Governance of Third Sector Organizations in Pakistan: The Role of Advisory Board

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Abstract

Third sector organizations are emerging as one of the major partner in governance along with the public and corporate sector all over the world including Pakistan. However, there is dearth of research on governance practices and models specifically the role of advisory board in such organizations. The paper explores the dominant model of internal organizational governance in third sector organizations and discusses the role of governing board, its functions and responsibilities in governance of TSOs in the specific context of Pakistan. The study adopts a mixed methods research design to reach the findings. The quantitative data for the study was collected through structured questionnaires while qualitative data was gathered by interviews of key respondents to strengthen the findings of the study. The present paper discusses the prevailing organizational model of governance of non-profit organizations in Pakistan in relation with different models of governance of TSOs in developed and developing countries including South Asian countries. It is expected that identification of key roles, functions and responsibilities of governing board in third sector organizations in Pakistan in comparison with other countries will particularly help in defining key features with strengths and weaknesses of the indigenous model of governance and role of board in organizations operating in Pakistan. The paper provides useful recommendations towards improvement in this regard through collaborated and integrated learning procedures.

**Key words:** Third sector organizations, philanthropy, internal organizational governance, governance model, role of board.

Introduction

Organizations are formal institutions that are formed to carry out certain activities in order to attain their goals. Formal organizations are classified into three main sectors: Public, Private and Third sector organizations. Third sector organizations which constitute voluntary organizations, non-profit organizations, non-government organizations, people’s organizations, community-based organizations, cooperatives and civil society organizations are growing rapidly in
all countries in the world. There number is increasing day by day all over the world including Pakistan. Pakistan is an important country in the South Pacific Asia having rich history of philanthropy and volunteerism. Extensive research has been taken in the areas of private organizations, public sector and many other fields. But third sector or non-profit sector has been least considered for research purposes. Third sector is the emergent sector in terms of service delivery in every country including Pakistan. Therefore, it is important that research should be undertaken in the area specifically to know about governance of Third Sector Organizations (TSO); how they work; what is/are the dominant governance model/s they follow, and what is the role of governing board in this regard. The paper based on the empirical findings of the research attempts to deliberate on the above issues.

Background

The trend towards social service, philanthropy is increasing day by day in the world. There are about 350,000 voluntary organizations operating in UK while contributing to 4% of gross national product. Similarly, in France, Germany, Japan third sector is emerging as a social force. In line with these trends in South Asia, the emergence of third sector is increasing rapidly with a notion of institutionalizing the philanthropic activities (Hasan & Onyx, 2008). Third sector is comprised of non-profit, voluntary civil society organizations and philanthropic bodies. According to the survey conducted in 2004, there are 45000 active organizations varying from unregistered entities to registered, formal and more professional organizations in Pakistan. These organizations are playing a critical role in delivering services to citizens of Pakistan in diverse areas. The significance of this sector can be analyzed with the fact that the share of revenue of the third sector is approximately half a percent of the national gross domestic product and Education sector alone retains about 71% of total estimated nonprofit employment in Pakistan (Ghaus-Pasha, Jamal, & Iqbal, 2002).

In Pakistan voluntary and philanthropic activities have emerged with great boom and religion has been the driving force behind this phenomenon. However, with the passage of time, third sector in Pakistan has changed with the evolution of society. This sector constitutes of diverse range of organizations on the basis of its creation, role, and functions, including age-old welfare organizations, as well as modern development-oriented NGOs. Third sector in Pakistan can be segregated into three segments according to its role in civil society. These include welfare-oriented organizations, religious organizations and development-oriented organizations (Iqbal, 2006). According to Comparative Nonprofit Sector Project (CNSP), in Pakistan since 1947 to 2001, major functional categories of TSOs are Madras’s for provision of Religious education, social welfare, primary and secondary education, vocational/technical education, campaigning or lobbying, health, community and neighborhood improvement, religious activities like preaching, civil right promotion and some others (Iqbal, Khan, & Javed, 2004).
But after that, many other TSOs with different missions and visions are formed in Pakistan to work for social work or provision of services or products to citizens. According to the survey conducted in 2002, it was estimated that there are 45,000 NPOs operating in Pakistan out of which 66% are registered under various laws (Ghaus-Pasha, Jamal, & Iqbal, 2002). So, diverse categories are there within TSOs, which sometimes becomes a challenge in defining governance and dimensions of this vast sector.

