MCom

Stay FLY - Exploring impact measurement in NGOs funded by CSIs in South Africa: A case study on Fun Learning for Youth (FLY)

A Dissertation

presented to

The **Development Finance Centre (DEFIC)**
Graduate School of Business
University of Cape Town

In partial fulfilment
of the requirements for the Degree of
Master of Commerce in Development Finance

by

Beverly Mokoena

MKNBEV002

January 2022

Supervisor: Assoc./Prof. Abdul Latif Alhassan

PLAGIARISM DECLARATION

COMMERCE FACULTY OFFICE

Plagiarism Declaration

COMPULSORY DECLARATION:

1. I certify that I have read and understand the Commerce Faculty Ethics in Research Policy. http://www.commerce.uct.ac.za/Pages/ComFac-Downloads
2. I certify that I have read the General Rules and Policies Handbook (Handbook 3) regarding Student Rules of Academic Conduct: RCS1.1 to RCS3.2 and Rules Relating to examinations G20.1 to G22.2.
3. I certify that I have read and understand the document, "Avoiding Plagiarism: A Guide for students".
4. This work has not been previously submitted in whole, or in part, for the award of any degree in this or any other university. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works of other people has been attributed, and has been cited and referenced.
5. I authorise the University of Cape Town to reproduce for the purpose of research either the whole or any portion of contents in any manner whatsoever.

Student number	MKNBEV002
Student name	Beverly Mokoena
Signature of Student	Signed by candidate
Date:	27 June 2021

ABSTRACT

Countries are racing to meet the 2030 Sustainable Development Goals (SDGs), and NGOs play a critical role in advancing their achievement. Inclusive and equitable quality education (SDG 4) is a crucial driver for accomplishing six other SDGs, which are health and wellbeing; gender equality; poverty reduction; peaceful societies; resilient cities; and sustainable consumption. However, along with unemployment, inferior education is the highest contributor to multidimensional poverty in South Africa. Thus, NGOs complement the efforts of govemment to meet SDG targets where the latter falls short. Even though the role of NGOs is undisputed, these organisations face sustainability challenges. In fact, the NGO space is competitive, and resources are limited. Moreover, although accountability and impact measurement would increase the chances of NGOs receiving funding, the lack of an impact measurement framework threatens their sustainability. Access to impact measurement and relevant data would provide credibility to NGOs and an opportunity for understanding the influence of their social investments, which would lead to long-term partnerships between them and donor funders. The case study described in this dissertation focussed on Fun Learning for Youth (FLY), an NGO that provides complimentary tutoring in mathematics and life skills to high school learners and supports them at higher education level. The objective of FLY is for individuals to join the programme as learners from Grade 8 until Grade 12, receive tertiary funding, complete their studies, and return to become tutors. The intention of the study was to explore the rationale behind FLY's investment impact measurement and understand the process followed.

The thematic data analysis revealed that the rationale for measuring the impact of FLY's investments was to provide motivation to donors for the existence of the organisation; ascertain FLY's impact on learners; and determine areas that need improvement. In addition, the study found that FLY has adequate impact measurement tools for university students funded by its bursary scheme. However, the thematic analysis indicated that the organisation could improve its impact measurement at high-school level, by using a well-thought-out framework. Therefore, a framework was recommended for FLY to strengthen its impact measurement at this level. The model could be generalised, and therefore adopted by other NGOs.

ACKNOWLEDGEMENTS

I would like to thank God and my ancestors for wisdom, courage, and direction.

To my family and friends, I am grateful for the outpouring of love, support, and encouragement. A special acknowledgement to my mother, sisters, brothers, nieces, and nephews.

To my supervisor, Dr Latif Alhassan, thank you for your patience. You are an incredible advisor, and I am in awe of your dedication. I appreciate the advice and guidance throughout this process.

Lastly, I would like to extend my gratitude to the participants, being the EXCO of Fun Learning for Youth (FLY). I thank you for your time and sharing your experiences.

I dedicate this dissertation firstly to Mama, Doreen Mashile-Mokoena. A visionary who refused to be defined by her circumstances. You are the reason I aspire to greatness. Thank you for incessantly believing in me.

Secondly, this dissertation is a dedication to the black child. You are magical and your dreams are valid.

TABLE OF CONTENTS

Plagiarism declaration ..... **i**

Abstract ..... **ii**

Acknowledgements ..... **iii**

List of Figures ..... **viii**

List of Tables ..... **ix**

List of Appendices ..... **x**

Abbreviations and Acronyms ..... **xi**

Chapter 1 ..... **1**

Introduction and Overview **1**

1.1 Background to the study 1

1.2 Research problem and questions 3

1.3 Research objectives 4

1.4 Scope of and justification for the study 4

1.5 Organisation of the study 6

Chapter 2 ..... **7**

Literature Review **7**

2.1 Introduction 7

2.2 Definitions 7

2.2.1 Corporate social responsibility 7

2.2.2 Non-government organisations 8

2.2.3 Accountability 8

2.2.4 Impact investing 9

2.2.5 Social impact measurement 9

2.2.6 Agency theory 9

2.2.7 Philanthropy 9

2.3 Overview of NGOs 10

2.4 Overview of NGOs in South Africa 12

2.5 NGO funding 13

2.5.1 NGO funding models 15
2.5.1.1 The WACSI-14C models 15
2.5.1.1.1 Private sector funding 15
2.5.1.1.2 Crowdfunding 16
2.5.1.2 NPO funding models 16
2.5.1.2.1 Heartfelt Connector Model 16
2.5.1.2.2 Big Bettor Model 16
2.5.1.2.3 Public Provider Model 17
2.5.1.2.4 Policy Innovator Model 17
2.5.1.2.5 Local Nationaliser Model 17
2.6 Overview of FLY 17
2.6.1 Background 17
2.6.2 Management 19
2.6.3 Tutor recruitment 19
2.6.4 Learner recruitment 20
2.6.5 Technological strategies 21
2.6.6 Funding 22
2.6.6.1 Funding requirements 22
2.6.6.2 Funding process 23
2.6.6.3 Post-matric funding 24
2.6.6.4 Funding sources 25
2.6.6.5 Funding allocation 25
2.6.7 Mentorship 25
2.6.8 Relationship with funders 26
2.6.9 Compliance 26
2.7 CSI funding 27
2.8 CSI spending in SA 28
2.9 Impact measurement 29
2.10 Impact measurement tools 33
2.11 Impact measurement and valuation 33
2.11.1 Industry-wide systems 34
2.11.2 Theory of change 34
2.11.3 Policy assessment 34

2.11.4 Sector-based interventions 34
2.11.5 Outcome-based financing instruments 35
2.12 Impact measurement frameworks 35
2.12.1 Impact value chain - Social Impact Investment Taskforce 35
2.12.2 Impact value chain - Maas and Liket 36
2.13 SDG targets and indicators 37
2.14 Impact measurement scorecards 38
2.15 Empirical literature on NGO impact measurement 39
2.16 Chapter summary 42
Chapter 3: 44
Research Methodology 44
3.1 Introduction 44
3.2 Research approach 44
3.3 Research design 46
3.3.1 Sampling 46
3.3.2 Data collection 47
3.3.3 Data analysis 48
3.4 Reliability and validity 49
3.5 Research limitations 50
3.6 Summary 51
Chapter 4: 52
Research Findings 52
4.1 Introduction 52
4.2 Profile of respondents 52
4.3 Impact measurement themes 53
4.3.1 Rationale for impact measurement 53
4.3.1.1 Providing motivation for FLY 53
4.3.1.2 Ascertaining impact on learners 55
4.3.1.3 Determining improvement areas 55
4.3.2 Levels of impact measurement 56
4.3.2.1 High school level 56

4.3.2.2 University level 57
4.3.3 Barriers to impact measurement 58
4.4 Discussion of findings 59
Chapter 5 61
Conclusions and Recommendations 61
5.1 Introduction 61
5.2 Summary and conclusions 61
5.3 Recommendations 62
5.4 Recommendations for future studies 64
References 65
Appendices 71

LIST OF FIGURES

Figure 2.1: NPO registration status. 12
Figure 2.2: NPO income by source. 14
Figure 2.3: Funding requirements of FLY 23
Figure 2.4: Business rationale for CSI 28
Figure 2.5: Continuous cycle of impact measurement. 30
Figure 2.6: Impact value chain (Social Impact Investment Taskforce) 36
Figure 2.7: Impact value chain (Maas & Liket) 37
Figure 2.8: UNDP SDG Impact Standards 38
Figure 2.9: Actis impact scorecard 39
Figure 2.10: AIIM social impact measurement process 39
Figure 3.1: Steps of qualitative research 45
Figure 3.2: Triangulation in case study research 50

LIST OF TABLES

Table 4.1: Profile of respondents 52

LIST OF APPENDICES

Appendix I: United Nations Sustainable Development Goals..... 71
Appendix II: Consent form..... 72
Appendix III: Questionnaire..... 73

ABBREVIATIONS AND ACRONYMS

CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Governance
FLY	Fun Learning for Youth
NGOs	Non-governmental Organisations
NPOs	Non-profit Organisations
SDGs	Sustainable Development Goals

CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 Background to the study

Former United Nations Secretary-General, Ban Ki-Moon, once said "we don't have plan B because there is no planet B" (United Nations, 2016). This thought guided the development of the Sustainable Development Goals (SDGs), which aim to make sure that our world is a better place because we have no other. Sustainable development is defined as "development that meets present needs, without compromising the ability of future generations to meet their requirements" (United Nations 2016). In other words, development is restricted by the limited regenerative capacity of the environment and confined nature of resources available within the restrictions of the current level of technology (Ocran, 2012). Nevertheless, the development needs of the poor must be prioritised, and thus the Organisation for Economic Co-operation and Development (OECD, 2019) has pledged to "leave no one behind". However, this commitment must be revised to incorporate the requirements of future generations for economic development to be sustainable (OECD, 2019).

The SDGs, which were established by the United Nations in 2015 to achieve better livelihoods for poor communities, were identified as crucial determinants of social investment strategies (Trialogue, 2019). The 17 SDGs (see Appendix I) are split into economic, social, and environmental categories. As the funding needed to achieve the SDGs is estimated at USD 2.5 trillion per year in developing countries, it is imperative that domestic and global financial resources are mobilised to raise sufficient capital.

As public resources are limited, development organisations must partner with the private sector to mobilise and channel funds to realise the SDGs, especially those of protecting the planet and ending hunger/poverty by 2030. However, evidence shows that progress is slow in achieving the SDGs of ending poverty, conflict, fragility, gender inequality and climate change, for

example (OECD, 2019). Therefore, NGOs have been urged to play a significant national and global role in advancing these goals (Arhin, 2016).

Environmental, social and governance (ESG) issues can no longer be ignored. Therefore, governments, investors, corporations and consumers need to address them (Sherwood & Pollard, 2018), and NGOs can help in this regard. NGOs and non-profit organisations (NPOs) subsidise some of the most vulnerable in society, thereby augmenting democracy (Trialogue, 2019). However, their impact on meeting these challenges needs measurement.

The single case study described in this dissertation examined the impact measurement implemented by the South African NPO, Fun Learning for Youth (FLY), which provides mathematics and life skills tutoring services to high school learners from various schools in disadvantaged communities in Cape Town and Johannesburg, South Africa (Fun Learning for Youth, 2020).

FLY aims to address the problem of a lack of access to quality education in South Africa (World Bank, 2018; Spreen & Vally, 2006), even though the right to basic and adult education is included in the South African Constitution and Bill of Rights. This lack of access is mainly due to the cost of school fees, stationery, uniforms and transport, which is burdensome to economically poor families (Spreen & Vally, 2006). In addition, to small organisations such as FLY contributing to meeting challenges, South African corporates spend a considerable amount on corporate social investment programmes annually, to address socioeconomic challenges (Kabir et al., 2015), including education, which is a significant development area in South Africa and globally.

By investing in education, which solves the social ill of inequality (Nguyen et al., 2015), FLY helps government plays a role in achieving the SDGs. This is in response to the statement made by the first democratically elected president of South Africa, Nelson Mandela, who said, "Government cannot by itself meet these socioeconomic challenges. The private sector, non-governmental organizations, and ordinary people have to make their contribution" (Kabir et al., 2015). In fact, SDG 4 aims to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030" (UNESCO-UIS, 2018).

1.2 Research problem and questions

OECD (2014) maintains that globally, there is an increase in domestic resource mobilisation and international financial flow. However, as these funds are not evenly available to all, NGO expertise, capacity and finance are crucial in ensuring that "no one is left behind". Nevertheless, to ensure the sustainable funding of NGOs, which is one of their main obstacles, they need to provide proof of transparency and accountability. External financing for NGOs has decreased over the past five years and is typically available for a short period of 12 to 18 months on average, which is a severe impediment to the success of their interventions.

Arvidson and Lyon (2014) observe a lack of consistency in measuring the impact of organisations, such as NGOs, in terms of how it is measured, which indicates a need for further research. Nguyen et al. (2015) contend that the theoretical foundation of research on impact measurement is inadequate, and (Mueller-Hirth, 2012) is of the view that insufficient attention is given to impact evaluation. In addition, monitoring and evaluation are considered not part of the activities of NGOs, whilst they are, in fact, central to their operation and sustainability. Therefore, the measurement of the impact of NGOs and NPOs such as FLY, which is the focus of the current study, was considered an important research topic. The literature suggests a gap in impact measurement; therefore, further investigation is defensible.

South African corporates spend a considerable amount on Corporate Social Investment (CSI) programmes annually to address socio-economic challenges (Kabir et al., 2015). Education and social issues remain the two most significant development areas for CSI in South Africa and globally. These companies are increasingly using impact measurement practices and tools for their CSI initiatives, thereby following a global trend of monitoring and evaluation and data analysis to determine investments outcomes. The Department of Higher Education and Training in South Africa commissioned research on NGOs that contribute to supporting the educational goals of the National Development Plan. The research found that it is difficult to measure the contribution of NGOs in the education sector to the South African economy. The reasons for this include the diversity of the industry, with certain organisations being more formal than others are, and differing levels of management, governance, and reporting. Additionally, there is a lack of a consistent or central reporting process to quantify the value or contribution of the sector in achieving development outcomes (ETDP-SETA, 2019).

FLY is an SDG 4-focussed NPO, which is an NGO that operates in a smaller area than that of large-project organisations. FLY is passionate about addressing the socioeconomic challenge of unequal and inferior education. However, it experiences challenges with measuring its impact. Although FLY knows what to assess, it has limited resources to ensure effective and continuous measurement. Moreover, as the organisation competes with other NGOs for funding from CSI initiatives, and research has shown that South African companies are increasingly using measurement practices, it must have sufficient impact measurement tools to ensure sustainable funding. Therefore, the study explored the rationale for FYI implementing impact measurement and investigated the process followed for this.

This study aims to answer the following research questions:

1. What is the rationale for measuring the impact of FLY's investments?
2. What process is followed to measure the impact of FLY's investments?

1.3 Research objectives

The specific research objectives are as follows:

1. To explore the rationale for measuring the impact of investments in FLY programme.
2. To understand the process followed in measuring the impact of investments in FLY programme.

1.4 Scope of and justification for the study

The study focussed on the measurement of the impact of a particular NPO that contributes to the realisation of SDG 4, which is a key driver of the SDGs of health and wellbeing; gender equality; poverty reduction; peaceful societies; resilient cities; and sustainable consumption (UNESCO, 2016a). The underlying principles of SDG 4, which link to other goals, are that education is (a) a fundamental and enabling human right; (b) a public good; and (c) inextricably linked to gender equality and the right to education for all (UNESCO, 2016b). Corporates in South Africa recognise the importance of quality education, which is the goal most funded by the CSI sector (Trialogue, 2019). In fact, 88% of corporates interviewed by Trialogue and 68%

of NPOs surveyed contributed to achieving SDG 4 (Trialogue, 2020). In addition, the education sector is the largest recipient of philanthropic funds (ETDP-SETA, 2019).

There is a strong negative correlation between quality education and inequality. Education reflects and replicates the cultural and socioeconomic hardships that exist in society. For example, schools attended by children from economically poor households are prone to fewer qualified teachers, worse infrastructure, outdated teaching practices and less ambitious peers, compared to more elite schools in affluent neighbourhoods (UNESCO, 2016a).

(Spreen & Vally, 2006) identify pertinent issues affecting opportunities to learn and the quality of education, including a lack of desks, electricity, sanitation facilities and adequate water. The result is that disadvantage learners are likely to end up with lower learning outcomes. Education is fundamental to poverty reduction, economic growth, public health, conflict resolution, gender equality and the transformation to sustainable production and consumption. The achievement of the SDGs can therefore be accelerated by ensuring equal opportunity to quality education (UNESCO, 2016a).

