This study aims to investigate the effect of leadership and organizational culture on organizational effectiveness of nongovernmental organizations (NGOs). In the study, after a comprehensive literature review, an empirical study by means of a survey questionnaire has been conducted to find out the effect of leadership and organizational culture on effectiveness. In the study, organizational culture is conceptualized as motivational climate within the organization, the atmosphere that relies on trust and confidence and willingness of members to take responsibility and the leadership is analyzed in terms of being democratic, respecting others, being participative in decision making and taking risks when necessary. The effectiveness of NGOs refers to the achievement of the previously set objectives, using benchmarking as an indicator, and diversifying the sources of revenue. The results obtained from the survey show that organizational culture and leadership both have positive effects on effectiveness of NGOs.

Key words: Effectiveness, Leadership, NGO, Organizational Culture, Volunteerism.

INTRODUCTION

Non-governmental organizations (NGOs) are crucial for the society with respect to their humanitarian, political, social objectives they have and the economic activities that take place within them. They play a very important role by producing goods and services and providing employment for a very significant amount of people. They are also crucial “with their organizational type relying on professional staff, involving volunteers, being formally registered, having tax-free status, and claiming applied expertise in social policy in terms of delivering social services or advocating solutions” (Srinivas, 2010, p.119).

Leadership and organizational culture are two important concepts for the organizations, which managers take into consideration when performing in the most effective way. Since NGOs have common characteristics unique to the sector, which the researcher will cover in the following sections, the style of leadership plays a very crucial role for the attainment of previously set goals. Volunteerism is a very significant characteristic of the NGOs that authoritarian leadership style or military-like culture is less likely to end up with an effective organizational climate.
The study first will provide a literature review on NGOs, leadership, organizational culture and effectiveness. Then the effect of leadership and organizational culture on effectiveness of NGOs is to be analyzed using the data collected from a survey questionnaire conducted to the solidarity NGOs in Turkey.

NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

Srinivas, (2010) provided a very detailed explanation on NGOs stemming from a very comprehensive literature review while quoting from Desmarais (2007, p. 23) and Mintzberg and Srinivas (2009). Srinivas (2010, p.119) stated “NGO is typically defined as an organizational type “relying on professional staff, involving volunteers, being formally registered, having tax-free status, and claiming applied expertise in social policy in terms of delivering social services or advocating solutions.

Lewis (2003), Fisher (1994), Najam (1996) and Uphoff (1993) are the other very crucial authors that expand these distinctions, arguing that a unique voluntary communitarian ethos defines such efforts, through “commitment of their workers, volunteers, and members and not primarily through financial remuneration based on profit making” (Lewis, 2003, p. 328).

Given the fact that there are different ways of defining and naming NGOs, it is easy to state that they have become very crucial with respect to international development especially in developing countries (Liston, 2008).

NGOs have some specific characteristics that make them different from governmental organizations (public sector) and private sector such as not seeking profit, having different sources of revenue from profit seeking organizations, having different kinds of objectives, having multiple stakeholders, and working with volunteers. Table 1 provides the summary of the characteristics of the NGOs with their explanations.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionalized</td>
<td>Having of formal organizational structure</td>
</tr>
<tr>
<td>Self-governing</td>
<td>Being autonomous in setting goals</td>
</tr>
<tr>
<td>Non-profit</td>
<td>Being not profit seeking while being economically sustainable</td>
</tr>
<tr>
<td>Voluntary</td>
<td>Volunteers take roles in NGOs both in operational and administrational levels</td>
</tr>
<tr>
<td>Have independent</td>
<td>Being separated from the state and public Institutions</td>
</tr>
<tr>
<td>governance</td>
<td></td>
</tr>
</tbody>
</table>


NGOs are organized, institutionalized that they have boards, as well as professionals working for them. NGOs have written rules and procedures, and they are responsible for their operations to appropriate authorities. They are in contact with other NGOs (Proulx, Hager & Klein, 2014), with governments, (Ramanath & Ebrahim, 2010) with private sector (Borwankar & Velamuri, 2007) and they create networks (Poole, 2008).

The second important characteristic of the NGOs as mentioned is being governed independently that they can have different kind of objectives from profit seeing organizations, which they set themselves. While the clients of the profit seeking organizations expect satisfactory service or
goods with high quality, the donors or contributors of the NGOs do not expect any interest in return (Henderson, Chase & Woodson, 2002; Beamon & Balcik, 2008; Kendall & Knapp, 2000).