Third sector organizations follow certain model of internal governance in developed as well as developing countries. In South East Asian countries like Thailand, India, Vietnam, Indonesia, the Philippines and China, three major models of governance were discussed in order to analyze the greater degree of dominance in these Asian countries. These three models were corporate governance model; dominant driving force model and democratic governance model (Lyons & Nivison-Smith, 2008). Similarly many different models of governance related with third sector were found in literature, i.e. advisory board model, patron model, co-operative model, management team model, policy governance model, entrepreneurial model, constituent/representative model and emergent cellular model (Garbar, 1997; P.Bradshaw, Hayday, & Armstrong, 2007).

Role of board is very important in governance of third sector organizations. Different perception exists regarding the role of board in TSOs in Asian countries. For example, in China the board is considered as decision-making body of the TSOs. Board Committee exists in TSOs of China which are responsible for taking critical decisions for the organization (Ding, 2005). Mostly formal third sector organizations have board which work quite effectively while informal organizations lack in this regard. According to organizational survey of governance of TSOs in six countries, 73% Indonesian respondents, 62% in Thailand, 60% in the Philippines and 53% in India claim that board members facilitate TSO in setting, monitoring and achieving organizational goals (Domingo & Hasan, 2008). Similarly in Thai society, role of board is confined towards lending their personal goodwill and prestige to make TSO acceptable and credible before society and international and national donor parties (Vichit-Vadakan, 2006). (Herman, 1989), described that major roles of board are: recruiting and monitoring the chief executive officer of the organization, setting organizational vision, mission and strategy, evaluating resources and approving budgets of the organization. Some researchers considered nonprofit governing boards as fiduciaries of the resources of the organization and custodians of the mission of the organization. According to them, boards are also responsible for legal as well as functional responsibilities of the organization. They segregated the role of board in duties i.e. duty of care, duty of loyalty and duty of obedience (Hopkins, 2003; Worth, 2011). This shows that board members are building blocks in the structure and mechanism of inter-organizational governance. So, to explore prevailing model of internal governance in certified TSOs and role of
board in governance in Pakistan, following theoretical framework is structured for the study.

**Theoretical Framework**

In order to investigate the dominant model of governance of certified TSOs in Pakistan, basic assumption of the study is taken as that most of the organizations which are running under the umbrella of third sector are following corporate governance rules and practices. Corporate governance model has been adopted by third sector organizations to improve their efficiency and counter the competition. (Alexander & Weiner, 1998). Major elements of third sector corporate governance are taken from the work of (Cariño, 2008) and certain other elements are also analyzed into them by the researcher in order to check the applicability and existence of that model in the Pakistan. Cariño, 2008 described six basic elements of corporate governance model in third sector organizations that are analyzed for the present study to check important dimensions relating the following:

- Registration/Incorporation
- Separation of Policy from Administration
- Collective Leadership by the Board
- Voluntarism in the Board
- Implementation and operational activities by paid staff or volunteers
- Formal Accountability and Transparency

It is evident from the literature above that board members are the main stakeholders in the internal organizational governance of TSOs. In order to define the role, responsibilities and functions of the board of third sector organizations in Pakistan four theoretical concepts were utilized. These concepts included: i). framework governance, ii). operational governance, iii). advocacy governance and iv). board self-governance (Responsibilities of Non-for-profit Boards, 2009). Brief overview of each of the board governance types is discussed:

i) **The Framework governance** includes policies related to organizational values, mission and vision statement, strategic directions and targets. To fulfil the functions of framework governance, board members should design strategic plan, and relate organizations progress and working with the predesigned plans and objectives.

ii) **Board self-governance** illustrates that how board members organize themselves to get their work done and how they maintain their strategic relations with members and society. So, policies for self-governance of board include the whole process of policy development, board’s governing style, and process for Annual General Meeting (AGM). Moreover, it includes recruitment, selection, and training and performance evaluation of board members. Board structure i.e. its size and composition is also part of self-governance mechanism. To fulfil these requirements, board members develop self-governance policies and then implement them; conduct annual general meeting (AGM) with proper planning.
iii) **Operational governance** deals the way organizational programs, personnel and financial resources are managed and linked with the vision of organization by board members. Operational governance is applied at three important areas: program governance, personnel governance and financial governance. To ensure program governance, board members should monitor the society that whether programs designed and services delivered are useful for the end-users. Board members are accountable to ensure that there is adequate and proper allocation of resources is done for the program or service delivery. Moreover, post evaluation of implementation of programs and services on cost-effectiveness is also major concern of board members. Personnel governance is considered mostly with the policies concerning the executive director and staff members of nonprofits organization. The board in this context defines board’s relationship with the executive director, defining the role, responsibilities and functions of the executive director and setting compensation and pay plans for the executive director. Similarly all issues related with hiring, setting policies, compensation plans of staff members and their relation with board members is the function of board members under personnel governance. Broadly speaking the performance of the board members is the responsibility of board chair and executive director is responsible for the staff’s performance. Third area of operational governance is financial governance: to accomplish this duty, board members sets policies for financial reporting and budgeting, ensures that assets and resources are quite adequate and are protected. Moreover it defines that board members are responsible for overseeing and participating fund-raising activities. Financial audit and articulately designed policy of the use of the contracts is the role of board members.