NGOs in the education sector contribute to education outcomes, thereby attracting foreign and corporate funding; bolstering policy development; and building social/human capital through their interventions (ETDP-SETA, 2019). Therefore, the focus on education of the NPO featured in the current study, made it a subject for a case study. The organisation offers its services to various underprivileged communities in Cape Town and Johannesburg. The organisation would therefore benefit from a review of its impact measurement practices. Enhanced impact measurement will improve FLY's ability to secure donor funding, and thus increase benefits for the communities that it serves. In addition, the research aimed to contribute to an understanding of how NGOs in general can implement the practice to ensure sustainable donor funding, which is needed for them to fulfil their vital role in meeting the profound, structural and long-term socioeconomic challenges facing South Africa (The World Bank, 2018), especially educational challenges.

Meeting educational challenges is key to reducing unemployment, poverty, and inequality in the country. Access to tertiary education institutions is a particular problem because owing to low quality education at lower levels, learners do not qualify for entry, and when they do obtain

entry, low-income families lack access to credit to pay fees, which means that the youth do not learn the high-level skills required by the labour market.

Reviewed literature suggests that NGOs lack financial sustainability. Therefore, they need to ensure this by presenting evidence of their positive impact on socioeconomic development through impact measurement. However, they need assistance in formulating impact measurement strategies, which research might provide, especially in an African context, where there is a dearth of empirical literature on the topic. Existing research has mostly investigated the phenomenon from a theoretical perspective or if it has examined it empirically, it has not viewed the process holistically. Furthermore, existing empirical studies concentrate on the United States (US), the United Kingdom (UK) and European countries. There has not been sufficient research on impact measurement in developing countries.

The current study aimed to identify measures that NGOs use to evaluate impact and equip them with the necessary expertise to ensure survival. Moreover, the study sought to establish the rationale for measuring FLU's impact, review how the organisation measures it and recommend an impact measurement framework. The purpose of the study was to provide recommendations to NGOs to ensure their survival. In other words, the study aimed to contribute to refining impact measurement tools for NGOs, which will enable them to secure sustainable funding.

1.5 Organisation of the study

This dissertation will comprise five chapters. The first chapter outlined the background; gave an overview of the study and included the problem statement; research questions and objectives; justification for the study; and the scope. The second chapter will review existing theoretical literature on NGO funding; CSI funding; and impact measurement in the NGO space. In addition, it will review empirical literature on the experiences of NGOs. Chapter 3 will describe the methodology used to conduct the research, including the approach, design, and limitations. Chapter 4 will present the findings of the analysis of data gathered from interviews and documents. Chapter 5 will provide a summary of the study; come to conclusions based on the findings; recommend an impact measurement framework and topics for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This literature review begins with defining terms related to the topic of the study. This is followed by an overview of NGOs globally and in South Africa. The next section focusses on how NGOs are funded and includes a discussion of different funding models. The chapter then provides an overview of FLY; insight into how the organisation is run; the context of its origin; and an explanation of the services it offers. In addition, this section covers aspects, such as management; tutor and learner recruitment; strategy; funding requirements; the process followed in securing resources, and how finances are allocated. In addition, the chapter will explain FLY's funding sources; the mentorship provided to learners; the relationship between the management team of FLY and its funders; and lastly, its tax compliance status. Thereafter, there is a synopsis of CSI funding and the SDGs to which South African companies allocate their CSI funds. The following section explores CSI spending in South Africa and reviews literature on impact measurement and measurement frameworks. This is followed by a section on impact measurement in terms of tools, valuations, frameworks, and scorecards used in measuring impact. The final section is a discussion of existing empirical literature on impact measurement.

2.2 Definitions

2.2.1 Corporate social responsibility

Corporate social responsibility (CSR) is described as the obligation of corporations to contribute to society in whatever way possible to promote the socioeconomic development of a country. The aim is to encourage companies to be socially responsible in their quest to maximise profits (Ndhlovu, 2011).

CSR encompasses economic, legal, philanthropic, and ethical expectations placed on an organisation by society at a given point in time. Carroll's (1999) pyramid of CSR includes four pillars of responsibility. The economic pillar is the foundation upon which all pillars rest, as

society requires businesses to be profitable. The second is the legal requirement to obey the law and play by the rules of the game. The third pillar is the societal expectation for businesses to be ethical, avoid harm and to do what is right, just, and fair. The third is the philanthropic responsibility to be good corporate citizens, contribute resources to the community and improve the quality of life (Carroll, 1991). (Visser, 2008) believes that the African view of CSR would place philanthropy second after economic responsibility, thereby arguing that after providing investment, creating jobs, and paying taxes, businesses should set aside funds for social investment and community projects.

Corporate Social investment (CSI), an attribute of CSR, is a South African phenomenon. During the apartheid era, the business community regarded CSI as a necessary tool for survival while the country faced international sanctions, increasing political unrest and trade restrictions. Arguably, local businesses embarked on CSI initiatives to appease those who campaigned for foreign companies to stop investing in apartheid South Africa. Another reason for the launch of CSI was to anticipate government legislation that might necessitate the business community to behave in a particular manner or enhance their CSI profile (Ndhlovu, 2011). CSI has moved from being corporate or strategic philanthropy to projects focussed on governance issues, sustainable development, and public-private partnerships.

2.2.2 Non-government organisations

NGOs focussed on relief and development work can help reconstruct failed communities and contribute to global good governance (Szporluk, 2009). These organisations are defined as charities and social enterprises (Arvidson & Lyon, 2014). (ETDP-SETA, 2019) defines an NGO as a "non-profit organization that operates independently of any government, typically one whose purpose is to address a social or political issue."

2.2.3 Accountability

Accountability is defined as ''the process of holding actors responsible for actions.'' and ''the means by which individuals and organizations report to a recognized authority (or authorities) and are held responsible for their actions'' (Ebrahim, 2003). However, Ebrahim (2003) widened the definition by stating that accountability has the internal dimension of taking responsibility for oneself and the external dimension of being held responsible by others. Internally, one should be driven by commitment through organisational mission and individual action, while

the obligation to meet prescribed standards of conduct is externally driven. Accountability can be upward to donor funders and downward to communities/clients served and internally within an NGO.

2.2.4 Impact investing

Impact investing has the dual aim of achieving social and/or environmental impact combined with financial return. Impact investing is a global approach to Socially Responsible Investing (SRI). It involves investments in private markets aimed at alleviating social or environmental challenges and includes community investing whereby capital is explicitly directed to traditionally disadvantaged individuals or communities. In addition, impact investing incorporates financing provided to businesses with a distinctive social or environmental purpose (Sherwood & Pollard, 2018). Impact investing involves innovative financial products and services aimed at addressing poverty, climate change, unemployment and disease (Jackson & Harji, 2014).

2.2.5 Social impact measurement

Social impact measurement refers to "the process of defining, monitoring and employing measures to demonstrate benefits created for the target beneficiaries and communities through evidence of social outcomes and/or impacts." Social impact measurement is valuable in determining the accountability and legitimacy of NGOs, bringing about learning and improving efficiency (Nguyen et al., 2015).

2.2.6 Agency theory

(Nguyen et al., 2015) define agency theory as the relationship between one party (the principal) and another (the agent). The principal hires the agent to act on their behalf. The theory addresses challenges that emerge from information asymmetry in the relationship, such as conflicting interests and agency, as well as monitoring and evaluation costs.

2.2.7 Philanthropy

Philanthropy can be defined as the utilisation of resources locally, regionally, and globally to upgrade the lives of citizens. In NPOs for example, this could be achieved through running and funding activities focussing on various areas, including health, climate change, youth empowerment, or education (OECD, 2014).

2.3 Overview of NGOs

Private philanthropic foundations provided USD 6.1 billion for global development in 2017. USD 3.7 billion was allocated to population and health, resulting in foundations being the second largest source of development finance after the United States (OECD, 2019). The Bill and Melinda Gates Foundation provides more financing for development than several European countries (OECD, 2014). Philanthropic foundations have an influential dual role in sustainable development as development actors and mobilisers of financial resources.

NGOs can focus on several areas, such as educating disadvantaged children; preserving rain forests or marine wildlife; and ending violence in inner-city communities (Bradach et al., 2008). However, there are rising expectations from boards, public and private donors, and staff members of these organisations for them to measure their performance. NGOs have responded by being determined to deliver results, develop strategies to help them achieve their goals and increase their social impact.

Although each organisation faces different challenges and opportunities, NGOs need to determine their impact in terms of the results they must deliver to be successful. This, however, can prove an arduous task because it requires translating the mission of the organisation into goals, which are explicit and compelling enough to inspire resource allocation and ongoing support. Moreover, the rapid growth of NGOs globally and highly publicised scandals, which have eroded public confidence in them, have led to increased concerns about their accountability (Ebrahim, 2003).

According to Bradach et al., (2008), NGOs can maximise resources through refining their strategy and scope. Currently, funding is not sustainable because of weak market forces in the NGO space, with donors selecting which organisations to fund based on their emotional appeal or personal relationships, instead of performance. Thus, an alignment of funding with strategy could secure reliable and sustainable financing. However, while financial backing ensures the sustainability of an NGO, it is vital that donors do not impose their strategies or reporting requirements on it.

(Arhin, 2016) explored how the changing development landscape impacted the ability of NGOs in Ghana to contribute towards the attainment of SDGs. The findings included three factors hindering progress: "(i) uncertainty of income generation and funding sources; (ii) changing operational capacity; and (iii) changing NGO identity". Although the landscape presented opportunities, there was uncertainty in the mobilisation of resources for NGOs to perform their roles.

(Arhin, 2016) study found that in developing countries, funding for international development has been impacted by shifts in policies by donors and international NGOs; aid withdrawal; restrictions in the political and operating environment in many countries; and increasing limitations to foreign funding. Moreover, there is a trend of official development assistance not reaching the poor in countries classified as middle-income. In addition, various NGOs lack the institutional capacity to accomplish programmes that will contribute to the attainment of SDGs.

Challenges experienced include a high turnover of competent staff; difficulty in maintaining office and operational costs; and an inability to invest in increasing staff capacity to adapt to technological change. In terms of the identity of NGOs, (Arhin, 2016) study found that a changing landscape may affect the non-partisan and non-profit nature of NGOs. Philanthropic motives and voluntarism can be overlooked in favour of commercial interests to generate resources. An example would be charging user fees for services provided by NGOs, which means that they are, in fact, shunning the communities that they intended to serve.

There are power and resource asymmetries in addition to information asymmetry in favour of donor funders (Ebrahim, 2003; Arvidson & Lyon, 2014). This view was supported by (Nguyen et al., 2015). In addition, donor-led monitoring distracts from the core activities of an NGO. If NGOs were allowed to give input as to what is measured in monitoring and evaluation, they could determine the outcomes and potentially drive innovation (Mueller-Hirth, 2012).

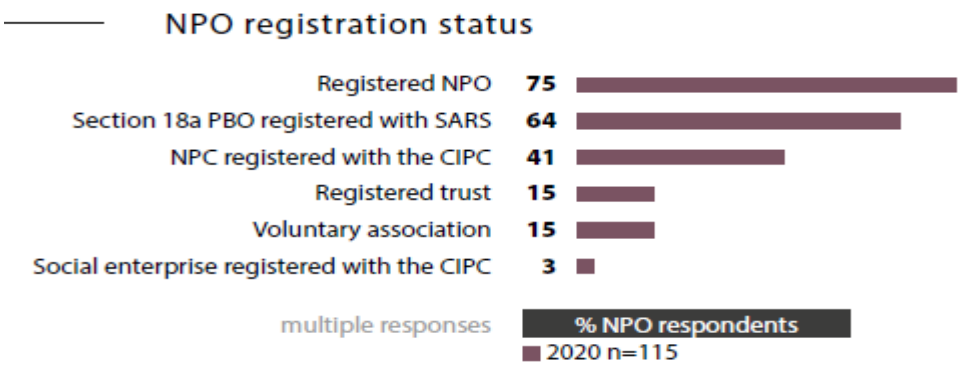
2.4 Overview of NGOs in South Africa

In South Africa, "formalized NGOs, 'survivalist' community organizations and social movements" (Mueller-Hirth, 2012) face many challenges, such as the following: securing adequate funding, external communication and marketing, monitoring and evaluation programmes, sourcing and retaining required skills, operational systems, technology, managing donor requirements, stakeholder relations, organisations culture or staff welfare, and adhering to government regulation and tax reform (Trialogue, 2019).

There were 153 677 registered NGOs in South Africa in 2016, and the number had grown to 220,543 by 2019, reflecting 43% growth in three years (Trialogue, 2019). Radebe and Nkonyeni (2020) estimated this figure at 200,000, of which 140,000 were registered. The majority of registered NPOs focussed on social services; followed by housing and development; religion; education and research; culture and recreation; and health (ETDP-SETA, 2019).

The Department of Social Development (DSD) reported that numbers of NGOs increased in 2020 to 228,822. Trialogue (2020) interviewed 115 NPOs, 75% of which were registered with the DSD; 64% were approved by the South African Revenue Services (SARS) as section 18A public benefit organisations (PBOs); 41% were non-profit companies (NPC) registered with the Companies Intellectual Property Commission (CIPC); 15% were registered trusts; 15% were voluntary associations; and 3% were social enterprises registered with the CIPC (see Figure 2.1 below) (Trialogue, 2020).

Figure 2.1: NPO registration status.



Source: Trialogue (2020)

NGOs registered in the field of education and research can be categorised according to four objectives: higher education; vocational or technical schools and adult education; elementary, primary and secondary education; and research in social sciences, political studies, medicine, as well as science and technology. The majority of NGOs in the education sector focus on elementary, primary, and secondary education. NGOs play an increasing role in advocating equality and social justice (Radebe, K., & Nkonyeni, 2020) through educational interventions, which address the challenges of failed government service delivery.

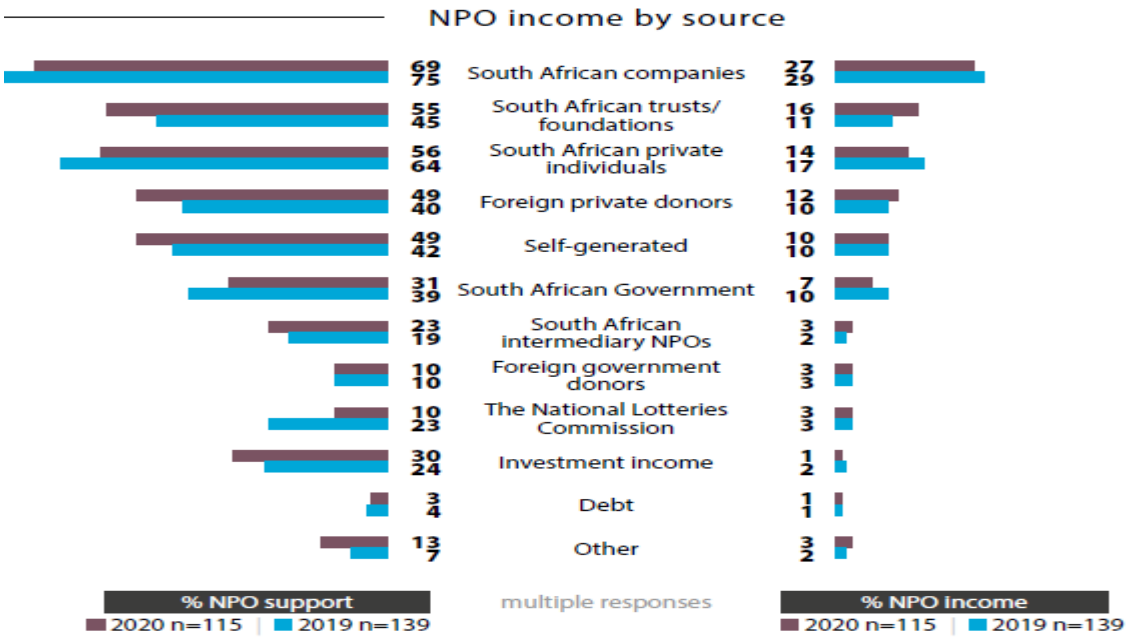
2.5 NGO funding

(Gyamfi, 2010) identifies issues impacting NGO funding, including approaches to mobilising funding; funding sources; conditions attached to funding; the utilisation of funds; governance and management of funds; and the relationship between local NGOs funding and capacities. In addition, the provision of budgets, financial audits and extensive narrative reports put a strain on resources (Mueller-Hirth, 2012). Therefore, NGOs require a substantial amount of funding and other resources to carry out their activities successfully. (Gyamfi, 2010) study of NGOs in Ghana found that local corporates and philanthropic organisations lacked funding, and thus diversification of funding sources and sound management were recommended as solutions. However, leaders of NGOs are usually more adept at designing programmes than securing funding (Foster et al., 2009), which leads to programmes being shortened or cut altogether.