Thirdly, since NGOs do not seek profit, sources of revenue for NGOs might be considered as a factor that differentiates them from profit seeking or for profit organizations. Profit seeking organizations obtain their revenues through the sales of their products or services, however the main sources of the revenue for NGOs are donations, and fundraising, monetary or non-monetary contributions of governmental institutions, individuals, and private companies.

Fourthly, volunteering (Özmutaf, 2007) is another very crucial concept for NGOs. The fundamental human source of the NGOs is volunteers. The atmosphere within the NGOs relies on trust (Burgos, 2012). Since it seems very cost effective to have volunteers to implement the projects planned for NGOs, it creates challenges for performance measurement due to lack of formal working relation. NGOs do not sign contracts with the volunteers within their organization and this makes it very difficult for them to give them assignments and evaluate their performance, which is very crucial for this study, because the study focuses on effectiveness which can be considered as a dimension of performance (Ertas, 2012; Rajan & Zingales, 1998; Akingbola, 2012; Samuel, Wolf, & Schilling, 2013, Harris, 2000; Aligica, 2014).

Fifthly, although NGOs have or might have close relationships with governmental institutions and public bodies, they are separated from them.

**VARIABLES OF THE STUDY**

**Leadership**

Leadership can be defined as “the process by which an individual influences the behavior of another person or group (Tosi & Hamner, 1982). Another way of defining leadership is “the ability to influence the group the achievement of a vision or set of goals” (Robbins, Judge & Campell, 2010).

The theories of leadership can be titled under trait theories (theories that propose specific personal characteristics differentiate leaders from non-leaders), behavioral theories (Graen & Uhl-Bien, 1990) (theories that assume specific behaviors differentiate leaders from non-leaders), and contingency theories (theories that assume the situations determine the best style of leadership) (Robbins, et al., 2010). Transformational leadership, charismatic leadership are other contributions to the literature of leadership.

**Trait Theories**

Trait theories as stated above conceptualize leadership with respect to the traits and focus on determining those who have leadership traits and differentiate them from the others (Owens, 1979). Hundreds of studies have been performed in order to figure out, in what ways the leaders are different from the others (Scoot & Mitchell, 1976). Samples from Koçel (2011)’s list of the traits that differentiate leaders from the others is as follows: age, length, gender, race, beauty & good-looking, intelligence, knowledge, initiative, honesty, sincerity, veracity and determination. According to trait theories, the only variable of the leadership function is the leader him/herself. But the studies show that successful leaders have different kind of traits (Koçel, 2011).

**Behavioral Theories**
As stated above, behavior theories of leadership focus on the behaviors, stating that what makes the leader successful and effective is the way that the leader behaves rather than the traits that the leader has. In other words, behavior theories emphasize the second variable of the leadership function (behaviors) more than the other variables (traits and contingencies). Five studies will be referred under behavioral theories.

Starting from over one thousand dimensions, the researchers of the Ohio State University reduced their study to two dimensions after factor analyses and concluded that initiating structure and consideration to be the “categories that substantially accounted for most of the leadership behavior described by employees” (Robbins, et al., 2010). Initiating structure can be conceptualized as the extent to which the leader defines his or her and employees’ roles in the process of goal attainment. Consideration behavior is the extent to which the leader creates job relations with the employees relying on mutual trust, and respect for others (Koçel, 2011; Robbins, et al., 2010).

The University of Michigan Studies again came up with two dimensions while studying on the behavior characteristics of leaders being: employee-oriented leaders and the production oriented leaders. Employee- oriented leaders stress the relations of the employees while production oriented leaders focus on technical side of the job. (Koçel, 2011; Robbins, et al., 2010).

Blake and Mouton (1981) created a matrix that is mostly used in organizational development programs. They gathered the factors that leaders behave under two main categories being: concern for production and concern for relations. Their matrix is used especially in trainings (Koçel, 2011).

According to Mc Gregor’s X and Y (1960) theories leaders have different assumptions about employers’ behaviors and these assumptions effect the way that the leader behaves. X theory presupposes that average worker does not like to work and is not willing to take responsibility. That is why in order for effective working environment, workers should be kept under control and even should be punished when necessary. Y theory on the other hand presupposes that work is as usual and normal as play, for workers that no one is lazy by definition. Everyone has a potential and workers learn to take responsibility as they increase their potential. Leaders in favor of theory X, perform an authoritarian style of leadership while leaders in favor of theory Y perform a democratic style of leadership.