iv) **Advocacy governance** is defined as the board is responsible for having liaison with community and try to acquire support from general public, donors, funding agencies. It includes that proper awareness campaign should be initiated to promote the organization’s mission, vision, policies and agenda in order to gain the trust of general public, government, foundations, corporation and donor agencies.

Based on the above theoretical concepts the following model of the study was constructed.

**Figure 1. Theoretical Model of Third Sector Governance in Pakistan**

![Corporate Governance Model]

- Registration/Incorporation
- Policy and Administration
- Leadership by board
- Volunteerism in Board
- Operational activities by Paid Staff
- Formal Accountability and Transparency

![Role and Responsibilities of TSOs board in governance]

- Framework governance
- Board Self-Governance
- Operational governance
- Advocacy governance
Methodology

The study aimed at exploring the prevailing model/s of governance in third sector organizations of Pakistan and an investigating of role and responsibilities of the managing committee or advisory board in governance of the third sector organizations. Research methodology of this study included an organizational survey including both quantitative as well as qualitative methods of data collection. The quantitative data was collected through self-administered and structured questionnaire while the qualitative data was collected through face to face and in-depth interviews of key informants having knowledge of the third sector of Pakistan. The population selected for the study included third sector organizations which were certified from Pakistan Centre for Philanthropy (PCP). The questionnaire was mailed to the chief executives of 199 TSOs which were registered in Philanthropy Centre of Pakistan (PCP) under different laws. Total 96 questionnaires were returned after being filled up, having response rate of 48%. 10 interviews were conducted from key informants to have an idea more specifically about role and responsibilities of the board members in governance of TSOs.

Findings and Discussion

1.1. Registration/incorporation: The findings of the study have revealed that majority of third sector organizations certified from Pakistan Centre of Philanthropy were formed in 1995 and onwards. These organizations were making their contribution towards provision of community services effectively and efficiently. All organizations that have been certified from PCP are registered under four registration laws of Pakistan namely, i) Societies Registration Act, 1860 (34%) ii) The Trust Act, 1882 (12%) iii) Voluntary Social Welfare Agencies (Registration and Control Ordinance), 1961 (39%) and iv) Companies Ordinance (Section 42), 1984 (15%). This shows that certified organizations in Pakistan are registered under any of the above mentioned four laws.

1.2. Separation of Policy from Administration: Majority of the respondents identified during interviews that governance and administration are two different jobs. Policy making and setting of goals and direction of the organization is the responsibility of the board of governors while management and administration of the daily operational activities of the organization is the duty of chief executive officer and his/her staff. As one of the respondents said, “I would say that there should be clear demarcation between area of policy making and administration. Day to day decisions are not catered by the board, they just deal with the policy decision making and strategic planning of organization. On the other hand executive committees headed by CEO of the organization administer all operational functions of TSOs.”

1.3. Collective Leadership by Board: Decision making is an important indicator of good governance as identified during the interviews from the key
informants. Quantitative analysis found that in 82% TSOs, board has final say in organizations and they are responsible for taking the important decisions for the organization. Such decisions are taken through consensus during meetings. Minutes of meetings are kept on regular basis after meetings and usually the CEO is considered as the main driving force that steers the ship of non-profit organization.

1.4. **Voluntarism in Board:** All the certified third sector organizations have board of members/directors/trustees as majority of the laws of registration makes it mandatory for the organizations to have advisory as well as governing boards. Majority of the certified organizations 26% have 7 board members, 14% organizations have 9 members while 9% have 8 board members. 2% organizations have 59 board members. A large majority of the board members nearly 79% work on honorary and volunteer basis. This signifies that board members are attached with the third sector organizations mostly due to their passion for work for the humanity and service to the mankind. Majority of the key informants during interviews also said, “I proudly say that nobody in the board, or main bodies attached with the non-profit foundations, is talking even a rupee, we board members are working on volunteer basis. On the other hand, staffs is being compensated as they are hired to deal with the operational activities of the organization.”