As NGOs play a crucial role in tackling developmental challenges in South Africa, they need to be financially sustainable to continue their mission and programmes. However, sound management, viable long-term plans/strategies and good relationships with funders play a pivotal role in funding and financial sustainability. Multiple and diverse sources circumvent reliance on a single funder (Conradie, 1999). The NGO sector in South Africa attracts generous funding from non-governmental sources (ETDP-SETA, 2019). However, the increase in the number of NGOs has led to increased competition for limited funds from the private sector; foreign donor agencies; and collaborations between the public sector and civil society organisations (Mueller-Hirth, 2012).

(ETDP-SETA, 2019) lists donors as corporates, private donors, foundations, family and private trusts, unions, and fundraising initiatives. According to the article titled "Why do people in China give so little to charity" (2018), the majority of funding is from corporate giving. Another classification is a list of five primary sources including CSI, governments, state-funding entities, international development aid and the philanthropic sector, which is made up of high-net-worth individuals, trusts and foundations. According to (Trialogue, 2019), the following are the largest sources of NPO income in South Africa; companies, private individuals, foundations and trusts, foreign private donors, the National Lotteries Commission, intermediary NPOs, foreign government donors, self-generated income and investment income, and corporate donors (figure 2.2).

Figure 2.2: NPO income by source.



Source: Trialogue, 2020

Corporate citizenship involves addressing a country's environmental and social challenges through business. However, some are of the opinion that CSR and CSI inhibit profit maximisation, whereas those who support them argue that firms stand to benefit from these initiatives, which enhance their reputation; uphold their legitimacy and integrity; and contribute to socioeconomic development (Ndhlovu, 2011). In addition, proponents indicate that impact

measurement demonstrating an NGO's successful realisation of its goals would ensure sustainable donor funding and lessen donor fatigue.

Donor fatigue can have a massive impact on NGO funding. In 2016, Chinese citizens donated 0.2% of their country's GDP to charities, while Americans donated more than 2%. While one of the causes for the low figure in China was that donations from family and friends were not categorised as charitable giving, there was also underreporting of donations to organisations, which were not approved by the Communist Party. Moreover, there is a historical legacy of discouraging charitable donations in the country. During the rule of Mao Tse-Tung, former Chinese communist leader and founder of the People's Republic of China, the existence of charity organisations exposed the state's failings, and therefore donations were discouraged.

2.5.1 NGO funding models

Shifting priorities of traditional donors have led to a reduction in financial support for NGOs (WACSI-I4C, 2019). Organisations are therefore challenged to explore sustainable means of generating funds for their activities. Externally, poor economic conditions, restrictive government and regulations, competition between NGOs, and an inadequately skilled labour force curb the ability of NGOs to operate independently. Internally, inadequate management capacity, a lack of organisational culture, poor financial planning mechanisms and ineffective governance structures can drastically disrupt economic sustainability. However, as stated above, financial viability could be achieved through a mix of external and domestic funding sources.

2.5.1.1 The WACSI-14C models

The West Africa Civil Society Institute (WACSI) in partnership with Innovation for Change (I4C) – Africa (WACSI-14C, 2019) presents 12 funding models. The two that might be the most suitable for the FLY business model are private sector funding and crowdfunding.

2.5.1.1.1 Private sector funding

NGOs can collaborate with the private sector to fund socioeconomic goals. The benefits of this funding model include flexibility and agility, and in addition to being a source of funding, corporates can contribute proactively to the achievement of SDGs. Partnerships between NGOs

and corporates may include sharing expertise and collaboration in programme delivery as well as the advocacy and provision of philanthropy in civil society (WACSI-I4C, 2019).

2.5.1.1.2 Crowdfunding

This model involves raising capital in small amounts from several people through social media and marketing campaigns. Crowdfunding is free and easy to set up, hedges risk and serves as a marketing tool (WASCI-I4C, 2019).

2.5.1.2 NPO funding models

To assist organisation leaders in clearly determining funding models, which have potential and are appropriate for the growth of their organisations, and understanding the limitations of the others, (Foster et al., 2009) identify ten funding models commonly used by the largest NPOs in the US The models are defined according to three parameters: type of decision-maker; motivation; and source of funds. In light of their potential for FLY, the focus of the study, the following will be explained: the Heartfelt Connector, Big Bettor, Public Provider, Policy Innovator and Local Nationaliser Models.

2.5.1.2.1 Heartfelt Connector Model

The focus of this model is a multitude of individual donors motivated by altruism. NPOs using this model centre around causes that resonate with a large number of people across all income groups. Volunteers are provided with a structured way to connect with others that share their concerns. The mission has broad appeal, the NPO links donors to the cause through volunteerism, and the benefits often enhance the lives of the funder's family and friends. Direct mail, special events and corporate sponsorship can help achieve goals (Foster et al., 2009).

2.5.1.2.2 Big Bettor Model

This model is also motivated by altruism. NPOs rely on sizeable donations from a few individuals or foundations for funding. This model often attracts sizeable contributions owing to a unique, captivating approach to solving problems and the requirement of a massive inflow of funds to address an issue (Foster et al., 2009).

2.5.1.2.3 Public Provider Model

This model involves government funding with collective interest as motivation. NPOs partner with government agencies to deliver essential social services, including education, human services, and housing. There are explicit definitions of the services and processes that NPOs must provide, which are recognised as a core government responsibility. According to this model, NPOs often diversify sources of funding as they expand their base (Foster et al., 2009).

2.5.1.2.4 Policy Innovator Model

This model also involves government funding, with collective interest as motivation. However, the social issues addressed are not expressly compatible with existing government funding programmes. NPOs convince the government to fund their initiatives that offer less expensive and more effective solutions than existing programmes do. The problems they solve are not currently considered the core responsibility of government (Foster et al., 2009).

2.5.1.2.5 Local Nationaliser Model

This model creates a national network of locally based operators, who are motivated by altruism to solve issues that are a priority for the improvement of society. NPOs focus on challenges that are common and consequential to communities but cannot be resolved by government alone. There is usually limited funding available in any single geographical area. NPOs are funded through special events as well as individual and corporate donor funds (Foster et al., 2009).

2.6 Overview of FLY

2.6.1 Background

FLY is an NPO, which was established in February 2010, by a group of like-minded individuals, who have remained involved in the organisation. It was started at Langa High School, Cape Town with 8 tutors and 40 learners. The organisation, which tutors mathematics, life skills and physical science to high school learners from disadvantaged backgrounds, is based in Johannesburg and Cape Town. The core values of FLY include accountability, commitment, compassion, and excellence. FLY's flagship operation is based at J.L. Zwane Church and Community Centre in Gugulethu, Cape Town, and involves 79 young working professionals who tutor roughly 200 students in Grades 8 to 12. In January 2017, FLY officially launched its Johannesburg operation out of Realogile High School in Alexandra Township. A

team of 58 tutors provides tutoring services to over 200 students spread across Grades 8 to 11. Using a model similar to that used in Cape Town, the Johannesburg initiative welcomed their first matric class in January 2020.

FLY introduced life skills in 2012. The rationale behind this was to ensure that learners had a platform for learning about and confronting socioeconomic issues prevalent in their homes and neighbouring environment. The life skills curriculum is designed to teach coping mechanisms and ensure that learners are emotionally and cognitively ready to absorb the mathematics skills provided to them. Furthermore, they receive guidance in decision-making and preparing for life after school (Fun Learning for Youth, 2020).

FLY's primary offering is the tutoring of mathematics to address the dire state of the South African public education system that results in poor mathematics outcomes for young learners. The mathematics programme is focussed on guaranteeing that learners remain within the school system beyond the compulsory age: choose pure mathematics over mathematics literacy in Grade 10; excel at mathematics; and obtain a bachelor's pass in the final Grade 12 examination. This Grade 12 result enables them to gain entry to a tertiary institution and eventually, qualify as a professional.

Tutoring services are provided every Saturday morning of the school calendar year from 9am to 12pm, followed by a warm, cooked lunch provided by a community caterer. Services are free for learners. Tutors voluntarily provide their time to contribute to the fight against the nationwide challenge of poor-quality education in underprivileged communities to break the vicious cycle of poverty.

FLY relies on tutors to deliver its mandate. Young professionals, predominantly working in the financial services industry, volunteer their time and skills as tutors and mentors to empower less-privileged youths through education. The organisation is sustained through donor funding from institutions and individuals. FLY has seen success in its ten years, having produced alumni with university degrees and diplomas as well as successful entrepreneurs.

FLY recognises that learners from disadvantaged backgrounds face psychosocial and economic challenges that can inhibit them from reaching their potential and specifically, achieving academic excellence. Thus, FLY aims to provide learners with an educational environment, which is conducive to academic access and success. To achieve its goals, FLY requires funding for annual operating costs and projects in the pipeline. In fact, the yearly cost per learner is R1,800, which includes R1,550 for food and R250 for stationery.

2.6.2 Management

FLY consists of eight portfolios: alumni; bursaries; fundraising; tutor recruitment and development; finance; marketing and communications; technology; life skills; and mentorship. Each portfolio is run by a subcommittee responsible for day-to-day operations. The executive committee (EXCO) team, which has 11 members, is responsible for deliverables. The organisational structure, which has been refined over 11 years, has become more defined in the last five years. In addition to the portfolio heads, the EXCO team comprises the chief executive officer (CEO), a chairperson, a secretary-general, and a treasurer. The treasurer is responsible for cash-flow management and ensuring that there are sufficient funds to pay for supplies. Cape Town and Johannesburg each have their own organisational head, although the centres are aligned with one another. Each grade has a head, who reports to the regional head, is responsible for the lesson plans of each term of the year in which he/she is appointed; meeting and motivating tutors; and planning social events to create camaraderie.

Each portfolio head is responsible for compiling a budget, and the head of finance consolidates the collective budget. This individual is also responsible for producing monthly and quarterly management accounts. After budgets are finalised, the head of fundraising is tasked with sourcing funding for both the Johannesburg and Cape Town operations. Marketing and communications material, which is aimed at learners who will join FLY, tutor recruitment and soliciting funds, is posted on Facebook and Instagram.

2.6.3 Tutor recruitment

Tutors are recruited via word-of-mouth; social media; career and sports days; and tutor recruitment events. Tutor recruitment occurs either at the beginning or the end of each year. Existing tutors are invited to events to rally the recruitment drive. These occasions are aimed at

recruiting individuals for tutoring, mentorship, and sub-committees. They provide an overview of FLY; tutor and learner testimonies; and a database for signing up. New tutors select their preference for mathematics or life skills and are allocated to the grade heads.

Upon joining, tutors receive a comprehensive email introducing them to the inner workings of FLY. They subsequently sign a pledge to uphold the FLY values of accountability, commitment, compassion, and excellence. Grade heads are responsible for onboarding new tutors and ensuring that they become accustomed to the culture. However, tutor recruitment, which is built on engagement, socialising and discussions, has been a challenge amidst the COVID-19 pandemic. Therefore, as networking through direct interpersonal contact has been prevented, FLY has relied on word-of-mouth and advertising through social media to recruit for virtual tutoring.

COVID-19 has also been disruptive to the tutoring process. Numerous tutors, whose tenure usually depends on their commitment and life demands, have become unavailable because of the pandemic. The average stay for tutors is three to four years, although several have been with the organisation for much longer. Long-term commitment of tutors' ties into the continuity of FLY. The longer tutors stay, the more likely they are to become involved beyond tutoring and become funders or recruiters. However, if there is a shortage of tutors, FLY could partner with retired teachers, who would be able to provide guidance on structure and assist with training tutors, as they do not need to follow an established formal training programme.

2.6.4 Learner recruitment

Learner recruitment is via word-of-mouth; FLY open and career days; contact with previous/existing learners and parents; community outreach; and communication from JL Zwane and Realogile High Schools. The career days are particularly fruitful and lead to the recruitment of droves of learners. Each grade is oversubscribed every year, and some parents offer to pay for their children to join FLY. However, the qualifying criterion for joining FLY is a need to improve mathematics results.

Prospective learners are required to write an entrance test. The test results determine the level of leaners' understanding of mathematics and assist tutors in selecting learners with potential and those on whom they can have the most impact. Therefore, tutors may accept lower results

than is the norm for Grade 8 admission, as the selected learners may have underachieved owing to various factors, but with help could realise their true potential. The five-year high school tenure offers them a broad timeline to impact learners positively, although as classes take place only on Saturdays during the school term, tutors have limited contact time. Therefore, as time is of the essence, learners are required to participate, be respectful, have vision, be goal-driven and be hardworking. As FLY is area-based, students close to Gugulethu, Cape Town, and Alexandra, Johannesburg, benefit from its services.

Learners sign pledges annually, which are co-signed by parents, committing to be punctual for classes, attend every class or let someone know when unable to. Learners are encouraged to work hard and discuss problems with tutors or the grade head. In addition, they are expected to follow class rules and the FLY code of conduct; be faithful to their pledge; complete their homework every week; and attend parent meetings. Additionally, learners undertake to be good ambassadors of FLY.

They are expected to acknowledge that disciplinary action may be instituted against repeated or intentional failure to meet the above-mentioned expectations. Possible consequences include being reprimanded; immediate removal from class; and suspension or expulsion for more severe offences. When a learner is removed from class, their parent must accompany them to the next class to discuss the matter before they are accepted back to class. In the event of suspension or expulsion, the grade head or EXCO will inform the parent or guardian.

2.6.5 Technological strategies

The technology team constantly seeks innovative ways to deliver the curriculum and empower the learners. A recent development has been the installation of Wi-Fi at JL Zwane to assist learners in downloading online learning material. Moreover, although the COVID-19 pandemic disrupted schooling and face-to-face tutoring, it provided an opportunity to fast track the digital evolution of FLY. In other words, the organisation had to develop a remote-learning strategy, which involved learners using the Smart Mobile Learning (SMOL) application (app). This app was designed to enhance learning in an interactive and fun way. The SMOL app offers interactive online learning material, where learners can access learning content from anywhere at any time. Content is available in video, animated video, podcast, and pdf format.

Fly celebrates a theme for each year, and each head positions their portfolio to fit it. The current theme is titled 10+1 to celebrate 11 years of the organisation's existence. FLY turned 10 years old in 2020, although the celebration was put on hold because of COVID-19. The theme is centred on celebrating the milestone and a call for donations to donate to the cause, the communication of which is via social media platforms. Previous themes have focussed on introducing FLY; growing the brand; corporate identity; marketing channels; and recruitment drives. The quarterly newsletter provides an overview of the plans for the year and each quarter; funding requirements; leadership changes; and acknowledgement of outstanding tutors. In the first newsletter for 2021, FLY outlined strategic plans for the different phases of lockdown.

2.6.6 Funding

2.6.6.1 Funding requirements

Funding requirements are broken down into tutoring; alumni; and care/support to learners and their families. The fundraising team can quantify the number of learners that will benefit from donations of educational tablets; data packages; application development and rollout; stationery and books; university tuition; hand sanitisers; face shields; reusable face masks; and non-perishable grocery hampers, for example.

FLY funding consists of donor funds from corporates, philanthropic organisations, individuals, tutors, and an annual fundraising gala dinner. Each year, FLY hosts an entertainment-filled, themed gala event hosted at a distinctive venue and attended by a range of corporates and their management teams. FLY raises funds on the evening by inviting corporates to sponsor tables at the event; auctioning donated items to guests in attendance; and encouraging individuals and corporates to pledge donations. The funds raised at the gala dinners are directly used to fund various FLY initiatives, such as prize-giving ceremonies; career days; parents' meetings; pupil mentoring; tutor training; mentorship programmes; aptitude testing; and attending university open days. The funding requirements of FLY are outlined in Figure 2.3 below.

Figure 2.3: Funding requirements of FLY

FLY's biggest needs fall into the below 4 main categories:

Item	Details	Expenses p.a
CATERING	We provide our pupils a hot lunch every Saturday after class , catered for by a small community catering business :	R 620 000
TERTIARY BURSARIES AND FEES	FLY funds the tertiary studies of worthy pupils while also settling the application and admission fees involved with this process for Grade 11 and 12 pupils.	R 500 000
FLY PUPIL INITIATIVES	FLY facilitates Life Skills and other initiatives for the development of each of its pupils. These are initiatives include Prize Giving, Career Day, University Open Day Trips and Mentorship program and many more.	R 270 000
STATIONERY AND LEARNING MATERIAL	FLY provides pupils with learning material which includes stationary as well as textbooks.	R 125 000

Source: Fun Learning for Youth (2020)

2.6.6.2 Funding process

FLY's funding process, which is bottom-up, driven by portfolio heads and collated by the head of finance, involves sourcing financial resources through fundraising and donations, despite the inaccurate perception that FLY is established, and therefore does not require support. The head of fundraising is tasked with meeting with corporates; soliciting funding; and ensuring that fundraising efforts are continuous during the year. As CSI funding is low-effort and high-impact for FLY, 90% of the funders are corporate, while 10% are private individuals. Corporate sponsorship is sourced via the gala dinner in four ways. Corporates can buy a table; donate valuable auction items; bid for items on auction; and pledge cash during the gala dinner. The dinners also serve as a tutor recruitment initiative. EXCO drives fundraising too, and some tutors donate monthly to FLY. Tutors are also encouraged to drive donations via their networks and employers. Social media campaigns encourage the audience to visit the website. Funding received over the past five years has been incremental. However, there is a challenge in receiving pledged funds, with recovery at between 60% and 70% of promised amounts.