Likert (1977) categorized 4 dimensions in order to conceptualize the behaviors of the leaders being, exploitive authoritative, benevolent authoritative, consultative, and participative (Koçel, 2011).

Contingency Theories

Contingency theories stress the situations that the leadership function occurs. According to contingency theories of leadership, effective leader takes the situations into account when making the leadership decision. “It all depends” (Bradshaw, 2009) is a very short way of explaining what contingency approach proposes. Contingency theories of leadership assume the third variable of the leadership function contingencies (situations) to be the most important variable (Koçel, 2011) Fiedler’s (1981) emphasizes three situations or contingencies that determine the behaviors of the leaders:

- Leader member relations
- Task Structure
Position Power

House and Martin in Path-Goal Theory of Leadership (Evans, 1966) stress four behaviors which can be used according to the situation.

- Achievement-oriented,
- Directive,
- Participative,
- Supportive

“Attracting followers by charisma, providing individual attention to each subordinate, inspiring followers to take up challenges at the grassroots, and serve as a role model by selfless services that provide rational for his/her presence other than mere pecuniary considerations to subordinates” (Mahalinga Shiva & Suar, 2011) can be considered as the main functions of leaders in the NGOs.

Organizational Culture

Robbins, et al., (2010) define organizational culture as “a system of shared meaning held by members that distinguishes the organization from the other organizations”. In other words culture is the set of values which are collectively shared by the members of the organization. Organizational culture is very closely related with effectiveness especially in the NGO literature. (Mahalinga et al., 2011).

Robbins et al., state that the characteristics of organizational culture can be listed as follows:

- Innovation and risk taking
- Attention to detail
- Outcome orientation
- People orientation
- Team orientation
- Aggressiveness
- Stability

Deal and Kennedy (1982) identified four categories that most of the companies fell into with respect to culture:

- Tough-guy macho culture
- The work hard/play hard culture
- The bet-your company culture
- The process culture

Tough-guy macho culture is consisted of individuals taking high risks. The work hard/play hard culture consists individuals that are not willing to take risks where having fun and being in action are the rules. The bet-your company culture refers to atmosphere where high risk with slow feedback is taken. The process culture refers to environment where very little or no feedback is present and it is hard for individuals to measure what they do (Robbins, et al., 2010).
The way that the individuals within the organization learn the culture is another important aspect of the culture. Culture is transmitted to individuals through

- Stories
- Rituals
- Material Symbols
- Language (Robbins, et al., 2010).

Organizational culture in NGOs has some characteristics unique to the NGOs. Table 2 which is adapted from Tyler (2005) presents the characteristics of the civil society as a sector while making important comments on the culture within the NGOs.

**Table 2 Characteristic of Civil Society and Culture within NGOs**

| Commitment of ideological kind to involvement of community | Mason (1996) |
| Having participatory decision-making process | Paton and Cornforth (1992) |
| Providing services that are not to be provided otherwise, filling the gaps of the markets | Herman and Heimovics (1994) |
| Stressing the organizational culture because of its supportive dimension on decision making | Paton and Cornforth (1992) |
| Meeting the need of the individuals for expressing their behavior | Mason (1996) |
| Commitment to public sector of the employers and volunteers that lower wages are accepted | O’Connell (1988), Paton (1992) |

Source: Tyler (2006, pp.221-222)

**Effectiveness**

Effectiveness “determines how well a service is provided or how successful a department or program is meeting previously established objectives” (Fine & Synder, 1999, p. 24). Robbins (1983) and Miles (1980) provide a very detailed analysis of approaches related to organizational approaches. Since there are different classifications, (Miles, 1980; Robbins, 1983; Rojas, 2000; Herman & Renz, 1998; Herman & Renz, 1999; Herman & Renz, 2008; Arıkan, 2009) and different understandings related to definition and conceptualization of organizational effectiveness, it can be considered as a jungle (Miles, 1980, p.355). Table 3 presents the definitions on effectiveness.

**Table 3 Definitions of Organizational Effectiveness**

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgopoulos and Tannenbaum (1957)</td>
<td>“… the extent to which an organization as asocial system, give certain resources and means, fulfills its objectives without incapacitating means and resources and without placing undue strain upon its members</td>
</tr>
<tr>
<td>Etzioni (1960)</td>
<td>“… the ability of an organization to achieve its goals”</td>
</tr>
<tr>
<td>Katz and Kahn (1966)</td>
<td>Yuchtman and</td>
</tr>
</tbody>
</table>
bargaining position, as reflected in the ability of the organization, in either absolute or relative terms, to exploit its environment in the acquisition of scarce and valued resources.”