1.5. **Implementation and operational activities by Paid staff or volunteers:** Workforce of the TSOs matters a lot in governance structure and from the analysis; it is found that full time staff in such organizations ranges from 3 to 3000. While 9, 15, 30 are the number of employees that majorly organizations have, 92% organizations have members in the organization that are attached with the organization since the creation of the organization. Usually operational activities are controlled by the chief executive officer and staff and volunteers help him/her in achieving and implementing the programs and projects. 84% TSOs rely on paid staff for day to day operations of the organization. They are paid from the sources of revenue that organizations have.

1.6. **Formal Accountability and Transparency:** Accountability and transparency are the key indicators of good governance of TSOs as explained by many key respondents during interviews. For this all the accounts, financial statements are clearly maintained and available to public, government and funding bodies. Performance of the CEO is reviewed from time to time. From quantitative data analysis, it is identified that 98% TSOs maintain financial statements and 98% TSOs get them audited by a qualified auditor. Majority of the certified TSOs in Pakistan make their statements available to members or we call as general body (100%), public (77%). Website of an organization ensures transparency of an organization and 94% TSOs of Pakistan have their own websites. Monitoring and evaluation of CEO at regular intervals is also an important factor for accountability and transparency. The study found that 88% TSO’s committee/board reviews the
performance of the CEO at regular intervals. Majority of the respondents during interviews highlighted that transparency and formal procedure of accountability are the striking indicators of TSO governance but during interviews it was found that in many certified TSOs issues of transparent system of answerability do exist. As they said, “As far as governance is concerned, I would say it is all about the honest management of finances of non-profit organizations i.e. transparency and accountability of the financial statements which is the governance issue of most of the NGOs in Pakistan. Similarly, most of the third sector organizations do not get their accounts audited which negatively affect the governance mechanism and credibility of the whole third sector. In order to ensure transparency and accountability of the public funds and donations, qualified external auditors should be hired. Because allocation and utilization of funds is very sensitive issue, we should be accountable personally for our deeds in this world and hereafter.”

From quantitative as well as qualitative data analysis, the respondents were asked if board members are the key players in influencing the governance model of certified TSOs in Pakistan. It was found that without having an advisory board no TSO in Pakistan can be registered by any law and get certification, therefore, formation of the board is mandatory for TSOs in Pakistan. In corporate governance model, board members are the main internal stakeholders of the TSOs and have great importance and role in internal governance of TSOs in Pakistan.

From qualitative analysis of the data regarding the roles and responsibilities of TSO governance in Pakistan the following findings were identified:

5.2.1. Role, Responsibilities and Functions of the Board

Respondents identified major roles and responsibilities of the board members. They were asked to define the responsibilities of board members under four major theoretical concepts i.e. framework governance, operational governance, advocacy governance and board self-governance.

5.2.2. Framework Governance

In framework governance respondents figured out strategic planning, setting mission and vision of the organization, and monitoring and evaluation of the programs and policies of the organization as the major areas where board members perform their roles and functions. As one of the respondents said, “Board members are responsible for policy and decision making of the organization. There should be a shared responsibility between governing bodies and administration. Board members should delegate their powers to the administration and management of the nonprofit organization. The concept of decentralization is quite practicable in third sector organizations. Board members formulate and framework the policies
of the organization, set the mission, vision and strategic direction of the organization. After setting the policies and direction, board members are responsible to monitor the policies being implemented by the management of the organization.”

5.2.3. Operational Governance

At operational level they are responsible and function in defining, monitoring and compensating the management (personnel) and CEO of the organization. It includes selection and recruitment of the CEO and executive director of the organization, monitoring and evaluation of the performance of the CEO. They are responsible in defining role, responsibilities and policies and functions of the executive director. Moreover, defining and creating healthy relationship between board and staff members is the function of board of directors/board of trustees of the organization. “They are responsible for creating harmony and positive relationship between board and executive director of the organization. We board members develop the policies, roles and responsibilities of the executive director. The evaluation and monitoring of the performance of the CEO or executive director is again the responsibility and function of the board members.” From the responses, it is figured out that board members are responsible for the financial and budgeting issues of the organization. Respondents said that board members approve the budget of the organization and monitors the annual financial reports of the organization. “After every 6 months, we meet and monitor the budget and annual financial audit reports of the organization. No document or report can be approved without the signatures of the board members.” It is appeared from the responses that projects and programs of the organization are monitored and resource allocation for the organization is again the responsibility of the board members. Ensuring efficiency and effectiveness of the projects and programs of the organization is again the role of the board members in TSOs. “They are responsible for the allocation of resources for the projects and programs of the organization and then monitors and evaluate that programs.”

