

Performance Measurement in Nonprofit Organization: A Case Study on Women Movement in Malaysia (ARROW)

Maniyarasi Gowindasamy
Amer Hamzah Jantan (Phd)
Putra Business School, Universiti Putra Malaysia, Malaysia

Abstract

Purpose – This article sets out to examine how performance can be measured in nonprofit organizations. This research aims to respond on how the outcomes can be measured through performance which enables to enhance the case organization (ARROW) to contribute to the wellbeing and society.

Design/methodology/approach – This study is a qualitative case study. The qualitative data was created through semi-structured interviews and action research. The researcher took part in measuring the activities conducted by the case organization as an instrument of observation. Based on the results of the research, performance can be measured in nonprofit organizations using several different research methods. This study focused on measuring the outcome perspective, using the behavioral and environmental point of view.

Findings – The results from the present study demonstrate that the case organization's (ARROW) performance is effective. The case organization has resulted that it had, improved the condition, increased skills and modified behavior, indicated that the participants' lives had encountered great changes after they had started to participate in the activities of the case organization. This measure was seemed to be more useful and effective as it enable a clear guidance on the measuring part.

Research limitations/implications – As the sample used for analysis was focusing only on a case organization, the generalizability of the results to other countries remains to be tested.

Practical implications – The findings of the present study may assist other nonprofit to enhance their capability and credibility by using the measurement.

Originality/value – The study contributes to a better understanding of using a measurement to view and get feedback on their outcome based on behavioral and environmental point of view which seems to be a new topic in the Malaysian nonprofit context.

Keywords: Performance Measurement, Nonprofit, Organisation,

1.0. Introduction

The nonprofit sector has continued to grow while providing critical social services and other acts of assistance (Baruch & Ramalho, 2006). These nonprofit organizations around the world are responding to public needs that unable to be met by governments (McHargue, 2003). Unlike private organizations, nonprofit organizations' goals are not creating profits but able to measure their success solely based on economic terms because there is no profit maximizing focus. Instead of distributing its revenues to owners and stakeholders, nonprofit organizations use their surplus revenues to achieve their mission. A nonprofit organization's revenue consists of the funds that are received from private donors, corporate donations, government grants, foundations and fees received for the delivery of programs and services.

Performance ensures an effective production of results while it keeps organizations relevant and active to society (Berman, 2006). Performance is an interaction among the organization's leaders, clients and many other stakeholders (Herman & Renz, 2002). It stands for efficient and effective use of resources for the achievement of results (Berman, 2006) and it can be obtained through performance management and performance measurement.

“Performance measurement is quantifying, either quantitatively and qualitatively, the input, the output or level of activity of an event or process. Performance management in action, based on performance measures and reporting, which results in improvements in behavior, motivation and process that promotes innovation.” (Poister et al. 2014; Jones & Riley, 2014). According to Behn (2003), performance measurement is used for many purposes such as evaluating, motivating, promoting, controlling, and budgeting and improving, which are the eight managerial purposes of performance measurement. Performance measurement is a valuable tool in the hand of any organization when used correctly; it benefits the managerial purposes of an organization (Poister et al., 2014) and it can be used for internal learning within the organization (Newcomer & Bass 2010). Performance measurement can be used effectively and efficiently to enhance the outcome of their ability and as a tool to enhance their managerial aspects (Kaplan & Norton, 2001).

The concept of nonprofit organizational performance has been seen as somewhat ambiguous, disputed and difficult to grasp. The pressure for conceptualizing performance in nonprofit organizations is growing, and the importance of rationalizing their processes and norms is increasing speedily (Cutt & Murray, 2000), but defining performance in a single measure is considered challenging within the nonprofit sector. The recent theoretical study views and empirical studies have been reducing the viability of one single criterion. Even though

researchers from all over the world have been interested in studying organizational performance, the effectiveness related literature seems to be in disunity (Papadimitriou 2007). Moxham added that (2009) the design of nonprofit measurement systems has not received enough attention. The nonprofit literature has a lack of consensus on criteria that should be used to measure performance. The design of performance measurement systems is limited, but the studies have shown that just as measuring the performance of the private and the public sector is possible, the use of performance measurement systems in the nonprofit sector is being neglected. However, there are many times opportunities to get reasonable, short-term outcomes that reflect the effectiveness of a nonprofit organization. Papadimitriou (2007) notes though that the topic of organizational performance in nonprofit organizations is widely discussed around the globe but then the implementation of different performance measurement systems are still lacking especially in the developing countries (Boland & Fowler 2000). This can be clearly seen among the NPOs in Malaysia.

NPOs in Malaysia are in the form of either charitable corporation or a society. The societies which are registered, monitored and controlled by the Registry of Society (ROS), are governed by the Societies Act 1966 and Societies Regulation 1894 within the Ministry of Home Affairs (Zainon et al., 2013). Since 2005 there is rapid growth of 5% to 7% in the growth of nonprofit organization in Malaysia and currently there are that registered under the ROS (ROS, 2015). It has been recorded that the highest number of registration was from the state of Selangor, Federal state of Wilayah and followed by Penang and Johore (ROS, 2015). The growth of the nonprofit is actually a part of the role that been developed by the combination of Ministry of Home Affairs, Department of Social Welfare and Ministry of Women and Community Development.