FLY attributes its success to many factors, such as the authenticity of the cause; potential funders being inspired by its emotive story; the efficiency of the fundraising team; the extensive networks of the EXCO team; and the impeccable manner in which operations and the gala

dinner is conducted. In addition, the focus on SDG 4 has contributed to securing funds. Since its inception, the organisation has received clean audits, which is a noteworthy accomplishment, and a green flag for the management team. However, data collection is a barrier to securing funding, as FLY is not always able to demonstrate its impact.

The COVID-19 pandemic has resulted in a change in corporate strategy for institutions. As this is a potential barrier for future donor funding, FLY is working on innovative means of fundraising. Changes in donors' financial situations and consequently, funds allocated to CSI are also a concern for the organisation. Competition is another hindrance to receiving funding. Competitors include other NGOs and corporates funding their own CSI foundations. Moreover, schools offering supplementary classes are in competition with FLY. However, as many schools do not offer this help to learners, FLY is still needed to bridge a gap.

2.6.6.3 Post-matric funding

For the past four years, FLY has been offering post-matric funding, which is sourced through a combination of dedicated corporate sponsorship and the overall budget. FLY pays the application fees for all their matric learners who apply for admission to tertiary institutions. In addition, all their matric learners have an equal opportunity of being selected for bursary funding. The organisation currently offers university funding to six students: three are fully funded by a corporate partner and the other three by FLY, through its other funders. There has been a 100% pass rate for students sponsored by FLY. Tutors and mentors encourage learners to apply for higher learning and funding, including the FLY bursary; external bursaries; and National Student Financial Aid Support (NSFAS).

Historically, FLY has fully funded university students in their first year, including fees, accommodation, textbooks, an allowance, and resources, such as laptops and stationery. In addition, FLY has been assisting second-year students in sourcing external funding for the remainder of their studies. FLY is committed to students progressing beyond their first year and helping them to succeed. However, the organisation has discovered that funding students in their first year excludes them from being considered for financial aid in their second year. Therefore, FLY has decided that it will encourage all learners to apply for NSFAS funding for tuition and accommodation, and should they qualify, will fund the remainder of their requirements, including a monthly stipend, support services, books, and stationery. If a student

is unable to secure NSFAS funding, the head of portfolio will write a motivation for the organisation to fund them for the duration of their studies.

2.6.6.4 Funding sources

FLY has diverse funding sources, without being overly dependent on one in particular. Since its beginnings, the organisation has been funded by tutors, the majority of whom are in the financial services sector. Nonetheless, there are other funders, including NGOs, engineers, attorneys, and start-up companies. Moreover, the opportunity to source funding from different sectors has led to a diversification of revenue sources, which is key to achieving financial stability. Therefore, the organisation has created, attracted, and sustained new resources by incessantly seeking potential funding from various sources, both international and domestic. For example, a key international donor has had a relationship with FLY for many years.

2.6.6.5 Funding allocation

Funds are allocated to different areas, based on the needs that are critical to operations. Funding areas include catering for learners; prizegiving; printing and stationery; tutor development and events; and tertiary education. The latter is the greatest expense, while food and stationery are the most essential. Although most of the funding is non-restrictive, some donors prefer to fund a specific need. For example, FLY has received specific donations for calculators, textbooks, psychometric tests, food and installing doors at the JL Zwane Community Centre. The organisation has received sufficient funding over the past five years to meet requirements, which has led to it having a significant social impact. However, as it needs more funding for its tertiary students, it has redirected funds usually earmarked for catering towards this.

2.6.7 Mentorship

In an effort to provide tools and support to learners, FLY offers mentorship to Grade 12 learners. This programme aims to improve social and communication skills; strengthen self-esteem by recognising and celebrating learner success; assist learners in navigating day-to-day struggles; and support their academic activities. Furthermore, it provides networking opportunities and career counselling by helping learners to express career goals; brainstorm career possibilities; and formulate action plans to reach professional goals. Mentorship endeavours to match learners with tutors involved in the careers in which they are interested. For example, learners aspiring to be entrepreneurs are mentored by tutors who own businesses.

Mentorship extends to bursary students, who are paired up with tutors who have volunteered to mentor them throughout their academic career. These mentors provide support and guidance to students as they face daily challenges during their tertiary education.

2.6.8 Relationship with funders

FLY holds itself accountable to its funders through quarterly reporting, obtaining feedback from Excel@Uni and financial statements. The organisation maintains its clean audit status and obtains annual tax compliance certificates from the South African Revenue Services. There is mutual respect, transparency, and trust between the staff of FLY and its funders. A lack of any of these values would hamper the sustainability of the organisation. FLY believes transparency is vital in securing continued support. The staff of FLY is required to live by its principles, and there are disciplinary processes for misconduct. FLY tutors are accountable to the board.

The organisation has not experienced influence from funders that has negatively affected its operations. FLY is unequivocal about being autonomous. EXCO members would not allow donors to influence the organisation to change its model. The management team of FLY is not required to communicate regularly with its major donors to address fiscal challenges or implementation issues. However, donors are invited to parent meetings, where EXCO provides feedback on operations. Information supplied to funders includes learner report cards; FLY quarterly reports; financial statements; tax compliance certificates; budgets; and management accounts. In addition, FLY provides donors with information on the numbers of learners, disabled learners and tutors, as well as gender and race demographics per year. Donors are also informed about how much money was spent, where it was spent, as well as learner and tutor activities.

2.6.9 Compliance

FLY is audited annually, which indicates that appropriate financial controls are established and followed within the organisation. Internally, budgets are approved before the beginning of a new financial year, and processes to authorise expenditure are followed. Funds are retained in the bank account and dispersed as required, with dual control on the bank account. The portfolio head must request approval for expenditure from EXCO. The first approval is for confirmation that the expenditure item is included in the budget, and the second occurs when the claim is presented for payment. FLY has a crisis management plan for unpredictable events, including

financial, leadership and succession planning. Moreover, a constitution guides decision-making and operations.

Quarterly reviews of performance against budget are issued, and EXCO budgets for big-ticket items and unforeseeable events. A leadership and succession planning document detailing the process to be followed was approved at an annual general meeting three years ago. This allowed a smooth transition in the recent change in leadership at the Cape Town operation. FLY plans to invest cash in an interest-bearing fixed deposit account. Although COVID-19 impacted fundraising in 2020 and 2021, the organisation was able to continue operations, evidencing agility in the management of FLY. The organisation is small enough to adapt to changes quickly.

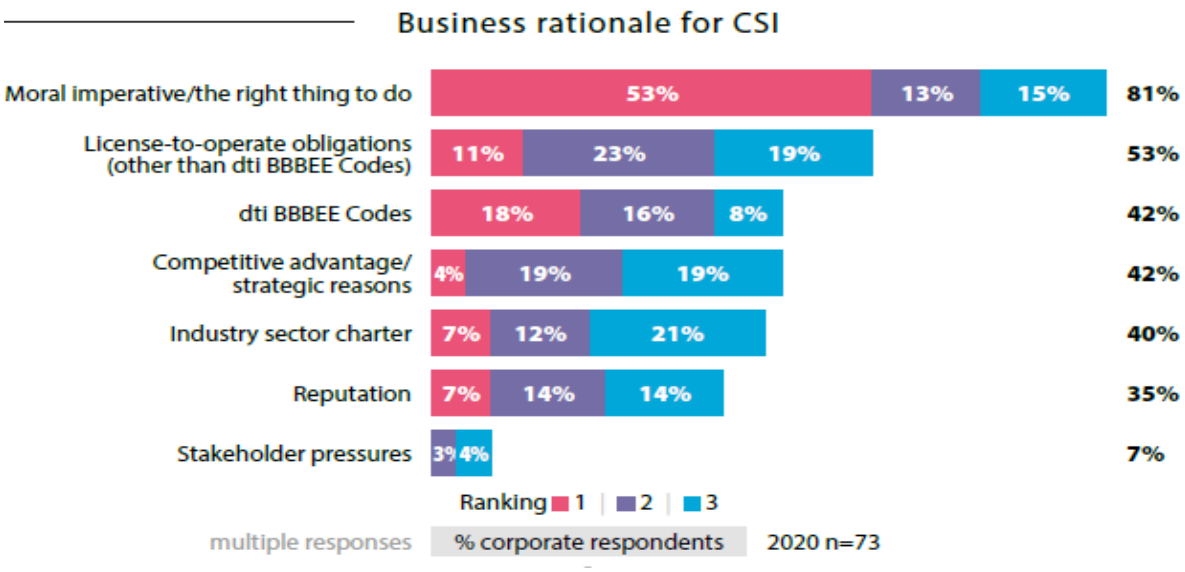
2.7 CSI funding

The Broad-Based Black Economic Empowerment (BBBEE) Act 53 of 2003 compels listed companies to do as follows (*Government Gazette*, 2007).

> Spend 1% of their net profit after tax on socio-economic development (SED) initiatives that facilitate sustainable economic inclusion for previously disadvantaged beneficiaries, 75% of whom must be black

These SED initiatives fall within the scope of CSI. Whereas SED is solely focussed on economic inclusion, CSI has a broader sphere, which includes arts and culture; safety; the environment; food security; sporting initiatives; and disaster relief (Trialogue, 2021). There are seven rationales for CSI. Most South African corporates are driven by moral imperative and believe that CSI is the right direction to take. Certain companies are driven by legislation, including the BBBEE Act and license-to-operate obligations. Some firms are guided by the industry sector charter; strategic reasons; and the need to gain a competitive advantage. Other businesses support CSI initiatives because of stakeholder pressure to boost their reputation (Trialogue, 2020) (see Figure 2.4 below).

Figure 2.4: Business rationale for CSI.



Source: Trialogue (2020)

Corporates fund NGOs as their contribution to sustainable development, societal involvement, and citizenship. (Van Dyk & Fourie, 2016). These corporations partner with NGOs, who assist them to implement their CSI agendas on behalf of companies. Van Dyk and Fourie's (2016) study explored the relationship between NGOs and corporate donors. The finding was that relationship indicators derived from theory are not suitable for measuring a relationship. Furthermore, the researchers found that each party has different views of the relationship, and indicators should be reformulated to mirror these contrasting views.

2.8 CSI spending in SA

National governments are under increasing pressure to provide quality and extensive social services. However, companies can play a vital role in alleviating the burden of the provision of these services through CSI funding, which is disbursed in a more flexible and speedier way, compared to the way the government does it. In other words, corporates are more efficient in realising maximum impact. In fact, CSI emerged in South Africa because of the country's history and regulatory framework (Ndhlovu, 2011).

The CSI expenditure of South African companies, multinational corporates operating in South Africa and state-owned entities equated to R10.2 billion in 2019. The top three contributors

were the mining, financial services, and retail sectors. Education was the most supported sector, followed by social and community development; food security and agriculture; and health. NPOs identified financial dependency as the top risk related to CSI. For companies, concerns included reputational, fraud or governance risk. Of the companies surveyed, 90% contributed to NPOs in 2019, with 54% of CSI expenditure allocated to these organisations. However, NPOs could improve their impact measurement, with only 43% confirming they measured project outcomes. Companies fared better, with 72% measuring impact (Trialogue, 2019).

A survey of 68 corporates revealed that 95% supported education, with at least half of CSI expenditure going towards it. Tertiary education received the most support, followed by further education and training; general education; early childhood development; and adult education. The top five interventions were bursaries and scholarships; learner and teacher development; infrastructure; facilities; equipment; and information and communication technology (ICT). Mathematics and science were the most supported subject areas (Trialogue, 2020).

2.9 Impact measurement

(Mueller-Hirth, 2012) agrees that development programmes need to demonstrate greater accountability and transparency by measuring their social impact. (So & Staskevicius, 2015) list four stages of the continuous cycle of impact measurement: estimation, planning, monitoring and evaluation (see Figure 2.5 below).

Figure 2.5: Continuous cycle of impact measurement

Source: So & Staskevicius (2015)

Additionality is of great consequence when measuring impact. It refers to whether the target social outcomes would have been reached without investment (So & Staskevicius, 2015). (IISA, 2020) identifies three motivations for engaging in impact measurement and management (IMM). These include capturing business value; addressing investor and client demand for impact information; and improving impact. Challenges identified with IMM include a lack of shared language and buy-in from key decision-makers; insufficient integration into decision-making; resource and capacity constraints; inadequacy of comparability; reporting fatigue; weak public-private sector coordination; a lack of confidence in reporting; and little reporting of financial performance (So & Staskevicius, 2015).

Social impact measurement indicates whether individuals, households and communities grappling with injustice and poverty are benefitting from business models that aim to realise social outcomes (Jackson & Harji, 2014). It answers questions such as the following: "To what extent does the problem exist and who is it affecting? What are our outputs and the immediate results of our activities (e.g., attendance)? What are the short- and mid-term social changes (outcomes) and long-term consequences (impacts) of our activities? To what extent are the outcomes a result of our activities (attribution)?" (Keyte & Ridout, 2016, p. 7).

Keyte and Ridout (2016) recommend seven steps for measuring impact. They are as follows:

i. "Decide on your overall approach to measuring social impact by developing a vision, deciding how to measure social impact (whether to use monitoring, evaluation and/or research) and who to involve
ii. Decide what to measure by exploring mapping out your programmes with programme theory and how to prioritise and use learning questions
iii. Select or develop indicators that will identify what has to take place as a result of running your activities and to what extent
iv. Plan your data collection by selecting the right data collection method, taking a quality approach to sampling, and finalising your indicator framework
v. Develop data collection tools (we focus on questionnaires in this guide) to collect high quality data
vi. Collect and manage your data through effectively deploying data collection tools, ensuring the data you collect is high quality and secure, and selecting the right software for your organisation
vii. Use the data you collect: effectively analyse and learn from your data to improve the delivery of your activities, your fundraising and your accountability back to stakeholders" (Keyte, T; Ridout, 2016, p.8).

Social impact evaluation can increase legitimacy as well as status and enable potential funders to compare an NPO with similar organisations (Arvidson & Lyon, 2014). Social impact measurement is essential for transparency and accountability in the use of resources provided to NPOs (Nguyen et al., 2015) and in delivering on intended impact. In addition, it can generate intrinsic value for all stakeholders and mobilise capital to increase impact. Molecke and Pinkse's (2017) study found that the reasons for measuring impact included attracting financial and other support; gaining insight into enhancing operations; and fulfilling accountability expectations. Therefore, measurement should benefit NPOs and not burden them by creating strain on already limited resources, or be used as a tool to wield influence and control donors. Impact measurement that does not indicate monetary value, such as social impact evaluation, is difficult to articulate. However, it is critical for establishing long-term relationships with donors and depends on their measurement expectations; the measurement approach; the

motivation for measuring social impact; available resources; its perceived importance; and its alignment with resource providers' impact measurement directives (Nguyen et al., 2015).

NGOs may feel pressured to demonstrate their impact to secure funding, which may lead to their digressing from their core function. They may believe that resources allocated to data collection should instead be used to improve the quality of interventions and programmes (Radebe & Nkonyeni, 2020). Szporluk (2009) maintains that enhancing accountability to the communities NGOs should involve all stakeholders, not only NGOs. Molecke and Pinkse (2017) note that while NGOs need to measure social impact, a lack of clarity about the way to do this has led to friction amongst stakeholders.

Funders use formal methodologies to measure impact, utilising performance management and accounting reporting practices that are not always ideal for social impact measurement. However, the trend towards rationalisation and marketisation of donor funding has led to funders placing a high value on formally measuring impact. Formal methodologies use empirically-based measures to enhance verifiability, accountability, and standardisation. However, can social value be measured? Social entrepreneurs argue that social impact measurement is imprudent, as the cost of collecting data outweighs the benefits. Moreover, social impact information might be inaccurate, unreliable, incomplete, and irrelevant as an indicator of an organisation's effectiveness and determinant of funding decisions.

Bradach et al., (2008) suggests confronting four interdependent questions in developing a pragmatic, explicit framework for impact measurement:

> Which results will we hold ourselves accountable for?
> How will we achieve them?
> What will results really cost, and how can we fund them?
> How do we build the organisation we need to deliver results? (Bradach et al., 2008).

