Rule of Law)

Items	Factors	
	1	2
Follow standard procurement policies (SG13)	.847	.251
Follow all protocols, standards, and codes of conduct (SG14)	.818	.264
Strictly follow staff recruitment policies (SG5)	.810	.257
Proper use of office equipment (SG12)	.807	.226
Transparent appraisal process (SG6)	.804	.191
Handle complaints properly (SG11)	.800	.303
Follow recruitment policies (SG9)	.764	.273
Share audited financial reports (SG4)	.757	.209
Democratic process to elect board (SG3)	.731	.187
Systems in place to report unfair practices (SG10)	.726	.331
Legal action against financial mismanagement (SG7)	.713	.311
No deduction from remuneration (SG8)	.687	.169
Use of research data in planning (SG17)	.641	.431

The seventh factor identified in the study, the first factor of CSO governance, is the Rule of Law. As mentioned earlier, the research aimed at identifying factors of CSO governance, though it was a dependent variable. The first governance factor was loaded with 13 items, with factor loading ranging from 0.641 to 0.847. Table 18 above exhibits the rotated component matrix of this factor.

Table 18 presents the rotated component matrix of the first factor of CSO governance as generated by EFA. It has thirteen items and has been named Rule of Law. Though the rule of law is considered one of the governance pillars (Fukuyama, 2016.), this EFA loaded some additional items that were traditionally not associated with the 'rule of law.' Eight of the thirteen items loaded on this factor are related to

the rule of law. In contrast, the remaining items are implicitly related to democratic decision-making and transparent internal and external communication.

The availability of standard policies, rules, and procedures is a necessary but insufficient condition to ensure compliance with these governance frameworks. CSOs are under scrutiny for their alleged ignorance of the formulation of such governance frameworks as well as compliance with those frameworks.

Factor Eight: Informed Decision Making

The second factor of CSO governance, which is the eighth factor identified in the study, is Informed Decision Making. This factor is loaded with six items with a range of factor loading from 0.514 to 0.710. Table 19 below exhibits the rotated component matrix of the second governance factor in CSO.

Table 19

Rotated Component Matrix on the CSO State of Governance: Factor Eight (Informed Decision Making)

Items	Factors	
	1	2
Have a strategic plan (CB16)	.417	.710
Measurable objectives before implementing program (CB5)	.404	.647
Context-informed executive committee (CB13)	.410	.646
Multiple donors (CB30)	.150	.597
Effective monitoring and evaluation of programs (CB8)	.499	.556
Financial plan for sustainability (CB25)	.432	.514

Table 19 above exhibits the rotated component matrix of the second governance factor with CSOs generated by EFA. Loaded with six items, this factor concerns strategic orientation through the informed decision-making process in CSO. While the strategic plan aims to deal with long-term planning, staying informed of the context is not just a one-off requirement but needs to be a regular phenomenon in an organization. Another facet of informed decision-making involves setting a measurable objective for the program/project and conducting a systematic and periodic evaluation. The subtle and implicit dimension of informed decision-making consists of making a financial plan that considers the donor's landscape so that

diversifying donor funding is more likely to contribute to the financial plan from a sustainability perspective.

Chapter Essence

This chapter includes two parts: the first part highlights the demographic and professional variables of the respondents and the characteristics of the organizations they represent, whereas the second part explains the factors of CSO capacity-building and governance. Among the respondents, two-thirds were male, and 68 percent of respondents were of the age group 31-50 years. A vast majority of respondents were Hindu, and the majority of them were Pahade Brahmin/Chhetri. More than 90 percent of respondents had a Bachelor's degree or higher education, and almost 60 percent had more than six years of association with their current organization. The majority of the respondents were engaged in organizational management.

Responding NGOs represented seven provinces; almost 60 percent have more than 15 years of existence. Similarly, about two-thirds of sitting chairpersons in participating NGOs are male, with half of their chairpersons having completed a Master's degree. The second part of the section identified six capacity-building factors: Organizational Commitment to Need-Based Intervention, Institutionalized Learning Process, Creative Engagement of Staff in Decision-Making, Financial Management, Legal Enabling Environment, and Education of Leadership. Two CSO governance factors identified included Rule of Law and Informed Decision Making.

CHAPTER V

EFFECTS OF CAPACITY FACTORS AND PERSONAL AND ORGANIZATIONAL CHARACTERISTICS ON CSO GOVERNANCE

This chapter answers which capacity-building factors best describe the state of CSO governance (research question 2) and the extent to which personal characteristics of survey respondents, as well as the CSO leadership (i.e., chairperson, convenor, coordinator, among others), including their education and organizational attributes of CSOs, impact the state of CSO governance (research question 3). While answering the second research question, the study assesses the contribution of six capacity factors: organizational commitment for need-based intervention, institutionalized learning process, creative engagement of staff in decision-making, financial management capacity, enabling legal environment, and support system for CSOs, personal characteristics of organizational leadership on the state of CSO governance that is manifested in a combination of two key factors: the rule of law, and informed decision making. The chapter begins with the statistical procedure used for these analyses. Before the analyses, necessary assumptions have been discussed and met.

Statistical Procedure for Analysis

Inferential statistics have been used in this chapter to address the second and third research questions. An inferential statistical tool, i.e., multiple regression analysis, was used to assess the effects of capacity-building factors on CSO governance together after meeting the necessary assumptions. In addition, the effect of each capacity-building factor was also assessed using simple linear regression, and the Pearson Correlation test was also run to glimpse the associations among all the variables. All six capacity-building factors are independent variables (IVs), and the state of CSO governance is the dependent variable (DV) analyzed in this chapter.

Assumptions for Regression Analysis

This section begins with discussions on the assumptions that have to be met before conducting regression analysis, especially multiple regression analysis. Firstly, conducting a multiple regression requires a larger sample with a minimum sample size (Cohen et al., 2018) of $50 + (8 \times \text{number of independent variables})$. With

six factors as independent variables, the minimum sample size required was $50 + (8 \times 6) = 98$. The sample size of this study was 366. So, this assumption was easily met.

Simple random sampling and Scale data in independent and dependent variables are required, and these assumptions were met as discussed in earlier chapters. As one of the requirements, I tested the dataset before analysis to identify if it carried any outliers and confirmed that the dataset was free of outliers. One of the common methods, i.e., univariate analysis, was used to see any extreme values (Anderson et al., 2014). The boxplots showing the dataset's median, quartiles, and extremes confirmed no outliers (Tukey, 1977). Since no data points outside whiskers extended to the most extreme data points within 1.5 times the interquartile range (McGill et al., 1978) from the edges of the box, it confirmed the absence of outliers in the dataset. Next, the normality of the data was assessed, as shown in the table below.

Table 20

Normality Test of State of Governance Dependent ITEMS

Statistics		
SGDep		
N	Valid	366
	Missing	0
Mean		4.0968
Median		4.1250
Std. Deviation		.97810
Range		4.63
Minimum		1.38
Maximum		6.00

The table shows that the mean is four times greater than the standard deviation, an essential condition for the data to be distributed normally (Hozo et al., 2005). It means the data gathered in the research satisfied the normality test. Meeting all those conditions, I performed safety checks while running Factor Analysis in SPSS.

Regression analysis also demands another important assumption known as linearity. As Field (2017) explains, there should be a linear relationship (i.e.,

correlations) between the dependent variable and the independent variable(s). Linearity can be observed through a straight line from the average values of outcome variables concerning the increase in predictor variables. The author describes that dependent variables should have a linear relation with any independent variables (IVs). In the case of multiple regression, the collective influence of IVs is best described by summing up all their effects. To assess linearity, observation of the Probability-Probability (P-P) Plot of Regression Standardized Residual has been suggested (Cohen et al., 2018; Field, 2017). Figure 3 below helps assess the linear relationship between dependent and independent variables.

Figure 3. *Normal P-P Plot of Regression Standardized Residual*

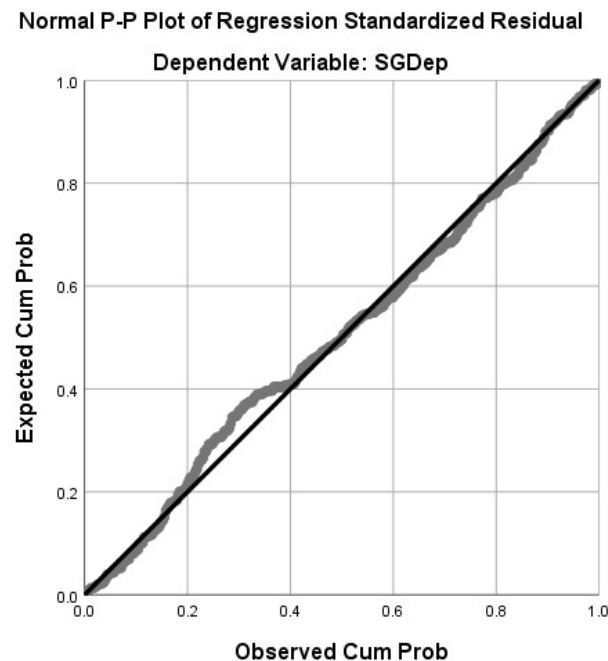


Figure 3 above shows the P-P plot of the residual to assess the linearity of the data. In the figure, it can be observed that the points are evenly distributed around the hypothetical line. The mean values of the dependent variable are closely around or overlapping with the increase in independent variables. So, it supports the assumption of linearity of data in this study.

Homoscedasticity, also known as a constant variance, is another assumption for the data to be worth regression analysis. Homoscedasticity means that the variance observed around the regression line is similar for all the independent variables around the regression line (X) (Stockemer, 2018). The P-P plot above supported

homoscedasticity (Cohen et al., 2018). In addition to that, I examined homoscedasticity by checking if the points are distributed consistently around the hypothetical line shown in the Scatter Plot (figure 4) below.

Figure 4. *Scatterplot*

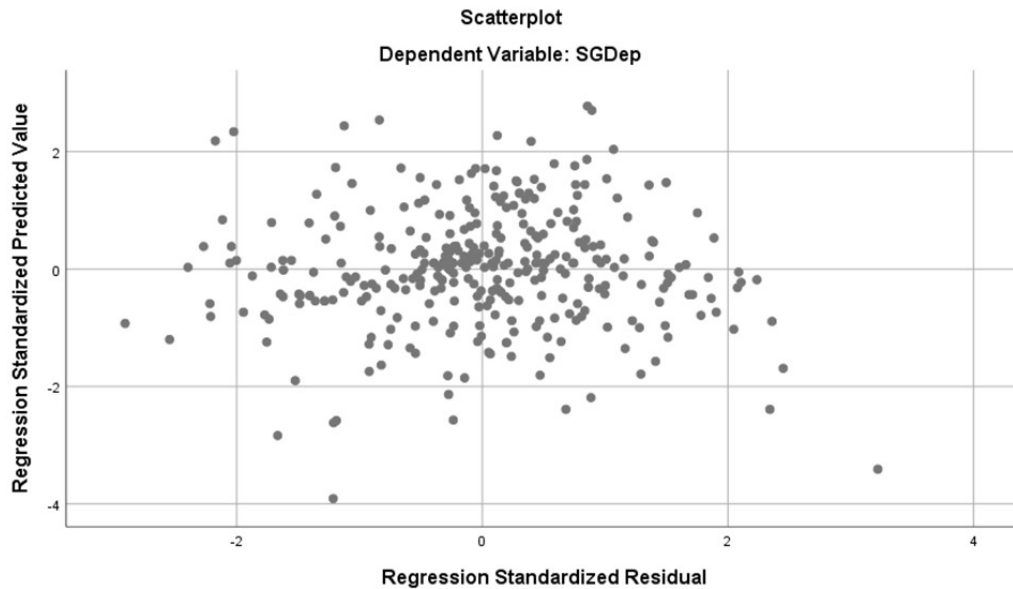


Figure 4 shows the scatterplot of the state of governance in which the Y-axis is the Regression Standardized Predicted Value, and the X-axis is the Regression Standard Residual. Based on the figure above, regression standardized predicted values (state of CSO governance) are clustered around an area. If observed closely, regression standardized predicted values are slightly more clustered on the right side. However, the distribution of its values is nearly consistent, along with the increase in Regression Standardized Residual. The values, on the whole, have a moderately uniform distribution.

Autocorrelation is another assumption to be met for regression analysis. As per this assumption, there should be no expected autocorrelation between residuals for any cases (Verma & Abdel-Salam, 2019). Autocorrelation occurs when the residuals of two observations are correlated within a given regression model (Field, 2017). The presence of autocorrelation signifies that model standard errors are invalid, for which the residuals of two observations should be independent to get the data without autocorrelation. So, this assumption was tested using the Durbin-Watson test. Field (2017) explains that in a conservative rule of thumb, the value should remain between

one and three, and the value of '2' signifies that the residuals have perfect independence (completely uncorrelated). In this study, the value of the Durbin-Watson test was 1.973 (See Table 21 below). This value was nearly equal to the desired value of 2, indicating the absence of autocorrelation. The resulting value of 1.973 in the Durbin-Watson test, close to the desired value of 2 indicates the absence of autocorrelation, reinforcing the validity of model standard errors and ensuring the independence of residuals in the dataset (Verma & Abdel-Salam, 2019; Field, 2017).

Table 21

Model Summary of Multiple Regression^b

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.826 ^a	.682	.678	.53320	1.973

a. Predictors: (Constant), CBF3, CBF1, CBF4, CBF2

b. Dependent Variable: State of Governance

The absence of multicollinearity is another condition for regression analysis, especially for multiple regression analysis. In regression analysis, multiple predictors (independent) variables are expected to be no multicollinearity (Cohen et al., 2018; Field, 2017). As Fidell and Tabachnick (2019) stress, multicollinearity increases the risks of getting a regression coefficient non-significant due to greater standard errors caused by strong correlations. Field (2017) suggests computing variance inflation factor (VIF) and tolerance statistics to check if multicollinearity exists. VIF shows whether or not one independent variable has a strong linear relationship with the other dependent variables. On the other hand, the tolerance statistics is reciprocal to VIF, i.e., $1/VIF$. VIF is expected to be substantially below 10, and the tolerance level below 0.2 for the absence of multicollinearity. VIF and tolerance statistical values are shown in Table 22 below.

Table 22

VIF and Tolerance Statistics of Independent Variables

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Organizational Commitment to Need-Based	.308	3.248

Intervention		
Institutionalized Learning Process	.283	3.533
Creative Engagement of Staff in Decision-Making	.350	2.860
Financial Management Capacity	.329	3.043
Enabling Legal Environment for CSOs	.667	1.499
Education of Leadership	.667	1.499

Table 22 shows the values of VIF and tolerance level of independent variables. It shows that the range of Tolerance statistics was from 0.283 (lowest) to 0.667 (highest). Hence, all the values were comfortably above the minimum tolerance value of 0.2, as Field (2017) described. Similarly, the highest VIF score was just 3.533, far below the accepted level (i.e., 10). Hence, there is an absence of multicollinearity between the exogenous variables, indicating fulfillment of another desired assumption of multiple regression analysis.

Effects of Capacity-Building Factors on CSO Governance

This section uses multiple regression to collectively discuss the contribution of six capacity-building factors (predictor variables) to the state of CSO governance (outcome variable). In so doing, I have assessed three key measures, i.e., the Adjusted R square, the ANOVA significance level, and the Beta (β) value (Cohen et al., 2018).

This study has six predictor variables: four capacity-building factors and two enabling environment factors. They include: i) Organizational Commitment for Need-Based Intervention (OCNBI), ii) Institutionalized Learning Process (ILP), iii) Creative Engagement of Staff in Decision-Making (CESDM), iv) Financial Management (FM), v) Legal Enabling Environment for CSOs (LEE), and vi) Education of Leadership.

Table 23

Model Summary of Multiple Regression^b

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.826 ^a	.682	.678	.53320	1.973

a. Predictors: (Constant), OCNBI, ILP, CESDM, FM

b. Dependent Variable: State of Governance

Table 23 above summarizes multiple regression with four predictor variables. This table includes the value of R square, which explains the coefficient of determination (Hair et al., 2014). Since it measures the proximity of data to the fitted regression line, it thus informs the extent to which the independent variable explains the variance in the dependent variable. The value of the R square for four capacity-building factors was 0.682. In addition, the table presents the data of Adjusted R square, which according to Anderson et al. (2014), is a modified measure of the coefficient of determination that considers the number of independent variables in the regression equation and the study's sample size. From the table, it can be observed that its value was 0.678, which is smaller than the value for R square (i.e., 0.682) as it is estimated on the fact that the study is being conducted on a sample rather than a population. Adjusted R square is preferred for accuracy (Cohen et al., 2018). So, the Adjusted R square's value of 0.678 explains that 67.8 percent of the variance in the dependent variable (state of CSO governance) was explained by four capacity-building factors (hence predictor variables) together. Muijs (2004) states a general parameter for adjusted R square: less than 0.1 means poor fit; 0.11 to 0.3 means modest fit; 0.31 to 0.5 means moderate fit; and greater than 0.5 means strong fit. According to this parameter, the regression model falls in the 'strong fit' category.

The multiple regression analysis, summarized in Table 23, reveals a strong fit of the regression model, with the Adjusted R square value of 0.678 indicating that 67.8 percent of the variance in the dependent variable (CSO governance) is explained by the four capacity-building factors. This accuracy-focused metric, adjusted for the number of independent variables and sample size, provides a comprehensive understanding of the model's explanatory power. The robustness of the fit, categorized as 'strong' based on Muijs's (2004) parameter, underscores the effectiveness of the four predictor variables in elucidating the state of CSO governance.

Table 24

Model summary of Multiple Regression^b

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.443 ^a	.196	.191	.82791	1.530

a. Predictors: (Constant), LEE, EL

b. Dependent Variable: State of Governance

Similarly, table 24 above summarizes multiple regression with two predictor variables. The value of the R Square for two enabling environment factors was 0.196. In addition, Adjusted R Square can be observed as 0.191, which is smaller than the value for R square. So, the Adjusted R square's value of 0.191 explains that 19.1 percent of the variance in the dependent variable (state of CSO governance) was explained by two enabling environment-related factors (hence predictor variables) together. As discussed earlier, according to the parameters proposed by Muijs (2004), the regression model falls in the 'modest fit' category.

In addition to identifying the category, it is equally important that a researcher assesses the statistical significance of the model (Allen, 2004). In this study, I assessed the statistical significance of the two models, as shown in Tables 25 and 26 below.

Table 25

Analysis of Variance (ANOVA^a)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	198.435	4	49.609	174.491	.000 ^b
Residual	92.683	326	.284		
Total	291.118	330			

a. Dependent Variable: SGDep

b. Predictors: (Constant), OCNBI, ILP, CESDM, FM

Table 25 presents the ANOVA significance level for four capacity-building factors, as suggested by Cohen et al. (2018). It shows a significant value above 99 percent ($p < .01$), meaning the effect of capacity-building factors on the perceived state of CSO governance did not exist simply by chance. In other words, this model is a statistically significant predictor of the outcome and accurately predicts the results in the population.