The reason behind the support and encouragement for nonprofit was due to the National Integrity Plan which was built to constitute the principles of "Rukun Negara" as well to achieve the vision 2020. It was created to establish a fully moral and ethical society whose citizen are strong in the religious and spiritual values and imbued with the highest ethical standard (NIP, 2008). The launch of Integrity Institute of Malaysia as a mechanism to promote and coordinate the implementation and enhance the nation to achieve the target as follows; to effectively support the growth of literacy, to curb the health issues such as drug and cigarette consumes in early age, strengthened the family institution and improve the quality of life of the citizen (NIP, 2008). This institute has worked and promotes in coordinating and aligned the NPO to achieve and supporting the National Integrity Plan.

Therefore, there is an urgency need of NPO to support and to play a major role in upholding the principles however, there has been a lot of issue in the performance of each nonprofit organization which lead to the incompetency of management and sustainability. Norman (2009) also criticized that some NPOs are not able to engage themselves publically and lack of effectiveness in addressing current problems. Beside this they also unable identify their objectives and link it with the internal and external projects/programme. This proven that NPOs are not serious in the management especially practices within its own rank and they are lack of knowledge and understanding of the actual voluntary based management (Norman, 2009). Two major problems encounter by NPOs are the lack of attention to management and inability to create and maintain mutually satisfaction between their donors and beneficiaries (Miller, 2007). He added they also unable to inter connect between internal (micro) and external (macro) and relate it to their management objectives and mission. This has evident that NPOs, management are poorly maintained and not able to sustain. This problems leads NPOs to be ineffective and unsustainable (Miller, 2007). Ali Mostashari (2005) commented that nonprofit in Malaysia unable to sustain longer due to the lack of performance management tool. He mentioned that even there are some nonprofit is using it but then it could not been sustained due to lack of managerial experience. Therefore this research aims on how do nonprofit evaluates their outcomes through performance measurement by focusing on a selected case organization, Women Movement in Malaysia, ARROW. This research also will be looking at the effectiveness of one activity conducted by the case organization on how to view and get feedback on their outcome based on behavioral and environmental point. The research also aims to produce information, describe and analyze organizational performance in nonprofit organizations. The case study aims to increase the knowledge on nonprofit organizational performance measurement in the context of Malaysia in contributing to the wellbeing of the society.

2.0. Literature Review

Performance ensures an effective production of results while it keeps organizations relevant and active to society. Through performance in nonprofit organizations the challenges faced by communities and people are connected to agency programs and policies. Performance increases public trust in nonprofit organizations because it helps agencies to contribute to the welfare of the society (Berman, 2006). Performance is an interaction among the organization's leaders, clients and many other stakeholders (Herman & Renz, 2002). Performance management in action, based on performance measures and reporting, which results in improvements in behavior, motivation and process that promotes innovation (Poister et al., 2014).

Jones & Riley (2014) conclude that the optimal success in nonprofit organizations is gained through high-

performance measurement. Thus, it has been noticed that organizational unawareness about whether they are reaching desired results or just maintaining their status quo exists within many nonprofit organizations. According to Behn (2003), performance measurement is used for many purposes such as evaluating, motivating, promoting, controlling, budgeting, celebrating and improving, which are the eight managerial purposes of performance measurement. Performance measurement is a valuable tool in the hand of any organization when used correctly; it benefits the managerial purposes of an organization (Poister et al., 2014) and it can be used for internal learning within the organization (Newcomer & Bass, 2010). Performance measurement analytics together with well-coordinated and strategic evaluation approach seem to improve performance data and organizational learning (Newcomer & Bass 2016).

Usually nonprofit organizations have three primary functions which are programs, administrations and governance. Nonprofit organizations accomplish their mission by providing services and activities, therefore meeting a recognized need. (Jones & Riley, 2014) The differences in nonprofit organizations' capacity, structure and activities vary across time and societies and as an act of encroaching personal freedom made by the state leads people to a place from which they are able to push back, which in this case means the nonprofit sector. It is also important to recognize that there are public goods that cannot be produced solely by the market. It has been mentioned that liberal values of pluralism are protected by the nonprofit sector (Powell & Steinberg, 2006). It is important for nonprofit organizations to sustain their public confidence and trust, because of their reliance on funding and donations in order to deliver their services, funding insecurity amongst nonprofit organizations. The need for stakeholder requirement and outcome measuring in nonprofit organizations is therefore substantial, but these factors bring challenges to performance measuring (Moxham 2009)

It is a responsibility of the board of directors to set priorities and goals for nonprofit organizations. Many times, however, the board can have more experience in the for-profit field instead of the nonprofit field. This issue can be a real challenge since increased revenues and profit for stakeholders are not the main focus of nonprofit organizations since nonprofit organizations' true profits are the outcomes. (Jones & Riley, 2014.) Maintaining low overhead costs is always on the agenda of nonprofit organizations while pursuing organizational effectiveness. Administrative costs may increase when the organization decides to invest in measuring activities, and these additional costs might be seen, for example, in upgraded technology or as an addition to part-time staff member's responsibilities to take care of the measuring activities in the organization. (Murray, 2004) It is necessary to train various staff members in the work related to evaluation and data collection. When multiple workers are aware of these efforts the organizations will not lose the institutional knowledge and benefits even when a worker leaves the organization. It is also the leader's responsibility to place a priority on data collecting and using within the organization.