Because assessing the performance of NGOs is subjective and value-driven, it is difficult to compare performance, even for those that have the same goal. Undertaking to deliver a specific set of results involves buy-in from external stakeholders, including donors, communities, and internal stakeholders, such as individuals that work for the NGOs. Moreover, an organisation's values are determined by its target population, target outcomes, geography, and approach. The

G8 Social Impact Investment Taskforce developed the following impact measurement guidelines: set goals, build a framework and select metrics; collect and store data; validate analyse data and report data; and make data-driven investment management decisions (Social Impact Investment Taskforce, 2014).

2.10 Impact measurement tools

Arvidson & Lyon (2014) identify four tools that can be used to measure impact: social return on investment (SROI), balanced scorecards, blended value, soft outcomes universal learning (SOUL), social accounting and audit, and triple bottom line accounting. Maas and Liket (2011) identify several methods, including SROI, social impact assessment, balanced scorecards, social costs benefit analysis (SCBA) and social cost effectiveness analysis (SCEA), amongst others.

2.11 Impact measurement and valuation

Impact measurement and valuation should emphasise accountability, performance and learning (Jackson & Harji, 2014). Instruments used should scrutinise the economic, social, and environmental results achieved for communities, corporations, individuals, and households. However, there is a lack of concern about social and environmental impact evaluation in the investment and finance industry. Jackson and Harji (2014) suggest ten principles for assessing social impact to legitimise measurement:

1. Clarify the purpose of measurement
2. Test and refine theory of change
3. Make measurement matter to investees
4. Enhance utility and relevance
5. Coordinate standardised and customised approaches
6. Manage what you measure
7. Share experiences with peers
8. Broaden stakeholder engagement
9. Make it happen
10. Balancing measurement priorities

The five most applicable valuation methods are explained in the sections below.

2.11.1 Industry-wide systems

There are two industry-wide performance assessment initiatives: the Impact Reporting and Investment Standards (IRIS) and the Global Impact Investing Rating System (GIIRS). The IRIS, designed by Global Impact Investing Network (GIIN), stipulates a common terminology and set of exact indicators that can be customised to suit the requirements of individual investment funds and institutions. The GIIRS, which is similar to the Morningstar rating system in mainstream finance, assesses the social and environmental performance of companies seeking impact capital and impact investing funds (Jackson & Harji, 2014).

2.11.2 Theory of change

This is a tool and concept with origins in the field of programme evaluation. Also called programme theory, it is a model that illustrates the interlinked relationships amongst the logic, assumptions, resources, activities, and anticipated results of an intervention. The tool, which includes inputs, activities, outputs and outcomes, is usually depicted in visual form (Jackson & Harji, 2014).

2.11.3 Policy assessment

Measuring policy influence and effectiveness is a specialised area of evaluation. A mix of evaluation frameworks and methods is required for assessing the performance of policy initiatives. “Upstream” components of an experience, comprising deals, investment practices, relevant laws and regulations, need to be examined. The assessment must also include the “downstream” effects of such investments on employees and their households;, the communities; and local businesses and projects (Jackson & Harji, 2014).

2.11.4 Sector-based interventions

The focus of sector-based interventions is industries and businesses that deliver affordable products and services to underprivileged and low-income groups. Moreover, they create employment and increase the income of local workers. Interventions might involve private education, solar power, mobile payment, and medical technology sectors. Social impact should be measured at firm level and as part of the collective social impact of the sector in its entirety (Jackson & Harji, 2014).

2.11.5 Outcome-based financing instruments

Social impact bonds (SIBs) and "pay for success" bonds are examples of outcome-based approaches. Governments view them as a means of leveraging private capital for public purposes. These are valuable tools to solve rising social inequality amidst declining government spending capacity. Social impact bonds are "contractual obligations between government and private investors - such as a foundation, fund, or intermediary - to finance a social program". The government reimburses the investor for the cost of the programme and returns their capital, provided that the non-profit delivery agent has achieved the agreed-upon social outcome (Jackson & Harji, 2014).

2.12 Impact measurement frameworks

So & Staskevicius (2015) identify the following impact measurement models: expected return; the theory of change and logic model; mission alignment; and experimental/quasi-experimental methods. Social Impact Investment Taskforce (2014) and Maas & Liket (2011) discuss several measurement models, although they agree on the value of the impact value chain framework, which is discussed in detail in the following section.

2.12.1 Impact value chain - Social Impact Investment Taskforce

The impact value chain is an extension of the theory of change, which has been explained above. The impact value chain adds one more step, which is impact, to the theory of change (Social Impact Investment Taskforce, 2014). The outcomes are therefore measured against impact goals. In the input stage, resources are deployed in the service of a particular set of activities. These are essentially investments to an impact organisation. The activity step includes actions or tasks that are performed in support of specific impact objectives. This step encompasses activities undertaken by the organisation to deliver on its impact goals. Outputs are tangible, immediate practices, products, and services that result from the undertaken activities. These would be the services rendered through impact capital. Outcome includes the changes or effects on the individuals or environment that follow from delivering products and services. Outcomes can short- medium- and long-term. Although similar to outcome, impact focuses on changes and effects on society and the environment that follow the results that have been achieved (Social Impact Investment Taskforce, 2014).

Figure 2.6: Impact value chain (Social Impact Investment Taskforce)

Exhibit 3: Impact Value Chain[1]

	Input	Activity	Output	Outcome	Impact
Definition[2]	Resources that are deployed in service of a certain (set of) activities	Actions, or tasks, that are performed in support of specific impact objectives	Tangible, immediate practices, products and services that result from the activities that are undertaken	Changes, or effects, on individuals or the environment that follow from the delivery of products and services	Changes, or effects, on society or the environment that follow from outcomes that have been achieved
Illustrative Example	Investments to an impact organization (e.g., in a micro-finance institution)	Actions by an impact organization to attract clients (e.g., campaigns)	Number of clients served by an impact organization (e.g., loans extended)	Changes among clients (e.g., doubling of household income among MFI clients)	Changes in broader environment of the impact organization (e.g., less crime)
Illustrative Insight for Investors	Capital deployed (i.e., initial investment)	Activities undertaken to deliver on impact goals	Services rendered through impact capital provided	Income generated by beneficiaries due to impact capital	Impact on society due to impact capital

Source: Social Impact Investment Taskforce (2014)

2.12.2 Impact value chain - Maas and Liket

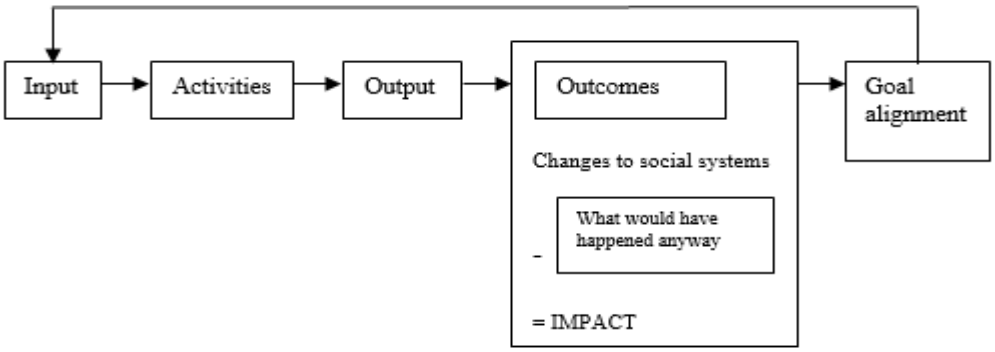
Reaching consensus on the definition of social impact or benchmarking impact measurement is a challenge (Maas & Liket, 2011). Maas and Liket (2011) analysed 30 current social impact measurement methods to assist CSR managers in determining the most appropriate tool amongst an extensive range. The methods were classified according to six characteristics:

1. Time frame (whether prospective, ongoing, or retrospective)
2. Length of time, whether short- or long-term
3. Purpose, screening, monitoring, reporting, and evaluation
4. Approach, impact, process or monetarisation methods
5. Perspective, whether from the viewpoint of an individual, society or organisation, or community
6. Orientation in terms of output or input.

Maas and Liket's (2011) impact value chain differentiates between outputs, outcomes, and impact (see Figure 5.7 below). Impact is linked to the user, while the provider of the service, product or activity determines the outcomes and outputs. Impact includes all effects, short- and long-term, positive and negative, whether intended and unintended. Impact evaluation is therefore used to inform goal alignment. The measurement and quantification of social impact are complex because of its qualitative nature and the difficulty of attaching an objective value

to it. Corporations require quantitative methods that produce tangible results on which decisions can be based. This dissertation will explore five of these methods.

Figure 2.7: Impact value chain (Maas & Liket)



Source: Maas and Liket (2011)

2.13 SDG targets and indicators

Quality education (SDG 4) is a stand-alone goal, which is linked to 7 of the 17 SDGs (UNESCO-UIS, 2018). SDG 4 consists of 10 targets and 42 indicators (UNESCO-UIS, 2018). The targets are monitored and evaluated at global, thematic, regional, and national levels. Monitoring and evaluation of SDG 4 targets at a national level is directed at national and sub-national government policies.

SDG 4 Target 4.1 is free, equitable and quality primary and secondary education. This target is linked to Indicator 4.1.1, which is the "proportion of children and young people (a) in Grade 2 or 3; (b) at the end of primary education; and (c) at the end of lower secondary education achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex". In the context of the study described in this dissertation, the applicable measurement for FLY would be the proportion of learners that achieve minimum proficiency in mathematics.

To assist corporates in their funding decisions, the United Nations Development Programme (UNDP) developed SDG impact standards for private equity bonds, funds and enterprises (see Figure 2.8 below) (IISA, 2020). These standards measure the contribution of an organisation to the realisation of an SDG, which in the case of the current study is SDG 4.

Figure 2.8: UNDP SDG Impact Standards

Table: UNDP SDG Impact Standards

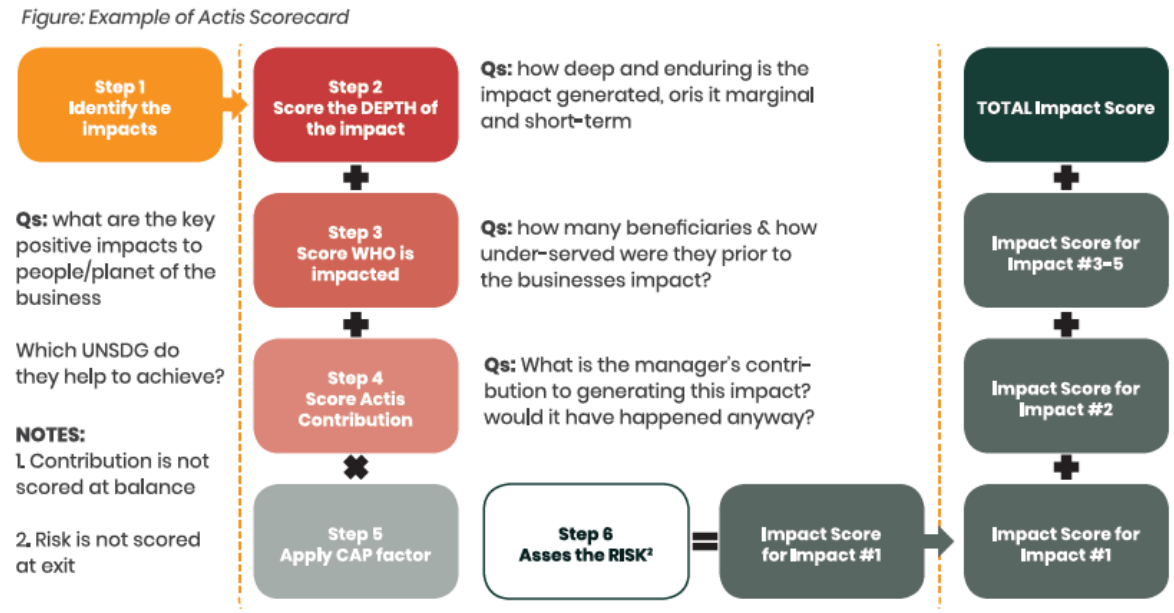
STRATEGY	MANAGEMENT APPROACH	TRANSPARENCY
Embedding sustainable development and the SDGs in purpose, strategy, business model and goals **STANDARD 1**	Intergrating sustainable development issues, the SDGs and impact management into organisational design operations **STANDARD 2**	Disclosing how sustainable develop-men issuses, the SDGs and impact management are integreted into strategy, management approach and governance, and repoting on performance **STANDARD 3**
GOVERNANCE		
Reinforcing commitment to sustainable development, the SDGs and impact management through governance practices **STANDARD 4**		

Source: IISA (2020)

2.14 Impact measurement scorecards

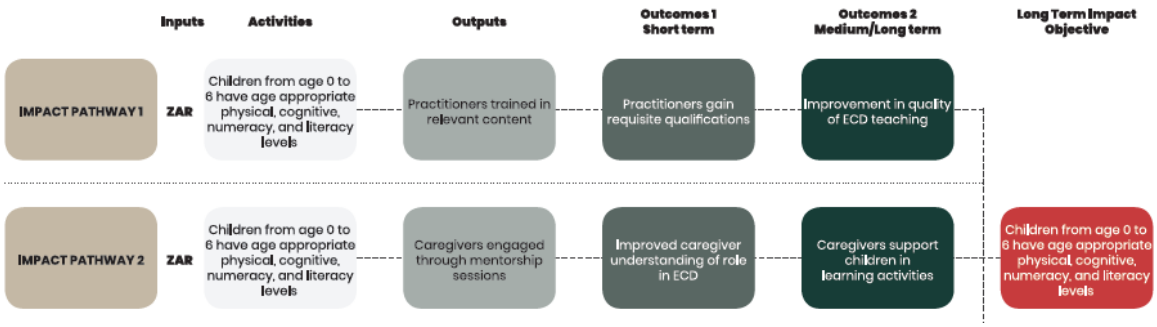
Two impact measurement scorecards were relevant to the current study. The first was developed by Actis, a global growth and emerging market investor (see Figure 2.9 below). This scorecard is built on three pillars: intentionality, which refers to the explicit targeting of specific impact outcomes; measurement, which is based on a robust framework reinforced by transparent, objective assessment; and verification through a credible, independent audit of the impact management system. The six-step process includes identifying the impacts and scoring their depth by noting who is impacted and the contribution of FLY; applying the CAP factor by categorising activities as core, ancillary, peripheral; and assessing the risk (IISA, 2020). The second scorecard is from African Infrastructure Investment Managers (AIIM), which develops and manages private equity infrastructure funds (see Figure 2.10 below). This impact measurement process entails building a theory of change for each project; deciding on indicators to measure progress towards intended outcomes; gathering primary data from project beneficiaries and stakeholders; and publishing impact reports that inform future strategy, engagement with stakeholders and achievement of socioeconomic outcomes (IISA, 2020).

Figure 2.9: Actis impact scorecard



Source IISA (2020)

Figure 2.10: AIIM social impact measurement process



Source IISA (2020)

2.15 Empirical literature on NGO impact measurement

There is limited empirical research on how the challenges and opportunities of shifting development trends impact the sustainability of development organisations. However, Arhin (2016) focusses on how the changing development landscape affects the role of NGOs in attaining SDGs. In addition, Arhin (2016) argues that NGOs have a significant role to play in facilitating and advocating the goals as well as providing services to ensure their realisation. Nguyen et al. (2015) maintain that theory on social impact measurement is scant. However, they conducted an empirical study of the influence of donors on the measurement of the social

impact of social enterprises in Vietnam. The findings were that the most crucial factor is understanding the interdependence of the parties, rather than focusing solely on impact measurement.

Ebrahim (2003) examined the different ways in which NGOs ensure accountability. The researcher investigated five key accountability instruments used in practice: self-regulation; social audits; reports; disclosure statements; and participation/performance assessments and evaluations. The study found that funders did not require NGOs to evaluate themselves and were more concerned with NGOs seeking input from communities in assessing projects. A more balanced approach would be NGOs holding funders accountable and communities holding NGOs accountable. However, the former is unrealistic because of power and resource asymmetries.

Ebrahim (2003) recommended three mechanisms. The first is developing internal capacity for performing long-term evaluations, which like self-regulation, is a vital strategic response. The second is focussing on sector-wide change by establishing NGO umbrella organisations, which can participate in national-level policy debates and formulate codes for NGO behaviour. The third is social auditing, which can assist NGOs in formulating long-term methodologies to tackle social development challenges, specifically through linking organisational values to strategies and including stakeholders in decision-making.

Arvidson and Lyon's (2014) study explored the experiences of NGOs, in the UK, of social impact measurement. The NGOs revealed that they had experienced increased scrutiny from clients, other NGOs, and donors of how resources were used to achieve development outcomes and pressure to provide evidence of their social impact. However, NPOs showed interest in exploring approaches to measure their impact adequately.