Table 26

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	55.093	2	27.546	40.188	.000 ^b
Residual	226.192	330	.685		

Total 281.285 332

a. Dependent Variable: SGDep

b. Predictors: (Constant), LEE, EL

Similarly, table 26 presents the ANOVA significance level for two enabling environment-related factors, as suggested by Cohen et al. (2018). It shows a significant value above 99 percent ($p < .01$), meaning the effect of enabling environmental factors on the perceived state of CSO governance did not exist simply by chance. In other words, this model is a statistically significant predictor of the outcome and accurately predicts the results in the population.

Both Table 25 and Table 26 unequivocally establish the statistical significance of the models, demonstrating that the effects of capacity-building factors and enabling environmental factors on the perceived state of CSO governance are not mere chance occurrences. The exceptionally high significance level above 99 percent ($p < .01$) in both cases confirms these models as robust and accurate predictors of the outcome in the broader population.

The influence of each factor was also assessed concerning their coefficient and significance level within the multiple regression model, as shown below.

Table 27

Coefficients of Capacity-Building Factors on CSO Governance^a

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	Beta	Std. Error	Beta		
(Constant)	.085	.162		.526	.600
Organizational Commitment to Need- based Intervention	.165	.058	.159	2.824	.005
Institutionalized Learning Process	.176	.068	.152	2.586	.010
Creative Engagement of Staff in Decision-Making	.260	.058	.238	4.507	.000
Financial Management	.383	.058	.362	6.643	.000

Capacity

a. Dependent Variable: State of Governance

Table 27 shows four regression models of four capacity-building factors with unstandardized and standardized coefficients and significance levels. It helps find out the independent variables (IVs) that make the most contributions in predicting the outcome and whether or not the contributions are statistically significant. All four capacity-building factors were placed as the IVs in the regression model. In this table, I have considered two critical points of information for analysis. First is the Beta value (β) under the 'Unstandardized coefficients' column. According to the table above, Financial Management Capacity is the highest contributor, with the highest Beta value of 0.383. It means that provided other variables are controlled, the Financial Management Capacity of CSO explains the outcome (CSO governance) by 38.3 points. The second key point of information was the level of significance. Only the two key contributing Capacity-building factors: Financial Management Capacity and Creative Engagement of Staff Members in Decision-Making, were statistically significant at above 99.9 percent ($p < .001$), while the remaining two were insignificant ($p > .05$).

Table 28

Coefficients of Enabling-Environment Factors on CSO Governance^a

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	2.023	.243		8.334	.000
Legal Enabling Environment	.207	.064	.195	3.234	.001
Education of Leaders	.338	.068	.300	4.964	.000

a. Dependent Variable: State of Governance

In Table 28, the regression models for enabling environment factors unequivocally point to the Education of Leaders as the primary and statistically

significant contributor to explaining CSO governance. The Education of Leaders, with the highest Beta value of 0.338, demonstrates a substantial impact, explaining the outcome by 33.8 points and achieving statistical significance at above 99.9 percent ($p < .001$). Conversely, the Enabling Legal Environment, while explaining CSO governance by 20.7 points, does not reach statistical significance. This highlights the pivotal role of the Education of Leaders in influencing CSO governance outcomes.

Effect of Individual Factors on CSO Governance

The effect of each predictor variable on CSO governance has been assessed using the Linear Regression Model. Tables 25 (a) and 25(b) present the coefficients of six models and their respective significance levels. Six models are shown for six independent variables, i.e., six factors (four capacity-building factors and two enabling environment factors) with the perceived state of CSO governance (dependent variable) common to all models. According to Muijs (2004), the simple regression equation is as follows:

$$Y = a + bX$$

where,

Y = Dependent (outcome) Variable

a = intercept or the (Constant Value), or the value of Y when X = 0

b = the slope, or the value that Y will change by if X changes by 1 unit

X = Independent (predictor) variable.

In all the predictor variables, b coefficients under the ‘unstandardized coefficients’ column have been taken into account, bearing in mind that all the independent and dependent variables use the same point scale. In regression, the ‘b coefficient’ denotes the value that the perceived state of CSO governance will change if a capacity-building and enabling environment-related factor changes by one unit. According to (Anderson et al., 2014), the constant has no important role in the prediction process and does not offer any basis for interpretation, so it was not considered. Three of six linear regression models are statistically significant at 99.9 percent ($p < .001$). The analysis of each environmental factor is individually done below.

To assess Organizational Commitment to Need-Based Intervention (OCNBI) on CSO Governance, the ‘b coefficient’ obtained was 0.165. It indicates a unit change of 0.165 in CSO Governance with a change of 1 unit in OCNBI. In other words, a 100 percent change in OCNBI brings a 16.5 percent change in CSO Governance (Cohen,

Manion, & Morrison, 2018; Muijs, 2004). Similarly, when the Institutionalized Learning Process (ILP) contribution was tested on CSO Governance, the ‘b coefficient’ obtained was 0.176, indicating a unit change of 0.176 in CSO Governance with the change of 1 unit in the Institutionalized Learning Process. It means that a 100 percent change in the Institutionalized Learning Process brings a 17.6 percent change in CSO Governance. Regarding the effect of Creative Engagement of Staff in Decision-Making (CEDDM) on CSO Governance, the ‘b coefficient’ was 0.260, which explains a unit change of 0.260 in CSO Governance with the change of 1 unit in Creative Engagement of Staff in Decision-Making. It means that a 100 percent change in the Creative Engagement of Staff in Decision-Making brings a 26 percent change in CSO Governance.

The ‘b coefficient’ was 0.383 when Financial Management (FM)’s effect was tested on CSO Governance. It means a unit change of 0.383 in CSO Governance with a change of 1 unit in Financial Management Capacity. In plain language, a 100 percent change in Financial Management Capacity brings a 38.3 percent change in CSO Governance.

Likewise, concerning the Enabling Legal Environment, the ‘b coefficient’ value was 0.207. This indicates a unit change of 0.207 in CSO Governance with a change of 1 unit in Enabling Legal Environment. In other words, a 100 percent change in Enabling Legal Environment brings a 20.7 percent change in CSO Governance. Finally, while assessing the effect of the Education of Leaders on CSO Governance, the value of the ‘b coefficient’ obtained was 0.338, explaining a unit change of 0.338 in CSO Governance with a change of 1 unit in Education of Leadership.

To answer the third research question [Does the perceived CSOs’ governance differ across personal characteristics (Gender, Age Group, Ethnicity, Educational Status of respondents, and Sex and Education of Organizations’ chairperson) and organizational characteristics (Locale, Types, and Years of Organizational Existence of the organization)?], nonparametric tests were carried out.

Respondents’ Characteristics and Perceived State of CSO Governance

Table 29

CSO Governance by the Respondent’s Gender

SGDeP_Cat	Sex			
	Male	Female	Others	Total
Poor	14.81	14.29	0.00	14.48
Progressing	62.96	69.75	100.00	65.57
Good	22.22	15.97	0.00	19.95
Total	100.00	100.00	100.00	100.00

Pearson Chi-square = 4.27 $p = 0.3711$

Table 29 presents a breakdown of respondents' gender and their perception of the state of CSO governance, with a comparison. The categories for the perceived state of governance are Poor, Progressing, and Good. The respondents' personal characteristic is broken down by Sex, which has three categories: Male, Female, and Others. The table shows that the largest group of respondents, regardless of gender, reported that the state of CSO governance is Progressing. Females reported a slightly higher percentage of a Progressing state (69.75%) than males (62.96%) and Others (100%). Similarly, the highest percentage of Poor governance was reported by males (14.81%) and females (14.29%), with no reports from Others. When considering the good state of governance, males (22.22%) were more likely to report this than females (15.97%). However, the difference is not very significant.

Table 30

CSO Governance by the Respondent's Education

SGDeP_Cat	Academic Qualification				Total
	SEE or below	Grade twelve or equivalent	Bachelor	Masters or above	
Poor	33.33	13.33	23.48	9.63	14.48
Progressing	66.67	73.33	62.61	66.06	65.57
Good	0.00	13.33	13.91	24.31	19.95
Total	100.00	100.00	100.00	100.00	100.00

Pearson Chi-Square = 16.61 $p = 0.0108$

The largest group of respondents, regardless of academic qualification, reported that the state of CSO governance is progressing. Table 30 indicates that

respondents with SEE or below and Bachelor's degrees reported the highest percentages (66.67% and 62.61%, respectively) of a Progressing state of governance. When the Poor state of governance is considered, respondents with SLC/SEE or below reported the highest percentage (33.33%), followed by Bachelor's degrees (23.48%) and Grade twelve or equivalent (13.33%). Regarding the Good state of governance, respondents with a Master's degree or above reported the highest percentage (24.31%), followed by Bachelor's degrees (13.91%). Respondents with SLC/SEE or below reported no respondents in a Good state of governance. The Pearson Chi2 and Prob values at the bottom of the table indicate whether there is a significant relationship between the perceived state of governance and academic qualification. In this case, the Prob value of 0.0108 suggests that there may be a significant relationship between the two variables. Overall, the table demonstrates that there are differences in the perceived state of CSO governance among respondents with different levels of academic qualification.

Table 31

CSO Governance by the Respondent's Job Nature

SGDeP_Cat	Respondent's nature of the job in the organization		
	Operational Management	Program Management	Total
Poor	12.74	16.88	14.48
Progressing	61.79	70.78	65.57
Good	25.47	12.34	19.95
Total	100.00	100.00	100.00

Pearson Chi-Square = 9.87 $p = 0.0072$

The job nature of the respondents impacts the way they see the state of CSO governance (Table 31). The highest percentage of respondents from Operational Management perceive both Poor and Good states of governance, while respondents from Program Management dominate in the Progressing state. Specifically, 25.47% of respondents from Operational Management report good governance and 12.74% report Poor governance. Among respondents from Program Management, 70.78% report Progressing governance, and 16.88% report Poor governance. The significant

relationship indicated by the Pearson Chi-Square and Prob values ($p = 0.0072$) emphasizes differences in perceived CSO governance among respondents with various job roles within the organization. Overall, the Table demonstrates that there are differences in the perceived state of CSO governance among respondents with different natures of the job in the organization.

Organizational Characteristics and State of CSO Governance

Table 32

CSOs' Governance by Their Locale

State of Governance	Name of Province							
	Koshi	Madhes h	Bagmati	Gandaki	Lumbini	Karnali	Sudur Paschim	Total
Poor	18.52	15.38	10.56	0.00	40.00	8.33	23.33	14.48
Progressing	62.96	55.77	68.89	82.61	50.00	66.67	66.67	65.57
Good	18.52	28.85	20.56	17.39	10.00	25.00	10.00	19.95
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Pearson Chi-Square = 30.03, $p = 0.0028$

The locale of the CSOs also influences the way respondents perceive the state of CSO governance. Table 32 shows the distribution of respondents' perception of CSO governance categorized by the province their organization belongs to. The results show that Lumbini Province has the highest percentage of respondents (40%) who rated CSO governance as "poor." In comparison, Gandaki Province has the highest percentage of respondents (82.61%) who rated it "progressing." Regarding overall perception, Karnali Province and Sudur Paschim Province have the lowest percentage of respondents who rated CSO governance as "good", at 10% and 10%, respectively. The Chi-square test of independence indicates a statistically significant relationship between the locale of the CSOs and respondents' perception of CSO governance.

Table 33

CSO Governance by Their Types

State of CSO	Type of organization			
	Network	NGO	Others	Total
Governance				
Poor	12.00	14.58	20.00	14.48
Progressing	64.00	65.77	60.00	65.57
Good	24.00	19.64	20.00	19.95
Total	100.00	100.00	100.00	100.00

Pearson Chi-square = 0.47, $p = 0.9763$

The respondent's perception of the state of CSO governance is not subjected to the type of CSOs, whether they are Networks, NGOs, or other categories. Table 33 presents data on the perceived state of CSO governance categorized by the type of organization. The data is cross-tabulated into three categories of SGDeP_Cat: Poor, Progressing, and Good. The results show that out of the total respondents, 14.48% perceived their organization to have poor governance, 65.57% had progressing governance, and 19.95% had good governance. The majority of respondents were from NGOs (65.77%), followed by networks (24%) and other types of organizations (20%). The Pearson Chi2 value is 0.47, indicating that the type of organization has no significant association with the perceived state of CSO governance.

Table 34

Years of Organizational Existence and Good Governance

Correlations			
		Years of Organization Existence	SGDep
Years of Organization Existence	Pearson Correlation	1	.162**
	Sig. (2-tailed)		.002
	N	366	366
SGDep	Pearson Correlation	.162**	1
	Sig. (2-tailed)	.002	
	N	366	366

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

The longer the years of CSO existence, the better the perceived state of governance. Table 34 presents the correlation between the perceived state of CSO governance and the years of organizational existence. The Pearson correlation coefficient of 0.162 indicates a weak correlation between the years of organizational existence and the state of CSO governance. The direction of the correlation coefficient is positive. It means that with increased years of organizational existence, the state of CSO governance also increases. The p-value of 0.002 indicates that the correlation between these two variables is statistically significant. It means the positive relationship between years of organizational existence and governance is unlikely to have occurred by chance.

Table 35

Academic Qualification of CSO Chairperson and CSO Governance

SGDeP_Cat	Academic Qualification of Chairperson				
	SLC/ SEE or below	Grade twelve or equivalent	Bachelor	Masters or above	Total
Poor	12.50	18.18	23.02	7.78	14.48
Progressing	68.75	65.91	60.32	68.89	65.57
Good	18.75	15.91	16.67	23.33	19.95
Total	100.00	100.00	100.00	100.00	100.00

Pearson Chi-Square = 15.33, $p= 0.0179$

The higher the educational qualification of the CSO chairperson, the higher the perceived state of governance among respondents. Table 35 presents data on the perceived state of CSO governance categorized by the academic qualification of the chairperson. The data is cross-tabulated into three categories of SGDeP_Cat: Poor, Progressing, and Good. The results show that out of the total respondents, 14.48% perceived their organization to have poor governance, 65.57% had progressing governance, and 19.95% had good governance. The majority of respondents claiming their organization has poor governance had their chairperson with a Bachelor's degree

(23.02%). In contrast, those CSOs having their chairperson with Masters' or above had progressing governance (68.89%) and good governance (23.33%) across the governance categories. The Pearson chi-squared value of 15.33 with a corresponding p-value of 0.0179 suggests a statistically significant association between the state of CSO governance and the education of the CSO chairperson.

Table 36

CSO Governance by Gender and Education of CSO Chairperson

Gender of Chairperson	SGDeP_Cat	SLC/ SEE	Grade Twelve	Bachelor	Masters or higher
% of Male	Poor	2.78	13.89	52.78	30.56
	Progressing	1.27	8.92	38.22	51.59
	Good	1.92	7.69	34.62	55.77
	Total	1.63	9.39	39.59	49.39
% of Female	Poor	6.25	18.75	62.5	12.5
	Progressing	10.13	16.46	18.99	54.43
	Good	9.52	14.29	14.29	61.9
	Total	9.48	16.38	24.14	50
% of Other	Poor	0	0	0	100
	Progressing	25	50	25	0
	Total	20	40	20	20

Irrespective of gender, the perception of respondents about the state of CSO governance (from poor to good) increases with the increase in the level of educational qualification of the CSO chairperson. Table 36 shows the percentages of perceptions of CSO governance among three gender groups (male, female, and other) of chairpersons across various levels of educational qualifications - from SLC/SEE (School Leaving Certificate / Secondary Education Examination) to Masters. The first column represents the gender of the chairperson, and the subsequent columns represent the categories of perception (Poor, Progressing, and Good) and the education levels of the CSO chairperson. The last row represents the overall percentages across all gender categories.

In the CSOs with the "Poor" category of governance, male chairpersons have the lowest percentage in SLC/SEE (2.78%) and the highest percentage in Bachelor (52.78%). In the same category, female chairpersons have the lowest percentage in SLC/SEE (6.25%) and the highest percentage in Bachelor (62.5%). Similarly, for the "Progressing" category of CSO governance, male chairpersons have the lowest percentage in SLC/SEE (1.27%) and the highest percentage in Masters' or above (51.59%). In this category, female chairpersons have the lowest percentage in SLC/SEE (10.13%) and the highest percentage in Bachelor (54.43%). Additionally, in the CSOs with "Good" governance categories, the highest percent of male (55.77%) and female (61.9%) chairpersons have a Master's degree or above educational qualification.

Table 37

CSO Governance by Types of Organization and the Gender of Chairperson

Types of Organization	SGDeP_Cat	Male (%)	Female (%)	Others (%)
Networks	Poor	66.67	33.33	0
	Progressing	56.25	37.5	6.25
	Good	66.67	33.33	0
	Total	60	36	4
NGOs	Poor	67.35	30.61	2.04
	Progressing	65.61	33.03	1.36
	Good	71.21	28.79	0
	Total	66.96	31.85	1.19

Among the CSO landscape, NGOs exhibit a somewhat more balanced gender distribution in leadership compared to networks across different state of governance categories. Table 37 indicates that in networks categorized as poor, 66.67% of chairpersons are male, while 33.33% are female, with no representation from 'other gender'. In networks with progressing governance, 56.25% of chairpersons are male, 37.5% are female, and 6.25% are identified as other. In networks with good governance, the percentage of male and female chairpersons is the same as in poor networks, with no representation from individuals identifying as other. In NGOs with poor governance, 67.35% of the chairpersons are male, 30.61% are female, and 2.04%

identify as other. In NGOs with progressing governance, 65.61% of chairpersons are male, 33.03% are female, and 1.36% identify as other. In NGOs with good governance, 71.21% of chairpersons are male, 28.79% are female, and no one identified as others.

In both networks and NGOs, more men than women hold leadership roles. Overall, 60% of network chairpersons are male, 36% are female, and 4% identify as other. For NGOs, 66.96% of chairpersons are male, 31.85% are female, and 1.19% identify as other. The table provides insight into the representation of gender in leadership positions by types of organizations, focusing on the state of governance (SGDeP categories). The data suggest a higher percentage of males in leadership positions in networks and NGOs, regardless of the SGDeP category. However, the data also indicates a more balanced representation of gender in the leadership positions in NGOs compared to networks.

Table 38

CSO Governance by Types of Organization and Education of Chairperson

Types of CSO	SGDeP_Cat	SLC/ SEE (%)	Grade 12 (%)	Bachelor (%)	Masters and above (%)
Networks	Poor	0	33.33	33.33	33.33
	Progressing	12.5	0	25	62.5
	Good	0	16.67	16.67	66.67
	Total	8	8	24	60
NGOs	Poor	4.08	14.29	57.14	24.49
	Progressing	4.07	13.12	32.13	50.68
	Good	4.55	9.09	30.3	56.06
	Total	4.17	12.5	35.42	47.92

The perceived state of governance in both networks and NGOs varies by the educational qualifications of CSO chairpersons. However, more networks with their chairperson having Master's and above educational degrees are perceived to have good governance than the NGOs with their chairpersons having Master's Degree education. Table 38 shows that 33.33% of chairpersons in Networks with poor SGDeP_Cat have each completed their grade 12, Bachelor's, and Master's and above

degrees. In the networks with progressing SGDeP_Cat, 12.5% of chairpersons have completed their SLC/SEE (School Leaving Certificate/Secondary Education Examination). In comparison, 25% have completed their Bachelor's degree, and 62.5% have completed their Masters and above. In the networks with good SGDeP_Cat, 16.67% of chairpersons have completed their Grade 12, 16.67% have completed their Bachelor's degree, and 66.67% have completed their Masters and above.