“… an organization’s capacity to acquire and utilize its scarce and valued resources as expeditiously as possible in pursuit of its operative and operational goals.”

“The effective organization is one in which the greatest percentage of participants perceive themselves as free to use the organization and its subsystems as instrument for their own ends.”

“…organizations are effective if relevant constraints can be satisfied and if organizational results approximate or exceed a set of referents for multiple goals.

“…effective organizations are those that accurately perceive patterns of resource interdependence, correctly perceive demands, and then respond to demands made by those groups that control the most critical interdependencies.”

Source: Miles (1980).

Main measures of organizational effectiveness are productivity, efficiency, profit, quality, growth, turnover, job satisfaction, absenteeism, control, planning and setting goals (Campbell, 1977). The list can be extended. The most significant point to be stressed in this part is that “effectiveness is not one thing. Perhaps a better way to think of organizational effectiveness is an underlying construct that has no necessary and sufficient operational definition but that constitutes a model or theory of what organizational effectiveness is” (Campbell, 1977, p.18).

Lecy, Schimitz and Swedlund (2011) presented a structural literature review on NGO effectiveness and concluded the following:

there is broad scholarly consensus that unidimensional measures of effectiveness are not useful—even though such measures are commonly used by NGO/NPO rating agencies; (2) the scholarship on NGO/NPO effectiveness is dominated by conceptual works, while empirical studies remain rare; (3) a consensus on how to operationalize effectiveness remains elusive. These results suggest that progress in our understanding of NGO/NPO effectiveness requires enhanced efforts at crossing disciplinary divides, adding empirical analyses, and increasing attention to develop shared categories and methodologies (Lecy, et.al, 2011).

EMPIRICAL STUDY

Methodology

This study is ontologically realist; epistemologically positivist. The study is quantitative because, statistical analyses are implemented on the data gathered from the questionnaires.

Linear regression has been utilized in order to determine the effect of the independent variables of the study (leadership and organizational culture) on the dependent variable (effectiveness). Participants have been delivered questionnaires with a five point Likert scale with one being strongly disagree and five being strongly agree. The questionnaire included following categories.

- Leadership
• Organizational Culture
• Organizational Effectiveness

Data Gathering

Data gathering of this study was very complicated. The researcher succeeded in contacting 139 solidarity NGOs. Data gathering process was dependent on the personal relations. 17 of the questionnaires were not properly filled out, that is why net figure of properly filled out questionnaire was 122. The sample of the research is about 30 percent of the population given the whole population is around 400. The survey questionnaires of Wadongo’s (2014) and Coşkun’s (2005) studies have been adapted.

Hypotheses

The study has two hypotheses:
Hypothesis 1: Leadership effects organizational effectiveness.
Hypothesis 2: Organizational culture effects organizational effectiveness.

This study refers to leadership in terms of being democratic, respecting others, being participative in decision making and taking risks when necessary.

Moreover study refers to organizational culture in terms of motivational climate within the organization, the atmosphere that relies on trust and confidence and members’ willingness about taking responsibility.

Lastly the study refers to effectiveness in terms of achieving the previously set objectives, using benchmarking as an indicator, and diversifying the sources of revenue.

Results of the Analysis

Table 4 provides the summary of the statistics. The Adjusted R square value of the results is 26.60 percent is that independent variables describe the 26.60 percent of the impact on dependent variable. In other word 26.60 percent of the total variation of the total market can be explained. The dependent variable of the study is effectiveness while independent variables are leadership and organizational culture.

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.527</td>
<td>0.278</td>
<td>0.266</td>
<td>0.60201</td>
<td>0.278</td>
<td>22.92</td>
<td>2</td>
<td>119</td>
<td>0</td>
<td>1.584</td>
</tr>
</tbody>
</table>

As it can be seen in Table 5 there is no problem with the significance of the study.

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>16.613</td>
<td>2</td>
<td>8.306</td>
<td>22.92</td>
<td>0.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>43.127</td>
<td>119</td>
<td>0.362</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>59.74</td>
<td>121</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 6 provides the coefficients for the linear equation as well as the significance figures for the variables. As it can be seen all significance figures are below 0.01.