The study found a lack of consensus on what should be measured; how measurement should take place; what should be reported; and whether the process could hinder the values and operations of organisations. There were rigorous debates, with both uneasiness and eagerness, around the use, role, and effect of social impact evaluations. However, there was consensus that social impact measurement could be helpful in the promotion of an NGO; improve the running of an organisation; and allow it to wield control over its environment. In addition, the study

found that NPOs managed pressure to comply with social auditing controls by decoupling, which is connecting an organisation's actions to its formal strategy.

Asymmetric relationships are often perceived as maximising benefits for resource providers, although the advantage is not always skewed towards donor funders. Nguyen et al. (2015) maintain that the inherent purpose of an asymmetric relationship is to create scalable impact, ensure sustainability and enhance the efficiency of NPOs, ultimately benefiting the disadvantaged communities they serve. This opinion challenges the view that the stronger party in resource dependence will experience benefits and advantages at the expense of the weaker one. This indicates that resource providers and social enterprises can move towards a more symmetric relationship by increasing interaction; developing principled and emotional connections; and aligning objectives and benefits.

There have been changes in funding tools, reporting requirements and how impact appraisal is conducted. Mueller-Hirth (2012) notes that the scarcity of development funds challenges NGOs to evidence accountability, good governance, cost-effectiveness and relevance. Mueller-Hirth's (2012) study focussed on reporting, monitoring and evaluation in South African NGOs. The study explored the effect of enhanced monitoring and evaluation requirements on these organisations. The study found that there was insufficient attention paid to monitoring and evaluation, which were considered a digression from the core NGO function.

Mueller-Hirth (2012) maintains that impact measurement is, in fact, central to the operation and sustainability of NGOs. Moreover, monitoring and evaluation brings particular responsibilities, impacts organisational culture and shapes values. Mueller-Hirth (2012) highlights the need for NGOs to analyse auditing techniques, emphasising how they impact their operation, activities, and position in wider society. Expertise required for quality auditing includes financial expertise; quantitative analytical capabilities; language skills; and data processing and dissemination skills.

Mueller-Hirth's (2012) study did not establish accountability in NGO auditing practices or determine whether enhanced reporting or auditing systems resulted in better development work. According to Mueller-Hirth (2012), accountability and transparency are ideally linked to achieving empowerment, democratisation and ultimately, realising SDGs. However, the study

found that monitoring could potentially intensify hierarchies within civil society and exclude certain organisations completely. Moreover, although monitoring and evaluation provided credibility to NGOs, the extensive time and resources required for the process hampered or prohibited legitimate NGO activity.

According to Mueller-Hirth (2012), monitoring and evaluation practices benefit professional and highly organised NGOs, whilst marginalising others. The study found that while monitoring and evaluation lead to effective governance, management, and audit outcomes in organisations, this is not necessarily the case with NGOs. This finding suggests that impact measurement does not lead to a reduction in inequality in South Africa or address the enormous development challenges facing the country.

2.16 Chapter summary

NGOs play a crucial role in tackling developmental challenges in South Africa. However, as the industry is increasingly growing, there is competition for resources. A lack of resources, especially funding, is a threat to the survival of NGOs. Funding sources include government; trusts and foundations; private individuals; foreign private donors; and the national lottery. The private sector has rallied to support these organisations and their initiatives. South African companies are the largest funders of NGOs, through CSI funding. However, there are rising expectations from boards, public and private donors, and staff members for these organisations to measure the impact of their activities on the communities they serve.

Although the assessment of development projects has been taking place for years, impact measurement literature focussing on African countries is lacking. CSI projects and international donors are increasingly demanding social impact assessment and evaluation, although they believe that NGOs are key players in democratisation, delivering essential social services more cost-effectively and reaching the poor better than the government. Moreover, donors have different requirements for impact measurement. Nevertheless, the measurement of impact and reporting to funders should be seamless and not be a burden to the management of the NGO.

Existing research suggests social impact measurement is perceived as satisfying reporting requirements, as opposed to addressing the needs of the organisations. However, where symmetrical relationships exist between resource providers and NGOs, social impact

measurement enhances performance and the development of the communities they serve. In a symmetrical relationship, principals and agents share mutual interests and goals. Thus, funding relationships can be built on reciprocity, trust, collaboration, and a connection with a common goal. Conversely, in asymmetrical relationships, social impact evaluation is conducted to meet the requirements of resource providers and not the needs of the NGOs. In light of these and other findings of the literature review, which were described and discussed in this chapter, the current study aimed to identify a measurement framework that NGOs, such as FLY, might use to evaluate their impact and ensure their survival through sustainable funding.

CHAPTER 3:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology of the study by explaining the research approach and the research methods in terms of sampling, data collection and data analysis. In addition, the reliability, validity, and limitations of the research are explained. The study followed an exploratory design, as it sought to understand the problem of impact measurement, especially in the context of the NPO, FLY, thereby filling the gap in the literature caused by insufficient research on the topic in developing countries.

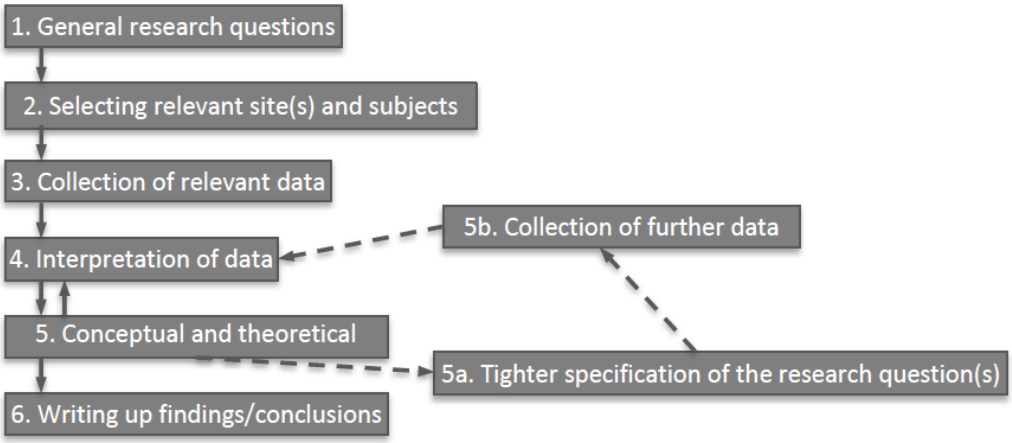
3.2 Research approach

The qualitative research approach was adopted to address the research objectives, which were to explore the rationale for measuring the impact of FLY and understand the process followed to do this. Qualitative research methods "involve the systematic collection, organisation, and interpretation of textual material derived from talk or observation" (Malterud, 2001). Qualitative research explores meanings of social occurrences as faced by individuals in their natural setting. This research approach can be considered subjective in nature, although standards, checklists and criteria exist to ensure objectivity.

Mays and Pope (1995) maintain that qualitative research lacks scientific rigour and subjective and prone to researcher bias; moreover, its findings cannot be generalised. However, qualitative researchers aim to produce a conceivable and logical explanation of their observations. Moreover, the quality of quantitative research is ensured by conducting the data analysis in such a way that the same conclusions can be reached when the data are analysed by another researcher. The data analysed in the current study were gathered from members of the EXCO of FLY. The unit of analysis was the impact measurement process followed by FLY.

Graue (2015) identifies six steps in qualitative research (see Figure 3.1 below). The first and second steps involve formulating research questions and choosing the research site(s) and subjects. The third and fourth steps are data collection and interpretation. The fifth step is formulating a conceptual and theoretical framework, which has two subsections. The first is developing a tighter specification of the research questions. The second is the collection of further data, if necessary, which would require interpretation. The last step is writing up the findings and conclusions.

Figure 3.1: Steps of qualitative research



Source: Graue (2015)

The current research also adopted a case study approach in its investigation of the phenomenon of social impact measurement. Case studies aim to understand real-life events, including organisational and managerial processes and intricate social phenomena. The research sought to determine the impact measurement criteria used by FLY. The source of data was the information provided by the EXCO of the organisation. The findings of the qualitative study were interpreted as theories applicable to a specific setting and not to the population at large (Malterud, 2001). Eisenhardt (1989) describes case study research as a "strategy which focuses on understanding the dynamics present within single settings". This research strategy can contain either single or multiple cases and various levels of analysis.

Ebneyamini and Moghadam (2018) explain a case study as "an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially

when the boundaries between phenomenon and context are not clearly evident, and the investigator has little control over events". Case study research has also been defined as "inquiry focusing on describing, understanding, predicting, and/or controlling the individual (i.e., process, animal, person, household, organization, group, industry, culture, or nationality)" (Woodside & Wilson, 2003).

The aim of case study research is to achieve a profound understanding of processes and other concept variables. Fundamental variables comprise individual and group behaviours through a progression of paths of events over time. An additional essential variable that may be studied includes sentiments and beliefs held by individuals and groups (Woodside & Wilson, 2003). Case study is the chosen research approach, which is an in-depth examination of an organisation, entity, or individual. The aim of the current case study was to obtain an in-depth understanding of the process of FLY's social impact measurement (Nguyen et al., 2015).

The research aimed to extend available theory through a case study. There are four steps in case study research: design and conduct the case study; analyse the evidence; draw conclusions; and make recommendations based on the implications of the findings (Ebneyamini & Moghadam, 2018). The advantage of case study is that the research perspective is both retrospective and prospective. Moreover, a case study approach allows a researcher to gain a holistic and real-world perspective (Gog, 2015).

3.3 Research design

3.3.1 Sampling

Theoretical sampling was used in the research whereby data collection and analysis determined what data should be next collected and from whom or where. The target population was members of the EXCO of FLY. The sample included six EXCO members that had been with FLY for at least five years, which involved purposive, non-probability sampling based on the researcher's subjective judgement. Moreover, quota sampling was used because two variables were involved in selecting the participants in the study.

The researcher drew from Crouch and McKenzie (2006) as well as Malterud et al. (2016) to justify the sample size. These authors agree that where the focus of a study is narrow, the respondent profile is highly specific, and therefore sample size is irrelevant. Moreover, the aim

of in-depth interviewing, which was conducted in the current study, is to gain a legitimate understanding of people's experiences through the collection of data. Instead of being drawn from a target population prior to the interviews, the sample size is determined by the data provided by the respondents of their experience of the phenomenon under study.

Crouch and McKenzie (2006) argue that research based on interviews investigates dynamic qualities of a situation, and thus the sample size has little relevance to a project's aim. In addition, Crouch and McKenzie (2006) maintain that a small sample size permits a researcher to associate closely with participants and augments the validity of in-depth, concentrated data collection in real-life settings. Malterud et al. (2016) indicate the following determinants of sample size: "(a) study aim, (b) sample specificity, (c) use of established theory, (d) quality of dialogue, and (e) analysis strategy". As the current study explicitly investigated FLY, the focus was narrow. Therefore, the researcher was satisfied that the sample size met Malterud et al.'s (2016) five criteria.

Saturation is "the point at which no new information or themes are observed in the data" (Guest et al., 2006). The study found that key elements for themes were already evident after six interviews, and thus saturation occurred before twelve interviews. Although a sample size of six is usually considered insufficient to draw robust conclusions, the single case study approach meant that it was acceptable in the current study. Furthermore, the sample represented over 50% of the board members.

Interviewees were selected based on their roles and number of years with the organisation. The tenure of service of the participants provided expert insight and gave credibility to the research results. The aim was to interview persons responsible for different portfolios and functions to understand the organisation's overall management.

3.3.2 Data collection

Case studies commonly combine data collection methods, thereby including questionnaires, interviews, archives, and observations. In addition, case studies are helpful in actualising different aims, including testing theory, providing description or generating theory (Eisenhardt, 1989). Gog (2015) indicates six case study data sources: direct observation, documents, interviews, participant observation, archival record, and physical artifacts. To realise the study

objectives, the current research collected data via document analysis; observation; semi-structured interviews; and discussion. Data collection was conducted from 15 May 2021 to 15 June 2021, after ethical clearance had been obtained from the University of Cape Town Graduate School of Business (UCT GSB) Ethics Committee on 26 February 2021 and written consent from the participants (see Appendix II).

The interviews and discussions were held with the EXCO of FLY, who also provided impact measurement data required by the organisation's funders. Some interviews were conducted face to face, while others took place virtually. Interview-based research seeks to infiltrate social life beyond apparent meaning and what is on the surface. Therefore, the researcher needs to be engaged and attentive in the field, thereby establishing a fruitful and growing relationship with respondents (Crouch & McKenzie, 2006).

Although interviews were semi-structured, most of the questions were open-ended, and therefore allowed for engagement with the participants. The questions posed to FLY management focussed on impact measurement; funding sources; the relationship between donors and funders; compliance; and the continuity of the organisation. The interview framework used in this study is presented in Appendix III.

3.3.3 Data analysis

According to Malterud (2001), the researcher of a qualitative study does not test hypotheses or base the research on existing theory. Thorne (2000) maintains that qualitative researchers aim to discover what respondents think and feel about their circumstances, rather than judging whether their feelings and thoughts are valid. A researcher needs to understand analytical processes and ensure that data is understood and interpreted accurately. Qualitative studies rely on inductive analysis to interpret data and generate theory from them. Morse (1994) observes that qualitative data analysis, irrespective of approach, involves the following:

> "Comprehending the phenomenon under study, synthesising a portrait of the phenomenon that accounts for relations and linkages within its aspects, theorising about how and why these relations appear as they do, and recontextualising, or putting the new knowledge about phenomena and relations back into the context of how others have articulated the evolving knowledge."

Thematic data analysis was conducted in the current study. Commonly used in qualitative research, thematic analysis breaks complex data into patterns or themes (Saunders et al., 2018; Castleberry & Nolen, 2018). Key themes are identified through recurring words, concepts, and ideas. In the study, the data were categorised according to the following themes: impact measurement; funding sources; the relationship between donors and funders; compliance; and continuity of the organisation.

3.4 Reliability and validity

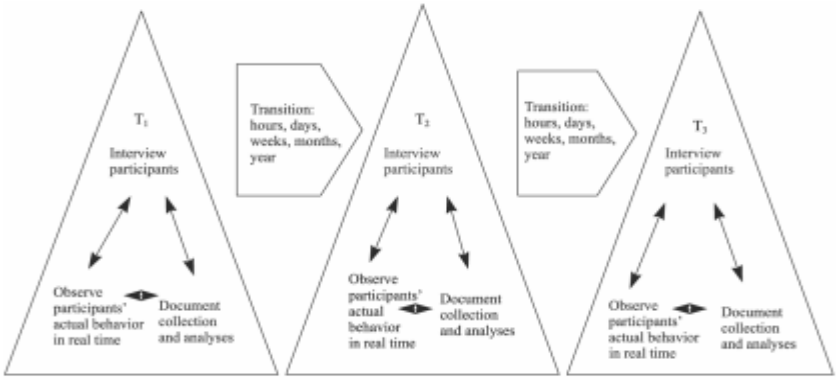
The researcher of a qualitative study requires strategies for questioning findings and interpretations to guard against bias and judgement (Malterud, K. 2001). The use of detailed reports and sampling techniques improves the reliability and validity of a study. They can also be enhanced by respondent authentication, detailing data collection methods, triangulation, objectivity, and reflexivity. Reflexivity is defined as "an attitude of attending systematically to the context of knowledge construction, especially to the effect of the researcher, at every step of the research process" (Malterud, 2001). It is equally critical to test the internal and external validity of data. Internal validity refers to the study investigating what it intended, while external validity relates to the context in which the findings can be applied (Malterud 2001).

In particular, triangulation, which is the use of more than one method to collect data, can enhance reliability and validity. Woodside and Wilson (2003) define triangulation as "the use of multiple research methods across multiple time periods." Triangulation includes the researcher directly observing the environments in real-time; probing participants' explanations and understanding of the phenomenon under study; and scrutinising written documentation and natural settings in case environments (see Figure 3.2 below).

The research was conducted using a combination of observations and interviews. FLY made their operational data available to the researcher so that she could closely examine the documents to obtain a detailed understanding of the phenomenon under instigation. Ebneyamini and Moghadam (2018) suggest using triangulation, audit trails and an explanation of the position of the researcher relative to the study to ensure external validity. The use of multisite designs, thick description, as well as modal and typicality categories, enhances external validity.

Case study protocol was followed to ensure reliability. There was consistency in the manner in which interviews were undertaken. The interview framework mitigated researcher bias. Respondents were made aware of their anonymity, and therefore views were expressed openly. The researcher noted possible bias due to their involvement as a FLY tutor. Rigour was applied in the collection and analysis of data to ensure the credibility of the study.

Figure 3.2: Triangulation in case study research



Source: Woodside and Wilson (2003)

3.5 Research limitations

A limitation to the research was that the findings of a case study might not be reliable because the entrenched involvement of the researcher may influence the objectivity of the findings (Gog, 2015). In fact, the use of interviews to collect data might lead to biased data if the researcher asks leading questions, or questions framed in such a way that they elicit a desired response. However, the structured questions used in the current study interviews were not biased and gathered reliable data.