The second category of organizations mentioned in the table is NGOs. The table shows that 57.14% of chairpersons in NGOs with poor SGDeP_Cat have completed their Bachelor's degree, while 24.49% have completed their Masters and above. In NGOs with progressing SGDeP_Cat, 32.13% of chairpersons have completed their Bachelor's degree, while 50.68% have completed their Masters and above. In NGOs with good SGDeP_Cat, 30.3% of chairpersons have completed their Bachelor's degree, while 56.06% have completed their Masters and above. This table shows the percentage of a chairperson with a Master's degree and above is higher in Networks than in NGOs. In contrast, the percentage of employees who have completed their Bachelor's degree is higher in NGOs than in Networks.

Table 39 presents the results of a structural equation model examining the effect of the qualification of the chairperson, the gender of the chairperson, and the experience of the organization on the dependent variable of SGDep. The exogenous variable of gender is also included. The data used for the model is based on 366 observations.

The coefficient for the qualification of the chairperson is positive and statistically significant ($p < 0.05$), indicating that a higher qualification of the chairperson is associated with a higher value of SGDep. This finding is consistent with prior research that suggests that the higher qualification of the leader is positively related to satisfaction (Huang & Van de Vliert, 2003; Yang et al., 2015).

The coefficient for the organizational existence is also positive and statistically significant ($p < 0.01$), indicating that a more prolonged presence of the organization is associated with a higher value of SGDep.

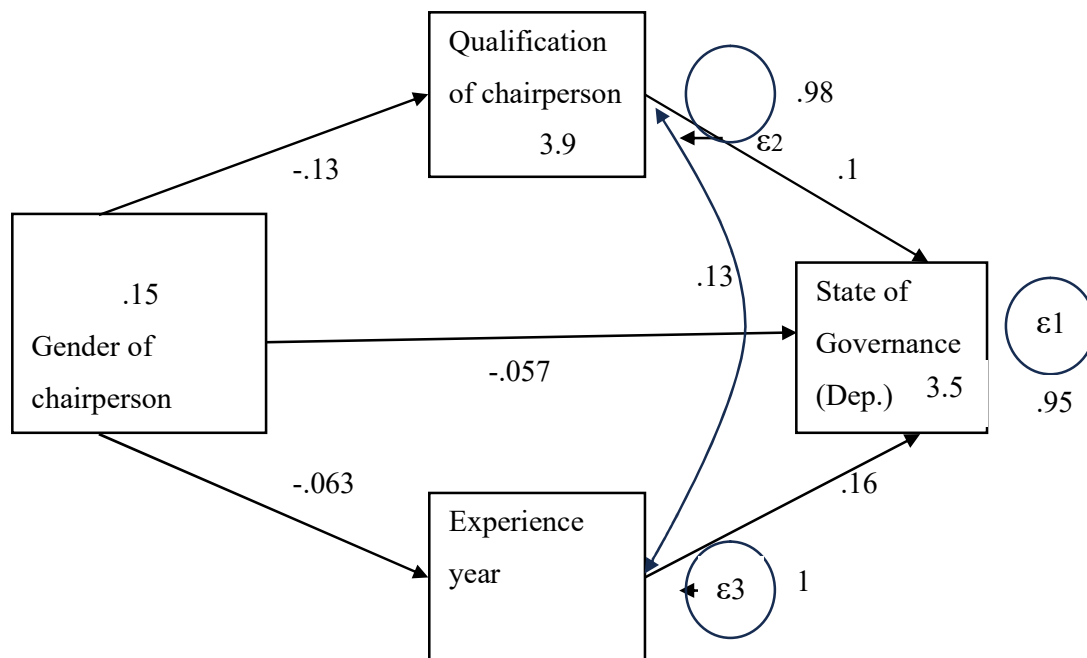
The coefficient for gender is negative, but it is not statistically significant ($p > 0.05$). This result suggests that the gender of the chairperson has no significant effect on SGDep. However, previous studies have found that gender differences can impact

satisfaction, with some studies finding that women have lower levels of satisfaction than men (Akgunduz & Akgemci, 2017; Butt & Ahmad, 2017).

Table 39

CSO Governance by Chairperson's Education and Gender and Experiences

	Standardized Coefficient	OIM St. Err.	Z	P> z
Structural				
SGDep				
Qualification of chairperson	.1028582	0.052	1.990	0.047
Experience year	.1563448	0.051	3.070	0.002
Gender of chairperson	-.0574009	0.051	-1.120	0.264
_cons	3.45781	0.284	12.160	0.000
Qualification of chairperson				
Gender of chairperson	-.1292451	0.051	-2.530	0.012
_cons	3.927475	0.153	25.670	0.000
Experience year				
Gender of chairperson	-.0630526	0.052	-1.21	0.225
_cons	2.20358	0.096	22.85	0.000
var(e.SGDep)	.9547044	0.021		
var(e.qualification of chairperson)	.9832957	0.013		
var(e.experience year_cat)	.9960244	0.007		
Cov (e.Qualification of chairperson, e.experience year_cat)	.1274677	0.051	2.480	0.013
LR test of model vs. saturated: Chi-Square (0) = 0.00				Prob >
Chi-Square.				

Figure 5. *Structural Equation Model*

The regression results also indicate that the covariation between the qualification of the chairperson and the years of organizational experience is positive and statistically significant ($p < 0.05$), indicating a positive relationship between the two variables. This finding is consistent with previous research that suggests that years of experience and qualification are related and impact satisfaction (Yang et al., 2015).

In conclusion, the results of the structural equation model provide evidence that the qualification and experience of the chairperson are positively associated with CSO governance. The findings suggest that organizations should consider the experience and qualifications of their leaders when making decisions about leadership positions.

Table 40

Interaction Effects of Chairperson's Gender, Qualification, Establishment Year to CSO Governance

Source	SS	Df	MS	Number of obs	= 366
Model	27.2719144	12	2.27265953	F(12, 353)	= 2.49
Residual	321.91646	353	.911944645	Prob > F	= 0.0038
Total	349.188374	365	.956680477	R-squared	= 0.0781

Adjusted R-squared = 0.0468

Root MSE = 0.95496

SGDep	Coefficient	t	P> t
Qualification of chairperson	0.160	0.970	0.333
Gender of chairperson	(0.013)	(1.120)	0.263
Years of organization	0.017	2.670	0.008
Qualification of chairperson and gender of chairperson			
Female with Bachelor	(0.561)	(2.200)	0.028
_cons	3.325	5.170	-

The regression analysis examined the relationship between the dependent variable, SGDep, and several independent variables, including the chairperson's gender, qualification, establishment year, and their interaction effects. The data set contained 366 observations.

The results indicate that the independent variables explain a significant portion of the variation in SGDep (R-squared = 0.0781). The F-test is statistically significant at the 0.05 level, indicating that the model is a good fit for the data. The coefficients for the qualification and gender of the chairperson were not statistically significant at the 0.05 level, suggesting that they are not strong predictors of SGDep. However, the establishment year had a positive and statistically significant relationship with SGDep (coefficient = 0.017, p-value = 0.008), indicating that as the establishment year increases, SGDep also increases. The interaction effects of qualification and gender were examined, but two coefficients were omitted due to collinearity. Among the remaining coefficients, only Bachelor females had a statistically significant negative relationship with SGDep (coefficient = -0.561, p-value = 0.028). Other coefficients were not statistically significant at the 0.05 level, suggesting that the interaction effects may not be strong predictors of SGDep.

In conclusion, the results suggest that the establishment year strongly predicts SGDep. At the same time, the qualification and gender of the chairperson and their interaction effects may not significantly impact SGDep. However, it is essential to note that the coefficients for some of the interaction effects were omitted due to collinearity, which may have affected the results. Further analysis is needed to

confirm these findings with the larger sample size to assess the significance of interaction effects.

Table 41

State of CSO Governance by Themes of Their Work

CSO governance	Coef.	St. Err.	t-value	p-value	Sig
Education	.154	.123	1.25	.21	
Health	.47	.119	3.94	0	***
WASH	-.184	.12	-1.53	.127	
Energy	.012	.16	0.08	.939	
Livelihood and economic	.002	.121	0.02	.984	
Agriculture	-.063	.129	-0.49	.626	
Human rights	.273	.105	2.59	.01	***
DRR	.395	.123	3.21	.001	***
Governance	-.123	.108	-1.15	.252	
Constant	3.56	.103	34.49	0	***
Mean dependent var		4.097	SD dependent var		0.978
R-squared		0.142	Number of obs		366
F-test		6.556	Prob > F		0.000
Akaike crit. (AIC)		985.326	Bayesian crit. (BIC)		1024.352

*** $p < .01$, ** $p < .05$, * $p < .1$

CSO's state of governance is informed by the thematic areas of their work. CSOs working on some themes, such as health, human rights, DRR, and education have better governance than those working on WASH, energy, livelihoods, and agriculture. The regression result (Table 41) analyzes the relationship between the dependent variable, SGDep (state of governance), and several independent variables. The independent variables include different themes (education, health, water,

sanitation and hygiene, energy, livelihood, income generation, agriculture, human rights, disaster risk reduction, and governance) that the CSOs are working on. The regression result shows that the model is statistically significant ($p < 0.001$) with an R-squared value of 0.1422, indicating that the independent variables explain 14.22% of the variance in the dependent variable. Of the independent variables, health, human rights, DRR (disaster risk reduction), and Education are significant predictors of SGDep. A one-unit increase in health, human rights, and DRR is associated with a 0.47, 0.27, and 0.40 increase in SGDep, respectively. It indicates that CSOs working on health issues, human rights, and DRR have a better state of governance. However, a one-unit increase in education is associated with only a 0.15 increase in SGDep, and this coefficient is not statistically significant ($p = 0.210$). The other independent variables, WASH, energy, livelihood, agriculture, and governance, are not statistically significant predictors of SGDep, indicating that these themes are not associated with variations in SGDep.

Table 42

Effect of Thematic Working Areas of Organizations on Capacity Building Factors

Themes	CBF1	CBF2	CBF4	CBF3
Education	0.346** (0.004)	0.168 (0.123)	0.152 (0.201)	0.189 (0.097)
Health	0.205 (0.074)	0.193 (0.066)	0.183 (0.112)	0.222* (0.045)
WASH	-0.198 (0.087)	-0.174 (0.105)	-0.254* (0.028)	-0.070 (0.528)
Energy	-0.129 (0.405)	0.0170 (0.905)	-0.211 (0.167)	-0.236 (0.110)
Livelihood & economic	0.0222 (0.850)	0.0853 (0.427)	0.179 (0.133)	0.0068 (0.952)
Human right	0.299** (0.004)	0.247** (0.009)	0.208* (0.044)	0.221* (0.025)
Disaster Risk Reduction	0.113 (0.338)	0.165 (0.131)	0.261* (0.029)	0.353** (0.002)
Governance	-0.186 (0.075)	-0.112 (0.244)	-0.0893 (0.397)	-0.269** (0.007)
Constant	3.504*** (0.000)	3.682*** (0.000)	3.800*** (0.000)	3.886*** (0.000)
N	349	345	350	359

p-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 42 presents the regression results of the impact of different thematic working areas of organizations on four various measures of capacity-building factors (CBF) in a specific study. The table presents the coefficients for each thematic working area, which show the effect of each theme on the four different measures of CBF. The numbers in parentheses represent the standard errors of the coefficients.

The results show that for CBF1 (Organizational Commitment for Need-Based Intervention), which is likely a dependent variable, the thematic working area of education has a positive and statistically significant effect, as the coefficient is 0.346 and significant at 1% level. Similarly, the thematic working area of human rights has a positive and significant effect on CBF1, with a coefficient of 0.299 and significant at 1% level. For CBF2 (Institutionalized Learning Process), except the human rights, none of the other thematic working areas show a significant effect. For CBF4 (Financial Management), the thematic working areas of health, human rights, DRR, and governance have a significant impact. Among these areas, DRR has the highest coefficient (0.353) and is significant at 1% level, while health has the lowest coefficient (0.222) and is significant at 10% level. For CBF3 (Creative Engagement of Staff in Decision-Making), the thematic working areas of human rights and DRR have significant positive effects, with coefficients of 0.221 and 0.353, respectively, both significant at 5% level.

The results suggest that the thematic working areas of education and human rights positively impact capacity-building. In contrast, other thematic areas may have mixed or no impact. However, the strength and direction of the impact vary depending on the measure of the capacity-building factor.

Table 43

Effect of Thematic Working Areas of Organizations on Enabling Environment Factors

	Legal Enabling Environment	Education of Chairperson
Education	0.0502 (0.678)	0.237* (0.042)
Health	0.0302 (0.795)	0.0793 (0.481)
WASH	0.132 (0.261)	-0.144 (0.205)
Energy	-0.0831 (0.591)	-0.0768 (0.604)
Livelihood & economic	0.157 (0.187)	-0.00167 (0.988)
Agriculture	-0.0293 (0.815)	0.0387 (0.749)

Human right	0.0771 (0.457)	0.0593 (0.553)
Disaster risk reduction	-0.0255 (0.831)	0.179 (0.121)
Governance	-0.00898 (0.932)	-0.122 (0.233)
Constant	3.634*** (0.000)	3.766*** (0.000)
<i>N</i>	343	344

p-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 43 presents a multiple regression analysis examining the relationship between various themes as co-variants and two dependent variables, EEf1 (Legal Enabling Environment) and EEf2 (Education of CSO Chairperson). The themes included in the analysis are education, health, WASH (water, sanitation, and hygiene), energy, livelihood/income generation, agriculture, human rights, disaster risk reduction (DRR), and governance. For each theme, the table shows the regression coefficient estimates for EEf1 and EEf2 in columns (1) and (2), respectively, and their corresponding *p*-values in parentheses.

For EEf1 (Legal Enabling Environment), only the coefficient for livelihood/income generation is statistically significant at the 0.001 level, with a positive coefficient of 0.157. None of the other coefficients is statistically significant. However, some have positive values (such as education and human rights), and others have negative values (such as energy and disaster risk reduction). The constant term has a statistically significant positive coefficient of 3.634.

For EEf2 (Education of CSO Chairperson), the coefficients for education and WASH are statistically significant at the 0.05 and 0.01 levels, respectively, with positive coefficients of 0.237 and 0.132. The coefficient for disaster risk reduction is also statistically significant at the 0.05 level, with a positive coefficient of 0.179. The other coefficients are not statistically significant. The constant term has a statistically significant positive coefficient of 3.766.

The results suggest that livelihood/income generation is an important theme for EEf1, while education, WASH, and disaster risk reduction are important themes for EEf2. However, it is important to note that these results may be specific to the sample and context of the study and may not generalize to other populations or settings.

Chapter Essence

All six capacity-building factors explain CSO governance. Of them, four capacity-building factors collectively explain the variance in CSO governance by 67.8 percent, and the regression model that falls in the 'strong fit' category is found to be statistically significant. Similarly, two enabling environment-related factors explain the variance in CSO governance by 19 percent, while this regression model that falls in the 'modest fit' category is also found statistically significant. Of these four capacity-building factors, two are statistically significant contributors to CSO governance: Financial Management being the higher contributor, followed by Creative Engagement of Staff Members in Decision-Making. Similarly, of two enabling environment-related factors, the Education of Leaders is a statistically significant contributor to CSO governance, though their relationship's strength is weak.

Personal characteristics of respondents, such as their education and job nature, significantly influence their perception of the state of CSO governance. In contrast, their gender and religion do not affect their perception of CSO governance. Similarly, organizational characteristics such as their location, years of existence, the thematic focus of their work, and the education of the chairperson have a significant influence on the state of CSO governance. In contrast, the types of CSOs and the gender of the CSO chairperson don't significantly influence CSO governance. CSOs working on health, human rights, DRR, and education significantly affect their governance. Years of organizational existence, together with the education of the chairperson, collectively have a positive and significant relationship. However, the interaction effects of qualification and gender of the CSO chairperson may not significantly impact the state of CSO governance. In addition, the prominence capacity-building factors also vary according to the nature of organizations' work, mainly their thematic focus.

CHAPTER VI

FINDINGS AND DISCUSSIONS

This chapter captures the major findings of this research concerning the research questions highlighted in Chapter I. While capturing these findings, results and their interpretation from the earlier chapters IV and V were consolidated. Based on these findings, I have made necessary discussions under five themes. This chapter starts with the key findings of this research. Then I have presented the discussions on the grounds of these findings thematically, which will follow till the end of this chapter.

Key Findings

This research explored six factors that contribute to the governance of CSOs in Nepal. The six factors were: i) Organizational Commitment to Need-based Intervention, ii) Institutionalized Learning Process, iii) Creative Engagement of Staff in Decision-Making, iv) Financial Management, v) Legal Enabling Environment, and vi) Education of Leadership.

Adding to the extant literature highlighting the importance of an enabling environment for CSOs to exist and function, this study identified two factors of an enabling environment: the legal enabling environment and the education of CSO leaders. Further, this study empirically identified the extent to which the legal enabling environment contributes to CSO governance. In addition to the CSO sector, the legal environment is a prime concern of government entities and donor communities, who claim to have invested in CSO capacity building. Of the six capacity factors identified through the research, the legal enabling environment is entirely external to the direct control of the CSOs. In contrast, the other five factors are primarily internal to the CSOs. Moreover, though the correlation between the education of the CSO chairperson and the CSO governance is positive, it is poorly correlated. Hence, this study has produced a new body of knowledge that the legal enabling environment and other capacity-building factors internal to the organization contribute to CSO governance. Similarly, the formal education credential of CSO chairpersons has a significant role in CSO governance.

The first capacity-building factor, Organizational Commitment to Need-Based Intervention, explains organizational capacity assessment through a systematic and

periodic process that informs a capacity-building plan grounded in the unique contextual reality. In addition, the organization implements the plan with a full-fledged commitment. In addition, the factor explains that organizational commitment in selecting trainees based on their potential contribution to the organization after attending the capacity-building program is as important as ensuring the use of appropriate human resources, appropriate methods, and resources in the capacity-building program. The organizational commitment to distribute the available opportunities equitably among the staff members is expected to yield better the desired results of capacity-building.

The second factor, the Institutionalized Learning Process, explains that a capacitated organization is learning-focused and thus institutionalizes the learning process from the start of project and program management. The organization establishes measurable performance objectives and regularly executes the monitoring, evaluation, and learning process. As the organization has embedded learning, it does not just carry out an annual performance review of individual staff members but also of the organization itself while taking its vision and strategic plan as a reference. Periodic review and reflection help the organization to capture learning, both from the successes and failures, which is shared with different stakeholders regularly and helps both the organization and other stakeholders make an informed decision. An institutionalized learning process thus helps an organization to remain focused on its vision and mission.

Creative Engagement of Staff in Decision-Making also encourages staff members to share learning from failure. Staff input helps an organization in making decisions for the organization's activities. Similarly, the organization creates an environment for the staff to work together and resolve conflicts productively to ensure staff members remain supportive of one another.

The Financial Management of an organization involves three key aspects: developing rules, regulations, and mechanisms. Creating a system that guides all financial transactions in the organization helps make a realistic budget and remains under the surveillance radar of senior management. Similarly, it helps prepare standard reports regularly for informed decision-making. Ensuring qualified staff is responsible for financial management is another aspect of financial management capacity in CSO.