5.2.4. Advocacy governance

Advocacy governance is the main areas to be performed by the board of directors of non-profit organization. Board members are considered as the face of the organization as by majority of the respondents. The credibility and worthiness of the board members increase the goodwill of the organization. Majority of the respondents commented that, “We board members play important role in advocacy and serve as the ambassador of the organization. Board members are responsible for community awareness and they represent the organization before the community, government and corporate sector organizations.” It is also investigated that partnerships and collaborations are major indicator of good governance of TSOs, so board members play significant role in building and networking with
different national as well as international funding agencies and donors. “Board members are also responsible indirectly in attracting the donor parties and funding organizations.”

5.2.5. Board Self-Governance

As far as board members self-governance is concerned, they themselves are responsible for their deeds. No doubt there is no certain criteria laid down for the monitoring of the board members mentioned by the respondents, but in some organizations there is general body that keeps check on the performance of the board members. Otherwise board member’s credibility, past experience, expertise and skills itself make them responsible to perform their role and functions for the organization. “As far as self-governance of the board members is concerned then I would say, our past experience, expertise and skills make us responsible to work for the cause the organization is taking with it.”

Figure 2. Governance of Third Sector Organizations in Pakistan

From the findings of the study, it can be inferred that board members are the main players of the governance of TSOs in Pakistan in explaining the structure and model of governance. The overall picture of the certified TSOs in Pakistan looks quite promising when compared especially to the available limited information on the TSOs working in other developing countries.

Results of the study depict that ‘no best model’ is being adopted comprehensively in certified third sector organizations in Pakistan. Certain obligations and instructions that are necessary for the accountability, transparency and financial sustainability are very important in overall governance of third sector organizations are found in Pakistan’s context. But ideally it cannot be justified by saying that one specific model is being implemented in third sector organizations in Pakistan. Majority of the organizations have striking features showing quite relevance with corporate governance model yet all conditions of the model are not fully being fulfilled by them. It is also found by the analysis that some organizations are following dominant driving force model which are single personality driven organizations even though they have been incorporated and certified. Mostly those organizations are following dominant driving force model which are small in tenure, size and structure and in which founder is the CEO or president and holds the figure head position in an organization. In such organizations board members are recruited just to fulfill the condition of legal
requirement for registration and certification. Otherwise most of the decision and strategic plans are taken by the CEO/founder or president of the organizations. In Pakistan registration laws and certification authority obliges the TSOs to adopt certain procedures and structures. Some large, credible organizations fulfill these conditions dutifully but small and loosely organized TSOs somewhere are less credible in this regard. In Pakistan, corporate governance model is encouraged to be adopted, as it ensures more transparent and accountable procedures. Like all developing countries, citizens of Pakistan have lack of trust and reliance on this sector due to misrepresentation and inappropriate utilization of funds by some TSOs. They hesitate to involve in organized indigenous philanthropy, similarly donors and funding agencies (nationally and internationally) vacillate in investing and contributing for this sector. The corporate model of governance encourages formalized system of accountability and answerability which increases the credibility and goodwill of the organizations. So certified TSOs in Pakistan are prone towards following it. At the same time, we cannot negate the culture and context of Pakistan which has deep roots of centralization and controlled system of authority which provokes the organization having single personality driven organizations in Pakistan. Adopting certain structures and procedures of modified corporate governance model (Lyons & Nivison-Smith, 2008) by the certified third sector organizations with an aim of working for the humanity, social services and philanthropy is acknowledged as an indigenous model of governance of TSOs in Pakistan. This model can be a source of learning and adopted in other countries by contextualizing it in view of the socio-cultural, legal and economic changes. Similarly by following principles of the Quran, Sunnah and Muslim history, it is quite evident that the concept of charity has been institutionalized at organizational level in terms of structures and procedures. The principles of giving, selflessness, donating and compassion for those who are poor and need help are the hallmarks of the TSO governance in Pakistan. This provokes the key players i.e. board members to play their role with integrity and honesty in four functional areas (framework governance, operational governance, board self-governance and advocacy governance) discussed in the study. Role of the advisory board and responsibilities are well defined and being implemented by the boards in certified TSOs in Pakistan. From the findings it is also found that boards in certified TSOs in Pakistan are performing their responsibilities under framework governance, operational governance, and advocacy governance models. Nevertheless, no comprehensive responsibilities and functions are defined for board self-governance in certified TSOs in Pakistan. So, when it is discussed about the role of board in certified TSOs in Pakistan at operational, advocacy, framework governance, it means they themselves are the great source of doing philanthropy in terms of giving their valuable time, support, expertise, knowledge, personal credibility with the organizations. Moreover, in reward of their services they usually do not get any monetary gain from the said organizations.