Another limitation is that case study findings are not generalisable because conclusions drawn are about a particular situation. Moreover, the current study had a small sample of interviewees, which indicates ungeneralisable and untransferable findings. Nevertheless, recommendations based on findings can be transferable. In the current study, the recommendations might be used by any NGO seeking to improve its impact measurement.

Qualitative data collection and analysis, which are complicated procedures, can be time-consuming Therefore, a lack of time was a limitation to the study, which had to be completed within a particular time frame. In other words, there could have been a more in-depth analysis of FLY's operations.

3.6 Summary

A qualitative research approach was chosen for this study, as it was appropriate for collecting data that would address the research questions. This chapter explained the research methodology by describing the research approach and the research methods used. Sampling; data collection and analysis; the reliability and validity of the study; and the limitations of the research were explained. The next chapter will present and discuss the findings of the thematic analysis of the data.

CHAPTER 4:

RESEARCH FINDINGS

4.1 Introduction

This chapter presents and discusses the findings of the analysis of the data gathered from observations and semi-structured interviews conducted with EXCO members of FLY. Questions posed to respondents were split into five categories: general; impact measurement; funding; relationship with funders; and compliance (see Appendix III). After explaining the profile of the respondents, this chapter presents the findings of the thematic analysis of the data on the topic of impact measurement. The analysis of the information gathered about FLY according to the other categories was presented in Chapter 2, in the section about FLY. This chapter concludes with a discussion of research findings.

4.2 Profile of respondents

The 6 sampled EXCO members interviewed in this study were male and female portfolio heads and a regional manager. They had a collective experience of 41 years in running an NGO, an average of 7 years per participant. These participants represented 51% of the EXCO team.

Table 4.1: Profile of respondents

Respondent	Role	Years with FLY	Age	Gender
Respondent 1	Regional manager	5	38	Male
Respondent 2	Representative (fundraising)	8	29	Male
Respondent 3	Representative (tutoring)	5	30	Female
Respondent 4	Representative (bursaries and alumni)	8	40	Female
Respondent 5	Representative (finance)	11	42	Male
Respondent 6	Representative (marketing)	5	31	Male

Source: Research data (2021)

4.3 Impact measurement themes

From the analysis of the data on impact measurement the following main themes emerged: rationale for impact measurement; levels of impact measurement; and barriers to impact measurement. These themes were sub-divided into respective sub-themes, which are explained in the following sections of this chapter.

4.3.1 Rationale for impact measurement

The respondents were requested to explain their motives for measuring the impact of their efforts. The main reasons for impact measurement identified from the thematic analysis were to provide motivation for the existence of FLY; to ascertain its impact on the learners and families and solicit feedback; and to determine improvement areas with regard to the curriculum and how tutors provide lessons.

4.3.1.1 Providing motivation for FLY

One of the motivations for measuring impact is to capture business value (So & Staskevicius, 2015). There was consensus amongst all respondents that providing motivation for the existence of the organisation is a reason for measuring its impact. This is central to its impact measurement, attracts donor funding and volunteer tutors, who can impact learners from disadvantaged backgrounds positively. Therefore, FLY informs donors about the mathematics programme, which is focussed on ensuring that learners remain within the school system beyond the compulsory age; elect pure mathematics over mathematics literacy in Grade 10; excel at mathematics; and obtain a bachelor pass in Grade 12. Thereafter, the goal is to help them gain entry to a tertiary institution and ultimately, qualify as a professional in the future. When asked why the organisation exists, all interviewees agreed that it was to uplift the lives of underserved communities. Respondent 5 summed up the motivation for FLY: *"The purpose of FLY is to make an impact"*.

The general sentiment regarding impact measurement activities is indicated in Respondent 3's statement: *"We need to understand why we do what we do"*. The respondents were asked which factors contribute to success in securing donor funds. The overwhelming response was that the informing potential donors about the origin of FLY and its contribution to solving the problem

of unequal education led to success in finding funding. Respondent 2 stated, *"Donors resonate with the cause and story of FLY"*.

The ultimate measurement for FLY is learners successfully graduating high school with a bachelor's pass. The aim of FLY is to admit a learner at Grade 8 level and tutor him or her until Grade 12. Moreover, the objective is to mentor and fund learners, directly or through partnerships, until the completion of their university studies.

The respondents reiterated that they measured impact to provide motivation for the need for organisations such as FLY in the community. The number of learners that improve their mathematics results throughout their high school career, and ultimately, at matric level, indicates the effectiveness of the tutoring offered by FLY. Where gaps exist, tutors are upskilled. The management and tutors of FLY offer their services voluntarily. Therefore, they find satisfaction, when impact measurement provides motivation for the existence of the organisation based on its value in meeting educational needs. Respondent 3 said, *"Measurement exists to determine whether the offering is worthwhile and if the service is needed"*.

Funding in the NGO space is not sustainable because of weak market forces. Aligning funding with strategy could be beneficial in securing reliable and sustainable financing (Bradach et al. 2008). It is therefore essential to measure impact for sustainability purposes. From a tutor perspective, the goal is to afford learners better opportunities than they have received. Certain tutors come from a disadvantaged environment themselves; hence, they understand the learners' plight. Respondent 2 commented, "*Some of our tutors were not afforded the opportunity to obtain quality high school education. They are therefore invested in influencing a different outcome for our learners"*.

Since FLY started 11 years ago, they have helped two cohorts of learners to complete high school. Moreover, there are graduates that have completed their studies with funding from FLY. These young professionals have since joined FLY as tutors. Respondent 1 stated, *"The goal of FLY is to tutor a learner from Grade 8 to 12, fund their university degree, and have them return as a tutor"*.

4.3.1.2 Ascertaining impact on learners

Respondents indicated that a reason for impact measurement is to ascertain FLY's impact on learners through the learners themselves and their families. FLY targets learners with knowledge gaps that tutors aim to fill by supplementing the teaching offered by schools and helping learners with the parts of the curriculum where their knowledge is insufficient. Therefore, learner testimony is a measure of the programme's success and serves as a way to recruit learners who could benefit from it.

Parents and alumni share impact stories, thereby giving positive feedback to FLY at parent meetings, where its objectives are reiterated; progress updates of lessons and learner initiatives are presented; and challenges and successes are shared. Respondent 4 commented, *"We hold parent meetings where we provide updates on classes and our initiatives. Parents are often complimentary about our work"*.

Another example of feedback, which respondents indicated is a good reason for impact measurement, is that sought by life skills tutors, who encourage learners to inform them whether tutoring is effective; classes are conducted in an efficient manner; and whether the offering is valuable to them. Respondent 3 said, *"Life skills tutors are valuable in engaging learners for feedback"*.

4.3.1.3 Determining improvement areas

So & Staskevicius (2015) mention improving impact as one of the motivations of impact measurement. Respondents mentioned that a reason for impact measurement is that it determines gaps in the FLY curriculum and identifies opportunities for tutor development. The curriculum should mirror the syllabus taught to learners at their respective schools. Measuring the impact of tutoring by asking learners to confirm the syllabus at their schools allows tutors to check whether they need to adjust their lessons in line with the school curriculum. Respondent 3 stated, *"Measurement allows us to identify areas of improvement on both the curriculum and tutor development"*.

FLY relies on tutors to deliver its mandate; therefore, tutor effectiveness is crucial in serving its purpose. FLY hosts annual workshops where professionals are invited to inspire, empower, and provide knowledge to tutors. Mathematics tutors use a standardised study guide to prepare for lessons. Life skills tutors combine research on topics relevant to teenagers and life experiences when conducting their classes. The life skills curriculum is designed to provide coping mechanisms and ensure that learners are fully prepared to absorb the mathematics skills provided to them. Respondents said that a reason for impact measurement is to determine if these curricula are worthwhile. Respondent 4 maintained, "*We measure impact to see if tutoring is effective and for sustainability"*.

4.3.2 Levels of impact measurement

Thematic analysis of the participants responses indicated two levels of impact measurement: high-school and university levels. This section discusses the impact measurement initiatives at high school and university level.

4.3.2.1 High school level

Respondents indicated that FLY assesses the impact of its tutoring support of high school learners through school report cards as a crucial measurement tool. Learners are required to submit their school report cards to FLY each term. Respondent 4 stated, **"***Learners need to send us their report cards every quarter".*

Thus, impact is measured through verifying whether learners school marks (particularly mathematics) have improved at the end of each term, and whether they have passed the grade. Moreover, to indicate its impact numerically, FLY calculates the pass rate of its learners in mathematics and their grade as well as the number of matric and bachelor passes.

As the best performing learners receive prizes at the annual prizegiving event, impact measurement is conducted of the highest passes per grade, matric distinctions, bachelor passes and university grades to ascertain who will be given prizes. The most critical measurement for FLY is the maths result in the final matric exam. This will ultimately determine the amount of impact FLY has had on learners. Respondent 1 said, *"The ultimate measurement of whether FLY is successful or not, is the number and quality of Matric passes"*.

Another impact measurement at high school level is retention numbers. While it is difficult to quantify impact, FLY endeavours to do so. Moreover, FLY monitors the percentage dropout rate and investigates why learners leave the organisation. Reasons for learners leaving FLY include absenteeism and falling behind, an inability to attend classes and downgrading from pure maths to maths literacy.

Another example of quantifiable impact measurement is the calculation of costs for catering, stationery and pupil initiatives and university costs. This indicates FLY's impact in terms of learner material needs and demonstrates to potential funders how much money is required. However, despite all the above-mentioned measures, data collection is not consistent, a precise framework has not been formulated, and tools are not specified or systematically used. This hinders overall effective impact measurement, which means that staff members lack clarity on how to conduct it. According to Respondent 2, *"We do not have specific tools to measure impact"*.

4.3.2.2 University level

Respondents indicated that FLY assesses its impact on students who have received funding, either directly from FLY or a donor, with the assistance of FLY. One measure was mentioned in the previous section, which referred to the assessing of university results for prizegiving. Thus, FLY monitors the progress of students in university. In addition, the number of graduates that FLY produces is another measure of its impact. Respondent 4 said, "*We need to ensure that students pass university to fulfil the mission of FLY"*. This remark indicates that FLY endeavours to help their learners succeed at tertiary level because this success is a measure of its impact.

To have this impact, FLY has been offering post-matric funding for the past four years. This is funded by a combination of dedicated corporate sponsorship as well as the overall budget. FLY assists its learners in securing university funding and funds some students itself. Tutors are committed to ensuring that students pass university. Students are provided with mentors to assist them in navigating academic and general life challenges.

The mentorship programme is started in the learners' matric year and enhanced at university level to ensure that they pass. Respondent 4 remarked, *"We monitor progress at university level to determine where students require assistance and mentorship"*. Respondent 4 added, *"The partnership with Excel@Uni has greatly improved measurement at a university level. In addition to providing feedback on academic progress, the company provides mentorships, tutoring, and reporting services for our students"*. Thus, Respondent 4 revealed that reports received from Excel@Uni, which is a student support organisation, is another form of impact measurement used by FLY. The students submit the information to FLY through the website, just as they provided details about their progress when they had to hand over their school report cards at high school level. Respondent 4, stated, *"Students are responsible for uploading their information onto the website"*.

As FLY pays Excel@Uni to provide additional one-on-one tutoring for students battling academically and secure vacation work for students, the latter offers detailed monitoring of student progress on academic and personal issues through the app and website. In addition, Excel@Uni provides peer-to-peer mentoring, which provides resources for personal development and career readiness and is well monitored and reported.

4.3.3 Barriers to impact measurement

NGOs face different challenges (Ebrahim, 2003). More specifically, the respondents share the same sentiment as Mueller-Hirth (2012), confirming that their challenge is monitoring and evaluation. The analysis of the data gathered from the respondents revealed the theme of a lack of resources at high school level as a barrier to impact measurement. So & Staskevicius (2015) identified resource and capacity constraints as challenge. Although tutors make themselves available for tutoring and mentoring, few commit their time to joining subcommittees that make impact measurement possible. Respondent 4, declared, *"We do not have enough tutors involved in impact measurement activities"*.

There appears to be an imbalance in sharing responsibilities, with portfolio heads and the regional management teams carrying the bulk of the load of impact measurement. This could be detrimental to FLY, as key members may become overwhelmed and ultimately, decide to leave the organisation. These individuals already balance their responsibilities at FLY with family commitments and work pressures.

Another barrier is that learners are not diligent in providing their report cards to tutors every quarter. Although tutors stress the importance of this, they struggle to obtain this information. This is a hindrance to measuring impact effectively at high-school level. The respondents believed that parents could help by ensuring that their children submit their reports when required. Moreover, parents need to support their children and ensure that they attend classes so that attendance numbers can be a measure of positive impact. Respondent 4 observed, *"There is a lack of report card submission from learners. It appears parents do not understand their role in to enable effective measurement of progress"*.

4.4 Discussion of findings

The sustainability of FLY is dependent on continuous donor funding and committed tutors to run operations. Impact measurement that indicates the value of FLY would encourage donor participation and motivate tutors. To measure impact, tutors solicit learner feedback to ascertain whether tutoring is effective; classes are conducted efficiently; and whether the offering is valuable to them.

FLY can demonstrate its positive impact if learners improve their mathematics marks, successfully complete each grade, obtain matric distinctions, bachelor passes and university satisfactory grades. The mathematics result in the final matric exam is the ultimate measure of FLY's impact at high-school level. FLY measures its impact at university level through its partnership with Excel@Uni, which monitors the academic progress of FLY students in tandem with mentoring them.

A lack of resources is a barrier to impact measurement, as insufficient tutors offer their time to serve in roles other than tutoring. The imbalance in sharing responsibilities should be urgently addressed to avoid the burnout of existing EXCO members, who bear the burden of impact measurement. The receipt of quarterly school progress reports from learners is lacking. Parents need to deepen their involvement in impact measurement by ensuring that reports are sent to FLY. Moreover, they should make certain that their children attend classes and inform tutors when attendance is impossible to ensure that attendance numbers can be a measure of positive impact.

The collection of adequate data to meet the expectations of some potential funders, who require a significant amount of evidence of the organisation's impact, is an obstacle. Although the ethos of FLY is based on accountability, which it ensures through quarterly reporting, feedback from Excel@Uni and financial statements, donors may want to see the results of more rigorous impact measurement.

There are inconsistencies in FLY's measurement of the number of matric/bachelor passes, each year, and other measures at high school level. However, impact measurement at university level is sufficient because of Excel@Uni's input. There seems to be limited commitment from the majority of tutors. Tutors could increase their level of involvement with the organisation. Feedback from learners and parents confirms that life skills lessons have a positive impact on their mathematics results. Although FLY measures impact at high-school level, the process is inconsistent, unsystematic and clarity is lacking concerning a framework, measurement tools and which impact areas to prioritise.

The next chapter will recommend an impact measurement framework that FLY could use to improve impact measurement at high school level. The recommendations might be adopted by other NGOs seeking to improve their impact measurement.

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study by providing a summary of the study, conclusions and recommendations based on the findings of the study. The main recommendation is a proposed framework for measuring the impact of FLY. Finally, the chapter presents recommendations for future studies based on the limitations of the study.

5.2 Summary and conclusions

The realisation of the SDGs is imperative to economic, social, and environmental development, which requires the prioritisation of the mobilisation of resources. Backed by private sector funding, NGOs play a crucial role in the achievement of SDGs because they fill the gap left by governments, which are unable to fully contribute to sustainable development owing to mismanagement or a shortage of public funds. There is a drive towards CSI in South Africa, with corporates spending a significant amount to help address socioeconomic issues. Although the majority of NGOs in South Africa are focussed on other sectors, education is one of the sectors that receive the lion's share of funding from corporates.

Corporate funds are unpredictable; therefore, it is critical that NGOs attract sustainable sources of funding. Impact measurement is crucial to ensuring financial and operational sustainability. NGOs need to measure their impact to determine whether they are making a positive contribution. Furthermore, impact measurement provides comfort to funders that their funds are used adequately.

FLY, the case study of the current research, is an NPO, which contributes to the realisation of SDG 4 by tutoring learners with potential who are underachieving in public schools. Funded by the CSI initiatives of South African companies, FLY and other NGOs are expected to conduct impact measurement to ensure sustainable funding. The purpose of the study was to explore FLY's impact measurement procedures, explicitly seeking to determine the organisation's rationale for impact measurement and understand how they conduct it.

The study found that there is sufficient impact measurement relating to university students helped by FLY. The partnership with Excel@Uni has benefitted FLY immensely. The ability to measure impact at university level with precision is beneficial to existing and potential funders. University funding is the largest expense for FLY. Hence, the evaluation of its impact at this level is crucial in attracting ringfenced funding.