The legal enabling environment, a completely external conditionality for CSOs, includes policies, programs, laws, regulations, and legal orders that influence the working context for the CSOs. Primarily, the federal, provincial, and local government's policies, programs, and regulations are expected to be consistent in creating a conducive environment for CSOs to use fundamental human rights such as the right to assembly, the right to association, and the right to speech, among others. The legal environment further shapes the extent to which CSOs can advance their agenda and philanthropic activities. In addition, the capacity and willingness of concerned authorities to facilitate the CSOs' functioning under the existing legal framework is also a vital element of this factor.

The education of organizations' leaders is the sixth factor of CSO capacity-building. The education credential of the CSO chairperson is found as a factor with a positive but weak correlation with CSO governance. Hence, the factor explains that though formal education contributes to transparency, the rule of law, accountability, inclusion, ethical behaviors, and participatory decision-making in the CSO, its contribution to governance is not statistically significant. However, thematic working areas of CSOs influence the prominence of capacity-building factors. Among CSOs working on different thematic areas, those focused on education and human rights have a positive and significant relationship with capacity-building factors. Similarly, CSOs working on Education, WASH, and DRR thematic areas have a positive and significant relationship with enabling environment factors.

The rule of law, one of the key CSO governance factors, consists of putting protocols, standards, and a code of conduct so that the entire team is encouraged to follow them throughout the organization's functions. It includes putting an operational system in place for investigation and legal actions for unethical practices such as deducting staff salaries and using office resources for personal benefits. Similarly, practicing a democratic process in making evidence-based decisions and maintaining transparency by sharing audited financial reports with its members and stakeholders are crucial elements of the rule of law. Moreover, selecting the executive committee (governing board) through a democratic process ensures that CSO adheres to the rule of law.

Informed decision-making, the second CSO governance factor, consists of the organization's strategic orientation, which is well informed by the updated contextual understanding, with measurable objectives backed up with a monitoring and

evaluation system to track progress and learn from it. Similarly, strategic orientation is followed up by the sustainability plan and efforts in mobilizing funds from different donors.

The perceived state of CSO governance is subject to vary with the personal and organizational characteristics of CSOs. Personal characteristics such as formal education, the job nature of respondents, as well as the formal education of the CSO chairperson, are found to impact their perception of CSO governance significantly. However, the respondent's gender and religion, the chairperson's gender, and the types of CSOs have an insignificant role in influencing the perceived state of CSO governance. Organizational characteristics such as location, years of organization existence, and thematic focus of CSOs influence the state of CSO governance. Specifically, CSOs working on four thematic areas, health, human rights, DRR, and education, have better governance.

Discussions on the Findings

In this section, important findings of this study are brought into thematic discussions regarding reviewed literature and theories used for this study. Since the study identified key factors that explain capacity-building and CSO governance, these factors inform discussions in this section.

CSOs' Commitment is Vital to Capacity-Building

This study explored two key factors that are internal to the organization, ensuring that capacity-building endeavor delivers its best: i) organizational commitment to need-based intervention and ii) institutionalized learning process. Both of these factors are within the sphere of direct organizational influence. Together, these make it possible for investment in capacity-building to best deliver – both from short-term and long-term perspectives. However, the commitment of senior management from CSOs is essential to fulfilling these two conditions.

Organizational commitment to need-based intervention is the first comprehensive factor that serves as a precondition for the productive capacity-building of CSO. Unless full attention to organizational readiness is paid (Pearson, 2011) and the ability of capacity providers to capacity-building is ensured (Eade, 2007), neither will appropriate capacity-building interventions be designed nor will the capacity-building plan be delivered well. Hence, since capacity-building is a long-term process, organizations need long-term commitment and funding (Harden-Davies & Vierros, 2020). The role of CSO leaders is prominent in identifying real capacity-

building needs and developing a consensus on capacity-building approaches (Civittillo et al., 2019; Meehan, 2021; Petruney et al., 2014). If CSO leaders don't push capacity-building plans, their organization may be unable to adapt and remain solvent and relevant (Williams, 2022). The atmosphere for partnerships is created by leaders' capacity to engage and sway donors and other stakeholders (Azuaje, 2021). Since they are vested with boundary-spanning roles in organizations to manage critical external dependencies while maintaining autonomy and independence (Ostrower & Stone, 2015), their dedication is demonstrated by the extent to which they mobilize resources for capacity-building in the face of the budget crisis (Hersberger-Langloh & Stühlinger, 2021). Given that most CSOs are criticized for their instrumental accountability – “an accountability to resource suppliers, both internal and external to the organization” (Knutsen & Brower, 2010) – at the expense of more comprehensive forms of accountability (Chatelain-Ponroy et al., 2015), this factor is found to be a promising one.

Since capacity is not a constant quality or state, capacity-building should be ongoing. Since different capacity dimensions are to be addressed at varying stages of organizational life (Andersson et al., 2016), capacity-building should be a regular activity to ensure self-renewal and sustainability of the organizational capacity (Ubels et al., 2010). This means capacity needs to be assessed regularly to inform the plan. In addition, CSOs vary in many respects, including their unique capacity needs (Herman & Renz, 2008), so they require different approaches and methods for capacity-building (Kapucua et al., 2011). This study added to this argument that organizational characteristics, mainly the focus of their thematic working areas, have a differential impact on the capacity-building factors. It means the prominence of capacity-building factors is subject to which thematic areas the organization focuses on. Thus, organization leaders should know the context and understand the required organizational capacity-building support (Cox et al., 2018). Understanding the context means understanding the organization's capacity for capacity building.

Various scholars have supported the finding that a systematic need assessment is a prerequisite for a relevant capacity-building plan. The Deficit model is a common approach (Cairns et al., 2005; Cornforth & Mordaunt, 2011), where capacity building is considered to fill gaps in existing organizational capacity. Failure to differentiate between perceived or assigned and actual needs for capacity building leads to organizational failure (Akol et al., 2014; Eade, 2007; Kaplan, 2000). Given that

capacity-building need varies across organizations depending on their work nature, when the real need is not identified, capacity-building is likely equated with mere training or short-term skills-building (Potter & Brough, 2004), particularly on technical knowledge (Acquaye-Baddoo, 2010). To avoid a 'supply creating demand' pitfall (Hans et al., 2010), where donor-designed programs dominate the capacity-building initiatives, there is a need to employ a systematic process to assess the capacity deficits in CSOs. This approach empowers the recipient organization to retain its autonomy from powerful funders (Cairns et al., 2005).

Assessment alone is not enough unless the results inform the capacity-building plan of capacity assessment. Systematic assessment allows capacity-building practitioners to develop a consensus on the approaches and scope for capacity building that helps providers and recipients of capacity-building intervention (Petrunej et al., 2014). Institutional commitment is essential to designing and executing a sound capacity-building intervention. However, since capacity-building necessitates a long-term commitment, the short-term and project-based nature of capacity-building fails to create that readiness of the recipient organization (Harden-Davies & Vierros, 2020).

Organizational commitment to implementing the capacity-building plan is as important as developing a robust plan (Bryan, 2019). As the responsible person to guide the organization (Tran, 2020), the role of leaders in developing organizational commitment is vital. While Cox et al. (2018) considered leadership one of the organizational capacity dimensions, the European Commission also considers it one of the dimensions in its six-box capacity model. Despite being identified as a need, the absence of such commitment and ability to execute the plan and utilize the knowledge and skills gained through capacity building falls short for the organization, which ought to gain from it (Kapucua et al., 2011). Learning helps leaders use their knowledge and proactively respond to the context to overcome early problems (Andersson, 2019; Wang & Zeng, 2017). In addition, if employed systematically across the levels of the organization, capacity-building efforts positively contribute to organizational effectiveness (Mason & Kim, 2020).

To best internalize the capacity-building plan's intent and execute it to its full intention, the organization has to mobilize appropriate human resources. As Acquaye-Baddoo (2010) highlighted, the effectiveness of capacity-building intervention depends on the knowledge of capacity-building practitioners, on which the

intervention relies, and the relationship between the core capabilities areas that make up the capacity. The role of committed organizational leadership again comes in to make sure that appropriate methods and resource materials have been used for capacity-building. Since individuals are the immediate beneficiaries of capacity-building, the extent to which they get benefits in the first place depends on the methods and resource materials appropriate to their learning style. It is because those individuals' contributions are vital for the organization to gain the dividend of capacity-building. The benefits will be low if capacity-building practitioners are competent in customizing the learning approach, methods, and tools to make it learner-centered. However, the selection of the right participants is also a critical aspect (Bhurtel & Bhattarai, 2023). Trained and qualified staff members leaving is a risk for CSOs and a resource constraint. The study retained this as one of the items of the first factor. Hence, selecting those staff members whose participation in capacity-building would pay back to the organization is essential. Moreover, the equity and inclusion aspects of selecting participants in capacity-building are also crucial for the staff members to feel acknowledged and see their career prospects in the organization, which at some point becomes a strong motivator. The selection process must follow a standard procedure and be transparent for the staff members to remain motivated.

Overall, the organizational commitment to capacity-building is manifested in different yet complementing and supplementing behaviors. First, a capacity-building plan is well informed by a systematic assessment of capacity deficits across levels (individual and organizational). Second, the plan is executed with the true spirit by mobilizing competent resources and methods appropriate for the carefully chosen staff members whose potential contribution to organizational growth is more likely. Organizations invest in capacity-building to help them efficiently deliver high-quality results (Cairns et al., 2005; Ghezzi & Cavallo, 2020; Halalmeh, 2021; Kapucu et al., 2011). The study confirms that organizational commitment to need-based capacity-building intervention will likely improve performance. However, the executive director will probably focus more on outcomes (Meehan, 2021) and may not invest in capacity-building activities (Andersson et al., 2016; Svensson et al., 2017). There is a risk of principal-agent tension even if the CSO leader is committed to it. The study reinforces the importance of institutional commitment to the need-based capacity-building intervention and that it should be agreed upon between principals and agents of CSOs.

The institutionalized learning process is the next factor that manifests CSO's vital role in its capacity-building. The study explored it as a second factor comprising ten items representing mechanisms, processes, and competence, all internal to CSOs. An organization is a set of knowledge acquired through collective learning and accumulated in organizational routines (Eynaud et al., 2015). Organizational learning portrays an organization's capacity to influence group behaviors (Umar & Hassan, 2019) by taking lessons from experiences inside and outside the organization (Nugroho, 2018). CSOs can increase capacity by using organizational learning (Williams, 2022).

To institutionalize the learning process, organizational culture should be engineered to implant its vision, mission, and values deep into the hearts and souls of its members (Maier & Meyer, 2015). Reflective and sense-making processes (Doz, 2020) enable the acquisition of new knowledge, internalization of the value of learning, and application of that knowledge to the organization (Chan & Muthueloo, 2020; Kale et al., 2019; Widjajani & Nurjaman, 2020). There is ample evidence that a creative climate could be facilitated through learning orientation, which Balloun et al. (2005) believe that organizational leaders could develop this culture. Learning orientation helps organizations grow and prosper, provided that there is an environment to collaborate in the learning process. As Senge (1990) argued, the ability to learn both adaptively (incrementally) and generatively (via paradigm shifts), and the willingness to consider alternative viewpoints, are all requirements for learning orientation. Collaborative learning is institutionalized once the practice is correct and consistent (Balloun et al., 2005). This study also confirms that institutionalized learning requires consistent practice in setting measurable objectives, setting performance indicators, and tracking progress regularly.

To institutionalize the learning process organization has to develop a system of measuring the progress of all programs and projects regularly that relies on the sensible and measurable performance indicators set before the program implementation. The governance system in any organization fails to gain its legitimacy only from the democratic participation of stakeholders unless it produces efficient and effective results (Maier & Meyer, 2015). However, unless the expected changes are defined in explicit terms (Bishop, 2007) and the baseline performance measures are set (Wing, 2004), measuring the progress is difficult for CSOs (Treinta et al., 2020). It is so because, unlike business sectors, CSOs often define their mission,

goals, and objectives in ambiguous terms (Balloun et al., 2005; McDonald & Masselli, 2019). Accommodating the interests of different stakeholders in developing a system for assessing changes and learning from them constitutes a political challenge (Alejandro, 2021) that may bring principal-agent tension.

Learning from the capacity-building initiative is crucial to revise the best approach for similar initiatives. The study finding confirms what Petruney et al. (2014) argued: the extent to which learning informs capacity-building determines its effectiveness. InterAction (2012) also stressed the importance of using the knowledge gained from capacity-building experiences to enhance similar initiatives further. This study identified institutionalized learning as a vital factor of CSO capacity, which is believed to be missing, particularly concerning drawing lessons from failures, as UNDP (2009) realized.

An embedded learning culture promotes soft governance where collectively, people gather to exchange perspectives and explain what they are doing (Bray & Campbell, 2017). Learning should exist and operate unconsciously to be considered a part of organizational culture (Fowler & Ubels, 2010). Learning should lead to a better understanding of historical events and ensure that future decisions are based on those conclusions to improve actions (Levitt & March, 1988). Random opportunities for reflection are not enough to systematically draw upon lessons – from successes and failures – unless the learning orientation guides while developing an organization's monitoring and evaluation system. Here again, to enhance the effectiveness of the decision-making process, organization leaders must support knowledge management, which views knowledge sharing as a crucial component on par with knowledge development and capturing (Chatelain-Ponroy et al., 2015). Better internal, as well as external communication systems help share the learning. Information and communication technology is essential to the learning system, but access to advanced ICT could vary across organizations. However, as Balloun et al. (2005) argued, flexibility and internal communication help develop a learning organization.

In this study, the Institutionalized Learning Process as a capacity-building factor includes supporting staff members in their capacity-building based on the annual performance review. Though it doesn't sound obvious, it has an implicit link to the institutionalized learning process. Annual performance review is a part of learning, and staff performance review enables an organization to see how much

investment in capacity-building has been rewarding. In addition, the upward performance appraisal helps make the reward and recognition process fair, which will strongly motivate CSO staff and volunteers (Buny, 2016).

The commitment of organizational leaders (mainly the executive committee) helps develop a singular identity throughout the organization that is aligned with its vision and mission (Davis & Scott, 2007). As an essential boundary role that the board would play within this type of accountability environment (Ostrower & Stone, 2015), this alignment enables adaptive learning to maintain its focus and more effectively combat common myopia, which is the emphasis on short-term, urgent needs at the expense of long-term, more lasting consequences. However, it can be challenging to have a process that can encourage rigorous critical reflection and keep participants focused on an organization's vision and mission (Ebrahim, 2016). Institutionalized learning in an organization further means that organizational activities reflect the strategic plan. However, some scholars (Chatelain-Ponroy et al., 2015; Ebrahim, 2005) consider that this is just a part of instrumental accountability and is not necessarily better.

From the Agency theory perspective, organizational leadership (executive committee) is accountable for the best decision in an organization's interest. Although the board members might not always be right or make the most significant choice, they should create a collaborative learning process to make the best possible decisions (Renz, 2016). Since staff members usually adopt the characteristics and attitudes of their leaders, the manager or the organizational leader should lead by example that they are willing and committed to institutionalizing the learning process (Buny, 2016). Though Bruneel et al. (2020) highlighted that intrinsically motivated managers could instill that commitment to the staff members, a mismatch in the obligations between the board of directors and the executive director could cause the agent-principal conflict to manifest. As this study found, the education of the CSO chairperson, a key person in the governing board, influences the state of governance. Moreover, as this study found, the education of the chairperson and the years of organizational existence together affect the capacity-building factors, and the institutionalization of the learning process is subject to these aspects as well.

Inclusive, Participatory, and Ethical Management: Keys to Successful CSO

Democratic management of CSO is a capacity domain that describes CSO governance. Democratic management, characterized by transparency and

accountability, aligns with the Principal-Agent theory's emphasis on aligning the interests of principals (CSO leaders) and agents (employees) to achieve organizational goals (Eisenhardt, 1989). Ferretti and Steffek (2009) and Knutsen & Brower (2010) emphasize that democratic management enhances transparency and improves accountability within CSOs, fostering a culture of expressive accountability based on shared values and beliefs (Chatelain-Ponroy et al., 2015).

This study identified the creative Engagement of Staff in Decision-Making as one of the factors that is a part of inclusive, participatory, and ethical management practice. Various scholars have considered this an essential consideration for organizational effectiveness. As Gangwani and Sharma (2017) explained, employee engagement indicates how attached and dedicated a worker is to the organization. Feeling appreciated and involved, a key driver of staff engagement (Hayday et al., 2004), comes from their involvement in decision-making. However, the hierarchical structure of many CSOs is believed to have prevented the engagement of staff members in decision-making. Despite this, it was discovered that CSOs had higher employee engagement than the corporate sector (Gangwani & Sharma, 2017). The higher commitment of CSO staff and their job satisfaction despite the low pay compared to their counterparts in for-profits (Blevins et al., 2020; Moura et al., 2019; Park et al., 2018) reinforces that increased engagement of staff members in democratic decision-making is vital to maximizing their performance (Hadjievska, 2018). As Laub (2018) emphasized, organizations must invest in fostering trust, overseeing governance, and promoting partnership opportunities so that CSOs' staff are fully engaged. This finding resonates with the Principal-Agent theory, highlighting the importance of aligning agents' interests with organizational objectives to maximize performance outcomes (Eisenhardt, 1989).

Participatory decision-making creates a synergy that enables CSO to select the best alternative, though it is time-consuming (Khakheli & Morchiladze, 2015). Since managers generally prefer safe decisions (Balloun et al., 2005) and base their decisions on experiences and knowledge, their preference for adopting and adapting yesterday's solutions to today's problems may not be correct. In an organization where participatory leadership is practiced, senior management promotes and enables subordinate participation in decision-making (Koopman & Wierdsma, 1998). Since the working environment is constantly changing, the organization's top management and leaders' abilities and dedication are essential to survival (Uzonwanne F., 2015). A

creative climate is thus considered a crucial management-controlled condition (Balloun et al., 2005).

Better employee performance is a psychological and behavioral byproduct of engagement. Therefore, employee participation in decision-making, performance, and reward systems are closely intertwined (Gangwani & Sharma, 2017). A supportive employer is one of the attributes that enhance workers' engagement. Since CSO staff members are not provided substantial monetary compensation (Buny, 2016), their cooperative engagement in resolving problems and conflict is an important driver for organizational performance. Engaged employees are emotionally attached to their jobs and organization, are highly enthusiastic at their work, and willingly perform above and beyond the mandate of their job description (Markos & Sridevi, 2010), ultimately contributing to organizational performance.