To conclude, there are many lessons to be learned from the model of TSO governance in Pakistan when compared with other developed countries. Pakistan
is reported as one of the highest ranked countries in philanthropic activities all over the world that motivates third sector organizations to grow and provoke many renowned personalities from different spheres of life to get attached with these TSOs. Pakistan being an Islamic country has great religious values in its roots. People in Pakistan are quite generous, involve in charity and philanthropic activities quite extensively and religiously. According to John Hopkins Study conducted in 1998, in Pakistan Rs. 30 Arabs charity is being given by the people every year as Zakat. So, faith somewhere is the major driving force towards motivation of giving and returning back to the society in Pakistan. With this concept, mostly people who work in such charitable and non-profit organizations work on volunteer basis without expecting a major financial reward. Board members in mostly certified Third sector organizations in Pakistan work on volunteer basis without charging even a penny from the organization and perform their best for the betterment of the sector and society. The religious values also inspire people to work for humanity and do “Khidmat e Khalq” and this motivates people to serve for voluntary basis. Moreover, due to weak governance system at the State level, Pakistani people have fewer expectations from the governmental authorities and they organize their own efforts individually through TSOs to help their fellow brothers and sisters to fulfill their needs. However, the present research also found that due to lesser checks on performance of board members efficiency, effectiveness and growth of the TSO decreases. The findings of the study reveal that accountability, transparency, answerability, proper utilization of funds and formalized procedures are not adequately being followed in TSOs in Pakistan. Moreover, culture and contextual practices of Pakistan have shifted from last many decades. Norms, values have been deteriorated due to informality, centralization as depicted in personality driven governance model, power and politics, elitism and corruption which reflects the weakness of the governance model practicing in the country.

Nevertheless, it has been witnessed that in the Western countries people have the spirit of donating and giving back to their community for its service and betterment even without having any sound structure and procedures of charity as woven in their belief system. They also have more formalized procedures of transparent system of answerability and procedures with having more checks and balances on the working of governing body, managers and financial management. This depicts that they are having sound organizational governance models in terms of structure, procedures and functioning. So TSOs working in different countries need to learn from each other to marginalize their weaknesses and convert them into their strengths.

**Recommendations**

In the light of the above findings of the study, the following recommendations are provided for the certified third sector organizations in Pakistan:
Philanthropy demands the systematic approach and intensive involvement of governing bodies and management of the TSOs as well as the target beneficiaries. So to promote this, more collaborations and partnerships among TSOs, government and private sector should be encouraged by the board members.

System of collecting organized charity should be encouraged in TSOs in Pakistan to have broader spectrum of social service in an organized manner. In this case board members should devise such policies and procedures that encourage philanthropy by promoting fair and clear accounting, financial and auditing procedures.

There should be more transparency of governance procedures in third sector organizations as it will help donors and funding processes to be more reliable, as more transparency will enhance the credibility and goodwill of the organization. Accountability and performance procedure should be fair and more customized. Somehow, there is check on the performance of the CEO and his/her staff in the organization, but mechanism for accountability of board members not exists, so such mechanism should be designed to have more articulation and answerability of the system.

Selection process of board members in TSOs need to be formalized having proper list of person specifications and job description for the advisory board members. Board member’s availability, credibility, expertise and past experience should be properly scrutinized in view of the person and job fit as they are the key players or internal stakeholders responsible for the ultimate governance of third sector organizations in Pakistan.

Registration authorities in Pakistan should devise proper mechanism to monitor and evaluate the performance and growth of the registered organizations under respective laws.

Academia including the universities may also play an important role in this regard by initiating research, organizing seminars and imparting professional training workshops for bringing awareness among internal as well as external stakeholders on the issue.

Last but not least, it was observed by the study that ‘no best model’ of organizational governance of third sector is found in developing as well as in developed countries. So different countries should learn from each other with regard to the successful features of their models and make efforts towards developing indigenous organizational governance model for third sector organizations based on the collaborated learning in this regard.

References


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