According to Frederickson (2006) even though nonprofit organizational effectiveness is closely connected to organizational performance, as a concept, effectiveness has a broader meaning. Including the balanced input and output which are achieved through programs, projects and processes implemented by the organization are part of organizational effectiveness. The organization's mission sets the goals. Performance measurement has developed greatly in the past decade; from traditional performance measuring such as costing and accounting systems to a more balanced, long-term view that is not merely only focused on the short-term financial aspects (Yasar, 2004). Unlike traditional performance management, nonprofit organizations often measure performance by focusing on the quality of relationships and the interactions of the individuals instead of success such as the amount of revenue brought in or number of sales that were made (Sawhill & Williamson, 2001). Yet many times, nonprofits try to keep up with their performance by evaluating numbers such as the amount of funds they have raised, people they have served, membership growth or number of visitors. Even though these metrics are important in nonprofits, organizational success and a nonprofit organization's mission achievement cannot only be measured through them (Sawhill & Williamson 2001).

In order for the nonprofit to be successful, they need to be paying more attention to their internal and external environment to gain a vision for their future as a company (Harris, 1999). As a next step, the organization will have a clear strategy that will help to identify their performance areas. (Yasar, 2004) The importance of performance measurement in nonprofit organizations can be seen in organizational effectiveness and enhancing the ability to deliver their mission (Carnochan et al. 2014). It is safe to say, that if a nonprofit organization can demonstrate their collective impact with the people group they serve, most likely donors and funders will continue to invest in their programs. When donating to recognized nonprofit organizations, corporations and the general public are many times able to receive tax benefits. (Jones & Riley, 2014) Nonprofits all around the world need to raise funds in order to cover their expenses and secure the future of the organization. Nonprofits are allowed to create excess revenue over their expenses, but it cannot be considered as private gain. The surplus gained by a nonprofit organization must be used for the support of the organization's mission achievement (BoardSource, 2010)

Transparency, demands for accountability and increased public scrutiny are some of the latest issues of stakeholder expectations. Also, donors want to see how their investment will make an impact. (Jones & Riley,

2014) The data audience of nonprofit organizations consists of nonprofit governance, program staff, development staff, corporate funders, foundation and government funders, private donors, program participants and partnering organizations. (Jones & Riley, 2014) It has been noticed that when nonprofit leaders invest in performance measuring, later on they can also reap their reward. While a nonprofit organization is trying to become more efficient and effective, the effort of data use is highly important. Nonprofit organizations will only know whether their best is good enough if they aim to implement a high-performance measurement culture. Nonprofit organizations need to come up with the communication solutions that fit the best in their budget and mission. Increased impact and increased revenue are the results of a high- performance culture in a nonprofit organization, and for that reason the leaders should demand on establishing it. It is necessary that the organization's leader invest in communication. Their success is closely tied to their ability to collect data and information of their function which will help them to measure the value and impact of the nonprofit organizations as well.

Moxham (2007) concluded that the existing body of knowledge on nonprofit measurement systems is relevant to nonprofit organizations and the study showed that the measurement drivers and evaluation processes in the public, private and nonprofit sector are prevalent. He added that there are various performance measurement systems, but there are similar drivers for measuring performance that are emphasized across the public, private and nonprofit sector. Firstly, they are relevant, focusing on the accountability. There exists a link between nonprofit financial reporting and public sector accountability. Distributed public funds are most often examined by the funders since nonprofits are required to report against the criteria of the public sector measuring. Lampkin et al. (2006) suggest that the accountable use of public money can be ensured through performance measuring. Secondly, they are integrated, developed in isolation. Since nonprofit organizational performance cannot be measured through one single criterion, many nonprofits seem to create their own unique criteria. There is a visible need for incorporated key criteria that would be usable for all nonprofit stakeholders (Moxham,2007) Thirdly, they are balanced which means that they are resource intensive. Fourthly, a nonprofit organization's measurement systems are strategic which means that they are short-term focused. It is possible to measure short-term measures such as targets and evidence of attendance, which are quantitative measures of performance.

Evidence of attendance, for example, measure impact or outcome of the organization and they provide useful information for nonprofit organizations. (Moxham ,2009) Fifthly, the nonprofit measuring seeks to be improvement-oriented. Even though a continuous improvement is most likely an aim of every nonprofit organization, many times the measurement criteria stipulated by the funders does not support constant improvement. Thus, many nonprofit organizations implement their own performance measurement system (Moxham ,2009)

Performance measurement's purpose defines its methods. The timeframe for the data collection, the set of indicators and measures being chosen and the methods of analysis are all decided based on the purpose of the performance measurement. (Poister et al. 2014) Performance measurement records measures such as customer satisfaction, outputs, inputs, activity levels (Poister et al. 2014; Lee & Nowell 2014) public value, network and legitimacy (Lee & Nowell 2014) It can also track the organization's efficiency, effectiveness and equity. Collecting information from external as well as from internal stakeholder groups is common. (Poister et al. 2014). The recent literature on performance measurement consists of three groups; the proponents, the pragmatics and the skeptics. These groups describe performance movement more deeply. The most recent studies on performance measuring consist of diverse findings. (Poister et al. 2014) A substantial body of literature on this topic includes also a range of similar terms such as quality assurance, performance indicators, performance measures, value for money, performance appraisal and review (Holloway, 1999.)