Creative engagement of staff in decision-making helps resolve team conflicts productively. Creativity embodies novelty and usefulness (Gryskiewicz, 1987). Teams include individuals who cooperate to achieve a common objective or result in a mutually accountable manner (Katzenbach & Smith, 2003). CSOs can produce better goods and offer their constituents greater value if their workforce is creatively involved in decision-making (Balloun et al., 2005). Compared to for-profit businesses, CSOs' management of human resources and responsibility is more complicated (France & Tang, 2018; Reinhardt & Enke, 2020). Engaged employees are considered an asset to an organization, and their state of engagement (engaged, non-engaged, and actively disengaged) positively and negatively influences their psychological well-being (Buny, 2016). Organizational leaders and senior management's interests determine if an organization has a conducive environment. Whether creativity is sought at different dimensions - personal, procedural, products, or context (Rhodes, 1961), power sharing, empowerment, and reciprocal influence processes are ensured by participatory leaders and managers in the workplace (Vroom & Yetton, 1973). These ideas confirm what the study found out. Creating a challenging and transparent work culture helps employee express their views freely and exercise their initiatives (Gangwani & Sharma, 2017). However, the extent to which transparent work culture is developed in an organization depends on the understanding of CSO leaders (board of directors) and executive director (managers) and their commitment. In addition, this study found that the thematic focus of CSO's work also influences the state of CSO governance, where transparent work culture is a crucial element.

Psychic income – a sense of achievement beyond financial incentive – alone may not be sufficient to sustain the commitment of CSO staff in the long term. Without the necessary and appropriate support and action by the leaders of the organization in developing mechanisms to address unequal power dynamics, it's unlikely that participation will result in downward accountability (Ebrahim, 2016). The need for inclusive decision-making in CSO has empirical evidence from Nepal. Pokhrel (2017) discovered monopolistic decision-making procedures dominate Nepali CSOs; volunteers are viewed as outsiders and never included in decision-making or planning processes. Thus, CSO leadership should encourage and stimulate creative thinking (Balloun et al., 2005). This aligns with the Principal-Agent theory's emphasis on fostering trust and collaboration between principals and agents to achieve organizational objectives (Eisenhardt, 1989).

Participation in decision-making is a component of adaptive learning, in which CSOs regularly provide critical reflection and analysis opportunities. It necessitates a safe space for workers to share errors or disputes and a supportive learning atmosphere where they have time to reflect (Edmondson et al., 2008). Participation should be equally applicable irrespective of whether the intended decision is at the strategic, tactical, and operational dimensions or programmed and non-programmed by their inherent natures (Khakheli & Morchiladze, 2015).

Financial management capacity is another essential factor for ethical management practices in CSOs, which depends on leadership commitment and responsibilities, as outlined in the Principal-Agent theory (Eisenhardt, 1989). This study confirmed that financial management is a critical CSO capacity factor significantly contributing to CSO governance. CSO leadership, acting as principals, is vested with 'fiduciary responsibility' for the stewardship of financial and non-financial resources and assets (Renz, 2016). Unethical financial management threatens mission accomplishment (Chapman et al., 2021; Hargrave, 2022) and puts CSOs at risk of donor support being pulled out (Boydell et al., 2018; Hargrave, 2022). This aligns with the Principal-Agent theory's focus on aligning the interests and actions of principals (leadership) and agents (staff) to achieve organizational goals (Eisenhardt, 1989).

Internal controls are management techniques that help ensure the accuracy and reliability of financial data. Ethical financial principles and values are also likely to deter financial fraud and other wrongdoing (Ahluwalia et al., 2018). CSOs must have

adequate internal controls to reduce the risk of fraud through processes, rules, and procedures that ensure accurate financial reporting (Herawaty & Hernando, 2021).

Unreliable financial management practices have a variety of causes (Pilon & Brouard, 2022). These core causes include a lack of responsibility at CSOs, weak internal controls, and putting in place safeguards to identify and stop fraudulent behavior quickly (Fish et al., 2021). A sound financial management system helps ensure integrity (Baird et al., 2022) and makes plans and manages fiscal issues using financial data. It further helps communicate with stakeholders to analyze financial management data to assess management effectiveness and comprehend the organization's financial soundness (Hargrave, 2022). Extant literature on CSO governance also highlights that financial reporting quality is higher in firms with more robust governance, which helps various stakeholders in making their decisions (Yetman & Yetman, 2012). In the CSO context, financial management is seen as a management role for financial resource decisions, such as investment, financial, and funding source selection (Aguilar-Barceló et al., 2018). For this function to be fully realized, organizations should follow financial rules, regulations, and guidelines and prepare financial reports periodically. As Burks (2018) highlighted, the perceived importance of error-free reporting and organizational competency and dependability are correlated. The accuracy of financial data makes it easier to assess organizational efficiency using measurable performance indicators (Mitchell, 2018). It further exhibits that CSOs ensure that organizations follow standards beyond what the law requires (Becker, 2018).

To ensure adherence to all the standards, CSOs must ensure qualified staff is in place (Hamm, 2020). Since managers make wrong decisions when they rely on any financial decisions based on incorrect information (Mitchell & Calabrese, 2019), which might lead to principal-agent friction, additional oversight is required (Goodman & McDonald, 2020). Agency theory best explains the need for an internal controller's competence and capacity to comply with morality and law rules (Alias et al., n.d.). Therefore, it is up to organizational leadership to set the standard and ensure workers abide by the organization's compliance systems (Teichmann, 2019).

A Legal Enabling Environment Serves as a CSO Capacity-Building Factor

This study found that a legal enabling environment is one of the most important factors for strengthening CSO capacity. In addition to some arguments in favor, mainly based on qualitative information, this study identified with a

quantitative foundation that the legal enabling environment and support systems for CSOs promote their governance. This finding is one of the key highlights of this study. The extant literature on regulatory requirements supports the study finding that regulatory compliance contributes more towards coercive isomorphism but does not significantly influence the strategic or operational part of CSOs (Hadjievska, 2018; Prakash & Gugerty, 2010). One school of thought considers organizational capacity inclusive of an enabling environment external to the organization's direct influence.

In contrast, the other school of thought considers enabling environment to be a capacity within the sphere of direct organizational influence. The legal enabling environment is not merely a static condition but an integral part of CSOs' capacity, which shapes the accountability dynamics within CSOs, influencing their compliance with governance standards and practices. Yu-Lee (2002) argues that an enabling environment is a part of organizational capacity. The enabling factors include a legal and regulatory framework that influences the capacity of CSOs to function (Hans et al., 2010). For Morrison and Salipante (2007), the legal environment is one of the accountabilities (legal, negotiated, discretionary, and anticipatory), whereas for Ebrahim (2010) legal environment is part of upward accountability. While drawing on Ebrahim's framework of multiple accountability environments, Ostrower and Stone (2015) re-labeled the concept of downward accountability as outward accountability.

The dynamic interdependencies between CSOs and their external environment, particularly the legal and regulatory frameworks, in shaping organizational capacity and governance structures as highlighted by the study is aligned to the System Theory. The extent to which CSOs comply with good governance behavior depends on the existing legal framework. It is supported by Ebrahim (2010), who argued that organizations often prioritize accountability demands of the most influential actors, i.e., the government is often prioritized. Since CSOs are constrained by the environment for survival (De Corte & Verschuere, 2014), CSOs agree to comply with governmental institutions' coercive demands in exchange for indirect advantages and organizational legitimacy (Hadjievska, 2018). The hybridization of organizational structures is thought to have occurred due to the state's evolving role and CSOs' adaptive responses to a funding and political climate that is becoming more unpredictable (Smith, 2010). Similarly, the governance mechanisms in CSO, i.e., the board, are also subjected to the legal framework. The board design is about the future. The role of the executive director in engaging

external stakeholders and the board of directors is essential (Brown et al., 2016; Haber & Schryver, 2019) to not just avoid principal-agent conflicts but also to be able to make decisions to tackle the rapid change in the broader context (Azuafe, 2021). Hence board development should consider potential environments in which the organization will be operating and the organization's future needs (Renz, 2016).

Similarly, CSOs' ability to mobilize resources depends on the legal framework. Since abrupt changes in legal and funding environments affect the organization (Ostrower & Stone, 2015), it is paramount for CSOs to remain vigilant of legal, funding, and normative environments. As Sidel (2005) argued, the emphasis on self-regulation by CSOs is their response to the broader government regulation. The systematic changes influence the CSOs in societal governance, where CSOs take state functions and thus take a hybridized governance model (Donnelly-Cox, 2015) to make choices on maintaining transparency and promoting ethical behavior. As Racher (2007) claims, environmental factors within which the organizations operate influence the perception of ethical behavior; as a result, the transparency.

In addition, the capacity of regulatory authority (for example, in the Nepali CSO context, the District Administration Office and Social Welfare Council) also serves as an element of the legal enabling environment factor describing the CSO governance. This study retained the capacity of regulatory authority as one of the items under the legal enabling environment factor. The availability of a legal enabling environment for CSOs to function alone is not enough. Instead, the institutional set-up with qualified human resources, which brings a broader understanding of CSOs, their functions, and unique governance mechanisms, is required to facilitate the smooth functioning of CSOs. For example, there is a growing concern among Nepali CSOs that SWC is poorly structured and resource-constrained to provide necessary support under its jurisdiction. The context of the District Administration Office, a focal organization for registration and renewal for most of the CSOs, is no different. The internal governance of a CSO involves managing not only its international functionaries but, in some cases, society itself, as individual CSOs are to be seen as sub-systems of societal governance (Reuter & Wijkström, 2015). From this standpoint, a legal enabling environment and support system that includes competence and willingness of concerned authorities becomes a vital CSO capacity factor.

Formal Education of CSO Leadership as an Enabling Capacity Factor

The study confirmed education of organizational leadership as a CSO capacity-building factor. In addition, this factor significantly describes CSO governance. The study found that the education credential of the organization chairperson has a significantly positive, but weak, correlation with CSO governance. Usually, it is expected that CSO leaders with higher education credentials are better at governing the organization democratically, including the rule of law, accountability, transparency, participation, inclusion, integrity, and motivating staff members for ethical behavior. This is because individuals with specific education or degrees carry the potential to transfer norms and beliefs into the organization, known as normative isomorphism (Mason & Kim, 2020). However, various literature related to CSO capacity building and governance considers those senior staff members vested with managerial responsibilities as organizational leaders. This study clearly distinguished between leaders and managers from a governance perspective. Hence, the operational definition of a leader encompasses the organization's chairperson, who, from the Agency's theoretical perspective, represents principals, whereas the executive director or manager represents agents. The study's finding that the formal education of CSO leaders is a capacity-building factor impacting CSO governance is supported by some studies. For example, Holland & Jackson (1998) consider educational competence as one of the dimensions of board competence on which the board performance rests.

Similarly, Cornforth et al. (2013) highlight that the performance and effectiveness of the CSO chair have a ripple effect on other board members. However, the educational competence as defined by them is not explicit about the formal educational credentials of the organization chair. Though Suarez (2010) argued that formal education credentials are not necessary for someone to attain a leadership position in the CSO, he is silent on whether the educational qualification of the CSO leader contributes to CSO governance. Since CSO functions continue to expand, there is an increasing need for professional, moral, and specially qualified CSO leaders (Jennings, 2021). Extant pieces of literature support the finding of this study that a CSO leader's education plays a vital role in CSO governance. Since executive directors, particularly those with long tenures can take advantage of knowledge asymmetries in their organizations (Kim & Mason, 2020; Tillotson & Tropman, 2014), CSO leaders need in-depth knowledge of the organizational functions (Arbussa et al., 2017) and the capability to detect poor financial management (Lu et al., 2020;

Lu et al., 2021). Moreover, even to avoid the executive capturing the board, a phenomenon where a board implements what the executive wants, the leader needs to be qualified to better oversight them (Mason & Kim, 2020).

Higher education in CSO management-related diversified fields is an added value (Fletcher, 2005). It demonstrates the commitment to establish CSO management as a distinct field (Linscott, 2011), proactively fills the leadership pipeline (Tierney, 2006), and upholds the standard of the current and future workforce (Cornelius et al., 2008). After conducting empirical research with 114 nonprofit universities and college foundation CSOs, Eastwood & Ritchie (2006) found that CEOs managed the most financially sound businesses with production, marketing, and accounting backgrounds. With advancing sector specialization and professionalization, specialized education and training are more important than formal academic credentials (Jennings, 2021). This argument supports the need, as this study indicated, to further study whether the education qualification of CSO leaders is specialized in the sector specialization including NGO management, the contribution to CSO governance would be even higher. Nonprofit management programs that constitute management and leadership education programs (Mirabella et al., 2019) are valuable to those CSO executives who value graduate degrees in fields linked to their companies' missions more highly than master's degrees in business administration, public administration, social work, or even a Ph.D. degree (Fletcher, 2005). The data from the USA shows that even CSO board chairs favored leader candidates who had a master's degree in business administration (44%), social work (26%), or public administration (15%) (Hoefler et al., 2013). Jennings (2021) thus concluded that CSO senior management's education positively influences the organization's culture. This study also found that the chairperson's formal education and years of the organization's existence contribute to CSO governance.

Rule of Law and Informed Decision-Making: Two Key CSO Governance Factors

The study found two key factors of CSO governance: the rule of law and informed decision-making processes. Given the growing concern about CSO governance, which is also known as management of the management (Pérez, 2003), the study intended to identify its factors. CSOs have transitioned into the managerialism era while eroding some of the democratic traits that have historically been associated with them (Eynaud et al., 2015). As a result, the nature of the social contract changes demanding more democratic and responsive CSOs. This study

primarily focused on “internal governance” related to the organizational board's operation in the organization's control (Eynaud et al., 2011). Governance is described as a “system of rules that is as dependent on intersubjective meanings as on formally sanctioned constitutions and charters” (Desai et al., 2011, p. 3). Therefore, for a group to operate effectively, it must first have a common grasp of the components of both the problem and the potential solutions (Reuter & Wijkström, 2015). This is where the policies, procedures, and systems come in to develop a shared understanding.

Professionalist governance demands that the norms and standards of the profession are the central points of reference. On the other hand, in civic governance, democratic participation is ensured through a system of checks and balances and a comprehensive set of formal rules, with a strict monitoring mechanism to determine if adherence to these rules is in place (Maier & Meyer, 2015). Compliance with the existing policies in day-to-day organizational management is as important as developing and updating policies aligned with the CSO's broader scope, values, and legal framework.

Civil society groups could serve as a hub for societal governance ideas and practices to show how different human efforts can be organized and governed (Reuter & Wijkström, 2015), which could be replicated and scaled up as promising practices. Internal governance of CSOs has a demonstrated effect on societal governance (Hughes, 2010). Moreover, the uniqueness of a CSO's societal role is best understood when the integral governance of CSOs is known (Reuter & Wijkström, 2015). Hence, the rule of law in CSOs in all respects – from the selection of board members and staff hiring to financial management, legitimate use of available resources for the social good, and adherence to all the policy and legal frameworks – is vital for the democratization of the society in addition to the effectiveness of CSO.

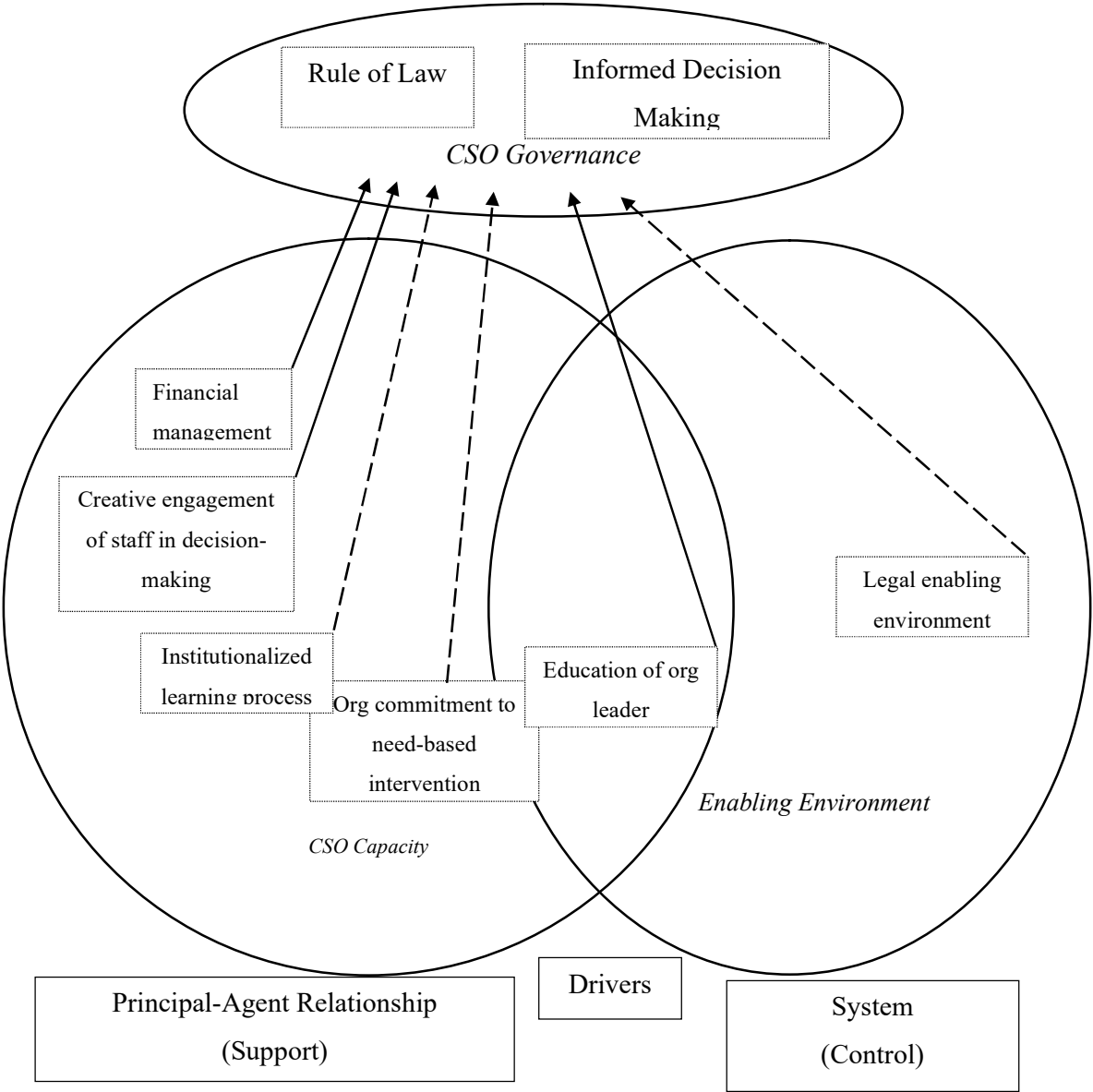
Similarly, the study identified informed decision-making as the second prominent factor of CSO capacity, a vital component of democratic governance in CSO (Callahan, 2007; Cohn-Berman, 2005). The decision-making here is confined more to internal governance. It expects the participation of CSO board members in many aspects, such as preparing a long-term strategic plan, designing and monitoring programs systematically, and making a financial plan for donor diversification and sustainability. As Maier & Meyer (2015) highlighted, changing perspectives in favor of managerialism at the expense of civic discourses, the CSOs are more engaged in the boundary-spanning role and are poor among many CSOs. This context further reinforces what the study found as, at the least, CSO board members are to be

engaged in participatory decision-making that is informed by the ever-changing context.