There is some level of impact measurement at high school level, including the collection of quarterly school progress reports from learners to measure the effect of tutoring on their mathematics results. The organisation also collects data on learner passes per grade, matric distinctions, bachelor passes and university grades. However, the measurement of impact is hindered by a shortage of resources dedicated to it. Inconsistent and unsystematic impact measurement at high school level indicates that the organisation needs to use a well-thought-out framework. This framework might require dedicating specific resources, involving tutors in impact measurement and rallying parents to improve data collection. The next section of this chapter will recommend a framework that the organisation can adopt to ensure effective impact measurement.

5.3 Recommendations

The researcher recommends that FLY sources resources dedicated to impact measurement at high school level. This could be an opportunity for tutors to increase their level of involvement. In addition, the researcher proposes parent and learner awareness of the importance of providing data to FLY. Learners and parents are important stakeholders and the ultimate beneficiaries of the tutoring programme. Therefore, they need to understand how a lack of impact measurement can threaten the organisation's sustainability.

The researcher recommends the adoption of the impact value chain model as designed by the Social Impact Investment Taskforce and the Actis scorecard. These frameworks are designed to measure, manage, and report impact. The impact value chain adds one more step, which is impact, to the theory of change so that outcomes are measured against impact goals.

The theory of change illustrates the interlinked relationships amongst the logic, assumptions, resources, activities and expected results of an organisation's interventions. This tool includes inputs, activities, outputs, and outcomes. In the input stage, resources are deployed in the service of a particular set of activities. These are essentially investments in an impact organisation. For FLY, this would be donor funds secured each year through the efforts of the fundraising committee. The activity step includes actions or tasks that are performed in support of specific impact objectives. For FLY, this would be action undertaken to attract learners in the form of its campaigns, word-of-mouth marketing and learner information sessions. Other activities would be those by FLY to deliver on impact goals. Impact measurement activities would be collating learner marks for each quarter and collecting matric as well as university results.

Outputs are tangible, immediate practices, products and services that result from the activities that are undertaken. These would be the services rendered through impact capital, such as the number of learners served by FLY. Additionally, outputs could be the number of learners who have improved their mathematics marks throughout each year; the number of matric learners who have achieved a bachelor's pass; and the number of students who have passed their university modules. Outcome includes the changes or effects on the individuals or environment that follow from the delivery of products and services. This consists of improvement demonstrated by learners, including increased school passes; better marks; more bachelor passes; and good matric and university results. Outcomes can be split according to whether they are short-, medium- or long- term.

Although similar to outcome, impact focuses on changes to and effects on society and the environment that follow from the outcomes that have been achieved. These include changes in the broader environment of the impact organisation, such as fewer high school dropouts, increased tertiary graduates and eventually, more employment. This would further benefit the community by reducing the crime rate, as more learners would qualify for post-matric opportunities, and therefore find work.

The Actis scorecard could be adaptable to FLY (IISA, 2020). The six-step process includes identifying the impacts and scoring their depth by noting who is impacted and the contribution

of FLY; applying the CAP factor by categorising activities in core, ancillary, peripheral; and assessing the risk. Questions to be included in the building of the scorecard involve the following: What are the main positive impacts on the learners and community? Which SDGs will FLY help to achieve? Is the impact generated deep and enduring or marginal and short-term? How many beneficiaries are there are? How under-served were they before the impact? What is FLY's contribution to this impact? Would change have happened anyway?.

Other NGOs seeking to improve their impact measurement activities can adopt the recommended impact value chain and Actis Scorecard. This streamlined measurement process would ensure effective monitoring and evaluation of impact.

5.4 Recommendations for future studies

Future studies could expand the research to multiple case studies on impact measurement. Furthermore, research could provide quantitative models to improve impact measurement. Another research aim could be to investigate impact measurement from the perspective of either funders or the beneficiaries of the impact interventions.

REFERENCES

Arhin, A. (2016). Advancing post-2015 sustainable development goals in a changing development landscape: Challenges of NGOs in Ghana. *Development in Practice*, *26*(5), 555–568. https://doi.org/10.1080/09614524.2016.1189513

Arvidson, M., & Lyon, F. (2014). Social impact measurement and non-profit organisations: Compliance, resistance, and promotion. *Voluntas*, *25*(4), 869–886. https://doi.org/10.1007/s11266-013-9373-6

Bradach, J.L, Tierney, J., &Stone, N. (2008). *Delivering on the promise of nonprofits*. Harvard Business Review. https://hbr.org/2008/12/delivering-on-the-promise-of-nonprofits

Carroll, A. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, *34*(4), 39–48. https://doi.org/10.1016/0007-6813(91)90005-G

Castleberry, A; Nolen, A. (2018). Thematic analysis of qualitative research data: Is it as easy as it sounds? *Currents in Pharmacy Teaching and Learning*, *10*(6), 807–815. https://doi.org/10.1016/j.cptl.2018.03.019

Conradie, H. (1999). Non-governmental organisations and financial stability. *Development Southern Africa*, *6*(2), 291–297.

Crouch, M., & McKenzie, H. (2006). The logic of small samples in interview-based qualitative research. *Social Science Information*, *45*(4), 483–499. https://doi.org/10.1177/0539018406069584

Government Gazette, 112 (2007) (testimony of Department of Trade and Industry).

Ebneyamini, S., & Moghadam, M. (2018). Toward developing a framework for conducting case study research. *International Journal of Qualitative Methods*, *17*(1), 1–11. https://doi.org/10.1177/1609406918817954

Ebrahim, A. (2003). Accountability in practice: Mechanisms for NGOs. *World Development, 31*(5), 813–829. https://doi.org/10.1016/S0305-750X(03)00014-7

Eisenhardt, K. (1989). Building theories from case study research. *The Academy of Management Review*, *14*(4), 532–550.

ETDP-SETA. (2019). *NGOs subsector skills plan 2020-2021*.

Foster, W., Kim, P., & Christiansen, B. (2009). Ten nonprofit funding models. *Stanford Social Innovation Review*, *Spring*, 32–39. http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:Ten+Nonprofit+Funding+Models#0

Fun Learning for Youth. (2020). *Fun Learning for Youth*. https://funlearningyouth.org.za/

Gog, M. (2015). Case study research. *International Journal of Sales, Retailing, and Marketing*, *4*(9), 33–41.

Graue, C. (2015). Qualitative data analysis. *International Journal of Sales, Retailing, and Marketing*, *4*(9), 5–14. https://doi.org/10.1007/978-3-658-27515-0_5

Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough?: An experiment with data saturation and variability. *Field Methods*, *18*(1), 59–82. https://doi.org/10.1177/1525822X05279903

Gyamfi, P. (2010). *Financing local non-governmental organisations in Ghana: Issues and challenges* [Kwame Nkrumah University of Science and Technology]. http://ir.knust.edu.gh/handle/123456789/188

IISA. (2020). *Making better decisions. Impact measurement and management in South Africa*.

Jackson, E., & Harji, K. (2014). Assessing impact investing. Five doorways for evaluators. In *E.T. Jackson & Associates Ltd*.

Kabir, M., Mukuddem-Petersen, J., & Petersen, A. (2015). Corporate social responsibility evolution in South Africa. *Problems and Perspectives in Management*, *13*(4), 281–291.

Keyte, T; Ridout, H. (2016). *7 steps to effective impact measurement.* file:///C:/Users/jufre/Documents/Juliana/MSc Forestry/Indicators articles/7 Steps to Effective Impact Measurement_v3_13.12.16 (1).pdf

Maas K; Liket, K. (2011). Social impact measurement: Classification of methods. In *Environmental Management Accounting and Supply Chain Management* (pp. 171–202). Springer. https://doi.org/https://doi-org.ezproxy.uct.ac.za/10.1007/978-94-007-1390-1_8

Malterud, K;, Siersma, V., & Guassora, A. (2016). Sample size in qualitative interview studies: Guided by information power. *Qualitative Health Research*, *26*(13), 1753–1760. https://doi.org/10.1177/1049732315617444

Malterud, K. (2001). Qualitative research: standards, challenges, and guidelines. *The Lancet*, *358*, 483–488. https://doi.org/10.1016/S0140-6736(01)05627-6

Malterud, Kristi. (2001). Qualitative research (en medicina): standards, challenges, and guidelines.: EBSCOhost. *Qualitative Research Series*, *358*(panel 2), 483–488. http://web.a.ebscohost.com.eza.udesa.edu.ar/ehost/pdfviewer/pdfviewer?vid=4&sid=418f25c8-6388-464a-b616-d3778f3f27e3%40sessionmgr4006

Mays, N; Pope, C. (1995). Rigour and qualitative research. *British Medical Journal*, *311*(6997), 109–112. https://www.jstor.org/stable/29728039

Molecke, G., & Pinkse, J. (2017). Accountability for social impact: A bricolage perspective on impact measurement in social enterprises. *Journal of Business Venturing*, *32*(5), 550–568. https://doi.org/10.1016/j.jbusvent.2017.05.003

Morse, J. M. (1994). Emerging from the data: The cognitive processes of analysis in qualitative inquiry. *Critical Issues in Qualitative Research Methods.*, *346*, 23–46.

Mueller-Hirth, N. (2012). If you don't count, you don't count: Monitoring and evaluation in South African NGOs. *Development and Change*, *43*(3), 649–670. https://doi.org/10.1111/j.1467-7660.2012.01776.x

Ndhlovu, T. (2011). Corporate social responsibility and corporate social investment: The South African case. *Journal of African Business*, *12*(1), 72–92. https://doi.org/10.1080/15228916.2011.555264

Nguyen, L., Szkudlarek, B., & Seymour, R. (2015). Social impact measurement in social enterprises: An interdependence perspective. In *Canadian Journal of Administrative*

Sciences (Vol. 32, Issue 4, pp. 224–237). https://doi.org/10.1002/cjas.1359

Ocran, M. (2012). Issues in development finance. *Africa Growth Institute*.

OECD. (2014). *Development co-operation report 2014: Mobilising resources for sustainable development*. https://www.oecd-ilibrary.org/development/development-co-operation-report-2014_dcr-2014-en

OECD. (2019). *Development co-operation report 2019: A fairer, greener, safer tomorrow*.

Radebe, K., & Nkonyeni, N. (2020). *NGOs today: Competing for resources, power and agency*. The Mail & Guardian. https://mg.co.za/analysis/2020-03-05-ngos-today-competing-for-resources-power-and-agency/

Saunders, B., Sim, J., Kingstone, T., Baker, S., Waterfield, J., Bartlam, B., Burroughs, H., & Jinks, C. (2018). Saturation in qualitative research: exploring its conceptualization and operationalization. *Quality and Quantity*, *52*(4), 1893–1907. https://doi.org/10.1007/s11135-017-0574-8

Sherwood, M., & Pollard, J. (2018). *Responsible investing : An introduction to environmental, social, and governance investments*.

So, I., & Staskevicius, A. (2015). *Measuring the "impact" in impact investing* [Harvard Business School]. https://www.hbs.edu/socialenterprise/Documents/MeasuringImpact.pdf

Social Impact Investment Taskforce. (2014). *Measuring impact*. https://doi.org/10.1038/nmat3063

Spreen, C., & Vally, S. (2006). Education rights, education policies and inequality in South Africa. *International Journal of Educational Development*, *26*(4), 352–362. https://doi.org/10.1016/j.ijedudev.2005.09.004

Szporluk, M. (2009). A framework for understanding accountability of international NGOs and global good governance. *Indiana Journal of Global Legal Studies*, *16*(1), 339. https://doi.org/10.2979/gls.2009.16.1.339

The World Bank. (2018). *Overcoming poverty and inequality in South Africa: An assessment of drivers, constraints and opportunities*. https://doi.org/10.1596/29614

Thorne, S. (2000). Data analysis in qualitative research. *EBN Notebook*, *3*, 68–70.

Trialogue. (2019). *Business in society handbook* (Issue November). https://trialogue.co.za/publications/2019-businessinsociety-online/?eid=l6yuG%2BuqIXlPYzeaVa%2Fb9g%3D%3D

Trialogue. (2020). *Business in society handbook*.

Trialogue. (2021). *How does CSI relate to SED?* https://trialogueknowledgehub.co.za/index.php/csi-resources/what-is-csi/31-csi-resources

UNESCO-UIS. (2018). *Quick guide to education indicators for SDG 4*. http://uis.unesco.org/sites/default/files/documents/quick-guide-education-indicators-sdg4-2018-en.pdf

UNESCO. (2016a). Challenging inequalities: Pathways to a just world. In *World Social Science Report*. www.education-inequalities.org/indicators

UNESCO. (2016b). *Unpacking Sustainable development goal 4: Education 2030*.

United Nations. (2016). *UN Secretary-General's remarks at COP22 press conference*. https://www.un.org/sg/en/content/sg/press-encounter/2016-11-15/un-secretary-generals-remarks-cop22-press-conference

Van Dyk, L., & Fourie, L. (2016). Redefining the communication relationship between donors and non-profit organisations in the context of Corporate Social Investment. *Communitas*, *21*(1), 125–144. https://doi.org/10.18820/24150525/comm.v21.9

Visser, W. (2008). Corporate social responsibility in developing countries. In *The Oxford Handbook of Corporate Social Responsibility*. Oxford University Press.

WASCI-I4C. (2019). *Guidebook on alternative funding models for civil society organisations in Africa*.

Woodside, A., & Wilson, E. (2003). Case study research methods for theory building. *Journal of Business and Industrial Marketing*, *18*(6–7), 493–508. https://doi.org/10.1108/08858620310492374

APPENDICES

Appendix I: United Nations Sustainable Development Goals

Source: United Nations (n.d.)

Appendix II: Consent form

Interview Questions

Development Finance Centre (DEFIC), Graduate School of Business

University of Cape Town

Consent

Participant name:……

I volunteer to participate in a research project conducted by **Beverly Mokoena** as partial fulfilment of the requirements for the **MCom Development Degree** at the Graduate School of Business. I understand that the research is designed to gather information about **Stay FLY: Exploring impact measurement in NGOs funded by CSIs in South Africa: A case study on Fun Learning for Youth (FLY)** and that I will be one of six of people being interviewed for this research.

Background and purpose of the research

This is a single case study based on Fun Learning for Youth (FLY). This study seeks to determine the rationale for measuring impact, and understand the impact measurement process utilised by FLY.

Ethics approval

Ethical consent for the study was approved by the *GSB Ethics in Research Committee* on 26 February 2021.

Participation and confidentiality

I understand that my participation in this research is voluntary, that I will not be compensated and that I may withdraw at any time. The interview will take approximately 45 - 60 minutes to complete and will be audio recorded.

I understand that I will not be identified by name in any reports using information obtained from this interview and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions. Should you have any questions or concerns please contact me on 072 319 5321.

Consent

I consent to participate in this interview, based on the terms outlined above and subject to the following additional condition of my own (if any).

---------- ----------

Agreed by interviewee **Date**

…….. …….

Read by Student

Appendix III: Questionnaire

General
1. How are responsibilities shared in the organisation?
2. How do you recruit tutors?
3. How long do tutors stay with the organisation for?
4. How do you attract learners?
5. What is the qualifying criteria for learners to join the organisation?
Impact measurement
6. Why do you measure impact/why is it important to measure impact?
7. How do you measure impact?
a. Are the specific tools you are using?
8. Do you measure the number of matric passes or number or bachelor passes?
b. What is the percentage of matric passes over the last five years?
c. What is the percentage of bachelor passes over the last five years?
9. Which information or data are you required to provide to funders of the organisation?
Funding
10. How do you source funding?
11. What is the combination of corporate and individual funders?
12. Has the funding received between 2015 and 2019 increased year on year?
13. Are you able to secure long term commitments?
14. What has made you successful in securing funding?
15. What barriers do you face in securing funding?
16. Do you offer post matric funding?
d. Is this funding sourced separately?
e. How many funders are funding this?
17. If yes, what is the qualification criteria?
18. Does the organisation have diverse funding sources without being overly dependent on a single source?
19. Does the organisation attract, create, and sustain new resources by continuously seeking potential funding from a variety of sources, not only international, but also domestic?
20. How do you establish the amount of funding resources required?
21. What are the funding areas?
22. How is funding allocated to the different areas?
23. Was the funding received in the years between 2015 and 2019 sufficient to meet your objectives?
Relationship with funders
24. How are you accountable to your funders?
25. Is there mutual respect, transparency and trust between the staff of the organisation and its funders?
26. Has the organisation experienced influence from funders that has negatively affected the operations of the organisation?
27. Does the organisation's staff communicate with its major donors on a regular basis to address fiscal challenges or implementation issues?
Compliance
28. What appropriate financial controls are established and followed within the organisation?

29. Do independent auditors conduct financial audits and reviews at regular intervals?
30. Does the organisation have a crises management plan to safeguard against unpredictable events that includes financial, leadership, and succession planning, among others?
31. Has the organisation's leadership, as a matter of policy, established a reserve fund to cover the organisation's operating expenses for a planned period?