Many times, nonprofit organizations work under the pressure of budget and resources, and therefore one of the key aspects of performance is measuring how the *inputs* have been received and used. Resource acquisition and utilization are therefore the main approaches influencing this perspective. These approaches are there to reveal the nonprofit organizational success in resource acquisition and utilization, through which the value generating is set as the focal point. An amount of volunteers or staff needed for an activity or the increase in year to year revenue is some of the examples of recourse performance metrics. (Lee & Nowell 2014, 305.) The Balanced Scorecard for Nonprofits (Kaplan & Norton, 1996) can be used for the development of essential internal methods for the examination of used resources.

Balanced Scorecard includes four perspectives: the customer perspective, the financial perspective, the internal business perspective and the innovation and learning perspective. As part of the performance measurement system, setting up goals in each of these Balanced Scorecard areas is necessary. As a next step, it is possible to specify the measures to track their performance against these goals. (Poister et al. 2014)

Customer satisfaction can be tracked through satisfaction indexes (Poister et al. 2014). The Balanced Scorecard's customer perspective is specifically important to nonprofit organizations and service-oriented public sectors. The Balanced Scorecard can be used as a tool for communication, it is a visual for strategic management

and it also can be used as a measurement system. (Poister et al. 2014) The Balanced Scorecard is a well acknowledged figure that connects performance measurement and the strategy map together, helping organizations to accomplish their mission as well as the reaching the organization's strategic objectives. Many scholars have supported the idea of involving organizational capacity development in a nonprofit organization's evaluation agenda, as this aspect is combined with the input perspective. In spite of the fact that resource acquisition and utilization are part of the input view, the development of effective outcome and output generating is also highlighted through the organizational capacity perspective. The evaluation of nonprofit organizations' productive internal processes and structures focuses on the effective use of resources which leads the organization towards its mission. Organizational activities as well as organizational performance are affected by different processes of innovation and learning. Learning, innovation and growth as a part of the organizational capacity building are necessary and they may strengthen the nonprofit organization's performance. (Lee & Nowell 2014)

One of the ways for nonprofit performance measuring is through the focus on the outputs. The output perspective highlights the organization's activities as they mainly refer to the achievement of the nonprofit organization's mission (Sawhill & Williamson 2001). Through the output measuring it is possible to recognize the achievement of the initially intended goals. Output measures are considered to be effective measures and therefore careful consideration when using them is required (Lee & Nowell 2014). Sowa et al. (2004) stresses the importance of understanding the program incomes while measuring the overall performance in nonprofit organizations. The program evaluation discerns the impact of the program activity. Sowa et al. also add that the two commonly used outcome measures focus on the objective indicators of outcome measures and the perceptual indicators of program capacity.

A nonprofit organization's true profits are the outcomes (Jones & Riley 2014). Moxham (2009b) defines an effective project as one that "has been able to successfully demonstrate that it has achieved the outcomes that it set out to achieve at the time that the grant offer was made and which has made a real difference to the lives of disadvantaged people." This applies to the behavioral and environmental approach which is the two ways of outcome measuring. The perceptual measure of program outcomes includes for client satisfaction approach and an approach which focuses on the behavioral and environmental changes (Sowa et al. 2014). These two approaches can complement one another when used together but they also vary due to their measurement methods which are different (Lee & Nowell 2014). The outcome approach emphasizes the physical products produced by nonprofit organization's activities. Generally, outcome measures are quantitative through which measuring efficiency and productivity. According to Rossi et al. (2004) an outcome in nonprofit organizations can be explained through the change which the nonprofit organization has brought into the state of the target population or social circumstances. Lack of outcome measures is one of the most common challenges. The need for measuring outcomes has been seen even as a greater issue than for example hiring quality staff, maintaining positive relationships within the board or building outside partnerships (Jones & Riley 2014). If a nonprofit organization is lacking outcome measures it prevents them from achieving their optimal success. It is necessary to understand that there is a difference between output and outcome-based perspectives. The outcome-based perspective focuses on the change that is seen in the target population and it generally aims to determine the impact of certain activities. It is possible to measure the outcomes through the outputs.

Performance can therefore be measured through these objective indicators that are related to specific program theories of change. The used measures depend on the services that are being offered. These outcome measures should concentrate on producing information on whether the organization is or is not achieving its' purposes and capturing the extent to which the organization accomplishes its' objective. The understanding of the program's outcomes can be gained through the opinions of the clients. The examination of the clients' satisfaction will enable the organization to define the comparison between the objective measures and client satisfaction. Quality measuring focuses on customer satisfaction. Simply put it focuses on measuring whether or not a service met its principles but it can be continued to much more practical statistical analyses of the factors that lead to variations.

3.0 Methodology

As a strategy of the research, this study will use evaluation research as a method and the needed data for this research will be collected through participant observation and semi-structured interviews. The research interest of this study is knowledge applied in the nonprofit organizational field. The study will use previous research findings in through literature, document analysis, theme-interviews and participant observation as a method of data collection and the source of information in the field. The research method was chosen based on the field work, which will allow the interviews of the mothers and the children to be done in a familiar atmosphere. Also, including participant observation into the study will be possible because of the fieldwork. Researching the effectiveness of the case nonprofit organization would be fairly difficult unless there were a possibility for observing the lives of the mothers and their daughters and reporting it anonymously through participant

observation.