A strategic plan helps an organization remain focused on its vision and mission and create a collective image that can be communicated uniformly across stakeholders. Additionally, as context analysis is an embedded part of strategy development, it helps organizations remain informed of the context. However, many Nepali CSOs are working without preparing a long-term strategic plan, as Pokharel (2017) confirmed. Instead, they act as a vehicle to implement any donor activities should they receive funding. This reality reinforces the study's finding that context-sensitive strategic planning and aligning CSO activities accordingly is a vital component of informed decision-making. The absence of a long-term strategic plan makes it further difficult for CSOs to see how much they are progressing, as it requires measurable objectives and a plan for systematic monitoring and evaluation.

Making an informed decision involves financial planning as well. Sustainability is a critical issue for CSOs, requiring a sustainability-oriented financial plan. The informed decision in making a financial plan helps CSOs identify the donor landscape and design their activities to mobilize diverse donor funding. Since unethical financial management is argued to have endangered philanthropic endeavors in Nepal (Gnwali & Pokharel, 2006; Wickfire, 2006), sound planning and ethical management are vital for CSO governance.

Figure 6. Model: CSO Capacity-Building Factors Contributing to CSO Governance



The finding implies a model in describing how CSO capacity-building factors and enabling environment-related factors affect CSO governance. Figure 5 indicates that CSO governance is manifested in two key factors: Rule of Law and Informed Decision-making. Of four CSO capacity-building factors, Financial Management and Creative Engagement of Staff in Decision-making significantly describe CSO governance whereas, of two enabling environment-related factors, the Education of the Organization Leader significantly describes CSO governance. While the role of the Education of the CSO Leader along with four CSO capacity-building factors in describing CSO governance can be explained from the principal-Agent Relationship

(a part of the support mechanism), the contribution of the legal enabling environment together with the Education of Organizational Leader to CSO governance can be explained from System (a part of control mechanism) perspective.

Chapter Essence

In addition to all four capacity-building factors contributing to CSO governance on their merits, an enabling environment, which is beyond the direct control of CSOs also affects CSO governance. CSOs' commitment is vital to their capacity-building. The first two factors, i.e., Organizational Commitment to Need-Based Intervention and Institutionalized Learning Process, within the sphere of direct CSO influence, reinforce each other. However, both principals and agents need to have the same understanding of these requirements for effective capacity-building. Similarly, inclusive, participatory, and ethical management practices help CSOs succeed. Inclusive and participatory management requires space for the creative engagement of staff, whereas ethical financial management practice gains the trust of internal team members and other stakeholders. A similar understanding of principals and agents on the rationale and the ways to creatively engage staff and maintain ethical financial practices in CSOs is vital. The enabling environment that serves as a capacity-building factor of CSOs constitutes a legal enabling environment and the education credential of CSO's leaders. The existing regulatory environment and legal framework influence the way CSOs are governed, whereas the education of CSO leaders creates that conducive environment internal to an organization. A positive principal-agent relationship is a supporting driver, and the regulatory system controls CSO's capacity, thus contributing to CSO governance.

CHAPTER VII

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

This is the last chapter of this study. In this chapter, I present the synopsis of the study. Following this, I draw conclusions based on the major findings of this study. Next, I discuss the implications to CSOs and stakeholders, particularly government and donor partners, whose interests lie in the capacity-building of CSOs and their governance. Implications include research implications followed by concluding this chapter and the study.

Recapitulation of the Study

In addition to being well-governed entities, CSOs are under tremendous pressure to prove their ethical and public accountability. The growing regulatory backlash against civil society, a global phenomenon in recent decades, is believed to result from perceived poor governance in the CSO landscape. Despite variations in size, the scope of their work, and access to resources, the Nepali legal framework considers all CSOs as NGOs. Association Registration Act – 1977 is an umbrella Act to regulate them. Capacity building of CSOs has remained a strategic intervention aiming to improve organizational performance and governance and create an enabling environment for the CSOs to function well. Capacity-building has been, however, criticized for the ‘supply creating the demand’ approach that fails to address the pertinent capacity-building needs of local CSOs. There have been ample studies on the dimensions of civil society capacity. Scholars suggested a range of CSO capacity dimensions – from 4 to 10. Similarly, inconsistencies are evident in extensive studies on the modalities of CSO governance, including their accountability frameworks. However, there is a lack of studies on the major CSO capacity-building factors that best contribute to CSO governance. Against this backdrop, this study has been conducted to fill the gaps. Three research questions have guided the research journey: 1. What are the factors of CSO capacity building and governance? 2. Which capacity-building factor explains CSO governance most? 3. Does the perceived CSOs’ governance differ across personal characteristics (Gender, Age Group, Ethnicity, Educational Status of respondents, and Sex and Education of the Organization’s Chairperson) and organizational characteristics (Locale, Types, and Years of

Organizational Existence of the organization)? The research sought answers to these questions from senior staff from NGOs across seven provinces of Nepal.

Interest in capacity-building continues to rise along with concerns about what makes it effective. A concern that the failure of the projects and programs is attributed to poor CSO capacity is also pushing CSOs and donor communities to think about what CSO capacity factors better contribute to making CSOs effective and their governance. Since CSOs are recognized as important contributors to democratic governance, their state of governance and the role of capacity-building initiatives have remained issues for discourse among academia and development practitioners. Investment in CSO capacity building includes training, workshops, exposure visits, technical assistance, funding, and advocacy for enabling environments. Capacity-building is not typically invested for the capacity's sake; somewhat effective and efficient results are expected. The extent to which capacity-building contributes to effectiveness depends on how organizations are governed. While capacity includes individual competencies and organizational capabilities, there is concern about whether a legal enabling environment, external to the organization's direct influence, serves as a capacity factor for CSOs. The legal environment includes a legal framework comprising policies, programs, laws, and regulations, as well as the readiness and competence of concerned authorities to facilitate the CSO functioning. As capacity-building is a relational and living phenomenon, 'capacity for what?' is an important concern. It helps design capacity-building initiatives better and implement them to get optimum results from the investment. Though capacity-building is claimed to have contributed to growth and governance, the availability of empirical evidence is a concern. Specifically, knowledge of the capacity-building factors and the extent to which they contribute to CSO governance, particularly regarding the CSO landscape in Nepal, where various types of organizational set-ups are treated as identical entities (i.e., NGOs), is not adequately explored.

Guided by the post-positivistic philosophy, this study used a cross-sectional survey design. The Modified Delphi process was conducted with a panel of 10 capacity-building and governance experts from civil society sectors for three rounds with 107 items and 30 themes customized to CSO capacity-building and their governance issues about Nepal. At the end of the Delphi process, 80 items were retained under three major dimensions: 48 under organizational capacity-building, 16 under enabling legal environment, and 16 under CSO governance. A 6-point Likert

scale was used for the survey. The validity of the tools, such as content validity, construct validity, concurrent validity, and internal and external validity, was ensured before piloting the tools with 36 respondents. The piloting yielded Cronbach's Alpha score within the acceptable range (i.e., 0.899, 0.834, and 0.878 for capacity-building, enabling environment, and CSO governance, respectively), which ensured the reliability of the survey. The online survey designed on COBO Toolbox was sent to more than 1000 NGOs associated with the NGO Federation, an umbrella organization of registered NGOs in Nepal from a population of 6500, and 366 responses were received from all across the country representing seven provinces. Throughout the study, all ethical values were strictly adhered to.

Exploratory Factor Analysis (EFA), notably the Principal Component Analysis (PCA), was carried out on the cleaned dataset containing 61 items under eight factors. Four factors under CSO capacity building include i) Organizational Commitment for Need-Based Intervention, ii) Institutionalized Learning Process, iii) Creative Engagement of Staff in Decision-Making, and iv) Financial Management. Similarly, two factors under enabling environment include v) Legal Enabling Environment, and vi) Education of Leadership. Two factors under CSO governance include vii) the Rule of Law and viii) Informed Decision Making.

Regression analysis indicates that all six factors (four capacity-building factors, such as organizational commitment to need-based intervention, institutionalized learning process, creative engagement of staff in decision-making, and financial management, and two enabling environment-related factors, such as legal enabling environment and education of leadership) together explained the state of CSO governance. However, the strength of the regression for the four capacity-building factors was found to be in the 'strong' category. In contrast, the strength of regression for the two enabling-environment-related factors was in the 'modest' category. Further, it was found that the model fit to see the effect of enabling environment-related factors on the perceived state of CSO governance is statistically significant in making an accurate prediction of the results in the population. Moreover, CSO's focus on thematic issues is also found to have a differential impact on the prominence of capacity-building factors. For instance, Livelihood and Income Generation themes positively and significantly affect capacity-building factors. In contrast, Education and Human Rights themes have a positive yet insignificant effect

on capacity-building factors. Similarly, Education and WASH themes significantly and positively affect enabling environment-related capacity-building factors.

When an independent regression analysis was done, of the four capacity-building factors, Financial Management was the highest contributor to CSO governance, followed by Creative Engagement of Staff Members in Decision Making as the second biggest contributor to CSO governance. Of these four capacity-building factors, only two key contributing factors (Financial Management Capacity and Creative Engagement of Staff Members in Decision-Making) were statistically significant. At the same time, the remaining two were insignificant, though they explain CSO governance to some extent. Education of Leadership was the highest contributor to CSO governance among two enabling environment-related factors. Altogether, of six CSO capacity factors, including the enabling environment, three were statistically significant in explaining CSO governance. All factors predicted CSO governance with different powers, but Financial Management and Creative Engagement of Staff Members in Decision-Making are two driving forces, followed by Education of Leadership. In addition, it was found that personal characteristics (such as the education and job nature of survey respondents) and the education of the CSO chairperson significantly influence the perceived state of CSO governance. Similarly, organizational characteristics, including the locale of CSOs, years of their existence, and thematic focus of their work, also significantly vary the state of CSO governance. Among various thematic focuses, CSOs working on Health, Human Rights, Disaster Risk Reduction, and Education were found to have better governance. While looking into the interaction effect among variables, it was found that years of organizational existence and the education of its chairperson collectively make a significant and positive contribution to CSO governance.

Conclusions

The study concluded here shows that in the context of Nepali CSOs, six factors contribute to their governance. These six factors include: i) Organizational Commitment to Need-based Intervention, ii) Institutionalized Learning Process, iii) Creative Engagement of Staff in Decision-Making, iv) Financial Management, v) Legal Enabling Environment, and vi) Education of Leaders. These factors represent both internal and external conditions for the CSOs. The first four factors fall under the capacity-building dimension, all of which are internal to the CSOs, and are under the management control of CSO leadership and senior management. However, the fifth

and sixth factors fall under the enabling-environment dimension and are not within the direct management control of CSOs. The prominence of capacity-building factors, including those related to enabling environment-related factors, varies according to the focus of the organization's work on thematic issues. While Livelihood and Income Generation focused organizations have positive and significant effects on capacity-building factors, Education and WASH-focused organizations have positive and significant effects on enabling environment-related factors. Similarly, two factors are associated with CSO governance: i) the Rule of Law and ii) Informed Decision Making.

Financial Management and Creative Engagement of Staff in Decision-Making are two capacity-building factors significantly contributing to CSO governance. It shows that senior management of CSOs is vital in promoting ethical and participatory management that contributes most to CSO governance. Developing rules, regulations, and mechanisms are complied with for the entire financial transaction in an organization only when senior management is committed to promoting ethical practices. A CSO board is vested with fiduciary responsibility, and on their behalf, senior management ensures financial and non-financial resources are best used to fulfill the organization's mission. Since tension between the executive and the board in crucial decision-making could escalate principal-agent tension, putting a sound financial management system and engaging staff members in decision-making help avoid such tension. Since the education of both the chairperson as well as the senior management and the job nature of staff members are significant elements impacting the perceived state of governance, the understanding between the CSO board and the senior executives about the governance as such, including the ethical financial management and creative engagement of staff members in decision-making could avoid the principal-agent tension in CSOs.

Governance in CSOs requires adherence to the rule of law and informed decision-making. Most importantly, the organization's leadership and senior management strongly influence how these conditions are met. This is imperative because organizational characteristics such as location, years of organizational existence, and the focus on thematic issues influence the state of CSO governance. So, the senior executives (agent) and the board (Principal) must be aware of those aspects and adopt appropriate mechanisms to adhere to the rule of law and informed decision-making. As a management tool, internal controls ensure ethical financial principles

and values are adhered to. Putting sound financial management in place helps ensure integrity and utilizes financial data for planning and fiscal management. A transparent working culture in the organization facilitates the preparation of quality reporting and making its best use in planning and other decision-making processes. Communicating these financial reports to stakeholders, including donors, helps stakeholders understand the financial health of the organization and the state of CSO governance, thus gaining public trust.

For financial management, the internal controller's competency and ability to adhere to ethical and legal requirements are to be ensured. Hiring qualified staff and investing in their capacity building is as essential as retaining them. It is possible only when the staff finds the working environment conducive and the organization adheres to ethical practices. To build and institutionalize capacity, the commitment of the senior management in CSOs to design and execute relevant capacity-building interventions is highly imperative. Investment in capacity building becomes an issue of principal-agent tension between the board and executive director. Unless the need is identified through a systematic process at a certain interval, and the tailormade interventions are designed and executed with the full spirit, the capacity-building intervention remains a ritual function. In this context, senior management's commitment to institutionalizing the learning process is vital to designing a comprehensive and realistic monitoring, evaluation, and learning (MEL) plan. The MEL plan aligns with the organization's strategic orientation so that periodic review and reflection on routine and occasional data are carried out and the lessons are drawn.

Since senior management is responsible for developing a culture of integrity and participatory management, they must confidently take the organization's leadership (board). Democratic management not only enhances transparency and accountability but also facilitates expressive accountability. Similarly, the creative engagement of staff in decision-making generates a sense of 'valued and involved,' which is a key driver of staff engagement. Creative engagement requires participatory approaches, which help CSOs make the best decision. Irrespective of their experiences and knowledge, senior management alone may be unable to make appropriate decisions. Staff, including the volunteers in CSOs, are motivated by psychic income. Still, the dominance of the monopolistic decision-making process in Nepali culture reinforces the need for an inclusive decision-making process. Hence,

the quality and commitment of CSO's senior management continue to be critical in creating a safe space for the staff in decision-making. Participation of staff members helps resolve team conflicts and increase ownership and commitment to implement the decisions made in the organization's best interest. With the creative engagement of staff in the decision-making process, senior management in CSOs creates regular opportunities for critical reflection and analysis where they draw lessons from failure and benefit organizations in making strategic, tactical, and operational decisions.

CSOs, as a part of the broader system, function in a given context that is regulated under a legal framework. A legal enabling environment, along with the education of the organization leader, collectively creates an enabling environment for the staff members to contribute to the organization's mission while maintaining ethical practices. Since putting systems in place requires time, the years of the organization's existence matter for CSOs' governance. The differential impact of the location of CSOs on their governance means that the legal environment external to the organization influences how policies are adopted. It is prominent given the exclusive right of local governments in Nepal to formulate an appropriate legal framework to regulate CSOs. The education credentials of the chairperson affect the way CSOs are governed. In addition, the education of the CSO chairperson adds value if it is related to CSO management-related topics that help them gain better insights on how to lead the organization and ensure better governance while delivering quality results. The study found that with a more experienced organization, the education of the CSO chairperson has a positive and significant interaction effect on CSO governance. Their education and the commitment to context-sensitive strategic planning are vigilance on the existing legal and regulatory environment, which influence the organization in many respects, including the thematic focus of their work, which has differential prominence on capacity-building and enabling environment-related factors. Though all six factors contribute to CSO governance, financial management and the creative engagement of staff in decision-making are two major contributors. Hence, to better contribute to CSO governance, capacity-building efforts emphasize more on these two factors and their prominence to the thematic focus of CSOs' work to assess capacity deficits and design the approach and capacity-building intervention to fill them.

Implications

This research gained some crucial insights into CSOs' governance and the role of capacity-building and enabling environment. Based on the findings, some

conclusions can benefit CSOs, donor partners, government stakeholders, and the institutions providing capacity-building services to the CSOs. The conclusions presented earlier give avenues for further academic research works. The section below shows the indications of works of policy and research implications.

Policy Implications

Though two factors are significant determinants, all six capacity-building factors contribute to CSO governance on their own merits. It is, thus, important that all factors are given due importance while designing the capacity-building intervention. The conclusions of this study have several implications for CSOs, national and international donor partners, capacity-building service-providing institutions, and policymakers. Firstly, some implications exist for CSOs, particularly NGOs with a legal identity. CSOs can focus more on a sound system for financial management and creative engagement of staff in decision-making, proving the best determinants of CSO governance. It has additional benefits for them. Gaining staff confidence in ethical financial management and making them feel heard and valued helps retain qualified team members who work in CSOs for more psychic gain than financial incentives. The study found that the role of senior management and organization leadership is crucial to enhance their governance through the investments made in capacity-building. The CSO board and executives can institutionalize mechanisms and processes for systematic need assessment and identify the capacity deficit to develop appropriate capacity-building approaches. With this control mechanism, which may include a standard operating procedure (SOP), they can better negotiate with donor partners and other capacity-development service-providing institutions as required. Negotiation ensures the development and execution of need-based capacity-development plans, and the quality of the interventions is controlled. In addition, CSOs can benefit from such needs-based capacity development efforts in institutionalizing the learning process in the organization so that generating, capturing, sharing, and using knowledge becomes a culture.

It has implications for the donor community as well. Donor support in capacity-building becomes irrelevant to address the pertinent needs of CSOs when a true sense of partnership is missing. They can also focus on two key factors determining CSO governance and bringing true collaboration. ACRA principles suggest respecting the host country/partner's needs while supporting the capacity-development intervention. They also have a crucial role in ensuring the quality of the

capacity-building efforts where private service-providing agencies are involved through supervision and extension of their technical support. They can respect CSOs while negotiating their programmatic and project support. In addition, they can support CSOs in their effort to create a legal enabling environment that also contributes to CSO governance. Capacity-building service-providing institutions, including the private sector, can help CSOs design and facilitate capacity-building interventions based on their immediate needs and customize the methods and resources considering the learning style of individual staff members attending the capacity-building programs.

My research provides practical insights and empirical evidence that can guide policy decisions and interventions to enhance civic space in Nepal, thereby promoting democratic governance, social advancement, and sustainable development. A significant contribution of my study is acknowledging the 'enabling environment' as a crucial factor for CSO capacity-building, encompassing legal frameworks, governmental backing, and societal attitudes toward CSOs. By emphasizing the need for an enabling environment, my research advocates for policy reforms and interventions that can create a more supportive context for CSOs to operate and prosper. This, in turn, directly enhances and expands civic space in Nepal by equipping CSOs with the necessary tools, resources, and backing to effectively engage in advocacy, public dialogue, and community development endeavors.

It has further implications for policymakers, such as government across the levels (federal, provincial, and local governments) and government line agencies (such as District Administration Offices and Social Welfare Council). As enshrined in the Constitution of Nepal, the government has a greater responsibility to ensure that people enjoy their right to speech, assembly, and association. Since the government is responsible for respecting, protecting, and promoting human rights, governments from all three tiers can facilitate CSOs' functioning. The government can do so through formulation/amendment of the conducive legal and regulatory environment and putting the necessary capacity in place to better support CSOs to carry out their activities with less bureaucratic and administrative hassle. The quality of the services rendered by focal agencies such as the District Administration Office and Social Welfare Council determines the effectiveness and efficiency of CSOs. These agencies can thus develop mechanisms to assess their efficiency and see how effective their

monitoring, evaluation, and supervision support have facilitated the CSO functioning and improvise the system in place.