<table>
<thead>
<tr>
<th>Table 6 Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.095</td>
<td>0.382</td>
<td></td>
<td>2.864</td>
<td>0.005</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.31</td>
<td>0.102</td>
<td>0.297</td>
<td>3.022</td>
<td>0.003</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.273</td>
<td>0.093</td>
<td>0.29</td>
<td>2.946</td>
<td>0.004</td>
</tr>
</tbody>
</table>

Therefore the regression function is:

Effectiveness = 0.310 (Leadership) + 0.273 (Leadership) + 1.095.

The assumptions of the regression model should be checked as well. First assumption of the regression model is "multicollinearity" assumption. Multicollinearity does not seem to be a problem because the VIF figures are less than 10.

The second assumption of the regression model is "autocorrelation" assumption. Durbin Watson test results below are obtained.

\[
\begin{array}{c|cccc}
0 & dl & du & 2 & 4-du \\
\hline
dl & 1.522 (from Durbin Watson table) & \\
du & 1.562 (from Durbin Watson table) & \\
4-du & 2.438 & \\
4-dl & 2.478 &
\end{array}
\]

d value of 1.584 is between du (1.562) and 4-dl (2.478) so, Ho is not rejected which means there is no autocorrelation problem.

**DISCUSSION OF THE FINDINGS**

Findings of the linear regression indicate that both hypotheses are supported. The results obtained from the linear regression present that both leadership and organizational culture have effects on effectiveness. As stated above, the linear function derived from the analysis is

Effectiveness = 0.310 (Culture) + 0.273 (Leadership) + 1.095

The results present that, all t values are statistically significant as well as the coefficients are all positive. Moreover, no multicollinearity and autocorrelation problem is observed. The hypotheses are supported. The effect of leadership and organizational culture on effectiveness is presented.

The equation above means 1 standard unit increase in leadership causes 0.310 standard unit increase in effectiveness, and 1 standard unit increase in organizational culture causes 0.273 standard unit increase in effectiveness. As it was explained in 3.3., this study refers to leadership in terms of being democratic, respecting others, being participative in decision making and taking risks when necessary, and organizational culture is analyzed in terms of motivational climate within the organization, the atmosphere that relies on trust and confidence and members’
willingness about taking responsibility. What effectiveness represents is achieving the previously set objectives, using benchmarking as an indicator, and diversifying the sources of revenue. Namely, 1 standard unit increase in the democratic attitude or respecting behavior of the leader is likely to increase the achievement of previously set objectives by 0.310 units. By the same token, 1 standard unit increase in the motivational climate of the NGO or willingness about taking responsibility is likely to increase the diversification of the sources of revenue of the NGO or achievement of previously set objectives by 0.273 units.

CONCLUSION

This study analyses the effect of leadership and organizational culture on organizational effectiveness of NGOs using an empirical research. The results of the analysis show that organizational culture; which is analyzed in terms of motivational climate within the organization, the atmosphere that relies on trust and confidence and members’ willingness about taking responsibility has positive effects on effectiveness. The study analyses effectiveness in terms of achieving the previously set objectives, using benchmarking as an indicator, and diversifying the sources of revenue. In addition, leadership; which is analyzed in terms of being democratic, respecting others, being participative in decision making and taking risks when necessary is shown to have positive effects on effectiveness as well.

Importance of motivational character of organizational culture and democratic leadership style can be emphasized within this study due to specific characteristics of the NGOs. The members and volunteers of NGOs have no financial expectations and most of them show their presence in the NGOs with respect to making differences for the community. Moreover as it can be understood from the definition of volunteerism, there is no obligation to participate the activities of the NGOs for volunteers as well as for members. That is why, the atmosphere that relies on trust and confidence is very crucial for the human resources sustainability of the NGOs. Moreover, by the establishment of an atmosphere where members and volunteers show their willingness to participate and take responsibility, the likelihood of the effectiveness of the NGOs increases.

One of the limitations of the study would be the low R squared score. The study only focuses on leadership and organizational culture and leadership, but size and age have not been analyzed because of their insignificant scores, although literature provides researches on them. The second limitation of the study would be the fact that most of the participants from the NGOs that filled out the questionnaires were the presidents of the NGOs that they data they provided about the effectiveness of the leader of the NGO might be misleading.

The managerial implications of this study would be the encouragement of the democratic leadership and motivational atmosphere within the NGOs due to specific characteristics of the NGOs such as volunteerism and the absence of monetary expectations in return for the spent time and effort.

Future research recommendation would be concentrating on relatively more institutionalized NGOs due to difficulty of collecting delivered questionnaires.

REFERENCES