Qualitative research methodologies have been pre-dominating the inquiries on nonprofit organizational measurement. The measurement of outcomes focuses on qualitative results. The positive effects of a program are the focus of outcome measuring. Activities organized by a nonprofit organization result in benefits for the intended beneficiaries. There are two ways to measure outcomes; first, they can be measured as internal through the achievement of the organization's mission and chosen objectives. Second, they can be measured as external through client or user satisfaction (Lee & Nowell 2015.) According to Bagnoli and Megali (2009) one of the ways for outcome evaluating can be done through the improvement of life prospects. A qualitative approach is useful when the goal is adding knowledge or understanding about phenomena with definite prior knowledge. Qualitative research is many times used in behavioral and social sciences, but nowadays it is also seen widely in management research. (Gummesson 2000; Voss et al. 2002). This study also focusing by implementing the evaluation technique which is considers being part of social research. There are four recognized evaluation strategies; scientific-experimental models, management oriented systems models, qualitative/anthropological models and participants-oriented models (Tangen, 2005). Evaluation can be carried out either as an internal evaluation or an external evaluation. Internal evaluation is done by the personnel of the organization. External evaluation is carried out from the outside of the organization. Since the observer is not a staff member of the organization, this study will be done as an external evaluation. To conduct this research behavioral and environmental perspective been used as the tool of evaluation as been discussed in the literature.

Evaluation research was chosen for the study because of the usefulness and utility in qualitative studies, and as a method evaluation research can bring about the information that is needed for the study to respond to the research question. Patton (1994) mentioned, qualitative evaluation offers reliable partial solutions to problems of outcome evaluation, which makes qualitative evaluation a valid research method in this research. This research method also helps the study to avoid "sentimental failures to problematize its own analysis and solutions" (Patton 1994). The methodological approach of the research follows a descriptive evaluation study. The aim is to investigate the activities of ARROW and to look to their consequences. The aim of qualitative evaluation is to understand the current situations and present proposals for the development of the situation.

Interviews along with the participant observation are the main way of collecting empirical data in this research. This research contains eight semi-structured questions with 10 participants of the activity. All the respondents will be interviewed through face o face. Since the researcher interview the participants at the premises it does not takes more than two weeks to complete the interview session. Each interview takes approximately 30 minutes. Interviews are considered as purposeful discussions between two or more people. It is possible to divide interviews into different categories. These categories are structured, semi-structured and unstructured interviews. Semi-structured interviews require a set of themes and questions that are prepared beforehand, but the questions may vary based on the flexibility of the semi-structured interview method (Saunders et al. 2009). All the interviews were recorded digitally and transcribed verbatim. In addition to the interviews, participant observation in the field, including the web sites of the case organization and other documents received on the organization's function were examined to corroborate the transcribed data to ensure validity. Participant observation as an information gathering method has experienced a rapid growth in the recent years. Participant observation as a data collecting method is used especially in ethnographic studies (Levers,2013). Several advantages can be found from participant observation, which is considered an analytic tool but also a form of data collection. Some of the benefits of participant observation are enhancing the quality of the analysis of data and quality of interpretation of data that is gained during the fieldwork. (DeWalt ,2010) Schensul et al. (1999, 91) describe participant observation as a learning method which includes the observation of day-to-day routines or participant's activities.

The data which was collected from the interviews was categorized in one chart according to the interview themes. Common themes were recognized in the collected data and identified accordingly. There will be a simple this compact form of data display helped the researcher to identify the common themes. Each fieldwork situation was analyzed separately. After each participant observation the researcher analyzed the notes and made summaries of the fieldwork situations. When a research is done as a case study, it is possible to use various data collection methods (Gummesson 2000). This research will be based on two theme; behavioral and environment which was developed from the objectives of the study. According to Gummesson, (2000) it is very much useful to use various data collection method when analyzing a case study.

4.0. Analysis and discussion

Since the purpose of this research is to evaluate the case organization's outcomes through performance measurement and to find out the detailed structures of evaluation in the present moment. Common sources of evidence in case studies consist of interviews, participant observation, various types of documentation and other archival records, which also are the main data collection methods in this research (Yin 2009, 101). It is possible to investigate natural situations that cannot be controlled through a case study. The results can be collected and

understood more profoundly through the case study. The purpose is to evaluate the situation and try to find explanations as to whether the outcome evaluation can improve the performance measuring of the nonprofit organization. The target of the case study is to focus on the evaluation process itself, not only on the results (Syrjälä et al. 1994).