Research Implications

There are several aspects of CSO governance that this research has not covered. Thus, this study is a reference for future CSO capacity-building and governance research. Firstly, further research can be carried out with Confirmatory Factor Analysis (CFA), which can help further screen the variables and confirm the factors explored in this study to establish new knowledge. Those 61 statements retained by eight factors (42 statements under six capacity-building factors and 19 statements under two governance factors) during the EFA can be further triangulated using CFA. This more rigorous tool accesses a set of elements against a hypothesized model of groupings and relationships.

The second research implication is drawn upon one perceived limitation of this research. Since this research was based on the perceived state of governance and the differential role of capacity factors, it was guided by a cross-sectional survey research design. The nature of research demanded that EFA be conducted to identify the factors and then see the extent to which each factor significantly contributes to CSO governance. However, longitudinal studies can be conducted, which would help assess the actual contribution of CSO capacity factors to their governance rather than the perceived state of contribution.

This study also opens a new avenue to further research considering other factors – both individuals leading the CSOs and the characteristics of CSOs themselves, such as program portfolio size, membership base, and the state of donor diversification, among others. The research indicates the possibility of exploring new factors and variables within CSO's institutional characteristics. Similarly, the differential impact of CSO capacity-building can be explored by the level of CSO's existence and working (local presence, provincial presence, and national presence). Similarly, other areas for future research would be to dig out the explanation for the contribution of CSO factors identified in this research to CSO governance.

In addition, further studies can be conducted to explore the explanations for some of the factors that are found statistically insignificant, such as organizational commitment to need-based intervention, institutionalized learning, and legal enabling environment.

My Future Journey

Overall, this research journey has been rewarding for me on two fronts: scholar and professional. This study is going to shape my academic as well as professional journey ahead. As a professional, I gained experience in CSO capacity-building and governance. That was a reason for me to choose the research topic. I was keen to study further and see if capacity-building factors impact CSO governance differently. After explicitly identifying the CSO capacity-building factors and their differential impacts on CSO governance, it is time to think and integrate needs assessment into the capacity-building programs for CSOs and donors. Moreover, based on the research findings, I developed an insight that they give differential weightage to different capacity-building factors in designing interventions informed by the needs assessment.

Moreover, I have been advocating for an enabling legal environment for CSOs. The research expanded my understanding that the enabling environment that serves as a capacity-building factor impacting CSO governance constitutes an enabling legal environment (external to the CSO's direct influence) and education of CSO leaders (internal to the CSO influence). Hence, it made me realize that advocacy for CSO governance requires the education of CSO leaders.

As a scholar, I can continue further research on some research implications that I have identified, particularly in two areas: firstly, how CSO's attributes (such as years of operation, number of projects, and thematic coverage) affect the state of CSO governance, and secondly, in exploring the explanations for some of the factors that are found statistically insignificant, such as organizational commitment to need-based intervention, institutionalized learning, and legal enabling environment. Similarly, publishing journal articles based on the untapped data from this research is another area of my academic journey.

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APPENDICES

Appendix I: Background of Delphi Experts

Delphi Expert	Gender	Designation	Location (District)	Academic Background	Province	Years of Experience
Delphi Expert 1	M	Capacity building Expert	Kathmandu	M Sc	Bagmati	30
Delphi Expert 2	M	Senior Trainer	Kathmandu	Ph.D.	Bagmati	20
Delphi Expert 3	M	Governance Expert	Kathmandu	Masters' Degree	Bagmati	35
Delphi Expert 4	F	Org Development Expert	Biratnagar		One	15
Delphi Expert 5	F	Trainer	Nepalgunj	Masters' Degree	Karnali	15
Delphi Expert 6	F	CSO Expert	Pokhara		Gandaki	10
Delphi Expert 7	M	Training Specialist	Janakpur	Bachelor's Degree	Madhesh	18
Delphi Expert 8	M	Development Consultant	Biratnagar	Master's Degree	One	15
Delphi Expert 9	M	Governance Advisor	Kathmandu	Masters' Degree	Bagmati	20
Delphi Expert 10	M	Capacity Building Advisor	Kathmandu	M Sc. (Agriculture)	Bagmati	30
Total Years of Experience in CSO Capacity Building & Governance						208

Appendix II: Questionnaire

आदरणीय म्याडम तथा सर,

नमस्कार!

म काठमाडौं विश्वविद्यालय, स्कूल अफ एजुकेशन (KUSOED) मा पिएचडी (Ph.D.) तहमा अध्ययनरत बिद्यार्थी हुँ। मेरो अध्ययनको क्रममा म हाल नागरिक समाजका संस्थाहरुको सुशासन सम्बन्धी सोधकार्य गर्न लागि रहेको छु। मेरो अध्ययनको उद्देश्य नागरिक समाजका संस्थाहरुको आन्तरिक सुशासनमा प्रभावकारी भूमिका खेल्ने पक्षहरु के के हुन र उक्त संस्थाहरुको सुशासन सुधार मा संस्थागत क्षमता अभिवृद्धिका लागी गरिने तालीमहरुको कत्तिको भूमिका हुन्छ भनेर खोजी गर्नु हो।

यो प्रश्नावली उपरोक्त उद्देश्यहरु प्राप्त गर्नका लागि तयार गरिएको हो। मेरो प्राज्ञिक अध्ययनका सन्दर्भमा यो सर्वेक्षणमा आधारित सोधले महत्वपूर्ण भूमिका खेल्नेछ। यो अनुसन्धान मेरो सोध पत्रको सानो हिस्सा हो र यहाँहरुको अमूल्य सहयोगले मात्र यो कार्य सम्पन्न हुन सम्भव छ। तसर्थ, यो सर्वेक्षणका लागि आवश्यक समय प्रदान गरिदिनु हुन बिनम्र अनुरोध गर्दछु। तपाईंको सबै उत्तरहरु पूर्णरूपले गोप्य राख्ने र केवल यो अनुसन्धान प्रयोजनका लागि मात्र प्रयोग गरिनेछ भन्ने कुरामा यहाँलाई विश्वस्त पार्न चाहन्छु। यो सर्वेक्षणमा उत्तरदाताको परिचय खुल्ने कुनै प्रकारको सूचना राखिने छैन। कृपया, तल दिइएका सबै प्रश्नहरुको यथार्थपरक उत्तर दिनुहुन अनुरोध छ। तपाईंको यो सहयोग प्रति म सधैं आभारी रहनेछु। धन्यवाद!

- उत्तम उप्रेती

खण्ड क (उत्तरदाताको प्रोफाइल)

Section A (Respondent's Profile)

लिंगः

महिला

पुरुष

अन्य

धर्म (Religion): कुनै एक बिकल्पमा चिन्ह	हिन्दु	बौद्ध	इस्लाम	किराँत	कृशियन	प्रकृति	बोन	जैन	बहाई	शिख	अन्य (खुलाउनुहोस)
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लगाउनुहोस:											
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तपाईंको उमेर उल्लेख गर्नुहोस: बर्ष

जातियता (Caste/Ethnicity): कुनै एक बिकल्पमा चिन्ह लगाउनुहोस

पहाडी ब्राह्मण	पहाडी क्षेत्री	मधेसी ब्राह्मण/क्षेत्री	मधेसी अन्य जाति	पहाडी दलित	मधेसी दलित	नेवार	पहाडी/हिमाली जनजाति	तराई जनजाति	मुस्लिम	मारवाडी
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बैवाहिक स्थिति: (कुनै एक बिकल्पमा चिन्ह लगाउनुहोस)

अबिवाहित	बिवाहित	बिधुर/बिधुवा	पारपाचुके	छुट्टिएको
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शैक्षिक योग्यता (Academic Qualification): (कुनै एक बिकल्पमा चिन्ह लगाउनुहोस)

SLC/SEE भन्दा कम	SLC/SEE वा सो सरह	१०+२ वा सो सरह	स्नातक (Bachelors)वा सो सरह	स्नातकोत्तर (Masters)वा सो भन्दा माथि
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संस्थामा पदीय जिम्मेवारी (Designation):

कार्यालय ब्यवस्थापक/ प्रवन्धक/ निर्देशक/ संयोजक	कार्यक्रम अधिकृत	अन्य: (खुलाउनुहोस)
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संस्थासँगको तपाईंको आवद्धता बर्ष

संस्थाको नाम (वैकल्पिक):

.....

संस्थाको ठेगाना:

प्रदेश:	जिल्ला:	पालिका (कुनै एक बिकल्पमा चिन्ह लगाउनुहोस):		
		महानगर	नगर	गाउँ

संस्थाको प्रकृति (कुनै एक बिकल्पमा चिन्ह लगाउनुहोस):

गै स स (संस्था दर्ता ऐन अनुसार दर्ता भएको)	संजाल (संस्था दर्ता ऐन अनुसार दर्ता भएको)	अन्य: उल्लेख गर्नुहोस ।
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संस्था कार्यरत बर्ष: बर्ष (संस्था स्थापना भएको कति बर्ष भयो, सो उल्लेख गर्नुहोस ।)

समाज कल्याण परिषदसंगको आबद्धता (कुनै एक बिकल्पमा चिन्ह लगाउनु)

संस्थाले प्रदान गर्ने सेवाको क्षेत्र: (Choose multiple response as applicable लागू हुने सबैमा चिन्ह लगाउनुहोस)

शिक्षा	स्वास्थ्य	कृषि	मानव अधिकार (महिला, बालबालिका, अपाङ्गता, यौनिक अल्पसंख्यकहरु लगायतका कुनै पनि बर्ग समूहहरुको अधिकारका लागि कार्यरत)	वातावरण (बायु, ध्वनि, जल प्रदुषण नियन्त्रण, मौसम परिवर्तन, जैविक बिबिधताको संरक्षण लगायत विषयमा कार्यरत)	सुशासन तथा प्रजातन्त्रको प्रबर्धन (पारदर्शिता, कानूनको शासन, जवाफदेहिता, सूचनाको हक लगायतका विषयहरुमा कार्यरत)	अन्य (उल्लेख गर्नुहोस):
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संस्थाका अध्यक्षको जानकारी:

लिङ्ग: महिला पुरुष अन्य

शैक्षिक योग्यता:

खण्ड ख

कृपया तल दिइएका श्रेणीमापनका अङ्कहरुमा तपाईंलाई उपयुक्त लागेका कुनै एउटा श्रेणी (scale) मा गोलो चिन्ह लगाउनुहोस ।

संस्थागत क्षमता अभिवृद्धि (Organizational Capacity Building)

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	न्यूनतम सहमत	सहमत	थोरै सहमत	अति सहमत (Not applicable)	लागू हुँदैन
		१	२	३	४	५	६	७
competenc 01	सामान्यतया, मेरो संस्थामा कर्मचारीहरुलाई आफ्नो काम कसरी प्रभावकारी ढङ्गले गर्नु पर्छ भन्ने सबै कुरा थाहा छ । In general, staffs in my organization know how to do	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	न्यूनतम सहमत	सहमत	थोरै सहमत	अति सहमत	(Not applicable)	लागु हुँदैन
		१	२	३	४	५	६	७	
	their jobs effectively.								
CB 02	मेरो संस्थाका कर्मचारीहरुमा आफ्नो काम सम्बन्धित आवश्यक सीप पर्याप्त छ । Staffs in my organization have the necessary skills related to their jobs.	१	२	३	४	५	६		७
CB 03	मेरो संस्थाका ब्यवस्थापकसँग संस्था संचालनको राम्रो सीप छ । The manager in my organization has the necessary skills to run this organization.	१	२	३	४	५	६		७
CB 04	मेरो संस्थामा कर्मचारीहरुको क्षमताको बार्षिक लेखाजोखाका आधारमा क्षमता अभिवृद्धिको लागि सहयोग गर्ने गरिन्छ । In my organization staff are supported for their capacity building and that is informed by an annual performance review.	१	२	३	४	५	६		७
Robust MEAL System	CB 05	मेरो संस्थाका सबै कार्यक्रम शुरु हुनु अघि मापनयोग्य उद्देश्यहरु निर्धारण गरिन्छ । My organization sets measurable objectives before implementing any program.	१	२	३	४	५	६	७
	CB 06	मेरो संस्थाका हरेक कार्यक्रमका उद्देश्यहरुको मापन गर्नका लागि सूचकहरुको पहिचान गरिएको छ । In my organization performance indicators have been identified for each program objective.	१	२	३	४	५	६	७
	CB 07	मेरो संस्थाका हरेक कार्यक्रमका प्रगति मापन गरी नियमित रुपमा प्रतिवेदन तयार गरिन्छ । My organization measures the progress of all programs on regular basis and reports are prepared.	१	२	३	४	५	६	७
	CB 08	कार्यक्रमहरुको अनुगमन तथा मूल्याङ्कन योजनाबद्ध ढङ्गले गरिन्छ । Programs are monitored and evaluated systematically.	१	२	३	४	५	६	७
	CB 09	मेरो संस्थामा सिकाइलाई अनुगमन तथा मूल्याङ्कनसङ्ग जोडिन्छ ।	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	न्यूनतम सहमत	सहमत	थोरै सहमत	अति सहमत	(Not applicable)	लागु हुँदैन
		१	२	३	४	५	६	७	
	In my organization learning is embedded on monitoring and evaluation.								
CB 10	संस्थाले आफ्ना सिकाईहरु नियमित रूपमा सार्वजनिक गर्ने गरेको छ । My organization share its learning on a regular basis.	१	२	३	४	५	६	७	
CB 11	सिकाईहरुलाई नियमित रूपमा सार्वजनिक गर्न सूचना प्रविधिको प्रयोग गरिन्छ। To share the learning on a regular basis ICT is being used.	१	२	३	४	५	६	७	
Competence of board	CB 12	मेरो संस्थाका कार्य समितिका अधिकाँश सदस्यहरू यस संस्थाको दूरदृष्टि प्रति प्रतिबद्ध रहेको मैले अनुभव गरेको छु । I have noticed that most of the executive committee members in my organization are committed to its vision.	१	२	३	४	५	६	७
	CB 13	परिवेश बारे सुसूचित रहन मेरो संस्थाको कार्यसमितिले नियमित रूपमा ध्यान दिएको मैले महशुस गरेको छु । I have noticed that the executive committee in my organization takes steps to constantly stay informed of the context.	१	२	३	४	५	६	७
	CB 14	कुनै पनि निर्णय लिनु अघि कार्यसमितिले प्रस्तावित निर्णयको नकारात्मक पक्ष वा सम्भावित क्षतिहरूको आँकलन गर्ने गरेको छ । The board explicitly examines the “downside” or possible pitfalls of any important decision it is about to make.	१	२	३	४	५	६	७
	CB 15	कार्यसमितिले आफ्नो गल्तीबाट सिकेको पाठका आधारमा निर्णयहरू गर्ने गरेको छ । The board makes decisions based on learning from failure as well.	१	२	३	४	५	६	७
Planning informing	CB 16	हाम्रो संस्था दीर्घकालीन रणनीतिक योजनाद्वारा निर्देशित छ । My organization is guided by a long-term strategic plan.	१	२	३	४	५	६	७
	CB	तर्जुमा गरिएका रणनीतिक योजनाहरू वास्तवमा नै	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	लागु हुँदैन (Not applicable)	
		१	२	३	४	५	६	७	
17	कार्यन्वयन गरिएका छन । Strategic plans are actually followed.								
CB 18	संस्थाका कृयाकलापहरुले रणनीतिक योजनालाई प्रतिबिम्बित गरेका छन । Organizational activities reflect the strategic plan.	१	२	३	४	५	६	७	
CB 19	कार्यसमितिले रणनीतिक योजनालाई वार्षिक रूपमा पुनरावलोकन गर्दछ । The board revisits the strategic plan on an annual basis.	१	२	३	४	५	६	७	
CB 20	रणनीतिक योजना र यस संस्थाको मिशन बीच तादात्म्यता छ । The strategic plan is consistent with the organization's mission.	१	२	३	४	५	६	७	
Conflict mgt in the team	CB 21	संस्थाका गतिविधिहरुबारे गरिने निर्णयमा थरै कर्मचारीहरु संलग्न हुन्छन । Many staff members are involved in making decisions for this organization's activities.	१	२	३	४	५	६	७
	CB 22	कर्मचारीहरु बीचको विवादलाई सहज र फलदायी रूपमा समाधान गरिन्छ। Conflicts among staff are resolved productively.	१	२	३	४	५	६	७
	CB 23	संस्थामा आबद्ध ब्यक्तिहरुले समस्या समाधानका लागि मिलेर काम गर्दछन । People at my organization work together to resolve problem.	१	२	३	४	५	६	७
	CB 24	यस संस्थाका कर्मचारीहरु एकअर्का प्रति सहयोगी छन । Employees at this organization are supportive of one another.	१	२	३	४	५	६	७
	CB 25	हाम्रो संस्थासँग यसको दिगोपनको लागि वित्तीय योजना छ । My organization has a financial plan for sustainability.	१	२	३	४	५	६	७
Effective financial management	CB 26	मेरो संस्थाले तयार गरेको वार्षिक बजेटलाई व्यवस्थापनद्वारा नियमित रूपमा अद्यावधिक गरिन्छ। My organization prepares the annual budget and this is reviewed regularly by management.	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	(Not applicable)	लागु हुँदैन	
		१	२	३	४	५	६	७		
CB 27	मेरो संस्थामा वित्त व्यवस्थापन गर्न योग्य कर्मचारीहरू उपलब्ध छन । There are qualified staff in my organization for financial management.	१	२	३	४	५	६	७		
CB 28	वित्तीय प्रतिवेदनहरूको आधारमा आवश्यक निर्णय लिइन्छ । Financial reports are used for decision-making.	१	२	३	४	५	६	७		
CB 29	वित्तीय प्रतिवेदन आवधिक रूपमा तयार गरिन्छ । Financial reports are prepared periodically.	१	२	३	४	५	६	७		
CB 30	यो संस्थाको आर्थिक श्रोतहरू बिभिन्न दाताहरूबाट प्राप्त गर्ने गरिएको छ । My organization receives funds from various donors.	१	२	३	४	५	६	७		
CB 31	मेरो संस्थामा आर्थिक नियम, नीति र निर्देशिकाका आधारमा मात्र बित्तिय कारोबारहरू गरिन्छ । My organization follows financial rules, regulations and guidelines for all financial transactions.	१	२	३	४	५	६	७		
Capacity-building efforts	CB 32	हाम्रो संस्थाले क्षमता अभिवृद्धिका कार्यक्रम निरन्तर संचालन गरेको छ । My organization has organized capacity-building programs on regular basis.	१	२	३	४	५	६	७	
	CB 33	हाम्रो संस्थाले क्षमता अभिवृद्धिका कार्यक्रम गर्न सरकारी वा दातृ निकायको सहयोग परिचालन गर्न सक्षम भएको छ । My organization has been able to mobilize resources from government and other donors to organize capacity building program.	१	२	३	४	५	६	७	
	CB 34	हाम्रो संस्थामा हरेक बर्ष ब्यवस्थित रूपमा संस्थागत क्षमता लेखाजोखा गरिन्छ । My organization systematically conducts organizational capacity assessment each year.	१	२	३	४	५	६	७	