Women Movement in Malaysia or well known as ARROW started in 2002 and it was founded by Datin Shazlin Ahmed Arli. The main reason for the establishment of the organization is to bring future and hope for single mother nevertheless of their race and ethnic. The organization starts with a simple mission to help and educate especially single mother whom are young and not educated. They help them by training them to face the society and community by being bold in overcoming the abusive parents or husband. The organization helps young single mother to face the world of patriarchy boldly. The meaning of ARROW is being sharp and move forward in life just like an arrow. ARROW mission is simple; restoring a new environment for young females where they can learn to be loved and love. They are 50 people in the organization and they are working world wide. Since the organization started in Selangor it has more concentrated towards the female in the local area of the state of Selangor. In ARROW they use physical, spiritual, academically, emotional, social and psychological approaches to restore the lives of these females. This program provides each person with academic tutoring, training in the arts balanced nutrition, spiritual development, healthcare when needed, and group counseling. ARROW also provides a safe place for the young females who are aim for a helping hand. They desire to see healing in the lives of young women and girls through using a holistic approach by using arts, professional counseling and giving unconditional love to these girls. ARROW educates single mother through English classes and train them into entrepreneurship. ARROW believes that a lasting change to end modern day slavery can be made through prevention. They aim to bring about change at the individual, family and community level. ARROW piloted a small medium business with the young mothers which some of them become individual entrepreneurs with an ability to create sustainable futures for them and their families. ARROW has been providing these women the necessary skills and tools to provide for their families in a dignified manner. Nearly 100% of funding received by ARROW is from public donors.

According to Moxham (2009b, 4) a successful project can be defined as one that “has been able to successfully demonstrate that it has achieved the outcomes that it set out to achieve at the time that the grant offer was made and which has made a real difference to the lives of disadvantaged people. This research aims to understand the how the case organization has contributed to the change and transformation of the lives through the use of performance measurement’s outcome perspective. The research aimed to evaluate whether the case organization it was able to make a real difference to the lives of people in the area of Selangor. Even though many organizations may seem successful based on the projects they have implanted or the number of people they served, the clear changes seen in behavior or environmental conditions made by a nonprofit can be measured through achieved outputs therefore showing the outcomes (Bagnoli & Megali, 2011.) There is a difference between an outcome and output perspective; the outcome-based perspective seeks to find out the impact of the organization’s activities on the target population or setting. This research is solely focused on the outcome perspective.

During the field work it was possible to perceive the major difficulties of the community. Selangor is considered a community of families and individuals with loss of bonds of affection; belonging and sociability; life cycles; identities that are stigmatized with ethnic, cultural and sexual terms; handicap resulting from disabilities; exclusion from poverty and, or, access to other public policies (Yasar, 2014). Based on the fieldwork in this research, some of the efficacy inhibitors rose higher than others. One of the major problems perceived within the youth has become starting relationships with the opposite sex, many times leading to unexpected pregnancies. Seeing girls less than 14 years pregnant in the community has become a somewhat common subject. Due to relationships with the opposite sex, some of the girls have dropped out of the school and join to the ARROW program. Some of the fieldwork conversations indicated also that there are some mothers who were invited to participate in the activities of ARROW, such as the job training through sewing and painting did not receive the opportunity due to personal problems or unwillingness to participate in the activities of ARROW such as job training through entrepreneurship and English course but then it has not receive the opportunity due to personal problems or unwillingness to participate.

Improved condition as a perspective contains three different dimensions which are social status, economic status and community status. Social status in this inquiry represents a recognized improvement in the participant’s family relationships. Economic condition represents the improvement in economic condition, establishment of career and increased earnings. Social status represents a recognized change in the community or an impact made by ARROW from the participant’s point of view (Penna et al. 2011.) Second, it increased skills as a perspective consists of two dimensions which are learning new skills and improvement in knowledge. This research aimed to respond to whether the participants had learned new skills or not and if in their opinion there was improvement in knowledge. Third, modified behavior consists of two dimensions which are behavioral changes and incidence of desirable activity. The behavioral changes represent personal opinions about positive

life changes after attending ARROW which contributes to a brighter vision of their future. Incidence of desirable activity in this research represents the existence of motivational life goals gained through the activities of ARROW, which help to prevent the participants from getting involved with harmful and destructive lifestyles. The activities and support of ARROW lay the foundation for each perspective.

Based on the semi-structured interviews and the participant observation, where the study sought to find responses to seven different outcome perspectives which were: improvement in social status, economic condition, learning new skills, improvement in knowledge, behavioral changes and incidence of desirable activity. Therefore two themes were developed to address the research question.

4.1. Environmental changes.

Three sub theme that was developed from the interview session was; social status, economic condition and community status. All the participants that been chosen for the interview has mentioned that ARROW has contributed to the change of their relationship positively within their household and neighboring people. Participant (1) mentioned that the fact now she is able to provide a better quality life to her own children through responding to their physical needs which create some dynamic in between the relationship. Even from the field work it has been noticed that most of the mothers able to communicate with bold and being extrovert. Participant (3) mentioned that “everything that I have is for my children. What they have now is what I never when was a child..and now I have a possibility to give them what they need”. This statement also reflected that they are doing well and there is improvement in their economic condition which improves their social status.

This was well supported by the rest of the participant (8 & 10) by stating that after joining the entrepreneurship programme they start to join the entrepreneurs training provided by the government especially for women entrepreneurs and now they both are having a small business. After joining the programme it has been an eye opener for them to improve their lifestyle which at the end means the success not only for the program but those whom joined the programme. This actually reflect that the programme is successful due to the outcome that most of the participant feels empowered after joining this programme and activity that launched by ARROW.

Three out of the four mothers expressed that their economic situation had improved. Each one of the mothers who was able to start a micro-enterprise mentioned that their economic condition had improved remarkably after starting their own micro-enterprises and becoming self-sustainable. Participant (3) had been participating in the activities of ARROW but was not able to work full-time because of her pregnancy. The semi-structured interviews and the participation observation showed that her economic condition had not improved during the time she had been participating the activities of ESTHERS but it helped after she delivered her baby. She even added that her now she able to support her baby economically and emotionally by the support that she received from the programme administrator.