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	न्यूनतम सहमत	सहमत	थोरै सहमत	अति सहमत	लागु हुँदैन (Not applicable)	
		१	२	३	४	५	६	७	
CB 35	संस्थागत क्षमताको लेखाजोखाको आधारमा मात्र हाम्रो संस्थामा क्षमता अभिवृद्धिको योजना तर्जुमा गरिन्छ । The organizational capacity-building plan in my organization is prepared based on the organizational capacity assessment.	१	२	३	४	५	६	७	
CB 36	हाम्रो संस्थामा संस्थागत क्षमता अभिवृद्धि योजनाको सकृयतापूर्वक कार्यान्वयन गरिन्छ । In my organization, the organizational capacity-building plan is actively implemented.	१	२	३	४	५	६	७	
CB 37	हाम्रो संस्थामा संस्थागत क्षमता अभिवृद्धिको लागि उपयुक्त श्रोत ब्यक्तिहरुको परिचालन गरिएको छ । My organization has mobilized appropriate human resources for organizational capacity building.	१	२	३	४	५	६	७	
CB 38	हाम्रो संस्थामा संस्थागत क्षमता अभिवृद्धिको लागि उपयुक्त बिधि तथा उपयोगी अध्ययन सामग्रीहरुको प्रयोग गरिएको मैले अनुभव गरेको छु । I have noticed that my organization has used appropriate methods and resource materials for capacity building.	१	२	३	४	५	६	७	
CB 39	हाम्रो संस्थामा संस्थागत क्षमता अभिवृद्धिको लागि गरिएका कार्यक्रमहरुले अपेक्षित उद्देश्य हासिल गरेको मैले अनुभव गरेको छु । I have experience that the programs organized for capacity building have yielded expected results in my organization.	१	२	३	४	५	६	७	
Institutional learning	CB 40	हाम्रो संस्थामा क्षमता अभिवृद्धिका कार्यक्रममा भाग लिने ब्यक्तिहरुको छनोट उनिहरुले संस्थामा दिन सक्ने योगदानका आधारमा तय गरिन्छ । My organization selects participants for the capacity-building program based on the potential of those staff to contribute to the organization.	१	२	३	४	५	६	७
	CB	हाम्रो संस्थामा क्षमता अभिवृद्धिका कार्यक्रममा भाग लिने	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	(Not applicable)	लागु हुँदैन
		१	२	३	४	५	६	७	
41	ब्यक्तिहरुले आफुले सिकेका कुराहरु संस्थामा अरुलाई बाँडचुंड गर्ने गरिएको छ । Those who participate in capacity building program have shared their learning to others in my organization.								
CB 42	हाम्रो संस्थामा क्षमता अभिवृद्धिका कार्यक्रममा भाग लिने ब्यक्तिहरुले आफुले सिकेका कुराहरु संस्थामा लागू गर्न सकेका छन । Those who participate in the capacity-building program have been able to implement their learning in my organization.	१	२	३	४	५	६	७	
CB 43	हाम्रो संस्थाका कर्मचारीहरु/ कार्य समिति सदस्यहरुमा बिकास भएको ज्ञान, सीपले संस्था लाभान्वित भएको मैले अनुभव गरेको छु । I have experienced that knowledge and skills developed in staff/board members in my organization have benefited the organization.	१	२	३	४	५	६	७	
CB 44	संस्थागत क्षमता अभिवृद्धिको लागि गरिने कार्यक्रमहरुले हाम्रो संस्थाको पारदर्शीतामा अभिवृद्धि गरेको मैले अनुभव गरेको छु । Capacity building activities have contributed in enhancing transparency in my organization.	१	२	३	४	५	६	७	
CB 45	संस्थागत क्षमता अभिवृद्धिको लागि गरिने कार्यक्रमहरुले हाम्रो संस्थाको लैङ्गिक र सामाजिक समावेशीकरणको अवस्थामा अभिवृद्धि गरेको मैले अनुभव गरेको छु । Capacity building activities have contributed in promoting gender and social inclusion in my organization.	१	२	३	४	५	६	७	
CB 46	संस्थागत क्षमता अभिवृद्धिको लागि गरिने कार्यक्रमहरुले हाम्रो संस्थामा बिधिको शासनमा अभिवृद्धि गरेको मैले अनुभव गरेको छु । Capacity building activities have promoted rule of law	१	२	३	४	५	६	७	

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत (Not applicable)	लागु हुँदैन
		१	२	३	४	५	६	७
	in my organization.							
CB 47	संस्थागत क्षमता अभिवृद्धिको लागि गरिने कार्यक्रमहरुले हाम्रो संस्थामा सहभागितामूलक निर्णय प्रकृयाको अभ्यासमा अभिवृद्धि गरेको मैले अनुभव गरेको छु । Capacity building activities have promoted participatory decision-making process in my organization.	१	२	३	४	५	६	७
CB 48	संस्थागत क्षमता अभिवृद्धिको लागि गरिने कार्यक्रमहरुले हाम्रो संस्थामा जवाफदेहिताको अभिवृद्धि गरेको मैले अनुभव गरेको छु । Capacity building activities have contributed accountability in my organization.	१	२	३	४	५	६	७

Enabling Environment

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	लागु हुँदैन
		१	२	३	४	५	६	७
EE 01	नेतृत्व गर्ने ब्यक्तिहरु जति शिक्षित भए उनीहरुले कर्मचारीहरुलाई सदाचार बन्न त्यति नै प्रेरित गर्ने अनुभव मैले मेरो संस्थामा गरेको छु । Based on my experience with this organization, I can say that higher the education level of leaders (executive committee members), higher they motivate staff members to maintain integrity.	१	२	३	४	५	६	७
EE 02	नेतृत्व गर्ने ब्यक्तिहरुको शिक्षाको स्तर जति उच्च हुन्छ त्यहि मात्रामा उनीहरुको व्यवहार सदाचारयुक्त हुन्छ भन्ने मैले मेरो संस्थामा अनुभव गरेको छु । Based on my experience with this organization, I can say	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	न्यूनतम सहमत	सहमत	धेरै सहमत	अति सहमत	लागु हुँदैन
		१	२	३	४	५	६	७
	that higher the education level of organizational leaders higher is the integrity in their behavior.							
EE 03	मेरो संस्थाको नेतृत्व गर्ने ब्यक्तिहरुको शिक्षाको स्तर जति उच्च हुन्छ त्यहि मात्रामा उनीहरु समुदायप्रति बढी उत्तरदायी हुन्छन भन्ने मेरो संस्थामा अनुभव गरेको छु । Based on my experience with this organization, I can say that higher the education level of organizational leaders higher is their state of accountability towards beneficiaries.	१	२	३	४	५	६	७
EE 04	कम शिक्षा भएकाहरुको तुलनामा राम्रो औपचारिक शिक्षा भएको नेतृत्व बढी पारदर्शी हुन्छ भन्ने मैले मेरो संस्थामा अनुभव गरेको छु । Based on my experience with this organization, I can say that higher the education level of organizational leaders higher is the transparency in the organization	१	२	३	४	५	६	७
EE 05	राम्रो औपचारिक शिक्षा भएको नेतृत्व नै संगठनमा 'बिधिको शासन' प्रति प्रतिबद्ध हुन्छ भन्ने मैले मेरो संस्थामा अनुभव गरेको छु । Based on my experience with this organization, I can say that higher the education level of organizational leaders higher is their commitment towards rule of law in organization.	१	२	३	४	५	६	७
EE 06	संस्थाको नेतृत्व गर्ने ब्यक्तिहरुको शिक्षाको स्तर जति उच्च हुन्छ त्यहि मात्रामा उनीहरु संस्था भित्र आन्तरिक सहभागितालाई बढावा दिन प्रतिबद्ध हुन्छन भन्ने मेरो संस्था भित्र अनुभव गरेको छु । Based on my experience with this organization, I can say that higher the education level of organizational leaders higher is their commitment towards promoting internal participation.	१	२	३	४	५	६	७
EE	संस्थाको नेतृत्व गर्ने ब्यक्तिहरुको शिक्षाको स्तर जति उच्च हुन्छ	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थोरै असहमत	नुनतम सहमत	सहमत	धेरै सहमत	अति सहमत	लागु हुँदैन
		१	२	३	४	५	६	७
07	त्यहि मात्रामा उनीहरु संस्था भित्र लैङ्गिक र सामाजिक समावेशीकरण (GESI) लाई प्रवर्द्धन गर्न प्रतिबद्ध हुन्छन भन्ने मेरो संस्था भित्र अनुभव गरेको छु । Based on my experience with this organization, I can say that higher the education level of organizational leaders higher is their commitment to promoting gender equality and social inclusion (GESI) in the organization.							
EE 08	गै स स कति पारदर्शी हुन्छन भन्ने कुरा सरकारको नीति र कानुनले निर्धारण गर्छ भन्ने मेरो अनुभव छ । The extent to which NGO is transparent depends on the government rules and regulation.	१	२	३	४	५	६	७
EE 09	गै स स प्रतिको सरकारको दृष्टिकोणले ति संस्थाहरु कतिको जवाफदेही हुनेछन भन्ने कुरा निर्धारण गर्छ भन्ने मेरो अनुभव छ । The extent to which NGO is accountable depends on the government rules and regulation.	१	२	३	४	५	६	७
EE 10	गै स स कुन हदसम्म बिधिको शासनको अभ्यास गर्छन भन्ने कुरा सरकारको नीति र कानुनले निर्धारण गर्छ भन्ने मेरो अनुभव छ । The extent to which NGOs practice 'rule of law' depends on government rules and regulation.	१	२	३	४	५	६	७
EE 11	गै स स कुन हदसम्म समावेशी छन भन्ने कुरा सरकारको नीति र कानुनले निर्धारण गर्छ भन्ने मेरो अनुभव छ । The extent to which NGO is inclusive depends on the government rules and regulation.	१	२	३	४	५	६	७
EE 12	गै स स कुन हदसम्म श्रोत परिचालन गर्न सक्षम हुन्छन भन्ने कुरा सरकारको नीति र कानुनले निर्धारण गर्छ भन्ने मेरो अनुभव छ । The extent to which NGO is able to mobilize resources depends on the government rules and regulation.	१	२	३	४	५	६	७

	क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	लागु हुँदैन
			१	२	३	४	५	६	७
Democratic governance	SG 01	मेरो संस्थाले राम्रो लैङ्गिक र सामाजिक समावेशीताको अवस्था प्रतिबिम्बित गर्दछ । My organization demonstrates better Gender Equality and Social Inclusion (GESI) status.	१	२	३	४	५	६	७
	SG 02	मेरो संस्थामा कार्य समितिका सदस्यहरु ब्यवस्थापकीय काममा संलग्न हुँदैनन । In my organization executive committee members are not involved in management functions.	१	२	३	४	५	६	७
	SG 03	मेरो संस्थामा कार्यसमितिका सदस्यहरु लोकतान्त्रिक प्रक्रियाबाट चयन हुन्छन । In my organization, executive committee members are elected through a democratic process.	१	२	३	४	५	६	७
Transparency	SG 04	मेरो संस्थाको लेखापरीक्षण-प्रतिवेदन सदस्य र सरोकारवालाहरुले चाहेका बेला हेर्न पाउँछन । In my organization, audited financial reports are shared with members and stakeholders.	१	२	३	४	५	६	७
	SG 05	कर्मचारी भर्ना सम्बन्धी नीतिहरुको कडाईका साथ पालना गरिएको छ । In my organization staff recruitment policies are strictly followed.	१	२	३	४	५	६	७
	SG 06	कर्मचारीको तलब वृद्धि पारदर्शी मूल्याङ्कन प्रक्रियामा आधारित छ । In my organization increment in staff salary is based on a transparent appraisal process.	१	२	३	४	५	६	७
	SG	मेरो संस्थामा घुसखोरी, भ्रष्टाचार लगायत कुनै	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	लागु हुँदैन	
		१	२	३	४	५	६	७	
07	पनि आर्थिक घोटाला कानुनी कारबाहीको दायरामा आउंछ । Bribery, corruption, and any financial mismanagement is subject to legal action in my organization.								
SG 08	मेरो संस्थाले कर्मचारी, र सल्लाहकारहरुको पारिश्रमिकबाट संस्थाका लागि आर्थिक योगदान कटौती गर्दैन । My organization doesn't deduct financial contribution from staff and advisor's remuneration.	१	२	३	४	५	६	७	
SG 09	परामर्शदाताहरुको छनोट प्रक्रिया नीति नियमहरुका आधारमा मात्र गरिन्छ । My organization follows recruitment policies in hiering consultants.	१	२	३	४	५	६	७	
Rule of Law	SG 10	मेरो संस्थामा अनुचित अभ्यासहरु भएका खण्डमा गुनासोहरु दर्ता गर्न सक्ने प्रक्रियाहरु र प्रणालीहरु छन । There are procedures and systems in my organization that allows lodging complaints against unfair practices in the program and organization life.	१	२	३	४	५	६	७
	SG 11	कार्यालयका उपकरणहरु र कुनै पनि स्रोत व्यक्तिगत प्रयोजनको लागि प्रयोग गरिएको छैन । Office equipment and any of the resources are not used for personal use.	१	२	३	४	५	६	७
	SG 12	सेवा तथा सामानहरुको खरिद गर्दा व्यवस्थापनले खरिद नीति र प्रक्रियाहरुको राम्रोसँग पालना गर्ने गरेको छ ।	१	२	३	४	५	६	७

क्र सं (S.N.)	कथन (Statement)	असहमत	थरै असहमत	न्यूनतम सहमत	सहमत	थरै सहमत	अति सहमत	लागु हुँदैन	
		१	२	३	४	५	६	७	
	In my organization management follows standard procurement policies while purchasing services and equipments.								
SG 13	मेरो संस्थामा परियोजना कार्यान्वयन गर्दा प्रोटोकल, मापदण्ड, र आचार संहिताहरू पालना गर्ने गरिन्छ । In my organization, it is ensured that all protocols, standards, and codes of conduct are followed.	१	२	३	४	५	६	७	
Stakeholder engagement	SG 14	रणनीतिक योजनाहरू बनाउने क्रममा सरोकारवालाहरूलाई संलग्न गर्ने गरिएको छ । My organization involves stakeholders while formulating strategic plans.	१	२	३	४	५	६	७
	SG 15	संस्थामा सर्वसाधारण, प्राविधिक विशेषज्ञहरू तथा स्थानीय समुदायहरूबाट पृष्ठपोषण लिने संरचना र प्रक्रियाहरू बिध्यमान छन । My organization has a system and set processes to solicit input from the public, technical experts, and stakeholders.	१	२	३	४	५	६	७
	SG 16	कार्यक्रमहरूको तर्जुमा गर्न मेरो संस्थाले प्रस्ताबित कार्यक्षेत्रसंग सम्बन्धित तथ्याङ्कको प्रयोग गर्दछ । My organization relies on research data from the field to plan programs.	१	२	३	४	५	६	७

यो सर्वेक्षण सम्पन्न गर्नको लागि तपाईंको बहुमूल्य समय र सहयोगको लागि हार्दिक धन्यवाद!

उत्तम उप्रेती (अनुसन्धानकर्ता)

Appendix III: Communalities

Factors & Items	Initial	Extraction
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Factors & Items	Initial	Extraction
Organizational Commitment to Need-Based Intervention		
Active implementation (CB36)	1.000	.863
Assessment-informed plan (CB35)	1.000	.867
Mobilize appropriate human resources (CB37)	1.000	.805
Ensuring results (CB39)	1.000	.771
Appropriate methods and resource materials (CB38)	1.000	.762
Systematic and periodic capacity assessments (CB34)	1.000	.766
Appropriate participants (CB40)	1.000	.716
Rule of law (CB46)	1.000	.525
Average Factor Extraction		0.744
Institutionalized Learning Process		
Measurable objectives of the program (CB5)	1.000	.778
Set performance indicators (CB6).	1.000	.739
Track progress regularly (CB7)	1.000	.653
Learning embeddedness (CB9)	1.000	.640
Use ICT in learning sharing (CB11)	1.000	.712
Investment in staff capacity building (CB4)	1.000	.658
Share learning regularly (CB10)	1.000	.642
Informed decision-making (CB14)	1.000	.523
Activities aligned strategic plan (CB18)	1.000	.534
Commitment to vision (CB12)	1.000	.507
Average Factor Extraction		0.638
Creative Engagement of Staff in Decision-Making		
Conflicts resolution (CB22)	1.000	.819
Collaborative problem solving (CB23)	1.000	.755
Mutual support among staff (CB24)	1.000	.729
Staff engagement in decision-making (CB21)	1.000	.675
Board decisions informed by failure	1.000	.658
Average Factor Extraction		0.727

Factors & Items	Initial	Extraction
Financial Management		
Periodic financial reports (CB29)	1.000	.783
Qualified finance staff (CB27)	1.000	.705
Financial reports inform decisions (CB28)	1.000	.657
Comply with financial rules & regulations (CB31)	1.000	.695
Preparation of annual budget (CB26)	1.000	.582
Average Factor Extraction		0.684
Legal Enabling Environment		
Legal environment shapes 'rule of law' (EE10)	1.000	.845
Legal environment shapes inclusion (EE11)	1.000	.835
Legal environment motivates self-regulation (EE13)	1.000	.796
Legal environment shapes resource mobilization (EE12)	1.000	.770
Legal environment promotes transparency (EE8)	1.000	.748
Capacity of regulatory authority promotes governance (EE14)	1.000	.742
Legal environment promotes accountability (EE9)	1.000	.740
Average Factor Extraction		0.782
Education of Leadership		
Leader's education determines transparency (EE4)	1.000	.825
Leader's education determines rule of law (EE5)	1.000	.812
Leader's education determines accountability (EE3)	1.000	.789
Leader's education determines participation (EE6)	1.000	.778
Leader's education determines gender equality and social inclusion (EE7)	1.000	.735
Leader's education determines integrity (EE2)	1.000	.715

Factors & Items	Initial	Extraction
Educated leaders motivate staff members toward integrity (EE1)	1.000	.606
Average Factor Extraction		0.751
Rule of Law		
Follow standard procurement policies (SG13)	1.000	.847
Follow all protocols, standards, and codes of conduct (SG14)	1.000	.818
Follow recruitment policies (SG5)	1.000	.810
Proper use of office equipment (SG12)	1.000	.807
Transparent appraisal process (SG6)	1.000	.804
Handle complaints properly (SG11)	1.000	.800
Follow recruitment policies (SG9)	1.000	.764
Share audited financial reports (SG4)	1.000	.757
Democratic process to elect board (SG3)	1.000	.731
Systems in place to report unfair practices (SG10)	1.000	.726
Legal action against financial mismanagement (SG7)	1.000	.713
No deduction from remuneration (SG8)	1.000	.687
Use of research data in planning (SG17)	1.000	.641
Average Factor Extraction		0.762
Informed Decision Making		
Have a strategic plan (CB16)	1.000	.710
Measurable objectives before implementing program (CB5)	1.000	.647
Context-informed executive committee (CB13)	1.000	.646
Multiple donors (CB30)	1.000	.597
Effective monitoring and evaluation of programs (CB8)	1.000	.556
Financial plan for sustainability (CB25)	1.000	.514
Average Factor Extraction		0.612
Total Average Factor Extraction		0.712