Five out of eight participants noted that they had seen some sort of change in the community through the activities of ARROW. Eight out of eight people said that they had already recommended ARROW to someone, whether it was to a family member or to acquaintances in the community of Selangor. It was obvious to perceive that ARROW as an organization has a good reputation in the community and numerous families desire to be part of its’ activities. To enhance the economic condition and improve the social status somehow the programme and activity conducted by ARROW is useful and empower the young single mother to stand on their feet. Therefore, an extended question was also asked to understand does the skills and learning provided through the activities is helping them to improve the knowledge and enhance new learning skills.

Through the field work it has been noted that all the mothers have participated different courses focused on life-skills at ARROW which have contributed to their education. ARROW has organized a variety of courses, from culinary classes to hygiene and art classes. All of the mothers interviewed agreed that participation in these kinds of courses taught them important life skills. Learning behavioral skills was mentioned several times in the interviews. Six out of eight people mentioned how they learned to respect others more through the activities of ARROW. This was very much supported when participant (3) mentioned;

“A thing that I never thought that would happen to me was getting a sewing machine. I learned to sew and paint. I learned these skills without paying for them. I have learned a lot of things here. ... It wasn’t just the sewing and painting. I learned to be more comprehensive and I became more educated. - - I was a little bit arrogant, I stressed about everything. So, I can say that a real change happened right here; learning about arts and I learned how to behave. I didn’t greet anyone and I didn’t talk to anyone before. – I learned that life shouldn’t be that way, I needed to learn how to respect others”.

When approached one of their programme administrator mentioned that was one of the impromptu training given but never realize that it actually create a great impact on their learning new skills and it has indirectly engaged them to create a self development. All of the participants agreed that they had experienced improvement in their lives by learning new skills as well as improvement in knowledge.

One of the participants (5) concluded that the biggest impact in her life was starting her own micro-

enterprise at her home. She was also able to extend her house making it more spacious for her work. As a remarkable change, she also noted the possibility of helping her neighbors nowadays. Another participant (2) concluded that ARROW impacted her family's unity and relationships positively. She also highlighted the impact of her daughter being able to study in a private school since there is a big difference between the public and private schools. One of the participants (5) said that having her own business brought the biggest change into her own life. Overall everyone which been interviewed agreed that their live has a positive changes by learning and exploring new skills after attending the activity and programme at ARROW. ARROW has contributed to their brighter vision and their future. These thoughts represented the existence of motivational life goals gained through the activities of ARROW which help to prevent the participants from getting involved with harmful and destructive lifestyles.

4.2. Behavioral changes

The next second theme was behavioral changes; which need to explore that by participating the activity or programme conducted by ARROW does it create any change towards their individual behavior. There are two sub theme; behavioral changes and incidence of desirable activity. As discussed earlier one of the participants (3) has mentioned that her own behavior has change and she start to respect others.

Participant (4) mentioned that she comes from a poor background and she hates man especially her father because he is a drunkard and use to beat her and her mother but after joining this programme and her trainer is a man, she even change her perspective on man. Now she is married with two kids. She become more responsible and plays a good role as a mother. She mentioned if she never participate this activity of self development she may not be able to understand her own self and how to build a family. Participant (9) mentioned that now she become more confident and extrovert. She was very soft and introvert until she was always bullied during her school which cause her to quit her schooling and married at very early age. Later she had been abandoned by her husband putting her life in a puzzle, but after joining ARROW now she is more confident and working as a receptionist in a company.

Through the field work it has been noticed that not only single mother attend the activity and programme of ARROW but there are also some young girls who need help. Behavioral changes and the incidence of behavioral changes were seen almost in all of the participants' lives. All the female mention about the behavioral changes in her own life after joining the activity and programme arrange by the ARROW. Later on after the interview it has been noticed that among the 10 female been interviewed one of them are not single mother. Through the evaluation of ARROW's outcomes it is possible to find effectiveness in their activities, both with the women and the children. The positive effects of behavioral and environmental changes (social status, economic condition/educational program, community status, learning new skills, improvement in knowledge, behavioral changes and incidence of desirable activity) were recognizable in most of the participants' lives. Through the evaluation of the achievements it is possible to conclude that ARROW has been able to contribute to the change and transformation of lives of the participants. Through the evaluation of the achievements it is possible to conclude that ARROW has been able to change and transformation of lives of the participants.

This research aimed to understand whether ARROW has been able to achieve the outcomes set out for the organization, evaluating whether it was able to make a real difference to the lives of people in the state of Selangor. Concerning the change and transformation seen in the lives of the participants, through the use of qualitative research methodology and empirical data which consisted of participant observation and semi-structured interviews the achievements and outcomes are recognizable. The use of performance measurement successfully demonstrated that ARROW has achieved the goals set for the organization. The three main outcome perspectives which were improved condition, increased skills and modified behavior dimension indicated indicate that this type of performance measuring showed very positive results about the organization.

Performance measurement's outcome measuring can be used for the future research in the nonprofit organization. One of the most practical ways to measure their performance is through the achieved outcomes because ultimately the change and transformation in people's lives can be only measured through the outcomes which evaluate the impact in the lives of the participants. Performance measurement's outcome perspective helps the organization to focus on the contribution to the lives of young mothers and girls in the community of Selangor. Through the focus on organizational objectives training mothers to become individual entrepreneurs creating sustainable futures for themselves and their families, transformation in the lives of individuals, families and communities and maintaining and improving participant's abilities through the use of a holistic approach these objectives can be reached by understanding what is the intellectual capital the organization needs to reach these objectives. This intellectual capital can be achieved through relations to participants, their family members and community. These outcomes can be measured in the case organization using factors such as improved condition, increased skills and modified behavior. Table below show the summary of behavioral and environmental changes of each and every participants after attending the programme.

Table 1. Behavioral and environmental changes outcome.

Participants	Improved condition			Increased skills		Improved behavior	
	Social status	Economic condition	Community status	Learning new skills	Improved knowledge	Behavior changes	Incidence of desirable activity
P1	Y	Y	Y	Y	Y	Y	Y
P2	Y	Y	Y	Y	Y	Y	Y
P3	Y	Y	Y	Y	Y	Y	Y
P4	Y	Y	Y	Y	Y	Y	Y
P5	Y	Y	Y	Y	Y	Y	Y
P6	Y	Y	Y	Y	Y	Y	Y
P7	Y	Y	Y	Y	Y	Y	Y
P8	Y	Y	Y	Y	Y	Y	Y
P9	Y	Y	Y	Y	Y	Y	Y
P10	Y	Y	Y	Y	Y	Y	Y

5.0. Conclusion

The purpose of this research was to describe and analyze nonprofit organizations' performance measurement and the evaluation of performance measurement's outcome perspective. The first part of the research focused on defining performance measurement and its role in nonprofit organizations as the literature review focused on the design of nonprofit performance measurement systems. The theoretical framework of the research was built from the six main perspectives of performance measurement. These perspectives were inputs, outputs, outcomes, public value accomplishment, networks and institutional legitimacy and organizational capacity. Based on the outcome perspective of performance measurement, this study focused on outcome measuring in nonprofit organizations. The second part focused on examining the structure, development and use of outcomes in nonprofit organizations from the perspective of behavioral and environmental changes. The outcome measurement perspectives were adapted from Lampkin et al. (2006) as it gave an insight to the performance measurement's outcome dimensions. This model was adapted in the study to highlight the relations among the organizational objectives, behavioral and environmental changes and outcome measures. Framework seeks to find out the objectives of the organization, as well as the targets the organization is thriving for in order to improve the organization's performance measurement. Second, the framework aims to respond what kind of intellectual capital the organization needs to achieve its targets. Third, the framework aims to find out how outcomes can be measured in the case nonprofit organization. In this research, the outcomes were evaluated through three main perspectives (hypernyms), which were improved condition, increased skills and modified behavior. These three perspectives were divided into hyponyms, which included social status, economic condition/education programs, community status, learning new skills, improvement in knowledge, behavioral changes and incidence of desirable activity.

It was shown that through the performance measurement in the case organization it is possible to evaluate the achieved goals and to recognize what kind of intellectual capital is needed to achieve the targets of the organization. Performance measurement also alleviates the organization in recognizing the outcome measures that can be used for performance measurement to perceive whether the organization is reaching the required targets or not. Through the behavioral and environmental changes that are seen in the organization, it is possible to recognize whether the organization is truly contributing to the change and transformation of the lives of the individuals. This research indicated that the case organization is making an impact in the lives of the mothers and their daughters through the functions of the organization. The three measures; improved condition, increased skills and modified behavior showed that the participants' lives had encountered great changes after they had started to participate in the activities of ARROW.

As a final conclusion, it is possible to assume that performance measurement's role is substantial in any nonprofit organization because it increases the knowledge about the organization's current situation, whether it is about the inputs, outputs, outcomes, public value accomplishment, networks and institutional legitimacy or organizational capacity.

5.1. Research implication and future research.

One of the first practical implications of this thesis is the understanding of performance measurement outcome perspective's value in any nonprofit organization as it produces information of the organization and its reached outcomes. It also encourages the whole organization to evaluate their objectives and targets informing them better whether they are reaching those goals or not. The second implication is the understanding of the performance measurement's relation to the success of the organization as it exists for the managerial purposes of

the organization. Performance measurement's outcome measures in nonprofit organizations alleviate them to understand more about the opinions and thoughts of their clients or customers, which will enable the organization to come closer to its vision. This study was not focused on the organization's staff's point of view on the reached outcomes but rather on the client or customer perspective. This way the personnel of the organization are able to evaluate the impact of their organization on the individual and community level. The third implication of this research is the variety of perspectives that can be used for performance measuring in nonprofit organizations. One single criterion for performance measuring does not exist yet and therefore the flexibility and freedom given to nonprofit organizations can make them thrive in this area of performance measuring. The fourth implication in this study recognizes the importance of participant observation as a method of data collection. It is strongly recommended that researchers in the performance measurement field do not only apply traditional techniques such as interviews and questionnaires, but other techniques as well in their studies to gain a better understanding of the performance measurement in nonprofit organizations.

Since this study focused on a single factor it will be good in future the research would be interesting to do a study for a larger population in the case organization. The future research could also focus on the customer or client satisfaction instead of the behavioral and environmental changes would give new insights. This kind of study would require participation of all the participants attending the nonprofit organization.

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